



Determinants of Financial Literacy on MSMEs in Cirebon Regency

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Abstract

This study aims to determine and analyze the influence of what factors influence financial literacy on MSMEs in Cirebon Regency (Case Study of Tegal Gubug Market). Descriptive quantitative approach and multiple linear regression analysis model. The results show that gender has no effect on financial literacy, education level has no effect, total income has an influence, length of business has an influence on financial literacy, savings and loans have an influence on financial literacy, investment has no influence on financial literacy, insurance has no influence on financial literacy. influence, and technology has no effect on financial literacy.

Keywords: *Financial Literacy, MSMEs, Gender, Education, Income, Investment, Insurance, Technology*

Abstrak

Penelitian bertujuan untuk mengetahui dan menganalisis pengaruh dari faktor apa saja yang mempengaruhi literasi keuangan terhadap UMKM di Kabupaten Cirebon (Studi Kasus Pasar Sandang Tegal Gubug). Pendekatan kuantitatif deskriptif dan model analisis regresi linear berganda. Hasil penelitian menunjukkan bahwa gender tidak memiliki pengaruh terhadap literasi keuangan, tingkat pendidikan tidak memiliki pengaruh, jumlah pendapatan memiliki pengaruh, lamanya usaha memiliki pengaruh terhadap literasi keuangan, tabungan dan pinjaman memiliki pengaruh terhadap literasi keuangan, investasi memiliki pengaruh terhadap literasi keuangan, asuransi tidak memiliki pengaruh, dan teknologi tidak memiliki pengaruh terhadap literasi keuangan.

Kata Kunci: *Literasi Keuangan, UMKM, Gender, Pendidikan, Pendapatan, Investasi, Asuransi, Teknologi*

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INTRODUCTION

In the current era of modernization, the world is facing very rapid economic development. In recent years, the issue of financial literacy has been hotly discussed. This can not be separated from the factor of population growth which is increasing day by day, as well as the development of the financial system which makes a separate network for economic actors. The lack of knowledge about finance also causes people to have difficulties in managing their finances. According to the Financial Services Authority (2016) understanding, skills, and confidence in using financial products and services are important because based on data is the key to economic growth and the financial system.

Financial literacy is defined as an ability to understand, so financial literacy is the ability to manage funds owned so that they can develop and live more prosperously in the future. The financial literacy program has education in the field of finance to the public so that they can manage finances intelligently and the public is not deceived by short-term investment products that generate high profits without paying attention to the impact of risks that will occur.

According to the Indonesian National Finance Strategy (2017), the first door for someone to have financial literacy is knowledge of the financial services industry which consists of banking, insurance, capital markets, financing institutions, pension funds, pawnshops, and other financial service institutions. The importance of knowing the institutions of the financial services industry is related to how the public can access or utilize these services.

The Financial Services Authority also continues to strive to improve public financial

literacy by creating the Indonesian Financial Literacy National Strategy (SNLKI) program as an effort to improve financial literacy through financial education from an early age to adulthood (Financial Services Authority, National Strategy for Financial Literacy (Revisit 2017), 2017).

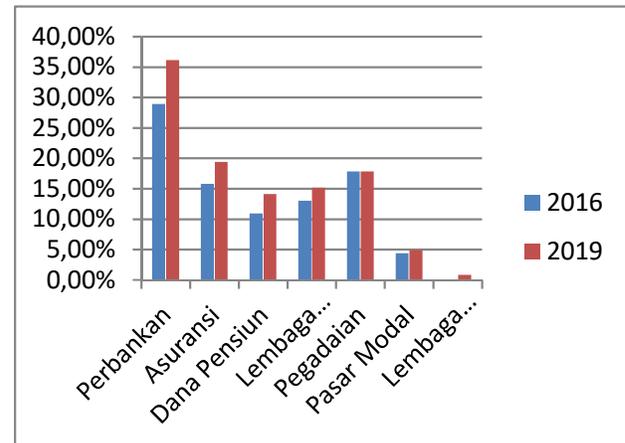


Figure 1. Indonesian Public Knowledge of Financial Services Institutions in 2016, 2019 (in %)

Source: Financial Services Authority, processed.

