

The Influence Of Financial Literacy On The Financial Management Of Umkm South Bontonopo District, Gowa Regency

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Abstract

This type of research uses a descriptive method with a quantitative approach, which aims to determine the influence of financial literacy on financial management of MSMEs in South Bontonopo District, Gowa Regency. This research was carried out in South Bontonopo District, Gowa Regency, which took place from 7 May 2024 to 7 July 2024. The sample used in this research was 75 MSME actors in South Bontonopo District, Gowa Regency. Data collection is carried out by distributing questionnaires or questionnaires. Furthermore, the data obtained was then processed using a simple linear regression data analysis method and processed using the Statistical Package For The Social Science {SPSS} Version 23 application. The research results showed that financial literacy (X) was obtained by $t\text{-count } 11,929 > t\text{-table } 1.666$ and the sig value is $0.000 < 0.05$, thus the financial literacy variable has a positive and significant effect on the financial management variable. So the results of hypothesis testing show that H_1 : Financial Literacy has a positive and significant influence on the financial management of MSMEs in South Bontonopo District, Gowa Regency, is accepted.

Keywords: Financial Literacy, Financial Management, MSMEs, South Bontonopo District, Gowa Regency.

INTRODUCTION

Efforts to eradicate poverty are still one of the main goals that all countries continue to pursue, especially developing countries, including Indonesia. One option is to develop the human resource capacity of poor communities and create jobs through various programs aimed at increasing economic capacity and capital. One possible policy is the development and strengthening of micro, small and medium enterprises (MSMEs) (Ardiansyah et al. 2022). The financial sector is the most important producer of gross domestic product (GDP). The financial sector is also important because it can influence the growth of other sectors. To encourage the role of the financial sector in driving the growth and development of the Indonesian economy, Bank Indonesia, the Financial Services Authority (OJK) and the government are working together to increase public financial literacy. In developed countries, more attention is paid to financial literacy, which shows that financial literacy is an important research topic.

Indonesia's financial regulator, the Financial Services Authority (OJK), conducted a survey to determine the level of public financial literacy. The national survey shows that only 21.84 percent of the Indonesian population has knowledge and trust in financial service institutions and financial service products, including characteristics, benefits and risks, rights and obligations of financial products and services, as well as skills in using financial products and services. Service. (Hidayat, 2017).

Vidovicova (2012) in Wicaksonos (2015:86) states that financial literacy is understanding financial products and concepts through information and advice, when we can identify and understand financial risks to make the right financial decisions. Likewise, Mandell (2007) in

Wicaksonos (2015:86) defines financial literacy as the ability to evaluate new and complex financial instruments and make decisions regarding financial instruments. Financial literacy is closely related to financial management, the higher the financial literacy, the better financial management will be. Financial management is the application of financial management concepts at the individual level. Financial management includes the functions of planning, directing and controlling the economy which are very important for financial well-being. Planning activities include the steps to plan the distribution of income earned to be used for any purpose. Management is an activity that manages or directs the economy effectively, while control is an activity that assesses whether financial management has been implemented according to plan or budget. (Laily, N. 2016). Financial management is an activity usually carried out by MSME players to develop their business. According to Astutty (2019), financial management is the activity of obtaining and rationally using available budgets in all industries, whether by companies, entrepreneurs or individuals.

Many MSMEs that run their businesses do not manage their finances well, which often results in losses for their businesses. There are even those who experience changes in the type of business every year, this is due to errors in company management, especially in managing company finances. Financial literacy in the field of financial management is a problem for MSME owners because MSME owners do not consider how important financial literacy is for MSME actors or prospective MSMEs in managing their company's finances, especially in implementing proper accounting in financial management. Finance. In the field of management, these problems usually arise because MSMEs have very limited knowledge and understanding of accounting. The educational background of MSME actors also influences the level of knowledge of MSME actors. (Putri, W. E. 2020). Gowa Regency is an attractive city and allows the business world to develop. The development of MSME exports has had a significant impact on improving the economies of both countries. Because the role of MSMEs is very important in terms of the growth and development of the community's economic potential, to create a coherent, connected and open economy. There are many opportunities for movement and business in the economic life of the MSME community, especially those with financial interests. South Sulawesi, specifically in South Bontonompo District, Gowa Regency, has a lot of economic and agricultural potential that can be developed so that it can improve the community's economy and regional income. South Bontonompo District, Gowa Regency itself can be said to be the economic center of South Sulawesi with all its wealth and potential.

