# BEWARE OF RUSH MONEY ON COVID-19 PANDEMIC CONDITIONS IN BANKS AND VILLAGE MICRO-FINANCE INSTITUTIONS

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**ABSTRACT**

*Banking businesses and financial institutions are very vulnerable to problems with their customers, especially in crisis conditions or other country events, for example the current covid 19 pandemic. When the country's economy is in decline, people's incomes decline, poverty levels soar and people's businesses go bankrupt and find it difficult to meet their needs. community life. Banks and financial institutions are in the spotlight because of indications of massive withdrawals of customer funds blowing fast in the community. however, apart from all forms of "provocation" in the community, banks and other financial institutions must prepare anticipatory steps for such incidents. In particular, currently the economic support for the Balinese people is the Village Credit Institution, which is a microfinance institution at the village level. This financial institution is the foundation of the village community in Bali, but if this institution does not win the trust of the community, then danger will hit. From several institutions that exist in several villages there has been a rush of money, but the village apparatus has been able to suppress it. The traditional model of saving financial institutions and an approach with the community is an option for the administrators of this institution. The threat of rush money always occurs if public confidence begins to decline in this financial institution. The traditional model of saving financial institutions and an approach to the community is an option for the administrators of this institution. The threat of rush money always occurs if public confidence begins to decline in this financial institution. The traditional model of saving financial institutions and an approach with the community is an option for the administrators of this institution. The threat of rush money always occurs if public confidence begins to decline in this financial institution.*

Keywords*:* rush money, bank run, pandemic covid 19, microfinance institutions, public trust

## PRELIMINARY

Indonesia has experienced a rush or panic in financial institutions or large-scale withdrawals of customer funds in the 1997s after the monetary crisis. At that time, the condition of Indonesia's financial institutions was in poor condition with poor management conditions and unhealthy asset conditions. In addition, the existing regulations and financial system at that time were not strong enough to withstand financial risks and financial institutions because there was no guarantee for deposits (currently the Deposit Insurance Corporation) (Irawanto, 2018; Ulum, 2008). A very valuable lesson during the economic and monetary crisis in 1997 was the importance of maintaining the health of the financial system and financial institutions, as well as proper and prompt handling when a crisis occurred. Therefore, in good financial condition and financial institutions, efforts to disrupt financial system stability must be prevented in such a way as not to be affected by irresponsible issues.(Ardana et al., 2017; Juniariani & Saputra, 2020).

Learning from the 1997 crisis, the economic costs that must be incurred by the crisis are very expensive with years of recovery time. Don't we realize that the monetary crisis and financial institutions have not only disrupted the stability of the financial system, but several industries that were built with difficulty over the years have to die and financial institutions collapsed due to the crisis at that time? (Bagheri & Akbarpour, 2016; Maldonado & Vera, 2014). Therefore, it is our duty as citizens to not be careless in responding to any issues, and always think clearly that stupidity due to trivial things can lead to serious problems for the Indonesian economy (International Finance Corporation, 2010; Muttaqin & Dharmayanti, 2017).

At the end of 2020, the topic of rush money was widely discussed in the community. This issue arose because the country's economic conditions did not improve in the midst of the pandemic. The phenomenon of rush money or also known as run financial institutions is driven by public panic (Saputra, Trisnadewi, et al., 2019). The issue of unstable economic conditions even tends to continue to decline, making customers not think long. After all, cash is the most practical means of transactions today. Customers may also worry that financial institutions will no longer be able to return their money if they do not collect it immediately. In fact, the massive withdrawal of funds caused financial institutions to collapse (Gunawan, 2009).

This money rush occurs because it is driven by public trust in financial institutions (Juniariani & Saputra, 2020; Saputra, Trisnadewi, et al., 2019). The cause of this incident is usually triggered by troubled financial institutions, economic crises, or other things that can undermine public confidence in financial institutions. As is happening in Bali today, people's trust is starting to fade towards village-level microfinance institutions, namely village credit institutions. One example is what happened in Klungkung district. Residents acknowledged the financial irregularities of the village credit institution after many residents tried to withdraw money but it did not go away. Even the local village authorities have conducted a financial audit until a difference of almost 12 billion rupiahs was found. Meanwhile, the head of village credit institutions, Dawan Kelod, admitted that the unstable financial condition of village credit institutions had occurred since the Covid-19 pandemic one year ago. Many credit installments cannot be paid by customers because of the economic crisis that occurred. "This makes it difficult for his party to pay for customer withdrawals." Currently, the Klungkung district police are still investigating the alleged embezzlement allegedly committed by the management of the microfinance institution based on reports from the public. This is pending the results of the audit of the Supreme Audit Agency.

rush moneyoften driven by provocateurs who raise worrying issues (Fall et al., 2015; Jayawarsa et al., 2021; Nuwagaba & Brighton, 2014). However, some are caused by the actions of the customers themselves. Usually, this action is taken because the financial institution is considered unable to manage the stored funds. In this article, we will study what causes reush money to occur, how it affects the economy, and how to overcome it as well as solutions that need to be carried out by both financial institutions and the public.

