THE EFFECT OF FINANCIAL LITERACY, TECHNOLOGY FINANCIAL LITERACY AND FINANCIAL INCLUSION ON MSME PERFORMANCE

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Abstract

Financial management is key in the performance of MSMEs where if business owners cannot manage their finances, it is certain that their business performance will not run well. In order for MSME businesses to run well, it is very necessary for business actors to understand financial literacy, financial technology and financial inclusion that can improve the performance of MSMEs. Finance to get welfare for MSME actors. This study aims to determine the effect of financial literacy, fintech and financial inclusion on the performance of MSMEs in Yogyakarta City. The research method uses quantitative, the population in this study were MSMEs in the City of Yogyakarta. The sample of this research is Micro MSMEs in Yogyakarta City and has a maximum of 5 employees, the sampling technique used purposive sampling with the Slovin formula with a standard error of 10% so that a sample size 63 businesses was obtained. The analysis tool used for testing is SPSS version 25. The results showed that financial literacy and financial inclusion had a positive and significant effect on the performance of micro MSMEs in Yogyakarta City while fintech had no positive and significant effect on the performance of micro MSMEs in Yogyakarta City. The three variables namely financial literacy, financial literacy technology and financial inclusion as a whole have a simultaneous influence on the performance of micro MSMEs in Yogyakarta City.

Keywords: Financial Literacy, FinTech, Financial Inclusion, MSME Performance

Abstrak

Pengelolaan keuangan menjadi kunci kinerja UMKM dimana jika pemilik usaha tidak dapat mengelola keuangannya maka dapat dipastikan kinerja usahanya tidak akan berjalan dengan baik. Agar usaha UMKM dapat berjalan dengan baik sangat diperlukan bagi para pelaku usaha memahami literasi keuangan, teknologi keuangan dan inklusi keuangan yang dapat meningkatkan kinerja UMKM. Pembiayaan untuk mendapatkan kesejahteraan bagi para pelaku UMKM. Penelitian ini bertujuan mengetahui pengaruh literasi keuangan, fintech dan inklusi keuangan terhadap kinerja UMKM di Kota Yogyakarta. Metode penelitian menggunakan kuantitatif, populasi penelitian adalah UMKM di Kota Yogyakarta. Sampel penelitian ini adalah UMKM Mikro di Kota Yogyakarta dan mempunyai karyawan sebanyak-banyaknya 5 orang, teknik pengambilan sampel menggunakan purposive sampling dengan rumus Slovin dengan standar error 10% sehingga diperoleh jumlah sampel 63 usaha. Alat analisis yang digunakan adalah SPSS versi 25. Hasil penelitian menunjukkan bahwa literasi keuangan dan inklusi keuangan berpengaruh positif dan signifikan terhadap kinerja UMKM mikro di Kota Yogyakarta sedangkan fintech tidak berpengaruh positif dan signifikan terhadap kinerja UMKM mikro di Kota Yogyakarta. Kota. Ketiga variabel yaitu literasi keuangan, literasi keuangan teknologi dan inklusi keuangan secara keseluruhan mempunyai pengaruh secara simultan terhadap kinerja UMKM mikro di Kota Yogyakarta.

Keywords: Literasi Keuangan, FinTech, Inklusi Keuangan, Kinerja UKM

INTRODUCTION

A country's ability to develop depends greatly on its ability to reduce poverty, reduce unemployment and improve the welfare of its citizens. MSMEs are one of the most significant economic pillars, especially in Indonesia (Airlangga, 2021). As one of the biggest drivers of the national economy, MSMEs employ a large number of workers so that they are able to improve people's living standards and stabilize the Indonesian financial system (Maulida, 2020). Based on information taken from the Airlangga Ministry of Economy website (2021), in Indonesia there are around 64.19 million MSMEs who contribute 97% of employment from 61.07% of GDP, or around IDR 8,573 trillion. This data shows that one of the factors that supports the Indonesian economy is the number of MSMEs currently operating. MSME performance plays an important role in business continuity, MSME performance can be measured through the capital system and the most important thing in financial management. Financial management is key to the performance of MSMEs, where if business owners cannot manage their finances, it is certain that their business performance will not run well. Based on data taken from the infobanknews website (2023), MSME management is in alert status where the average Business Fitness Index (BFI) score is still 43.83 from the ideal score of 75. The majority of them show a risk-averse attitude, lack of financial literacy and difficulties. get a financial institution. As a result, they experience difficulties, even impossible, to obtain capital from investors or creditors (Mulyanti & Nurhayati, 2022).

