


Influence of financial and financial literacy technology on financial management (to foodcourt MSME activities in Binjai city)

¹Wahyu Indah Sari, ²Wiwied Risdianto Putri, ³Suarika Diah Permata, ⁴M Gilang Dinata, ⁵Ridho Alansyah

^{1,2,3,4,5}Development Economics Study Program Panca Budi Development University

Article Info	ABSTRACT
Keywords: Micro, Small & Medium Enterprises (MSMEs), Financial Literacy, Financial Technology, Financial Management	This research aims to explore the impact of financial literacy and financial technology (fintech) on financial management in Micro, Small and Medium Enterprises (MSMEs) in Binjai City. Paying attention to the significant growth of MSMEs every year, the focus is to identify the low level of financial literacy among MSME players as well as the trend of society's shift towards financial technology. In its background, this journal highlights the importance of financial literacy for MSMEs and how advances in financial technology contribute to improved financial management. The research method is based on a descriptive quantitative approach, which uses questionnaires as a data collection technique and multiple regression analysis to examine the impact of financial literacy and financial technology on MSME financial management. The research results show that Financial Literacy has a positive and significant effect on the Financial Management of Binjai Foodcourt MSMEs . Financial Technology has a positive and significant influence on the Financial Management of Binjai Foodcourt MSMEs . Financial Literacy and Financial Technology have a positive and significant influence on the Financial Management of MSME Foodcourts in Binjai City.
This is an open access article under the CC BY-NC license 	Corresponding Author: Wahyu Indah Sari Development Economics Study Program Panca Budi Development University wahyuindahsari@dosen.pancabudi.ac.id

INTRODUCTION

Along with increasing societal needs, the business world is developing rapidly. The business sector known as micro, small and medium enterprises (MSMEs) produces various types of goods and services and plays an important role in creating business opportunities as a way to overcome unemployment (Ardila et al., 2020).

Small and medium businesses (MSMEs) play an important role in the economies of developing countries. Small and medium enterprises (MSMEs) cover 90% of business entities, and their contribution to employment worldwide reaches 50%. In addition, formal MSMEs contribute 40% of developing countries' GDP. As part of the main strategy of the National Medium Term Development Plan (RPJM), the Indonesian government is strengthening its commitment to developing MSMEs through this action (World Bank, 2020).

Micro, small and medium enterprises (MSMEs) face challenges from external sources and within themselves; one of them is a lack of financial literacy. A business person must have the ability to plan, implement and supervise the company's financial management. Not only do people understand financial products, services and institutions, but they can also change the way they manage their finances so that they do better (Anisyah et al., 2021). If MSMEs do not have skills in business management, financial management and entrepreneurship, they will not develop quickly. One of the main problems for MSMEs is financial management. Failure in financial management will hinder performance and access to financing (Ardila & Christiana, 2020).

Increasing financial literacy is one way to keep MSMEs surviving. The knowledge and ability to manage one's finances in a profitable manner is known as financial literacy. According to (Haekal, 2021), financial literacy is defined as a person's ability to understand and measure financial concepts and practices and manage their finances with accountability (Haekal, 2021). Financial skills enable people to make informed money decisions and reduce the likelihood of being misled in financial matters. MSME players need financial literacy to manage their finances. The more you know about finances, the better you will manage your business. The way a person views a financial situation and makes strategic decisions about finances and management is influenced by that person's financial literacy.

According to Financial Services Authority Regulation (POJK) Number 76/POJK/07/2016, financial literacy is defined as knowledge, skills and beliefs that can influence a person's attitudes and behavior to improve financial management and decision making in order to achieve prosperity. Good financial literacy can reduce errors in economic and financial matters (Dahrani et al., 2022).

To improve the quality and quantity of MSMEs, improvements still need to be made. Individuals need basic financial knowledge and skills to manage financial resources effectively for their well-being. According to (Guanawan et al., 2019), increasingly complex individual needs require people to have financial literacy skills. This ability is not limited to language knowledge alone, but also includes knowledge of certain subjects or types of knowledge.

One way to improve the financial performance of small and medium enterprises (MSMEs) is to use technology. In recent years, technology has developed rapidly. Modern lifestyles are greatly influenced by technological advances, such as the emergence of technology-based businesses (Ardila et al., 2020).