## LITERATURE REVIEW

### Rush Money

Rushcan cause healthy financial institutions to experience liquidity problems which lead to solvency problems. This is because the characteristics of financial institutions in general are "borrow short, lend long", or in simple language is borrowing in short maturities and lending again with long maturities. The implication is that 80% of public funds will be allocated directly into long-term loans. So that there is approximately 10-20% of cash left in safes or offices of financial institutions. Therefore, if there is a joint withdrawal of money, any financial institution in the world will not be able to meet this demand. This is not because financial institutions are unhealthy,

Rush money is the withdrawal of funds from financial institutions by third parties or the public en masse. As we understand that financial institutions are business entities that collect funds from the public in the form of savings and distribute them to the public in order to improve the standard of living of many people (according to Law number 10 of 1998). ). Funds from the public collected by financial institutions are also referred to as Third Party Funds. Sources of funds from the public are the most important source of funds for the operational activities of financial institutions and are a measure of the success of financial institutions if they are able to finance their operations from these funding sources (Calvo, 2012). Moreover, during the high consumption behavior of society, this opportunity is used by financial institutions to attract funds from the public as much as possible through consumer credit products that tempt potential consumers. On the other hand, financial institutions make savings products with low interest rates. If people's behavior is still like that, then the longer they will be more dependent on financial institutions. Actually there is no prohibition for customers to withdraw their funds from financial institutions.

### Banking

The bank's business strategy is one of the keys to the success of a bank to be able to continue to participate in global competition that continues to heat up and makes banks have to move dynamically to adapt to the movement of increasingly fierce competition (Asfour & Haddad, 2014; Mufingatun et al., 2020). Customers are also now becoming more critical and not like they used to be, who only want to save without checking the bank policies to which they become customers or customers. Therefore, here will be discussedregarding a good marketing strategy so that a bank can compete well in the midst of global competition between local and international banks (He et al., 2015; Murphy & Albu, 2018). Indeed, in relation to competition, the services used by banks to collaborate with customers are still the main key to success (Singh & Sinha, 2016; Yu, 2009). Therefore, every bank that wants to continue to compete smoothly, still maintain the friendliness of the service and the accuracy of the service, especially in online services, will also improve the data security system from customers so that they cannot be hacked by irresponsible people (Ha & Quyen, 2018; Ishengoma, 2011).

### Village Credit Institution

Village Credit Institutions are financial institutions owned by Pekraman Village, which carry out financial functions and manage financial resources that belong to Pakraman Village in the form of savings and loans. Providers of living financing needs for members of the Pakraman Village community, either individually or together, in order to develop the socio-cultural and religious functions of the Pakraman Village community (Saputra, Jayawarsa, et al., 2019; Saputra, Trisnadewi, et al., 2019). Problems in Village Credit Institutions often arise when Law Number 7 of 1992 concerning Financial Institutions comes into effect, which has been changed to Law Number 10 of 1998 concerning Financial Institutions. The existence of the Village Credit Institution is starting to become a problem for Indonesian financial institutions (Juniariani & Saputra, 2020; Saputra, Trisnadewi, et al., 2019; Suardikha, 2013). Indonesian financial institutions have the opinion that Village Credit Institutions carry out their activities the same as financial institutions and must comply with regulations regarding financial institutions. In an effort to provide confirmation regarding this matter, Indonesian financial institutions use Law Number 10 of 1998 concerning Financial Institutions, which gives the status of Rural Banks to Village Credit Institutions. Village Credit Institutions carrying out financial Institution activities are indeed true, but judging from the background, Village Credit Institutions are not the same as financial institutions and cannot be equated with financial institutions (Saputra & Tama, 2017; Sara et al., 2020, 2021).