The results of the National Survey of Financial Literacy and Inclusion (SNLIK) conducted by OJK in 2019, as many as 12,733 respondents from 34 provinces reported that financial literacy had only reached 38.03% and the level of financial inclusion reached 76.19%. Based on this percentage, only 38 people out of 100 people have a good understanding of financial products, services or institutions, while 76 people out of 100 people have access to these products, services or financial institutions. This index shows that even though the percentage has increased from the previous year, Indonesian people still have low levels of financial literacy and financial inclusion resulting in poor performance of MSMEs. This shows that the management of MSMEs in Indonesia is still in the low category, which threatens the performance of MSMEs. Of these, it is very necessary for business actors to understand financial literacy, financial inclusion and financial technology that improve the performance of MSMEs.

LITERATURE REVIEW

Micro, Small and Medium Enterprises (MSMEs) have different definitions in each reference according to several agencies or institutions as well as laws (Sarfiah et al., 2019). MSMEs are a type of small business which plays a very important role in improving and growing the economy in society, because MSMEs can survive in any condition in achieving community welfare (Kadeni, 2020). MSMEs have better resilience to crises, despite low productivity, this is because the organizational structure and workforce of MSMEs are more flexible in adapting to market changes, this resilience and flexibility can enable MSMEs to be utilized by the majority of society for resources. primary livelihood (Hamza & Agustien, 2019). Indonesia is dominated by Micro, Small and Medium Enterprises (MSMEs), where special attention is needed to this sector because the participation of MSMEs in the national economy is quite large (Sugiri, 2020).

Financial literacy is the appropriate skill in making decisions to understand the consequences that will arise. US Financial Literacy and Education states that financial literacy is the skill in making good decisions and taking effective action in the present and future and financial management (Kasenda & Wijayangka, 2019). Financial literacy is a type of knowledge that is very necessary in creating a society that is of good quality and has good financial intelligence, because it is not just about studying material and understanding, but must also be practical in order to be able to follow developments in the financial market (Prihatin & Maruf, 2019). It is found that there are still many MSME owners who do not prepare bookkeeping for their business. This happens because the knowledge of MSME owners regarding financial literacy is still minimal (Hanasri et al., 2023). Therefore, a strategy is needed that can increase the financial literacy of MSME players so that they can maintain the

sustainability of managed MSMEs (Saskia & Yulhendri, 2020). Financial literacy is really needed in planning finances well, because it is an individual's skill in making information-based assessments and making effective decisions related to the use and management of finances (Fitria et al., 2021).

Financial technology, namely the integration of financial technology systems and services which provide easy access to financial transaction processes for the public when using financial applications, technology has entered the financial sector (Yuningsih et al., 2022; Ryandana et al., 2023). Slowly, very rapid developments can change the financial industry in the era of digitalization, with the presence of FinTech it is hoped that it can increase the prosperity of society (Maulida, 2020). Financial institutions, especially banks and savings and loan cooperatives, have received programs from the government to help MSMEs in Indonesia facilitate access to capital (Winarto, 2020). Changes felt by MSME actors in implementing FinTech for their businesses, namely providing financial convenience for MSME actors and not consumer MSME actors. By implementing FinTech, MSMEs are also greatly helped by the electronic money feature which automatically goes into the accounts of business actors which makes it easier to make deposits (Wardani & Darmawan, 2020).

Financial inclusion is a comprehensive activity which aims to eliminate all obstacles, both in the form of price and non-price, to people's access to use or utilize financial services. For MSME players, it is very necessary to understand and have knowledge about financial inclusion, this is because financial inclusion greatly influences financial management which has an impact on the performance and sustainability of MSMEs (Kusuma et al., 2022). One thing that is fundamental to inclusive finance is that there are formal financial services which address all elements of society, so they can be used according to needs and abilities to increase welfare (Lindananty & Christina, 2022). People's problems in accessing financial institutions are caused by poor people and low incomes as a result of not meeting loan requirements from banks, low financing for MSMEs, asymmetric information, high interest rates on microcredit, inadequate MSME management skills, limited

connections to the distribution of financial services, and bank monopoly. for the micro sector, this is the reason why the implementation of financial inclusion is important (Yanti, 2019). Business actors can utilize financial resources from institutions to ensure the continuity of their business. MSMEs that use financial inclusion strategies and services have been proven to be able to increase financial and non-financial performance (Maulana et al., 2022).