Based on Figure 1, it explains that the knowledge of the Indonesian people about financial institutions in 2016 and 2019 which was conducted by a survey by the Financial Services Authority every 3 years experienced an increase and decrease, the most significant of which was banking financial services institutions which each year increased by 7.22% and followed by other financial service institutions such as insurance, pension funds, financing institutions, pawnshops, and the capital market.

According to the Financial Services Authority, the overall knowledge of financial service institutions in Indonesia has increased. People are gradually getting to know financial service institutions, the banking industry is

more widely known by the public than the capital market industry. The number of people who are familiar with the banking industry is due to the large number of banking service networks that are spread in almost all corners of Indonesia.

The main purpose of a national strategy in financial literacy is to create Indonesian people who have a high level of financial literacy (well literate), so that people can choose and utilize financial products and services to improve welfare. In fact, in everyday life, not everyone has sufficient financial knowledge. Law No.21 of 2011 concerning the Financial Services Authority stipulates that the Financial Services Authority (OJK) is to regulate and supervise the financial services industry while protecting the interests of the public in interacting with the financial services industry. In protecting the public's interest in finance, the right strategy is needed in its implementation.

Table 1. Financial Literacy Level per Province of Java Island

No	Province	2016	2019
1	DKI Jakarta	40.0%	59.16%
2	Jawa Barat	33.0%	37.43%
3	Jawa Tengah	33.5%	47.38%
4	DI Yogyakarta	38.5%	58.53%
5	Jawa Timur	35.6%	48.95%
6	Banten	38.2%	39.27%

Source: Financial Services Authority 2020, data processed

Based on table 1. shows that the level of financial literacy of the people of West Java is the lowest compared to other provinces in the 33.0% in 2016 and 37.43% in 2019. This means that there are still many people in West Java

who lack knowledge about financial literacy. Micro, Small, and Medium Enterprises (MSMEs) are trading businesses managed by individuals or business entities and in accordance with the criteria for small or micro-businesses.

The level of welfare increases as seen from the increasing real national income and real income per capita, these three indicators being a benchmark for economic growth. The increase in national income cannot be separated from the contribution of MSME economic actors, where MSME actors are starting to be many and varied. Most of the economic actors are SMEs that are developing. The small and medium-sized business sector plays an important role for the economy throughout the world, especially in developing countries (Ndiaye et al, 2018).

The more MSME actors, the more people should understand financial literacy and the benefits of using financial institution products, which aims to enable MSME actors to compete globally. The existence of a digital economy requires MSME actors to innovate so that they are not less competitive and can survive. Therefore, there is a need for financial literacy education for MSME actors. Financial education is an important aspect of decision making as well as the ability to understand financial products and services offered by financial institutions (Mihalcova, 2014).

The purpose of MSMEs according to Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises (MSMEs) is to grow and develop businesses in the context of building a national economy based on equitable economic democracy. In fact, MSMEs contribute in reducing the amount of poverty in Indonesia, namely by providing jobs for the community (Adomoko, et al., 2016). The importance of the

role of MSMEs in supporting economic growth requires the government to make policies that can strengthen the MSME sector and expand its business.

One form of strengthening MSMEs is to increase the ability to manage finances and expand access to finance for MSMEs. The indicator that can be used in calculating economic growth is seen from the Gross Domestic Product (Gross Domestic Product) data which measures the total income of everyone in the economy (Kira, 2013).