### Trust

Trust is the foundation of a relationship. A relationship between two or more parties will occur if each trusts each other (Bontis, 1998; Tran, 2019). This trust cannot simply be recognized by other parties, but must be built from the beginning and can be proven (Devaney, 2016; Rauniar et al., 2014). In the economic world, trust has been considered as a catalyst in various transactions between sellers and buyers so that consumer satisfaction can be realized as expected (Gupta et al., 2019; Yousaf et al., 2016). When the Village Credit Institutions in Bali are faced with various problems, providing liquidity funds is one of the Village Credit Institutions' efforts to maintain the trust of local traditional villagers who are customers of village credit institutions (Morgan et al., 1996; Yousaf et al., 2016). During this pandemic, the administrators and employees of the village credit institution are working extra to increase the people's trust in this traditional village-owned financial institution (Das et al., 2019; Predana et al., 2020).Based on the explanation above, it can be concluded that trust is an individual's belief in the goodness of other individuals or groups in carrying out their duties and obligations for the common good. In addition to voluntary funds for the implementation of religious ceremonies, village credit institutions have also provided benefits to the community in the form of providing death compensation for people who experience grief. Including the distribution of gifts at certain moments, and several other social activities (Nestle et al., 2019; Predana et al., 2020; Tran, 2019).

## METHOD

The research method is literature review or literature study, which contains theories relevant to research problems. In this section, an assessment of the concepts and theories used is carried out based on the available literature, especially from articles published in various scientific journals. Literature review serves to build concepts or theories that form the basis of studies in research. Literature review or literature study is an activity that is required in research, especially academic research whose main goal is to develop theoretical aspects as well as aspects of practical benefits.

## RESULTS AND DISCUSSION

### Phenomenon of Rush Money

Worries about the impact of the Corona outbreak have caused Indonesia, especially microfinance institutions at the village level, which are still relatively weak to be aware of rush money, called the Head of the Cooperation Agency for Village Credit Institutions in Bali, experienced by Indonesia during the monetary crisis in 1997-1998, where the risk of economic paralysis due to growing sentiment in the country increases the potential for massive withdrawals of funds from financial institutions (rush money). However, economists see that the current state of panic is not big enough to cause a rush of money. This was also confirmed by a statement quoted from Kontan magazine, April 1, 2020, that the Financial Services Authority stated that it had prepared a number of steps to anticipate the impact of Covid-19 on the financial institution sector.

The condition that must be understood in this case is the condition of fear and panic of customers, or their distrust in the ability of financial institutions to run their business (Shin, 2009). If this happens, the risk of financial institutions to go bankrupt will be higher if all customers withdraw their money (Uhlig, 2010). So, what was initially only a mass panic, could escalate into the bankruptcy of financial institutions as a whole.The money rush undermines the most important elements in the Indonesian financial institution system: public trust, solvency and profitability of financial institutions. This damage ultimately made many financial institutions bankrupt or out of business (Shin, 2009).

Then, around November 2016, a similar issue erupted again. At that time, the Governor of DKI Jakarta Basuki Tjahaja Poernama again ran for governor for the next period. A number of individuals are known to invite the public to rush money, take all the money saved in private financial institutions and transfer it to Islamic financial institutions or personal savings. Money rush is very likely to occur when conditions in a country or central region are unstable, so that people who have cash in financial institutions feel unsure about keeping their money there. Instead, they prefer to withdraw the money and keep it for themselves in other ways (Shin, 2009).

Quoting from the insurance company page Lifepal.id, the term rush money is actually only popular in Indonesia, while in other countries the term financial institution run is more widely used for the same phenomenon (Brown et al., 2017). If there is a rush of money or a financial institution runs, the financial institution that initially had no problems then becomes weak, because it must return the amount of customer money that was withdrawn at the same time. In fact, money from customers is one of the largest sources of income for financial institutions and is used to rotate their services. When a financial institution's cash reserves are no longer sufficient to serve customers who withdraw their funds, the financial institution must sell its assets. If it still does not cover existing needs, then financial institutions will also experience default (Brown et al., 2017)

If this is the case, the government will be forced to share in the consequences of the rush of money that occurs by channeling aid funds from bonds. Worse, the impact of rush money can cause an economic recession that will make it difficult for the wider community (Chakravarty et al., 2014). To prevent unwanted things from happening, financial institutions have taken a number of anticipatory steps. For example, slowing down cash withdrawals by imposing cash withdrawal restrictions to closing financial institutions on certain days. Financial institutions will also borrow reserve funds from central financial institutions to meet large cash withdrawal requests made by customers at the same time (Diamond & Dybvig, 1983).