Based on data from the Ministry of Cooperatives and the Ministry of Micro, Small and Medium Enterprises, the number of MSMEs reached 64.2 million in March 2021 with a contribution of 61.07 percent or IDR 8.57 trillion to gross domestic product (GDP). The contribution of MSMEs to the Indonesian economy includes being able to absorb 97 percent of the total existing workforce and attract up to 60.4 percent of total investment. The high contribution of MSMEs shows that the Indonesian economy is strongly supported by the performance of MSMEs. The current high development of MSMEs cannot be separated from problems. Based on PERDA No. 7 of 2005, South Bontonompo District consists of 8 (eight) villages, 1 subdistrict, namely: Pa'bundukang Village, Salajangki Village, Bontosunggu Village, Sengka Village, Tindang Village, Tanrara Village, Jipang Village, Salajo Village and 1 subdistrict, namely Bontoramba sub-district, from 41 hamlets/neighborhoods. The administrative area of South Bontonompo subdistrict is 29.24 km. With a population of 32,118 people in South Bontonompo District in 2021, consisting of 15,612 male residents and 16,506 female residents. In 2020, there were 3,626 MSMEs consisting of 1,859 MSMEs in South

Bontonompo sub-district (Bonsel) and 1,767 MSMEs in Bontonompo sub-district, South Bontonompo sub-district, Gowa Regency,

RESEARCH METHODS

Types of research

The type of research used in this research is descriptive research with quantitative methods. According to Indrawan and Yaniawati (2016: 29), "a quantitative approach is a research approach that aims to achieve the goal of obtaining a comprehensive picture of the phenomenon referred to as the research object. Sugiyono (2018) states that descriptive analysis: Analysis that describes data processed through narrative writing.

Research Location and Time

The research location is Micro, Small and Medium Enterprises (MSMEs) located in the South Bontonompo area, Gowa Regency. This is because researchers want to know how financial literacy influences the financial management of MSMEs in the South Bontonompo area, Gowa Regency. This research was conducted in South Bontonompo District, Gowa Regency, South Sulawesi. The research period is scheduled for 2 months, starting May – July 2024.

Data collection techniques

Observation

The data collection technique used in this research was by direct observation of the MSMEs studied.

Questionnaire

A questionnaire is a number of written questions used to obtain information from respondents in the sense of reports about their personality, or things they know, to obtain actual data.

The questionnaire used in this research is a questionnaire in the form of a list of written questions that have been formulated previously and will be answered by the respondent, where alternative answers to the questions have been provided so that the respondent just has to choose. Questionnaires were distributed directly to respondents, namely by visiting the respondent's location.

Documentation

It is a data collection technique in the form of documents or images for review, as well as supporting documents related to MSMEs.

RESULTS AND DISCUSSION

Validity test

The validity test is used to find out whether the question items in the questionnaire are valid or not. The test was carried out by comparing the r-count with the r-table. If the results show that the r-count is greater than the r-table then it is declared valid. With $N=75$ and a significance of 5% in the statistical r-table value distribution, the r table value is 0.1914.

Financial Literacy (X)

Financial literacy refers to an individual's ability to understand and utilize financial information

Tabel 1. Hasil Uji Validitas X

No	Pernyataan	r hitung	r tabel	Keterangan
1	X. 1	0,559	0,1914	Valid
2	X. 2	0,614	0,1914	Valid
3	X. 3	0,469	0,1914	Valid
4	X. 4	0,450	0,1914	Valid
5	X. 5	0,756	0,1914	Valid
6	X. 6	0,609	0,1914	Valid
7	X. 7	0,863	0,1914	Valid
8	X.8	0,633	0,1914	Valid
9	X.9	0,546	0,1914	Valid
10	X.10	0,572	0,1914	Valid

Sumber: Hasil Olah Data SPSS 23, (2024)

effectively in making personal financial decisions. This includes an understanding of basic financial concepts, money management skills, and the ability to make smart and informed financial decisions.

Based on table 1, it shows that all instruments are valid to be used as instruments or statements to measure the financial literacy variables studied.

Financial Management (Y)

Financial management refers to the process of planning, organizing, controlling, and monitoring all financial activities of individuals, households, organizations, or other entities. The main objective of financial management is to achieve stable, efficient and effective financial sustainability.

