

**ECONOMICS ON BUSINESS SUSTAINABILITY  
(STUDY ON MSMEs IN MAKASSAR CITY)****Idra Wahyuni<sup>1)</sup>, Maghfirah<sup>2)</sup>, Zalkha Soraya<sup>3)</sup>**

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*This research aims to examine the influence of digital financial literacy and economic literacy on business sustainability (Study on MSMEs in Makassar City). The type of research used in this research is a quantitative survey method. The MSME sample consisted of 100 samples selected using the purposive sampling method. The data in the sample was selected using primary data obtained using a distributed questionnaire. The data analysis methods used are data validation tests, reliability tests, classical assumption tests, multiple linear regression tests, and hypothesis tests using the SPSS 26 analysis tool. The results of the research show that digital financial literacy and economic literacy have a positive and significant effect on business sustainability in Makassar city.*

***Keywords: Digital Financial Literacy, Economic Literacy, Business Sustainability***

**INTRODUCTION**

MSME sustainability is a form of success for MSMEs in maintaining their business by utilizing all available resources. Either in the form of human resources or capital resources owned to run Micro, Small and Medium Enterprises. Things that influence sustainability, especially in MSMEs, can be influenced by many factors, one of which is financial literacy. (Mikro and Sari 2023)

Business continuity must be completely maintained in order to remain competitive in the market. Dynamic and fluctuating competitive conditions make SMEs sensitive to changes, so SMEs must build competitive advantages in order to have an advantage in competition and be sustainable in the market. Business continuity is influenced by several factors that cause a business to become strong and survive, including compiling a business plan, general updating of the business plan, analyzing competitors, ease of entering the business, and the ability to calculate risks. Business sustainability can be seen from success in innovation, employee and customer management. (Panggabean and Dalimunthe 2018)

Financial literacy is important to help individuals manage finances. Financial literacy also supports economic functioning and increases the use of financial products and services. The long-term goal of financial literacy is to increase the level of literacy and the number of users of financial products, as well as improve the rotation of the economic wheels. In supporting economic functions, financial literacy is needed to create a perfect rotation of the economic wheels.

Communities must be able to understand basic economic concepts in allocating income and determining priority scales and making decisions in utilizing limited resources to meet their needs. Economic actors, both consumers and producers, want to have high economic literacy.

This aims to ensure that economic actors are able to allocate limited resources to meet all their unlimited needs. Challenge after challenge arises along with current developments in technology and information.

Economic activities can create opportunities and threats for the perpetrators. Therefore, economic actors who have high economic literacy will definitely be able to turn every threat and challenge into an opportunity that can bring profits and benefits for the sustainability of a balanced economy. (Aditya Dewantari 2021)

## METHOD

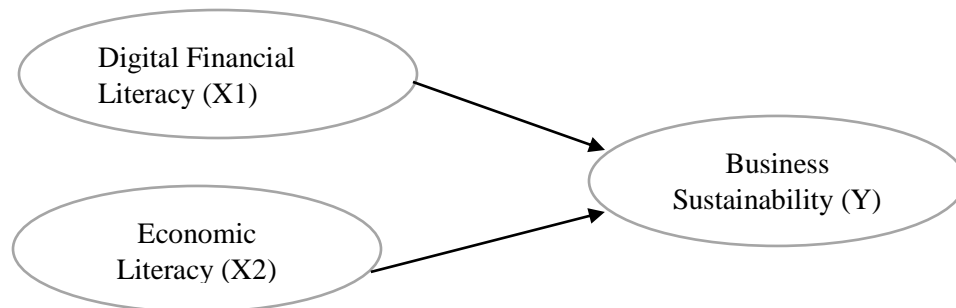
### Types of research

This research uses a quantitative survey method by processing the primary data obtained respondents' answers to questionnaire questions and statements distributed to respondents.

### Conceptual framework

Based on the description given in the conceptual framework below, the independent variables in this research is digital financial literacy (X1) and economic literacy (X2) and the dependent variable in this research is business sustainability (Y).

Figure 1. Conceptual Framework



### Population and Sample

The population in this study were all MSME actors in Makassar City. Based on data from the Makassar City MSME service, the number of MSMEs in Makassar City is 19,000 MSMEs. Sampling was carried out using the Slovin formula, so the sample obtained was 100 respondents. The collection method is using a purposive sampling method.