### Causes of Money Rush

The Financial Services Authority has indicated that a handful of individuals are trying to encourage customers to withdraw their deposits from financial institutions so that a money rush occurs. However, the financial services authority asked the public to remain calm and stated that the banking industry is currently in a stable condition. The same problem happened to village credit institutions in Bali, one of which was in the village of Anturan, Buleleng Regency. The liquidity problem of the Anturan Village Credit Institution is now revolving to the local government. Buleleng Regent Putu Agus Suradnyana asked the management of the Anturan Village Credit Institution to temporarily stop their financial activities. At least until the audit conducted by the independent team is completed. The problem of liquidity in the Anturan village credit institution has been rolling since the beginning of the pandemic. At that time this financial institution began to limit the withdrawal of funds at the Anturan Village Credit Institution. The reason is that there are hundreds of billions suddenly stuck, because of the pandemic situation. Bad credit has a domino effect. Because there are deposits that are also due, but cannot be disbursed. Auditors are asked to complete real data. Especially related to the existence of the assets of the Anturan Village Credit Institution. During the audit process, the management of the Anturan Village Credit Institution was asked to stop their business activities. Management and staff were asked to concentrate on providing data support to the auditors, so that the audit process was immediately completed. Moreover, the assets that revolve around the Anturan Village Credit Institution are no less than 200 billion Rupiah. Bad credit has a domino effect. Because there are deposits that are also due, but cannot be withdrawn yet. Auditors are asked to complete real data. Especially related to the existence of the assets of the Anturan Village Credit Institution. During the audit process, the management of the Anturan Village Credit Institution was asked to stop their business activities. Management and staff were asked to concentrate on providing data support to the auditors, so that the audit process was immediately completed. Moreover, the assets that revolve around the Anturan Village Credit Institution are no less than 200 billion Rupiah. Bad credit has a domino effect. Because there are deposits that are also due, but cannot be disbursed. Auditors are asked to complete real data. Especially related to the existence of the assets of the Anturan Village Credit Institution. During the audit process, the management of the Anturan Village Credit Institution was asked to stop their business activities. Management and staff were asked to concentrate on providing data support to the auditors, so that the audit process was immediately completed. Moreover, the assets that revolve around the Anturan Village Credit Institution are no less than 200 billion Rupiah. The management of the Anturan Village Credit Institution was asked to stop their business activities. Management and staff were asked to concentrate on providing data support to the auditors, so that the audit process was immediately completed. Moreover, the assets that revolve around the Anturan Village Credit Institution are no less than 200 billion Rupiah. The management of the Anturan Village Credit Institution was asked to stop their business activities. Management and staff were asked to concentrate on providing data support to the auditors, so that the audit process was immediately completed. Moreover, the assets that revolve around the Anturan Village Credit Institution are no less than 200 billion Rupiah.

The rush money condition is caused by various things related to customer psychology and the internal conditions of rural credit institutions/other financial institutions (Goldsmith-Pinkham & Yorulmazer, 2010). The following is an analysis related to the causes of rush money in village credit institutions according to written references from various sources and experiences, 1). based on anxiety and excessive panic Rush money is the same as a panic attack in buying and selling shares. The customer decides to withdraw all the money in the bank account because he is attacked by excessive panic and anxiety. This can arise because hoax information circulates about invitations to rush money on social media, broadcasts on instant messaging applications, and others. 2). Banks or other financial institutions are unable to manage funds in an emergency. Besides that, customers do rush money because they think financial institutions are not able to manage customer funds properly, especially in critical situations. Instead of a big loss later, it is better for the customer to withdraw the money. Even if you lose, the amount can still be tolerated. 3). There are provocateurs. The presence of provocateurs can trigger a money rush. Information or news that is spread, inserted a message for a specific purpose. For example, the money rush hoax, is urged to the public to withdraw their money from banks and ATMs now at private banks and state-owned banks so that this regime shakes. If this message is trusted by the public, then they will definitely rush money. 4). Economic conditions are not good. Another reason why many people withdraw their funds massively at the same time is the deteriorating economic conditions in a country. They think the bank or financial institution will definitely go bankrupt. Instead of losing money later, it is better to withdraw all the money now from the bank account (Yada et al., 2008).

