

The Influence of Financial Literacy and Financial Behavior on the Financial Well Being of UMKM Players in the Tourism Sector in Madura

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Keywords:	Abstract
<i>Financial Behavior</i> <i>Financial Literacy</i> <i>Financial Well Being</i> <i>MSME</i>	The purpose of this study is to determine how <i>Financial Literacy</i> and <i>Financial Behavior</i> affect the <i>Financial Well Being</i> of MSME players in the tourism industry in Madura. MSMEs or small and medium enterprises are people's economic businesses that need to be protected from unfavorable business competition. MSMEs have a significant influence on the Indonesian economy. Although the name is associated with small and medium enterprises. In this study, research questionnaires were distributed to tourism MSMEs in Madura. Which is located in the Bangkalan Regency and Sampang Regency areas. With a quantitative approach using primary data. This study took a sample of 60 MSME players. SPSS Version 26 was used to test this research. The findings of this study indicate a beneficial impact of <i>Financial Literacy</i> (X1) and <i>Financial Behavior</i> (X2) on <i>Financial Well Being</i> (Y).

INTRODUCTION

As the's largest archipelago, Indonesia consists of large and small islands that together a political, social, cultural, and geographical unity. very high economic potential, especially in the field of tourism that can help the economy in Indonesia. The tourism sector has an important role in the country's economy, one of which is in encouraging the development of MSMEs.

The majority of Indonesians rely on MSMEs as their main source of income. MSMEs are not large companies, but it cannot be denied that they have an important role in driving the nation's economy. MSMEs have contributed 60% of Indonesia's economic growth, which is greatly helped by their presence. (Suyadi et al., 2017). .

MSMEs are a sector that has a role in driving Madura's tourism industry. MSME players in Madura are faced with various challenges such as fluctuations in income and unmeasured cost expenditures. According to (Suci, 2008) The weak points of MSMEs are lack of capital, lack of managerial ability and lack of skills in operating.

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In dealing with this situation, financial literacy and financial behavior can help optimize spending and increase financial stability so that MSME actors can achieve financial well-being.

Financial *well being* is a very basic goal in human existence. Almost every need that must be fulfilled by humans requires good financial conditions. Financial well-being can indicate the financial status of a person who has adequate resources to establish a comfortable and prosperous life. One way to achieve prosperity is by managing or managing finances or good finances. The plan can be achieved by developing positive financial behavior such as by getting used to saving, investing or so on. (Kurniawati & Lestari, 2022). A strong foundation for good financial management should underlie plans to meet financial commitments and requirements. People who are able to manage their assets in such a way that it leads to financial well-being (Saputra, 2022). (SAPUTRA, 2022). Financial well-being can be influenced by *financial literacy* and *financial behavior*.

To make wise financial that will result in financial well-being, one must have a combination of attitudes, knowledge, behaviors, awareness, and skills known as *financial literacy*. (Augustin et al., 2020). In addition, financial literacy contributes to the development of financial services and the welfare of the nation's economy. (Yushita, 2017). The degree of information, abilities and beliefs that can bring behavior and attitudes to improve decision making and manage funds for welfare to improve welfare is also called financial literacy. (Roziq & Roziq, 2018).. Literacy finance is related to *Financial Well Being*. where the purpose of financial management is financial well-being including having reserves urgent needs in the future, fulfilling life needs, and for the benefit of speculation. So it is hoped that individuals can manage and manage finances properly in order to obtain optimal benefits. (GUNARTIN et al., 2020).

Financial behavior also has an important influence on people's financial well-being. Financial behavior is the behavioral involvement of behaviors and attitudes that exist in individuals who grow such as emotions, traits, hobbies and various kinds of things that are binding and *inherent*. (Kurniawati & Lestari, 2022). Financial behavior is considered one of the important concepts in finance. The treatment, management, and utilization of financial resources that a person has is also a factor in determining his finances. (Dilasari, 2020).