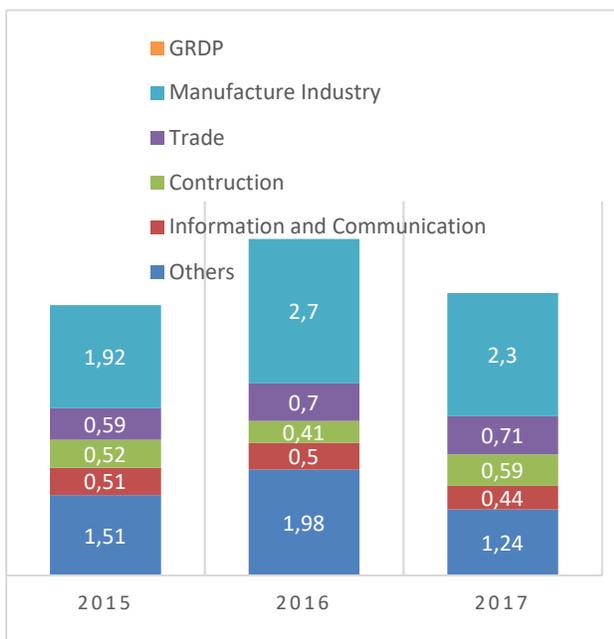


Figure 2. GRDP Growth by Business Field in 2015-2017

Source: Central Bureau of Statistics of West Java, processed

Figure 2 GRDP growth in West Java from 2015 to 2016 increased by 0.61, from 5.05% in 2015 to 5.66% in 2016. This is because the sectors that affect GRDP have increased. However, in 2017 the sectors experienced a decline, which automatically GRDP also fell. It is not known what caused it. In order to achieve the

government's goals at a macro level, MSME actors should optimize the growth of MSMEs by developing businesses, and maintaining performance in running them. MSMEs will grow if there is an increase in terms of sales, capital, human resources, markets, and profits (Riwayat, 2017).

Economic development is increasingly dynamic, making MSMEs need to optimize acceleration that covers all resources, so that they can encourage the community in economic development, including the financial sector. According to the Deputy for Macroeconomic Coordination and Finance (2019), the increasing contribution from MSMEs is in line with the increasing growth in the number of MSMEs that continue to grow in Indonesia.

The Ministry of Cooperatives and MSMEs recorded an increase of 2.06% or 1.2 million business units from 61.7 million business units in 2016 to 62.9 business units in 2017, that the MSME sector also absorbs a fairly high workforce. reached 116.6 million people or 97.02% in 2017. Seeing the role of the MSME sector which is quite good for the economy in Indonesia, the government must take part in supporting MSMEs.

Based on the results of the 2016 Economic Census (Central Bureau of Statistics, 2016), MSMEs have advantages as producers of consumer goods and services that are close to the needs of the community. So that MSMEs can create an even distribution of the economy of the small people, alleviating poverty, and contributing to the country's foreign exchange. However, the low understanding of the concepts and products of financial services has made some MSMEs unable to manage their business properly. So it is not uncommon for MSMEs to fail in their business.

West Java is the third province that contributes its MSMEs to the National Gross National Product (GDP) after DKI Jakarta and East Java. This is because almost 50% of the national industry is in West Java. The number of MSMEs in West Java which is up to 4.5 million units does not make the people of West Java literate and aware of financial literacy. Based on the results of research conducted by the Financial Services Authority in 2016, the districts or cities that are considered low in financial literacy.

Table 2. 2016 Financial Literacy Index per Province by Regional Strata

No	Province Name	City Name	Literacy index
1	DKI Jakarta	South Jakarta	5
		Seribu Island	2
2	West Java	Bandung	4
		Cirebon	1
		Tasikmalaya	3
3	Central Java	Semarang	4
		Solo	3
		Banyumas	2
4	Yogyakarta	Yogyakarta	4
		Sleman	3
5	East Java	Surabaya	4
		Malang	3
		Jember	2
6	Banten	Tangerang	4
		Serang	3

Source: Financial Services Authority 2017, data processed

Based on table 2 of the financial literacy index per region, it can be seen that the lowest area is in West Java Province, precisely the Cirebon area with a literacy rate of 18.7%. Far

below Bandung 49.2% and Tasikmalaya 30.0%. a survey conducted by the Financial Services Authority (OJK) on good Financial Literacy is a factor in the development of the economy that is getting better. The low level of financial literacy is caused by the lack of public curiosity about financial literacy, as well as the many cases of fraud committed by financial institutions. The various cases that occurred happened to many people in the community, both the upper, middle, and lower classes of society, from the uneducated to the educated.

By knowing the influence that hinders MSME actors in financial literacy, it can be used as a target for open access to financial institutions or can be called financial inclusion, because MSMEs are one of the factors that support the economy in a country to open new jobs and reduce the number of unemployed and criminal acts. Thus, the researcher wants to analyze the financial literacy factors of MSME actors in the Cirebon Regency, especially MSME actors at Tegal Gubug Market in order to avoid financial risks and take advantage of the role of financial institutions.