Tabel 2 Hasil Uji Validitas Y

No	Pernyataan	r hitung	r tabel	Keterangan
1	X. 1	0,786	0,1914	Valid
2	X. 2	0,737	0,1914	Valid
3	X. 3	0,888	0,1914	Valid
4	X. 4	0,651	0,1914	Valid
5	X. 5	0,549	0,1914	Valid
6	X. 6	0,474	0,1914	Valid
7	X. 7	0,634	0,1914	Valid
8	X.8	0,814	0,1914	Valid
9	X.9	0,804	0,1914	Valid
10	X.10	0,597	0,1914	Valid
11	X.11	0,473	0,1914	Valid

Sumber: Hasil Olah Data SPSS 23, (2024)

Based on table 2, it shows that all instruments are valid for use as instruments or statements to measure the financial management variables of the MSMEs studied.

Reliability Test

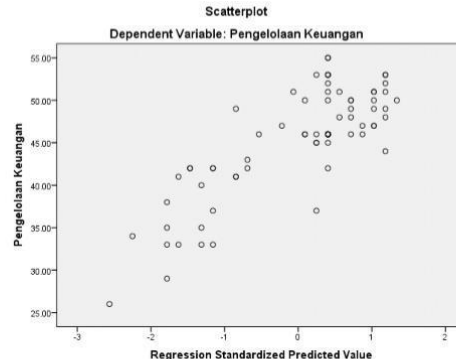
Reliability test is a test to measure a questionnaire which is an indicator of a variable. A questionnaire is said to be reliable or reliable if the answers to the statements are consistent over time. The instrument is said to be reliable if the Cornbrach alpha value is ≥ 0.60 , the test measure is the calculated r value $>$ r table, and the significance is 0.05 (Sugiyono, 2018).

Tabel 3. Hasil Pengujian Realibilitas

Variabel	Cronbach's Alpha	N of Items
Literasi Keuangan (X)	0,817	10
Pengelolaan Keuangan (Y)	0,877	11

Classic assumption test

Linearity Test



Sumber: Lampiran SPSS 23, (2024)

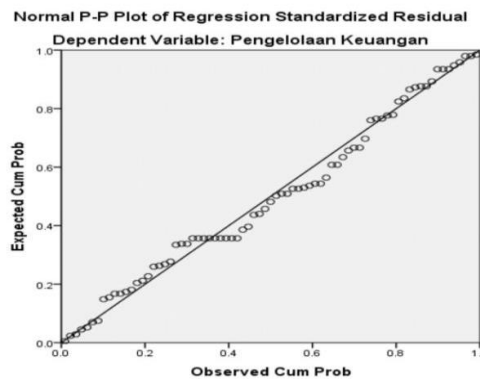
Gambar 1. Hasil Scatter Plot Dependent Variabel

According to Ghozali, 2018 stated that to test linearity for a scatterplot is to look at the data distribution pattern. If the data spreads along a straight line then the data meets the linearity assumption. On the other hand, if the data spread does not meet a straight line, then the data does not meet the linearity assumption.

Based on Figure 4.8, it can be seen that the data points spread along a straight line, so the data meets the linearity assumption.

Normality test

This test aims to test whether in the regression model the residual (disturbing) variables have a normal distribution. The normal distribution forms a straight diagonal line, and plotting the residual data will be compared with the diagonal line. If the data distribution is normal,



Sumber: Lampiran SPSS 23, (2024)

Gambar 2. Uji Normalitas

then the line depicting the data actually follows the normal line (Ghozali, 2018).

Based on Figure 2, it can be seen that the data picture actually follows the normal line, so it can be concluded that the regression model has a normal distribution.

Autocorrelation Test

According to Ghozali, 2018, the autocorrelation test aims to test whether in the linear regression model there is a correlation between the error in period t and the error in period $t-1$ (previously). In this study, the autocorrelation test used the Durbin Watson test, the results of which were as follows:

Tabel 4. Hasil uji Autokorelasi

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.813 ^a	.661	.656	3.72486	.661	142.295	1	73	.000	1.504

a. Predictors: (Constant), Literasi Keuangan

b. Dependent Variable: Pengelolaan Keuangan

Sumber: Lampiran SPSS 23, (2024)

Based on table 4, the results of the autocorrelation test using the Durbin Watson test, a value of 1.504 was obtained. If the Durbin Watson statistical test value is smaller than one or greater than three, then the residuals or errors in the simple regression model are not independent or autocorrelation occurs. Therefore, there is no autocorrelation because the Durbin Watson statistical test value is not smaller than number one and is brought to number three, namely 1.504.