**Impact of Money Rush on the Economy**

If there is an invitation, call, or call to rush money, immediately report it to the Financial Services Authority or the police. Because the act of rushing money will only make the economy and the country more difficult, not profitable.Withdrawal of money on a large scale certainly has a major impact on the economy of a country: 1). The bank or financial institution is short of cash and goes bankrupt. A bank has large Third Party Funds, high credit distribution, it's because of customer deposits that are played for the banking credit business. Just imagine if all customers withdraw their funds at the same time, financial institutions no longer have cash. If there is a shortage of funds, financial institutions cannot carry out their business activities or operational activities and eventually go bankrupt. 2). Make customers lose. Rush money makes people who become customers suffer losses. Because it has withdrawn deposits that have not yet matured, so the value has fallen. 3). Profitable provocateur. If you are provoked by an invitation to rush money, provocateur who will smile at your suffering. Provocateurs profit especially if they are irresponsible parties. Taking advantage of fluctuations in exchange rates and stock indexes due to public panic. 4). Harm the economy. Rush money endangers business actors and the economy because the circulation of money does not work (Postlewaite & Vives, 1987).

In the banking business, the condition of rush money is the most widespread issue. Rush money is often driven by provocateurs who raise worrying issues. However, some are caused by the actions of the customers themselves. Usually, this action is taken because the bank is considered unable to manage the stored funds. There are a number of impacts of rush money on banks or the country as a whole that the public needs to know. First, banks will run out of cash (Diamond & Dybvig, 1983). As a result, the bank's operational costs are not met. If not assisted by Bank Indonesia, this bank will probably go bankrupt. Second, customers also experience losses, especially customers who have deposits and are about to mature (Engineer, 1989). Because they ran out of cash, the bank couldn't pay.

rush moneyis an undesirable condition. But it is undeniable that there are people who are looking forprofitif a money rush or bank run actually occurs. So that provocations are often carried out to spread excessive anxiety in the community. The cause of rush money is the loss of public trust, especially banking customers, to the bank where they deposit money. This loss of customer trust can be triggered by several factors such as bank management errors, corruption cases in the bank, as well as the overall economic crisis that hit a country. In addition, riots and a heated political situation can also be the cause of a money rush or bank run (Goldsmith-Pinkham & Yorulmazer, 2010). People are worried that the bank where they deposit money will go bankrupt and cannot return the customer's money. These customer deposits can be in the form of savings, time deposits, or other banking products. The impact that may occur from the issue of rush money is that the bank is actually fine, but due to the withdrawal of large amounts of money from customers, the bank can become completely bankrupt (Andolfatto & Sultanum, 2017). Massive withdrawals of money by several groups of customers can trigger panic among other customers and make withdrawals as well. People are really wondering what will happen. Moreover, there are prominent people who make large withdrawals of money as well. This will make followers panic even more (Goldsmith-Pinkham & Yorulmazer, 2010). Finally, this wave of money withdrawals is getting bigger and harder to control (Wibowo, 2018). however, due to the withdrawal of large amounts of money from customers, the bank could become completely bankrupt (Andolfatto & Sultanum, 2017). Massive withdrawals of money by several groups of customers can trigger panic among other customers and make withdrawals as well. People are really wondering what will happen. Moreover, there are reputable people who make withdrawals of large amounts of money as well. This will make followers panic even more (Goldsmith-Pinkham & Yorulmazer, 2010). Finally, this wave of money withdrawals is getting bigger and harder to control (Wibowo, 2018). however, due to the withdrawal of large amounts of money from customers, the bank could become completely bankrupt (Andolfatto & Sultanum, 2017). Massive withdrawals of money by several groups of customers can trigger panic among other customers and make withdrawals as well. People are really wondering what will happen. Moreover, there are prominent people who make large withdrawals of money as well. This will make followers panic even more (Goldsmith-Pinkham & Yorulmazer, 2010). Finally, this wave of money withdrawals is getting bigger and harder to control (Wibowo, 2018). Massive withdrawals of money by several groups of customers can trigger panic among other customers and make withdrawals as well. People are really wondering what will happen. Moreover, there are prominent people who make large withdrawals of money as well. This will make followers panic even more (Goldsmith-Pinkham & Yorulmazer, 2010). Finally, this wave of money withdrawals is getting bigger and harder to control (Wibowo, 2018). Massive withdrawals of money by several groups of customers can trigger panic among other customers and make withdrawals as well. People are really wondering what will happen. Moreover, there are prominent people who make large withdrawals of money as well. This will make followers panic even more (Goldsmith-Pinkham & Yorulmazer, 2010). Finally, this wave of money withdrawals is getting bigger and harder to control (Wibowo, 2018).