Financial literacy is a type of knowledge that is very necessary in creating a society that is of good quality and has good financial intelligence, because it is not just about studying material and understanding, but must also be practical in order to be able to follow developments in the financial market (Prihatin & Maruf, 2019). Financial literacy can increase knowledge of management practices and reduce losses to increase stability, financial literacy can also increase knowledge of MSME management for decisions, namely financial plans, cash flow management and reliable financial reports (Astari & Candraningrat, 2022). Research conducted by Hamidah et al. (2020) and Fadilah et al., (2022) reveal that the performance of MSMEs is influenced by financial literacy. If business actors have sufficient knowledge about financial governance, then it can be explained that the performance of these MSMEs is categorized as good. This research is also supported by research by Mulyanti & Nurhayati (2022) and Joko et al. (2022) which explains that financial literacy has a positive effect on the performance of MSMEs.

H1: Financial Literacy has a positive effect on the performance of MSMEs.

Financial technology is the combination of financial technology systems and services which provide easy access to financial transaction processes for the public when using these financial applications (Yuningsih et al., 2022). FinTech can make it easier for Micro, Small and Medium Enterprises (MSMEs) to access financial products and financial literacy (Utami & Sitanggang, 2021). Research conducted by Mulyanti & Nurhayati (2022) and Rahadjeng et al. (2023) explains that the performance of MSMEs is influenced by FinTech. Other research reveals that FinTech has a positive and significant influence on the performance

of MSMEs (Hamidah et al., 2020; Utami & Sitanggang, 2021). By implementing FinTech, MSMEs are also greatly helped by the electronic money feature which automatically goes into the accounts of business actors which makes it easier to make deposits (Wardani & Darmawan, 2020).

H2: FinTech has a positive effect on the performance of MSMEs.

Financial inclusion is a comprehensive activity which aims to eliminate all obstacles, both in the form of price and non-price, to people's access to use or utilize financial services (Yanti, 2019). Financial inclusion is the availability of financial services in the form of current accounts, credit, payments and insurance to meet business needs. Research conducted by Sanistasya et al. (2019) and Fadilah et al. (2022) explains that the performance of MSMEs is influenced by financial inclusion. Another study by Hamidah et al. (2020) and Rahadjeng et al. (2023), where there is a positive influence of financial inclusion on the performance of MSMEs. Financial inclusion is needed by the MSME sector because it provides very broad access and eliminates barriers to financial services. Financial inclusion can increase the role of existing financial institutions and increase the reach of financial services much faster and to a greater extent (Ratnawati, 2020).

H3: Financial inclusion has a positive effect on the performance of MSMEs.

Financial literacy can increase knowledge of management practices and reduce losses to increase stability, financial literacy can also increase knowledge of MSME management for decisions, namely financial plans, cash flow management and reliable financial reports (Astari & Candraningrat, 2022). Financial technology is the combination of financial technology systems and services which provide easy access to financial transaction processes for the public when using these financial applications (Yuningsih et al., 2022). Financial inclusion is the availability of financial services in the form of current accounts, credit, payments and insurance to meet business needs (Hamidah et al., 2020).

An understanding of financial literacy, Fintech and financial inclusion is very necessary to improve the performance of MSMEs. Sufficient understanding will enable the company to achieve its desired goals without the possibility of experiencing financial problems.

H4: Financial literacy, fintech and financial inclusion have a positive effect on MSME performance.

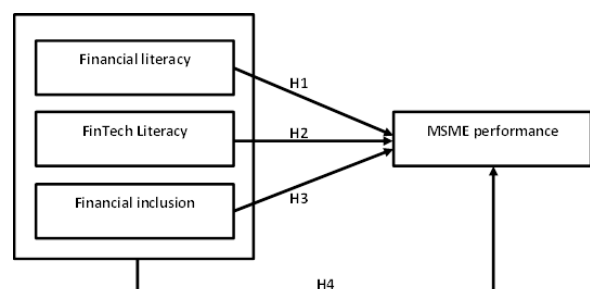Therefore, the effect of the three independent variables on the dependent variable can be described as follows:

Figure 1. Framework

METHOD

This type of research uses descriptive quantitative methods in the process of collecting, classifying, analyzing and interpreting data related to the variables to be studied and comparing technical knowledge with the actual situation of the object and then drawing conclusions in the research. Where in this research a lot of numbers are used, starting from data collection, interpretation, to results (Sugiyono, 2013). The data analysis that will be used in this research is quantitative with the aim of testing the hypothesis that has been determined, using the results of distributing questionnaires to MSME actors who have registered with the Yogyakarta City Cooperatives and Small and Medium Enterprises Service.