RESEARCH METHODS

In this study using a quantitative descriptive approach, the data used in this study were secondary data sourced from the Financial Services Authority, and primary data obtained from respondents through questionnaire distribution techniques, by giving questionnaires to MSME actors in Cirebon Regency (Case Study of the Clothing Market Tegal Gubug). The measurement of the research uses a Likert scale, the measurement scale used is ordinal with 5 answer choices, namely : 1 = Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, and 5 =

Strongly Disagree. The data collection technique in this study used a survey technique by distributing questionnaires to SMEs at the Sandang Market, Tegal Gubug, Cirebon Regency. The sampling technique used in this study used a purposive sampling method.

Table 3. Number of Traders in the Tegal Gubug Market

No	Trader	Total
1	Inside Market Trader	2,597
2	Outside Marker Trader	477
	Total	3,074

Source: Department of Cooperatives & SMEs Cirebon Regency 2017, processed

The formula for calculating the sample is as follows:

$$n = \frac{N}{1+Ne^2} \dots\dots\dots(1)$$

- Information:
- n = number of samples
- N = population
- E = error rate

From the population above, it can be calculated as follows:

$$n = \frac{3074}{1+ 3074 \times 0,1^2}$$

$$n = \frac{3074}{1+3074 \times 0,01}$$

$$n = \frac{3074}{31,74}$$

$$n = 96,84 (97)$$

Based on the above calculations, the number of samples needed in this study amounted to 97 people. A validity test is used to

measure whether a questionnaire is valid or not. A validity test is basically done by looking at the correlation between the scores of each data compared to the total score. In the validity test, it can be checked through the significance level, namely <0.05, thus the questionnaire is considered valid. Reliability is a tool to measure a questionnaire which is an indicator of a variable or constructs. A questionnaire is said to be reliable if the Cronbach Alpha value is > 0.060.

RESULTS AND DISCUSSION

Classical assumption test is a test to provide certainty that the regression equation obtained has accuracy in estimation, is unbiased and consistent. Multiple linear regression model (multiple regression) can be called a good model if the model meets the BLUE (Best Linear Unbiased Estimator) criteria. BLUE can be achieved if it meets the Classical Assumptions, such as normality test, multicollinearity test, heteroscedasticity test, and auto correlation test.

The explanation is as follows: the normality test aims to test whether, in the regression model, the confounding or residual variables have a normal distribution. Normality test was carried out using the Kolmogorov-Smirnov test. If the Kolmogorov-Smirnov test shows a significance level > 0.05, the data is said to be normally distributed.

The multicollinearity test aims to test whether there is a correlation between the independent variables in the regression model. This multicollinearity test can be seen from the value of the variance inflation factor (VIF) between the independent variables is said to be multicollinearity if the tolerance is <0.1 and VIF> 10.

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another observation. A good regression model is homoscedasticity or Heteroscedasticity does not occur. The heteroscedasticity test is said to be significant if it has a significance level > 0.05

The autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding error in period t and the confounding error in period t-1 (previous). In this test, the researcher used the Durbin-Watson test. It is said to pass the autocorrelation test if the DW is between the values of DU and 4-DU.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + e \dots \dots \dots (2)$$

Information:

- A = Constant
- e = Standard Error
- $\beta_1 \beta_2 \beta_3 \beta_4 \beta_5 \beta_6 \beta_7 \beta_8$ = Regression Coefficient
- Y = Financial Literacy
- X₁ = Gender
- X₂ = Education
- X₃ = Income
- X₄ = Business Length
- X₅ = Savings and Loans
- X₆ = Investation
- X₇ = Insurance
- X₈ = Technology

Multiple linear regression analysis is a linear relationship between two or more independent variables (X₁, X₂, X₃, X₄, X₅) with the dependent variable (Y). This analysis is to determine the direction of the relationship

between the independent variable and the dependent variable whether each independent variable is positive or negative and to predict the value of the dependent variable if the value of the independent variable increases or decreases. In this study, the multiple regression equation models can be seen in formula 2 above.

The analysis of determination in this study is used to determine the percentage of contribution, how much influence the independent variables simultaneously have on the dependent variable. The F test in this study aims to determine together the effect of education, income, gender, saving and borrowing, and length of business on the level of financial literacy. The way to test it is by looking at column F and the significance value contained in the ANOVA table. It is said that the F test is accepted if the value of F count > F table and the significance level is < 0.05.