The increasing use of the internet among Indonesian people marks the digital era. More than 64% of Indonesians have internet access, according to 2020 data from Global Digital Report Data. Therefore, the activities of modern society tend to use more sophisticated technology to meet their needs (Marpaung et al., 2021). The rapid development of the internet has led to many innovations in financial technology that will meet society's needs in terms of access to financial services and transaction processing. The term Fintech (financial technology) has become popular in recent years (Ika et al., 2021).

And the main focus of this research is also to encourage MSMEs to gain greater access to financial services such as financial technology (fintech) . With financial technology, people can access financial products and carry out financial transactions easily (Putri & Christina, 2021). Fintech is expected to save time, thought, energy and costs. The application of technology in financial services really helps people in making transactions, so that people who cannot use financial services can take advantage of financial technology (Azhari, 2021). Several MSME players use fintech services such as payment channels , which provide electronic services as a means of payment. This system also automatically makes it easier to check payments that occur in buying and selling transactions . MSME players also use banking services such as ATMs, internet banking and mobile banking , which make transactions easier.

In this research, the objects that I used as research objects were MSMEs in the Binjai area. In this modern era, the growth of MSMEs has increased from year to year in various cities in Indonesia. One of them is Binjai, which also plays an important role in the economic growth of North Sumatra (Hutagaol, 2019). Micro, Small and Medium Enterprises (MSMEs) in Binjai City remain resilient and unaffected by the crisis, making it an industry that continues to exist. In this modern era, the growth of MSMEs continues to increase every year, not only in Binjai City, but also in various cities in Indonesia. Binjai is experiencing very rapid physical, economic, social and cultural development. Binjai has developed into one of the largest metropolitan cities in Indonesia and also a development center. Development of the economic sector through the promotion of entrepreneurship programs is one form of development in Binjai City (Simamora, 2017,).

Binjai, like other regions in Indonesia, has many long-established small and medium businesses (MSMEs), which facilitate financial literacy according to Financial Services Authority Regulations. MSME players' ignorance about financial literacy and the importance of financial technology for managing their finances is one of the factors that hinders the growth of MSMEs in the Binjai area. MSMEs in the Binjai foodcourt area are the subjects of this research. Currently, the condition of MSMEs is still limited and facing many problems. However, basically the problem is the limitations of Human Resources, namely the MSME actors themselves.

As a result, to improve performance in the sustainability of MSMEs and community welfare, strategic efforts are needed. One way that can be done is to increase the knowledge of MSME players about finance and financial technology. This will enable them to carry out responsible financial management by applying appropriate accounting standards, and in the era of modern technology, financial institution products will become easier for business people.

METHODS

This research uses descriptive quantitative research methods as the main approach. Descriptive quantitative is a type of research that aims to analyze data by describing or explaining the data that has been collected without making comparisons or correlations between variables. (Sugiyono, 2017) states that descriptive research is used to evaluate

the value of independent variables, either one or more variables (independent), without making comparisons or linking them with other variables. Descriptive research is an attempt to describe certain symptoms, phenomena or events. This research aims to obtain information related to the conditions of certain phenomena or variables and does not aim to test hypotheses.

In this research, the data collection technique uses the questionnaire method. Distribution of questionnaires was carried out in a structured manner by sending questionnaires to respondents via the WhatsApp platform . Once filled in, the questionnaire will automatically be sent via email. Then, the researcher will tabulate the data, and the next analysis will use multiple regression analysis. The aim is to find out, test and analyze the impact of financial literacy and financial technology on financial management in Micro, Small and Medium Enterprises (MSMEs).

RESULTS AND DISCUSSION

Data analysis

The data analysis method used in this research is multiple regression. This research applies multiple linear regression analysis techniques to evaluate the influence of independent variables on the dependent variable using Eviews 10 software.