According to (Irawan & Setiawan, 2018) financial behavior is a financial activity that sets financial goals, takes into account income appropriately, individual planning and budgeting, takes into account alternatives when making financial-related decisions, successfully meets financial goals and makes spending plans positive which is able to increase with high personal financial plans. The act of using a financial management system such as planning to save regularly for a specific purpose is financial behavior according to (Prihastuty, 2018). When individuals can make and determine the right financial decisions, the financial problems that will come are smaller, this reflects healthy Financial Behavior (Pramata, 2023). Good financial behavior not only provides benefits in the long term such as a high level of financial

well being but also in the short term by keeping individuals away from compulsive behavior (Hikmah et al., 2023). (Hikmah et al., 2020)..

RESEARCH METHODS

In this study, the researcher utilized a quantitative approach. The quantitative method is an approach that is rooted in the philosophy of positivism, aims to investigate certain populations or samples in order to test hypotheses which have been determined. (Sugiyono, 2014). The purpose of this research is to investigate how *Financial and Financial Behavior* affect *Financial Well being as* a whole. With the research population being Madurese MSME tourism actors. Sixty respondents were sampled using *non-probability sampling* techniques. Questionnaires were used in the data collection process. A closed questionnaire consisting of respondent profiles and questions about financial behavior, financial literacy, and financial wellbeing was the format used. Through a Likert scale. The data collection process involved the distribution of Google Forms-based questions across social media channels.

RESULTS AND DISCUSSION

Testi Validity

Table 1. iValidity

Variables	Statement	r count	r table	Decision
Financial Literacy	X1.1	0,811	0,250	Valid
	X1.2	0,749	0,250	Valid
	X1.3	0,563	0,250	Valid
	X1.4	0,586	0,250	Valid
	X1.5	0,659	0,250	Valid
Financial Behaviour	X2.1	0,745	0,250	Valid
	X2.2	0,710	0,250	Valid
	X2.3	0,625	0,250	Valid
	X2.4	0,766	0,250	Valid
Financial Well Being	Y1	0,591	0,250	Valid
	Y2	0,690	0,250	Valid
	Y3	0,457	0,250	Valid
	Y4	0,439	0,250	Valid
	Y5	0,431	0,250	Valid
	Y6	0,414	0,250	Valid
	Y7	0,467	0,250	Valid
	Y8	0,542	0,250	Valid
	Y9	0,414	0,250	Valid
	Y10	0,467	0,250	Valid

Source: Processed SPSS, 2023

According to Table 1. This study can be declared to meet the required conditions where $r_{hitung} > r_{tabel}$ so that the variable indicators are to be valid, above the findings of the validity using a sample of 60 samples.

Reliability Test

Table 2. Reliability

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Variable	Crombach Alpha Value	Crombach Alpha Limit	Description
Fianancial Literacy	0,697	>0,60	Realible
Financial Behaviour	0,674	>0,60	Realible
Financial Well Being	0,637	>0,60	Realible

Source: Processed SPSS, 2023

Table 2 above. Based on the reliability results, each has a Crombach Alpha value 0.60. In order for variables (*Financial Literacy*, *Financial Behavior*, and *Financial Well being*) to be considered reliable or trusted, the value must be more than 0.6.