Regression analysis through t-test is used to test the hypotheses by comparing the level of significance (Sig t) of each independent variable with a level of sig = 0.05. If the significance level (Sig t) is less than = 0.05, the hypothesis is accepted, which means that the independent variable has a significant effect on the dependent variable. On the other hand, if the significance level (Sig t) is greater than = 0.05, the hypothesis is not accepted, which means that the independent variable has no significant effect on the dependent variable.

This research was conducted in Cirebon Regency, the sample taken in this study was from the UMKM Market, Tegal Gubug, Cirebon Regency. The required sample is 97 samples. Respondent identity data from the study consisted of gender, age, education level, business run, length of business, and annual

turnover. The following is the result of processing respondent identity data: Number of Respondents by Gender. In this study, the number of respondents was 97 SMEs. Categorized by gender, for men, there are 44 respondents, and for women, there are 53 respondents. This can be seen in the table 4.

Table 4. Characteristics of Number of Respondents by Gender

No	Gender	Frequency	Percentage (%)
1	Male	44	45,5
2	Female	53	54,6
	Total	97	100,0

Source: Spss Statistic 25 output result, 2021

Based on the data in table 4 shows that the respondents who have male gender are 44 people with a presentation of 45.5% while female respondents are 53 people with a percentage of 54.6%. So in this study, it was dominated by female respondents. Number of Respondents by Age. The number of respondents as many as 97 MSME actors who can be classified by age. It can be seen in the table 5.

Table 5. Characteristics of Respondents by Age

No	Age Range	Frequency	Percentage (%)
1	≤ 20 years	3	3.1
2	20-30 years	23	23.7
3	30-40 years	42	43.3
4	40-50 years	23	23.5
5	≥ 50 years	6	6.2
	Total	97	100.0

Source: Spss Statistic 25 output result, 2021

Use range based on a max-min interval scale. Based on table 5, respondents aged 20 years were 3 respondents with a percentage of 3.1%. The age range of 20-30 years is 23 people,

with a percentage of 23.7%, this age is an effective age to start running a business. Age 30-40 years as many as 42 respondents with a percentage of 43.3%, this means that at that age is a productive age in running a business.

There are 23 people aged 40-50 years with a percentage of 23.7%, this age range is a mature age to run and develop a business. Meanwhile, at the age of 50 years with a total of 6 respondents and a presentation of 6.2% is an age that is less effective for running a business. Number of Respondents Based on Last Education. From the number of respondents, as many as 97 MSME business actors, can be classified based on the last education history taken. After looking at the data, many MSME actors whose final education is SMA/SMK. It can be seen in the table 6.

Table 6. Characteristics of Respondents Based on Last Education

No	Last Education	Frequency	Percentage (%)
1	Elementary School (SD/MI)	7	7.2
2	Junior High School (SMP/MTS)	39	40.2
3	Senior High School (SMA/SMK)	40	41.2
4	Diploma	5	5.2
5	Bachelor	6	6.2
	Total	97	100.0

Source: Spss Statistic 25 output result, 2021

It can be seen from table 6 that the last education of MSME actors is very diverse. Elementary school (SD) numbered 7 people, with a percentage of 7.2%. Junior High School

(SMP/MTS) totaled 39 people, with a percentage of 40.2%. Senior High School (SMA) 40 respondents, 41.2% percentage. Diploma numbered 5 respondents, with a total percentage of 5.2.

The Bachelor (S1) with a total of 6 people who completed their education, with a percentage of 6.2%. For the most dominating MSMEs in the Tegal Gubug Clothing Market, Cirebon Regency, are Senior High Schools (SMA/SMK), with a total of 40 respondents and a percentage value of 41.2%.

Number of Respondents Based on Length of Business. The length of business for MSME actors is very diverse, from some who have just started to those who have been selling for decades. This is because the age of the market itself has been around for decades. The business duration can be seen in table 7.