Dependent Variable: FINANCIAL MANAGEMENT
 Method: Least Squares
 Date: 12/16/23 Time: 01:32
 Sample: 1 33
 Included observations: 33

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	6.655004	3.224068	2.064163	0.0477
FINANCIAL LITERACY	0.343584	0.150681	2.280214	0.0299
FINTECH	0.377439	0.153096	2.465370	0.0196
R-squared	0.463825	Mean dependent var		23.03030
Adjusted R-squared	0.428080	SD dependent var		1.828333
SE of regression	1.382684	Akaike info criterion		3.572438
Sum squared resid	57.35445	Schwarz criterion		3.708484
Log likelihood	-55.94523	Hannan-Quinn Criter.		3.618214
F-statistic	12.97595	Durbin-Watson stat		2.226167
Prob(F-statistic)	0.000087			

The Influence of Financial Literacy on the Financial Management of Binjai Foodcourt MSMEs

Based on the results of the analysis above, the Financial Literacy variable has a t-statistic value of 2,280 with a value of Prob. (Significance) is 0.029 (<0.05), so it can be concluded that the Financial Literacy variable has a positive and significant effect on MSME Financial Management at the Binjai Foodcourt .

Research states that business actors' understanding of the basic concepts of finance, savings, credit, insurance and investment makes a positive contribution to the financial management of MSMEs. Factors such as education level, age and years of business also influence this. Good financial understanding helps business people in managing their business finances. This study is consistent with previous research (Rumbianingrum & Wijayangka, 2018); (Haekal, 2021); and (Ardiansyah et al., 2022) which shows that financial literacy has a positive and significant influence on the financial management of MSMEs.

The results of this research are relevant to financial management theory because financial literacy helps individuals apply financial management principles to their personal lives. A strong understanding of financial literacy enables wiser financial decision making, effective budget management, and reduced financial risk.

The Influence of Financial Technology on the Financial Management of Binjai Foodcourt MSMEs

Based on the results of the analysis above, the Financial Technology variable has a t-statistic value of 2,465 with a Prob value. (Significance) is 0.019 (<0.05), so it can be concluded that the Financial Technology variable has a positive and significant effect on MSME Financial Management at the Binjai Foodcourt .

Studies show that a good understanding of financial technology products such as payment systems, digital banking, loans between individuals, online/digital insurance, and collective funding makes a positive contribution to MSME financial management. Advances in financial technology have brought major changes in the way finances are managed. These results are in line with previous research (Fitriasandy & Anam, 2022); and (Nur Hamidah et al., 2020), but are not consistent with findings which show that factors such as technology implementation, costs, and infrastructure readiness are obstacles (Suaryansyah, 2022).

The connection between this research and financial management theory lies in the paradigm shift in financial access and processing through fintech . Fintech provides easier access, increases efficiency, and brings innovation to financial management.

The Influence of Financial Literacy and Financial Technology on the Financial Management of Binjai Foodcourt MSMEs

Based on the results of the analysis above, it is known that the F-Statistic value is 12,975 with a Prob value. (F-Statistic) of 0.000087 (<0.05). So it can be concluded that the variables Financial Literacy and Financial Technology have a positive and significant effect on MSME Financial Management at the Binjai Foodcourt .

Research shows that for good financial management, support from financial literacy and financial technology is needed . Understanding the basics of finance and the use of

financial technology contributes to MSME financial management. This study is in line with the results of previous research (Fitriasandy & Anam, 2022; Wati & Panggiarti, 2021) which confirms that financial literacy and financial technology have a positive and significant influence on financial management.

The relationship between research results on financial literacy and financial technology with financial management theory lies in the technological capabilities and financial understanding that help in effective financial management. Strong financial literacy and understanding of fintech can strengthen the application of financial management theory in making innovative and effective financial decisions for business actors.

CONCLUSIONS

Financial Literacy has a positive and significant effect on MSME Financial Management at the Binjai Foodcourt , so the hypothesis is accepted. This means that the better the financial literacy of business actors, the better the financial management of MSMEs at the Binjai Foodcourt . Financial Technology has a positive and significant effect on MSME Financial Management at the Binjai Foodcourt , so the hypothesis is accepted. This means that the better the financial technology that business actors have, the better the financial management of MSMEs at the Binjai Foodcourt . Financial Literacy and Financial Technology have a positive and significant effect on MSME Financial Management at the Binjai Foodcourt , so the hypothesis is accepted. This means that the better the financial literacy and Financial Technology that business actors have, the better the financial management of MSMEs at the Binjai Foodcourt .

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