TestiNormality

Table 3. Normality Test
One-Sample Kolmogorov-Smirnov Test

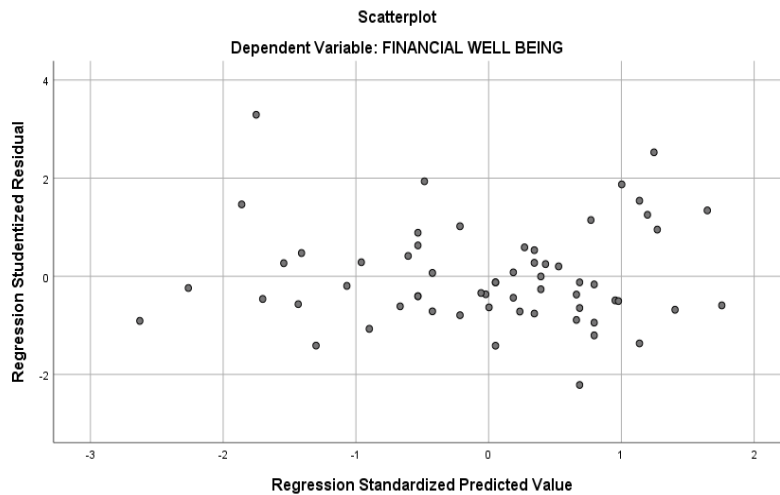
		Unstandardized Residual
N		60
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	3.84139939
Most Extreme Differences	Absolute	.132
	Positive	.132
	Negative	-.072
Test Statistic		.132
Asymp. Sig. (2-tailed)		.011 ^c
Exact Sig. (2-tailed)		.226
Point Probability		.000

Source: SPSS Processed Data, 2023

The data is not normally distributed because is less.05, based on the findings of the Normality showing. Sig value of 0.011 (<0.05). the achievediP-Value is thani0.05 (statistical confidence level or 0.05), the exact sig value (2-tailed) is 0.226 (>0.05) where the data circulates normally. As revealed by Nitin R. Patel and Cyrus R. Mehta (2012: 1) By default, IBM SPSS uses the asymptotic method to determine the P-Value. The P-value is calculated by the asymptotic technique under the assumption that the available data is large enough (i.e., the sample size is large enough). However, the asymptotic technique will produce incorrect or unreliable findings if the data is small, unbalanced, and poorly distributed. Therefore, the Exact method is the appropriate course of action in this case. An accurate p-value will result from the p-value determined by the exact method.

Heteroscedasticity Test

Heteroscedasticity Test Results



Source: SPSS, 2023

Based Figure 1. heteroscedasticity show that there is no obvious pattern formed from points that are above and below the origin. Thus, it can be that there are no signs of in the relationship between *Financial Behaviour* (X2) with *Financial Literacy* (X1) and *Financial Well Being* (Y).

Multiple Linear Regression Test

Figure 2. Results of the Multiple Linear Regression Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	28.736	2.662		10.795	.000
	FINANCIAL LITERACY	.456	.158	.453	2.894	.005
	FINANCIAL BEHAVIOUR	-.209	.210	-.156	-.997	.323

a. Dependent Variable: FINANCIAL WELL BEING

Source: SPSS processed data, 2023

Equation: $Y = a + b X_1 + c X_2 + e$

$$Y = 28,736 + 0.456 X_1 - 0.209 X_2 + e$$

Financial Well Being = 28.736 + 0.456 + -0.209 + e

The values in the regression equation above indicate:

- The constant value (a) is 28.736 which means that *Financial Well Being* will increase by 28.736 if *Financial Literacy* and *Financial Behavior* are considered zero (0).
- The *Financial Literacy* coefficient value 0.456, which means that if *Financial Literacy* increases by one, it increase by 0.456.
- The *Financial Behaviour* coefficient value of -0.209 indicates that *Financial Literacy* will decrease by -0.209 every one unit increase in *Financial Behaviour*.

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This shows that *FinancialiBehaviour* and *FinancialiWellbeing* are negatively correlated.

Test Coefficient of Determination (R)²

Figure 3. Test Coefficient of Determination (R)²

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.376 ^a	.142	.112	3.90821

a. Predictors: (Constant), FINANCIAL BEHAVIOUR, FINANCIAL LITERACY

Source: SPSS processed data, 2023

It was found that the RiSquare value = 0.142. that financial and financial have an impact of 14.2% on financial well-being, and other factors not included in this impact of 85.8%.