### Research instrument

Answer selection uses a Likert scale, namely a strongly agree answer is worth 5, an agree answer is worth 4, a neutral answer is worth 3, a disagree answer is worth 2 and a strongly disagree answer is worth 1.

### Data analysis method

The data analysis methods used are validation tests, reliability tests, multiple linear regression tests and hypothesis testing using the SPSS 26 analysis tool.

## RESULTS AND DISCUSSION

### RESULTS

#### Validity test

Validity testing in this research was carried out with 100 respondents with a significance level of 5% and using the SPSS 26 application. Decision making was based on  $r_{count} > r_{table}$  of 0.196 with an explanation as in the table below:

**Table 1. Validity Test Results**

Variable	Question	$r_{hitung}$	$R_{tabel}$	Information
Digital Financial Literacy	X1.1	0,607	0,196	Valid
	X1.2	0,496	0,196	Valid
	X1.3	0,681	0,196	Valid
	X1.4	0,636	0,196	Valid
	X1.5	0,635	0,196	Valid
Economic Literacy	X2.1	0,566	0,196	Valid
	X2.2	0,692	0,196	Valid
	X2.3	0,683	0,196	Valid
	X2.4	0,710	0,196	Valid
	X2.5	0,640	0,196	Valid
	X2.6	0,703	0,196	Valid
Business sustainability	Y.1	0,675	0,196	Valid
	Y.2	0,717	0,196	Valid
	Y.3	0,658	0,196	Valid
	Y.4	0,556	0,196	Valid
	Y.5	0,663	0,196	Valid

Source: Data processed by SPSS 26, 2024

Based on table 1 above, it can be concluded that the total score for each statement for variables X1, Thus, all research variable statement items are valid.

#### Reliability Test

Reliability testing was carried out by looking at the Cronbach Alpha coefficient. Cronbach Alpha is considered reliable if it is  $> 0.6$ . The closer the Cronbach Alpha is to a value of 1, the higher the level of reliability. The results of reliability testing on this research variable are as follows:

**Table 2. Reliability Test Results**

Variable	Number of questions	Cronbach Alpha	Criteria	Decision
Digital Financial Literacy	5	0,649	0,6	Reable
Economic Literacy	6	0,739	0,6	Reable
Business sustainability	5	0,668	0,6	Reable

Source: Data processed by SPSS 26, 2024

Based on table 2 above, it can be concluded that all variables have quite large alpha coefficients, namely above 0.60 so it can be said that all variables from the questionnaire are reliable. all statements in The questionnaire is considered reliable because the Cronbach's Alpha value for each variable is > 0.60.

### Multiple Linear Regression Analysis

**Table 3. Results of Multiple Linear Analysis**

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,210	1,696		4,842	,000
	Digital Financial Literacy	,217	,076	,258	2,847	,005
	Economic Literacy	,279	,070	,358	3,955	,000

a. Dependent Variable: Business sustainability

Source: Data processed by SPSS 26, 2024

Based on table 3 above, the regression equation is obtained, namely:

$$Y = \alpha + b_1X_1 + b_2X_2 + e$$

$$Y = 8,210 + 0,217 X_1 + 0,279 X_2 + e$$

A constant value of 8,210 indicates that if the dependent variable, namely business sustainability, has a value of zero, then business sustainability has a constant value of 8,210%. The digital financial literacy coefficient value of 0.217 indicates that increasing digital financial literacy by one numerical unit will result in an increase in business sustainability of 0.217% assuming other variables are constant. The economic literacy coefficient value of 0.279 indicates that an increase in economic literacy by one numerical unit will result in an increase in business sustainability of 0.279% assuming other variables remain constant.

**T Test (Partial Test)**

The T test is used to determine the partial influence of the independent variable or Digital financial literacy and Economic Literacy variables on the dependent variable or performance variable MSMEs. The basis for decision making in this test is that if the significant value is  $<0.05$  then the alternative hypothesis is valid and vice versa. Another basis for decision making is by comparing the tcount and ttable values. If  $tcount > ttable$  then the alternative hypothesis is accepted. In this study the sample numbered 100, with an error rate of 0.05 with degrees of freedom =  $(df = n - k - 1) = (100 - 2 - 1 = 97)$  so that a ttable value of 1.984 was obtained.