Table 7. Characteristics of Respondents Based on Length of Business

No	Long Effort	Frequency	Percentage (%)
1	≤ 3 years	19	19.6
2	3-10 years	52	53.6
3	10-20 years	21	21.6
4	≥ 20 years	5	5.2
	Total	97	100.0

Source: Spss Statistic 25 output result, 2021

From table 7, it can be seen that the business of respondents who are less than 3 years old is 19 businesses, with a percentage of 19.6%. Respondents whose business establishment was 3-10 years old were 52, with a percentage of 53.6%. Business establishments for 10-20 years have a total of 21 with a very large percentage of 21.6% and at the same time prove that the age of MSMEs in the Tegal Gubug

Clothing Market has long been established. And there are 5 businesses that have more than 20 years, with a presentation of 5.2%. Number of Respondents Based on Monthly Income. The income of MSME actors in the Tegal Gubug Clothing Market is large, this is because market days occur 3 times a week. The following is the income for SMEs:

Table 8. Characteristics of respondents based on income

No	Income	F	(%)
1	≤ IDR 10.000.000.00	11	11.3
2	IDR 10.000.000.00- IDR 25.000.000.00	38	39.2
3	IDR 25.000.000.00- IDR 50.000.000.00	34	35.1
4	≥ IDR 50.000.000.00	14	14.4
	Total	97	100.0

Source: Spss Statistic 25 output result, 2021

From the table 8, it can be seen that the respondent's monthly income is less than IDR 10,000,000.00 as many as 11 respondents, with a percentage of 11.3%. Income of IDR 10,000,000.00 - IDR 25,000,000.00 as many as 38 respondents, with a total percentage of 39.2%. Income IDR 25,000,000.00 - IDR 50,000,000.00 34 respondents, with a percentage of 35.1%.

And income more than IDR 50,000,000.00 as many as 14 respondents, with a percentage of 14.3%. This shows that MSMEs in the Tegal Gubug Clothing Market, Cirebon Regency is very advanced and in demand by consumers. Number of Respondents Based on Partners of Financial Services Institutions.

The link between MSME actors and Financial Services Institutions is to find out

whether these MSME actors follow the program (Saving, Borrowing, Investment, Insurance, etc.). It is stated that the number of business actors who partner with financial institutions is 62.9% and those who do not partner with financial institutions are 37.1%.

This explains that the dominant MSME actors who partner with financial institutions are as many as 61 MSME actors. In testing the hypothesis, it is done to find out whether there is an influence between the independent variable and the dependent variable in this study. This test uses SPSS version 25 with t-test regression, the results can be seen in the table 9.

Table 9. T-test (Regression Analysis)

Variable	Coef.	T Count	Sig
Gender	-,358	-,516	,607
Last Education	,779	1,940	,056
Monthly Income	-1,214	-2,732	,008
Long Effort	1,405	3,218	,002
Saving & Loans	,438	2,893	,005
Investment	,551	3,115	,002
Insurance	-,211	-1,336	,185
Technology	-,009	-,117	,907

Source: Spss Statistic 25 output result, 2021

T-test or regression analysis is used to test the hypotheses by comparing the level of significance (Sig t) of each independent variable with a level of sig = 0.05. If the level of significance (Sig t) is less than = 0.05, then the hypothesis is accepted, which means that the independent variable has a significant effect on the dependent variable. On the other hand, if the significance level (Sig t) is greater than = 0.05, the hypothesis is not accepted, which

means that the independent variable has no significant effect on the dependent variable.

The first hypothesis in this study is that gender has an effect on financial literacy. The results of statistical tests on this gender variable show a significance level of 0.607 which means it is greater than 0.05 so it can be concluded that gender has no significant effect on financial literacy, SMEs in Sandang Market, Tegal Gubug, Cirebon Regency, or hypothesis 1 is rejected.

Nature theory explains that the difference between women and men is a socio-cultural construction, resulting in different roles and tasks. These differences make women always left behind and neglected their roles and contributions in family life, society, nation, and state.

Hypothesis 2 states that educational history has a significant influence on the financial literacy of SMEs in the Tegal Gubug Market, Cirebon Regency. The results of the regression test show that the significance level is 0.056, which means it is smaller than alpha 0.05, so this hypothesis is accepted.

In this study, the majority of respondents were at the Senior High School (SMA/SMK/MA) level, namely 40 respondents from a total of 97 respondents at the Senior High School level is a level that should know about financial institutions. Thus, they can manage their finances well, in order to avoid financial risks.