RESULT

This research was conducted in the city of Yogyakarta. The sample used in this research was micro MSMEs in the trade sector in the city of Yogyakarta with a maximum of 5 employees. The samples collected were 63 respondents.

Table 1. Respondent Data

Variable	Respondent	Frequency	Percent	Valid Percent	Cumulative Percent	Information
Registered with the MSME service	Yes	63	100	100	100	Valid
Types of Micro Business	Yes	63	100	100	100	Valid
Type of business Sub Sector	Culinary	50	79.4	79.4	79.4	Valid
	Grocery Store	1	1.6	1.6	79.4	Valid
	Fashion	12	19.0	19.0	100	Valid

Table 1 explains that respondents totaling 63 business actors have registered with the MSME Service with a percentage of 100%. This explains that all respondents have been registered with the MSME Service. Then 63 businesses stated that the type of business they were running was truly a micro business with a percentage of 1005. This explains that all respondents were businesses operating in the micro sector. The number of respondents in the culinary sub-sector was 50 respondents with a percentage of 79.4%, the number of respondents in grocery stores was 1 respondent with a percentage of 1.6%, and the fashion sub-sector was 12 respondents with a percentage of 19.0%. This shows that this research was dominated by respondents from the culinary sector, namely 50 people with a percentage of 79.4%.

The validity test used in this research uses SPSS which functions to determine whether the data to be processed is valid or not. The validity test was carried out by correlating each item score with the total score and carrying out an overestimated correlation. The validity coefficient can be said to be valid if the value is more than r table with a significance of 0.05. By using df (degree of freedom) analysis, namely with the formula df = n-2, where:

df   = degree of freedom
n   = sample
df   = 63 − 2 = 61, then the r table obtained is 0.2480

Table 2. Validity Test Results

Variable	Statement Items	r-count	r-table	Information
Financial Literacy	X1.1	0.522	0.2480	Valid
	X1.2	0.409	0.2480	Valid
	X1.3	0.665	0.2480	Valid
	X1.4	0.558	0.2480	Valid
	X1.5	0.622	0.2480	Valid
	X1.6	0.611	0.2480	Valid
	X1.7	0.608	0.2480	Valid
	X1.8	0.634	0.2480	Valid
	X1.9	0.473	0.2480	Valid
	X1.10	0.564	0.2480	Valid
	X1.11	0.623	0.2480	Valid
	X1.12	0.691	0.2480	Valid
	X1.13	0.702	0.2480	Valid
FinTech Literacy	X2.1	0.857	0.2480	Valid
	X2.2	0.881	0.2480	Valid
	X2.3	0.941	0.2480	Valid
	X2.4	0.944	0.2480	Valid

	X2.5	0.845	0.2480	Valid
	X1	0.564	0.2480	Valid
	X2	0.695	0.2480	Valid
	X3	0.642	0.2480	Valid
	X4	0.702	0.2480	Valid
Financial Inclusion	X5	0.749	0.2480	Valid
	X6	0.699	0.2480	Valid
	X7	0.711	0.2480	Valid
	X8	0.852	0.2480	Valid
	X9	0.690	0.2480	Valid

Table 2, the correlation coefficient calculation results all have a calculated r-value greater than the r-table value (0.2480), so it can be concluded that all statement items on the financial literacy variable are declared valid. The correlation coefficient calculation results all have an r-calculated value greater than the r-table value (0.2480), so it can be concluded that all statement items in the FinTech Literacy variable are declared valid. The correlation coefficient calculation results all have an r-calculated value greater than the r-table value (0.2480), so it can be concluded that all statement items in the MSME Performance variable are declared valid.

A variable can be said to be reliable if the Cronbach's Alpha value is more than 0.6. Reliability becomes poor if the value of Cronbach's Alpha is less than 0.6. The following are the results of reliability tests carried out using SPSS software.