Test (Partial) T

Figure 4. T test (Partial)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	28.736	2.662		10.795	.000
	FINANCIAL LITERACY	.456	.158	.453	2.894	.005
	FINANCIAL BEHAVIOUR	-.209	.210	-.156	-.997	.323

a. Dependent Variable: FINANCIAL WELL BEING

Source: SPSS processed data, 2023

There is an influence between the Financial Literacy variable on Financial Wellbeing, based on the findings of the Financial Literacy T Test (partial) above, where t-count = 2.894 > t-table 2.002 and sig value = 0.005 < 0.05. This research is in line with the findings (Kurniawati & Lestari, 2022). With a significance value of 0.323 and a t-count of -997 < t-table = 2.002, the Financial Behavior variable is proven to have no effect on Financial Wellbeing.

Test (Simultaneous) F

Figure 5. Test Results (Simultaneous) F

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	143.775	2	71.888	4.707	.013 ^b
	Residual	870.625	57	15.274		
	Total	1014.400	59			

a. Dependent Variable: FINANCIAL WELL BEING

b. Predictors: (Constant), FINANCIAL BEHAVIOUR, FINANCIAL LITERACY

Source: Processed SPSS, 2023

Based on the results of the (Simultaneous) F Test, the F-count obtained is 4.707 > three and the significance obtained is 0.013 < from 0.005 so that the *Financial Literacy* and *Financial Behavior* variables simultaneously affect financial well-being.

Discussion

1. The effect of Financial Literacy (X1) partially on Financial Well Being (Y) on tourism sector MSME players in Madura.

From the results of the analysis above, it shows that financial literacy in MSME players in the tourism sector in Madura has a partial effect.

Formula t-table = $t(0.05/2; 60-2-1) = t(0.025; 57) = (2.002)$

It is known that the t-count of *Financial Literacy* is $2.894 > t\text{-table}(2.002)$, meaning that *Financial Literacy* partially has a significant impact on financial well-being for tourism sector MSMEs in Madura.

So *Financial Literacy* has an influence on *Financial Well Being*. This reveals that the better the financial knowledge obtained by MSME workers, the better it will be able to improve the *financial well being of MSME* players in the tourism sector in Madura. This research is in line with research (Ariza et al., 2023) which has examined financial literacy which has an effect on financial well-being.

2. The effect of Financial Behavior (X2) partially on Financial Well Being in tourism sector MSME players in Madura.

From the results of the analysis above, it shows that financial behavior in MSME players in the tourism sector in Madura has an effect.

Formula t-count = $t\text{-count}(0.05/2; 60-2-1) = t\text{-count}(0.025; 57) = (2.002)$

It is known that the t-count of *Financial Behavior* is $-0.997 < t\text{-table}(2.002)$ with a significant 0.323, meaning that *Financial Behavior* has no effect on *Financial Well Being* in tourism sector MSMEs in Madura.

3. The effect of *Financial Literacy* (X1) and *Financial Behavior* (X2) simultaneously on Financial Well Being.

The results of the above analysis show that Financial Well Being is influenced by financial literacy and financial behavior.

$f\text{-table} = f(2; 60-2)$

$= t(2; 58) = 3,15$

It is known that F-count of $(4.707) > F\text{-table}(3.15)$ means that financial understanding and financial behavior have an influence on *Financial Well Being*.

CONCLUSION AND SUGGESTIONS

Conclusion

Based on the theoretical study and the formulation of the problems raised, the results of the study allow the following conclusions to be drawn:

1. Change In the MSME tourism industry in Madura, *Financial Well Being* is significantly influenced by *Financial Literacy*.
2. *Financial* behavior variables have no effect on financial *wellbeing* in tourism sector MSMEs in Madura.
3. The elements that affect *Financial Well Being* simultaneously are *Financial Behavior* and *Literacy*.

From the research results obtained from the field. In reality, this research went well. But there are some suggestions, the following suggestions are proposed below:

1. For further researchers, it is necessary to deepen the influence of *financial* literacy and *financial* behavior on the *financial* well-being of MSME actors.
2. Institutions or governments need to organize educational programs that focus on MSME actors such as seminars and training to be able to improve the financial literacy of MSME actors.
3. Institutions or governments need to encourage access to financial resources to be able to assist MSME actors in developing positive financial behavior such as in cash management, budget planning and understanding of financial risks.

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