Simple Regression Analysis

The analytical tool used in this research is simple regression which is used to test the influence of the independent variable on the dependent variable, namely the influence of financial literacy on financial management. The following are the results of a simple regression analysis test:

Tabel 5. Hasil Analisis Regresi Sederhana
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1.(Constant)	13.498	2.699		5.001	.000					
Literasi Keuangan	.806	.068	.813	11.929	.000	.813	.813	.813	1.000	1.000

a. Dependent Variable: Pengelolaan Keuangan

Sumber: Lampiran SPSS 23, (2024)

Based on the results of the simple regression test in the table above, it is known that the constant value (a) is 13,498, while the Financial Literacy value (b/regression coefficient) is 0.806, so the regression equation can be written:

$$Y = a + bX$$

$$Y = 13.498 + 0,806X$$

This equation can be translated:

- The constant a of (13.498) states that if the value of variable X, Financial Literacy is considered constant or equal to zero then the consistent financial management variable is (13.498).
 - The regression coefficient (X) is 0.806, stating that for every additional 1 financial literacy value, financial management increases by (0.806).
- In the equation above, Y is financial management and X is financial literacy. The X coefficient shows a positive sign, indicating that financial literacy is comparable to financial management. In other words, financial literacy influences MSME financial management.

Hypothesis testing

Partial t Test (t test)

The partial t test basically shows how much influence one occupational safety and health (K3) variable (independent) individually has in explaining the productivity variable (dependent) (Ghozali, 2018). The t test results for each variable are as follows:

Tabel 6. Hasil Analisis Uji t

Model	Coefficients ^a									
	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1(Constant)	13.498	2.699		5.001	.000					
Literasi Keuangan	.806	.068	.813	11.929	.000	.813	.813	.813	1.000	1.000

a. Dependent Variable: Pengelolaan Keuangan

Sumber: Lampiran SPSS 23, (2024)

According to Ghozali, 2018 partial test criteria (t test) are:

- If the sig value < 0.05 or the calculated value $>$ t-table, then there is an influence of variable X on variable Y.
- If the sig value is > 0.05 or the calculated t value is $<$ from the t-table, then there is no influence of variable X on variable Y.

Based on table 6, it is known that financial literacy (X) obtained t-count $11.929 >$ t-table 1.666 and the significant value is $0.000 < 0.05$, thus the financial literacy variable has a positive and significant effect on the financial management variable. So the results of hypothesis testing show that H1: Financial Literacy has a positive and significant influence on the financial management of MSMEs in South Bontonompo District, Gowa Regency, is accepted.

Analysis of the Coefficient of Determination (R²)

Tabel 7. Hasil Analisis Koefisien Determinasi

Model Summary ^b									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.813 ^a	.661	.656	3.72486	.661	142.295	1	73	.000

a. Predictors: (Constant), Literasi Keuangan

b. Dependent Variable: Pengelolaan Keuangan

Sumber: Lampiran SPSS 23, (2024)

Sugiyono, 2018 states that the correlation coefficient of determination is used to find out how much influence the independent variable can explain the dependent variable. The correlation coefficient value for the occupational safety and health (K3) variable can be shown in the following table, namely:

Based on table 7, it explains that the R Square value is 0.661 or 66.1%. This means that the influence of literacy is able to explain 66.1% of financial management and the remainder (100% - 66.1% = 44%) is influenced by other causes outside the model.

CONCLUSIONS

Based on the previous explanation, it is known that financial literacy (X) is obtained by t-count 11.929 > t-table 1.666 and the sig value is: 0.000 < 0.05, thus the financial literacy variable has a positive and significant effect on the financial management variable. So the results of hypothesis testing show that H1: Financial Literacy has a positive and significant influence on the financial management of MSMEs in South Bontonompo District, Gowa Regency, is accepted. Based on the previous explanation, it is clear that the R Square value is 0.661 or 66.1%. This means that the influence of literacy is able to explain 66.1% of financial management and the remainder (100% - 66.1% = 44%) is influenced by other causes outside the model.

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