**Table 4. T Test Results  
Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,210	1,696		4,842	,000
	Digital Financial Literacy	,217	,076	,258	2,847	,005
	Economic Literacy	,279	,070	,358	3,955	,000

a. Dependent Variable: Business sustainability

Source: Data processed by SPSS 26, 2024

Based on table 4 above, variable X1 shows that based on the probability value of the Digital financial literacy variable it is  $0.005 < 0.05$ . Then, if based on the comparison we get  $2,847 > 1,984$ , it can be concluded that digital financial literacy has a significant effect on the sustainability of MSMEs. The variable X2 shows that based on the probability value of the Economic Literacy variable it is  $0.000 < 0.05$ . Then, if based on the comparison we get  $3.955 > 1.984$ , it can be concluded that Economic Literacy has a significant effect on Business Sustainability.

**Determination Coefficient Test (R2)**

Table 5. Coefficient of Determination Test Results				
Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,468 <sup>a</sup>	,219	,203	3,103

a. Predictors: (Constant), X2, X1

Source: Data processed by SPSS 26, 2024

Based on table 6 above, it shows that the R Square value is 0.219. This indicates that the contribution of variables X1 and X2 to variable Y is 21.9%, while the rest is determined by other factors outside the model which were not detected in this research.

**DISCUSSION****The Effect of Digital Financial Literacy on Business Sustainability**

Based on partial test findings, the hypothesis regarding the correlation between digital financial literacy (X1) and business sustainability (Y) is accepted. Digital financial literacy helps individuals to understand the risks and potential returns of various financial options. With better understanding, individuals tend to make more informed and logical financial decisions, which in turn can improve their ability to manage their finances effectively. In addition, digital financial literacy can help individuals understand the consequences of debt and encourage responsible debt management practices, especially for MSME players who need this. They can become more wary of excessive debt and more likely to manage their debt in wise ways, such as paying bills on time and avoiding unnecessary debt.

Empirical research has confirmed that a high level of financial literacy is correlated with better financial management behavior. However, it is important to note that financial literacy is only one of many factors that influence a person's financial behavior. Other factors such as habits, attitudes toward risk, and personal financial situation also have a significant impact. The results of this research are in line with research conducted by (Idawati and Pratama 2020) and (Ardiansyah and Febriana 2023) who stated that digital financial literacy has a positive and significant effect on the sustainability of Makassar City businesses.

**The influence of economic literacy on business sustainability**

Based on partial test findings, the hypothesis regarding the correlation between economic literacy (X2) and business sustainability (Y) is accepted. These results strengthen the view that a strong understanding of economic aspects can be key in improving the operational sustainability of a business. Thus, the conclusions obtained from the partial test confirm that economic literacy is not just a supporting factor, but more than that, is an essential foundation in achieving the desired business sustainability. So, with confidence, we can state that the hypothesis regarding the correlation between Economic Literacy and Business Sustainability is worthy of acceptance."

"Research has shown that a positive attitude towards finances can play a very important role in improving an individual's financial management skills. With a supportive attitude, a person tends to have a better ability to manage their finances wisely. This not only improves personal financial stability them, but also promote sustainable economic growth. Therefore, in-depth knowledge of the correlation between a positive attitude towards finance and good financial management behavior is essential ", especially in supporting the sustainability of MSME businesses in Makassar City."

**CONCLUSION**

This research has the title "Analysis of digital financial literacy and economic literacy" on business sustainability (Study on MSMEs in Makassar City) with a total of 100 respondents who are business actors in the trade sector in Makassar City. . The research results show that digital financial literacy has a significant positive effect on business sustainability in the city of Makassar. This means that if Makassar city MSMEs have digital financial literacy and make good use of it in their businesses, it will improve the performance and sustainability of Makassar city businesses. So it can be concluded that H1 is accepted. Economic literacy (X2) from the research results shows that economic literacy has a positive and significant effect on business sustainability in the city of Makassar, so it can be interpreted that economic literacy increases

and is easy to use well, which will increase business sustainability in the city of Makassar and it can be concluded that H2 is accepted.

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