Hypothesis 3 states that the amount of monthly income has a significant influence on the financial literacy of SMEs in the Tegal Gubug Market, Cirebon Regency. The results of the regression test show that the significance level is less than 0.05, which is 0.008, which means that hypothesis 3 is accepted.

The results of this significant study indicate that every MSME actor in the Sandang

Tegal Gubug Market, Cirebon Regency with an income of < IDR 10,000,000.00 to > IDR 50,000,000.00 indicates its participation in the role of financial institutions. This study is in accordance with the assumptions that the higher the income, the higher the level of financial literacy. According to research conducted by The Social Research Center (2011), the family income also affects financial literacy. Family income has a relatively strong and positive relationship to financial control.

From the results of hypothesis 4, it is stated that the length of time a business has been running has a significant influence on the financial literacy of MSME actors at the Sandang Market, Tegal Gubug, Cirebon Regency. The results of the regression test show that the significance level is less than 0.05, which is 0.002, which means that hypothesis 4 is accepted. In Latifiana's research (2017) also says that the length of business affects the level of financial literacy. Ramadhan (2018) says that the length of business has a significant positive effect on the level of financial literacy.

Hypothesis 5 states that savings and loans in financial institutions affect the level of financial literacy of MSME actors at the Sandang Market, Tegal Gubug, Cirebon Regency. The results of the regression test show that the significance level is less than 0.05, which is 0.000, which means that hypothesis 5 is accepted. According to Keynes' theory, the demand and supply of money is determined by the interest rate set daily by the Bank. This is in accordance with the results of the questionnaire, that people do not choose to borrow money at the bank due to high-interest rates.

Hypothesis 5 states that the investment of SMEs in the Tegal Gubug Market has a

significant influence on financial literacy. The results of the regression test show that the significance level is less than 0.05, which is 0.002, so hypothesis 5 is accepted. The results of this study are the same as those conducted by Yulianti and Silvy (2013) which showed that financial knowledge and experience influenced the behavior of family financial investment planning. This shows that MSMEs, especially traders at the Tegal Gubug Market, tend to allocate their finances to investment.

Hypothesis 7 shows that the insurance variable in this study has no significant effect on insurance products. The results of the regression test show that the significance value is greater than 0.05, which is 0.185, which means that hypothesis 7 is rejected. Insurance products should be needed by MSME actors because they can protect their businesses if something unexpected happens in the future, such as natural disasters or others. Thus, MSME actors must be aware that risks are uncertain for the future of their business by using insurance products as protection for their business.

Hypothesis 8 shows that the technology variable in this study has no significant effect on financial literacy. The results of the regression test show a significance value greater than 0.05, which is 0.907, which means that hypothesis 8 is rejected. According to Brigit Azela Pulo Tukan, Wahyudi, Dahlia br Pinem (2020) in his research on the influence of financial technology on financial behavior, there is no influence between technology on financial behavior.

According to the neo-classical endogenous theory, Solow cannot explain technological variables on economic growth in developed countries. But this theory says that every country has the same opportunity to use technology for

their country. According to Donou-adonsou (2017) explains that in the short term this technology can affect economic growth and development in a country.

CONCLUSION

Based on the results of the analysis and discussions characteristics of the respondents who own SMEs in Cirebon Regency (Pasar Sandang Tegal Gubug) in terms of gender are dominated by female respondents with a total of 53 respondents and 44 male respondents, in terms of recent education history, it is dominated by the junior high school (SMP/MTS) graduates with a total of 39 people, and the senior high school (SMA/MA/SMK) with a total of 40 people. In terms of age, respondents are dominated by the age of 20 - 30 years totaling 23 people, age 30-40 years with 42 respondents, and age 40-30 years totaling 23 people.

From the old side of the business, it is dominated by businesses between the range of 3-10 years totaling 52 businesses. In terms of monthly turnover, it is dominated by businesses with a turnover of IDR 10,000,000.00 - IDR 25,000,000.00 totaling 38 business actors. In terms of the number of employees, it is dominated by the number of employees < 5, namely 79 respondents.

The level of financial literacy of SMEs in the Tegal Gubug clothing market, Cirebon Regency, which was the respondent in this study, was included in the high category for the basic knowledge of finance variable, moderate for the savings and loan variables, high for the investment variable, high for the insurance variable and high also for the technology variable.

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