Table 3. Reliability Test

Variable	Alpha Cronbach's	Information
Financial Literacy	0.844	Reliable
FinTech Literacy	0.934	Reliable
Financial Inclusion	0.874	Reliable
Financial performance	0.764	Reliable

Table 3, the results of the reliability test with a total of 63 respondents, it can be seen that the four research variables have Cronbach's Alpha values above 0.6. So, it can be concluded that the four variables in this research are declared reliable and suitable as instruments for measuring research data.

The normality test is a procedure used to determine whether the data used comes from a normally distributed population or data that is not normally distributed. The normality test used in this research used the One Sample Kolmogorov-Smirnov test. Data can be said to be normally distributed if the significant value is greater than 0.05. The normality test results are shown in the following table:

Table 4. Normality Test

N		63
Normal Parameters	Mean	0.0000000
	Std. Deviation	2.50025462
Most Extreme Differences	Absolute	0.105
	Positive	0.105
	Negative	-0.076
Test Statistic		0.105
Asymp. Sig. (2-tailed)		0.082

Table 4, the Kolmogorov-Smirnov value shows a value of 0.082, thus. These results show that the value of Asymp. Sig. (2-tailed) is greater than a value of 5% (0.05), so it can be concluded that the results of the normality test show that all residual values of the variables used in this research are normally distributed and are suitable to be used as test objects.

The multicollinearity test is used to

determine whether there is a relationship between independent variables in the regression model. Data can be declared free of multicollinearity if the VIF is smaller than 10. The results of the multicollinearity test can be shown in the following table:

Table 5. Multicollinearity Test Results

Model	Collinearity Statistics Tolerance	Collinearity Statistics VIF
Financial Literacy	0.526	1.900
FinTech Literacy	0.630	1.588
Financial Inclusion	0.568	1.760

Table 5, the results of the Multicollinearity test show that all tolerance values are > 0.10 or VIF < 10 so it can be concluded that there is no multicollinearity. Where the financial literacy value of 1,900 is smaller than 10, the fintech literacy variable is 1,588 smaller than 10 and the financial inclusion variable is 1,760 smaller than 10.

The heteroscedasticity test is used to determine the inequality of variance and residuals regarding all observations in the regression model. Data can be stated as not having heteroscedasticity if the significant value is greater than 0.05.

Table 6. Results of Heteroscedasticity Test, Multiple Linear Regression and t Test

Variable	Model	Unst. Coef. B	Unst. Coef. Std. Error	Stan. Coef. Beta	t	Sig.
Heteroscedasticity	Constant	7.161	2.189		0.271	0.002
	Financial Literacy	0.143	0.059	0.407	0.415	0.219
	FinTech Literacy	0.073	0.093	0.121	0.787	0.435
	Financial Inclusion	0.006	0.072	0.014	0.087	0.931
Multiple Linear Regression	(Constant)	10.958	3.410		0.214	0.002
	Financial Literacy	0.451	0.092	0.685	4.892	0.000
	FinTech Literacy	0.194	0.145	0.171	1.334	0187
	Financial Inclusion	0.294	0.112	0.353	2.622	0.011
t test	(Constant)	10.958	3.410		3.214	0.002
	Financial Literacy	0.451	0.092	0.685	4.892	0.000
	FinTech Literacy	0.194	0.145	0.171	1.334	0.187
	LN_X3	0.294	0.112	0.353	2.622	0.011

Table 6, it can be seen that the significance probability value is greater than 0.05, so it can be concluded that the research variables above do not have heteroscedasticity. Multiple linear regression analysis is usually used to determine the influence between the dependent variable and the independent variable. The Constant Coefficient value of 10.958 with a positive value means that the Financial Literacy, FinTech Literacy, Financial Inclusion, MSME Performance variables will increase by 11%. The beta coefficient value of the financial literacy variable is 0.551. If the values of other variables are constant and the Financial Literacy variable (X1) increases by 1% then the MSME Performance variable (Y) will increase by 45% and vice versa, if the values of other variables are constant and the Financial Literacy variable (X1) decreases by 1% then the MSME Performance variable (Y) will experience a decrease of 45%. The beta coefficient value of the FinTech Literacy variable is 0.194. If the values of other variables are constant and the FinTech Literacy variable (X2) increases by 1% then the MSME Performance variable (Y) will increase by 19.4% and vice versa, if the values of other variables are constant and the FinTech Literacy variable (X2) decreases. 1%, the MSME Performance variable (Y) will decrease by 19.4%. The beta coefficient value of the Financial Inclusion variable is 0.294. If the value of other variables is constant and the Financial Inclusion variable (X3) increases by 1%, then the MSME Performance variable (Y) will increase by 19.4% and vice versa, if the value of the other variables is constant and the Financial Inclusion variable (X3) decreases. 1%, the MSME Performance variable (Y) will decrease by 19.4%.