Another impact of rush money is that the government has to disburse large funds to help banks that have failed to pay. This needs to be done to maintain public trust in banking. The government is trying to keep the impact of rush money that hit one bank from spreading to other banks. The most feared impact is the occurrence of an even more severe economic recession (Goldsmith-Pinkham & Yorulmazer, 2010). This economic recession will affect all levels of society, especially the lower middle class. It can take years to recover. Need support from all parties to be able to restore the economy after the economic recession (Andolfatto & Sultanum, 2017).

The direct impact of the massive withdrawal of funds resulted in banks experiencing large liquidity difficulties and followed by a shortage of liquidity in the economy as a whole (Wibowo, 2018). The condition was exacerbated by the soaring interest rates on the Interbank Money Market by up to 300 percent per year. The bank is unable to repay the loan which then causes the lending bank to be affected. There was a domino effect that made banking conditions very vulnerable. There are even more banks with negative balances in their current accounts at Bank Indonesia. If left unchecked will cause economic paralysis. The government finally adopted a policy of overall banking stabilization and reform. This policy is expected to restore national banking confidence and support exchange rate stabilization (Budiasni & Ayuni, 2021). Sadly, government finances at that time were not sufficient to implement the guarantee program. Bank Indonesia finally provided assistance by providing bailout funds. Because it is a bailout, the government is still required to pay it at a later date. This facility from BI is known as Bank Indonesia Liquidity Assistance (Budiasni & Ayuni, 2021).

**Avoid Rush Money**

rush moneyThe largest ever occurred during the Great Depression between 1929 and 1939 that hit the United States. At that time, people flocked to withdraw money from banks. This, in turn, exacerbated the slump in the economy. In Indonesia itself, rush money occurred during the 1997-1998 economic crisis. At that time the value of the rupiah fell and caused concern in the community. The riots made conditions difficult to control. Many people panic too much and take all their money in the bank. The issue of this impending rush of money often circulates in the community (Sara, 2021). But in reality, most of these issues are deliberately blown by irresponsible people who take advantage if there is a money rush. Therefore, as an intelligent society, we need to know about the meaning of rush money and what causes rush money and the impact it has. In addition, if word gets out about a money rush, it is very important to understand how to deal with rush money (Uhlig, 2010).

rush moneybecome a scourge for the worldbanking. Therefore, banks already have anticipatory steps that will be taken if it is suspected that a money rush will occur (Sara, 2021). Here's how to deal with rush money by banks.

1. Implement cash withdrawal limits or limits to slow down public withdrawals.
2. If necessary, bank operations are closed on certain days to provide better service in the face of massive withdrawals from customers.
3. Make loans to other banks and central banks such as Bank Indonesia. This is done so that banks have sufficient cash reserves to meet cash withdrawal requests from customers.
4. Include insurance for customer deposits in the bank.
5. Deposit guarantees at LPS or the Deposit Insurance Corporation.

As a society, what should we do to deal with the possibility of a money rush? First, we need to be careful in receiving information. Make sure the information you receive comes from a trusted source. Then, the way to deal with rush money that needs to be applied is to keep thinking clearly and not to panic easily. If you see people making massive withdrawals, you don't have to jump right in. Study the conditions in advance and make decisions based on accurate data (Sara, 2021).

In conditions of an economic recession full of uncertainty, you should follow the advice of the government. The government and banks will try hard to maintain trustPublic (McCandless et al., 2003). Therefore, you should not make things worse by joining the aggravation of rush money. Now you know about rush money, its causes and effects. So you can apply the right way to deal with a money rush and don't panic too much when you find out that there will be a money rush issue (Williamson, 1988).Rush money is one of the conditions that may occur and can cause losses. In addition to rush money, of course around us there are also things that might cause material losses. Call it the occurrence of fraud, decision-making errors, accidents, and fire accidents. In essence, we need to manage our assets with careful planning and proper execution. Diversifying is useful for spreading financial risks that may occur in the future. In addition, do not forget to invest (McCandless et al., 2003).

**CONCLUSION**

The phenomenon of rush money or also known as bank run is driven by public panic. The issue of unstable economic conditions even tends to continue to decline, making customers not think long. After all, cash is the most practical means of transactions today. Customers may also worry that banks and other financial institutions will no longer be able to return their money if they do not collect it immediately. In fact, the massive withdrawal of funds caused the bank to collapse.rush money often driven by provocateurs who raise worrying issues. However, some are caused by the actions of the customers themselves. Usually, this action is taken because the bank is considered unable to manage the stored funds. The task of the bank as a financial institution is to prevent and counteract the issue of rush money circulating among the public. There are several steps that banks can take, such as imposing a limit on withdrawals at the same time.

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