The t test is used to determine

significant differences between two sample means. The t test is carried out by comparing the t-count with the t-table and the hypothesis can be said to be significant if the sig value is less than 0.05. The T-table can be found using df (degree of freedom) analysis, namely with the formula df = n – k, where:

df = degree of freedom
n = sample
df = 63 – 4 = 59, then the t-table obtained is 1.670

The calculated t value of the Financial Literacy variable (X1) is 4.892 > t-table, namely 1.670. And the sig value is 0.000 < 0.05 or α (5%) so that there is a positive and significant influence of the Financial Literacy variable on MSME performance. The calculated t value of the FinTech Literacy variable (X2) has a t-calculated value of 1.334 with a significance of 0.187 > 0.05 or α (5%) so that there is no significant influence of the FinTech Literacy variable on MSME performance. The calculated t value of the Financial Inclusion variable (X3) is 2.622 > t-table, namely 1.670. And the sig value is 0.011 < 0.05 or α (5%) so that there is a positive and significant influence of the Financial Literacy variable on MSME performance.

The coefficient of determination can be used to determine the influence that the independent variable has on the dependent variable.

Table 7. Coefficient of Determination Test Results (R2)

Model	R	R Square	Adj. R Square	Std. Error
1	0.625a	0.391	0.360	2.563

Based on Table 7, it can be seen that the R square value is 0.391, this means that 40% of the MSME Performance variable is influenced by Financial Literacy, FinTech Literacy and Financial Inclusion, while the remaining 60% is the contribution of other variables not used in this research.

The f test has a function to show whether all the independent variables in the regrease model have a joint influence on the dependent variable. The independent variable can be said to have an influence on the dependent variable if the calculated value of $f_{count} > f_{table}$ with a significance level of 0.05. The results of the f test in this research can be seen in the following table:

Table 8. F Test Results

Model	Sum of Squares	df	Mean Square	f	Sig.
Regression	248.834	3	82.945	12.626	0.000
Residual	387.579	59	6.569		
Total	636.413	62			

The f test results from table 15 show that the F-count is 12.626 and the probability is 0.000 because the F-count < 5% (0.000 < 0.05), it can be concluded that financial literacy, FinTech literacy and financial inclusion together influence the performance of MSMEs.

DISCUSSION

Based on the test results using SPSS 25.0 which is useful for determining the influence of financial literacy on the performance of MSMEs, the financial literacy variable from table 14 has a t-count value of 4.892, which shows that the t-count value is greater than the t-table value with a value of 1.670. Based on the results of the t test using SPSS 25.0 software, which functions to determine the influence of financial literacy variables on MSME performance, the results show that the significance of financial literacy on MSME performance is less than a p-value of 0.05. This shows that the performance of MSMEs is positively and significantly influenced by financial literacy.

The positive influence of financial literacy on the performance of MSMEs shows that financial literacy can influence the performance of MSMEs. Financial literacy can increase knowledge of management practices and reduce losses to increase stability. Financial literacy can also increase knowledge of MSME management for making decisions, namely financial plans, cash flow management and reliable financial reports. This research is in line with that conducted by several researchers revealing

that the performance of MSMEs is influenced by financial literacy (Sanistasya et al., 2019; Hamidah et al., 2020; Fadilah et al., 2022; Ananda et al., 2023). If business actors have sufficient knowledge about financial governance, then it can be explained that the performance of these MSMEs is categorized as good. Apart from that, the research is also supported by research from Mulyanti & Nurhayati (2022) and Joko et al. (2022), which explains that financial literacy has a positive effect on the performance of MSMEs.

Based on the test results using SPSS 25.0 which is useful for determining the influence of technological financial literacy on the performance of MSMEs, the technological financial literacy variable from table 14 has a t-count value of 1.334 which shows that the t-count value is smaller than the t-table value with a value of 1.670. Based on the results of the t test using SPSS 25.0 software, which functions to determine the influence of financial technology literacy variables on MSME performance, the results show that the significance of financial literacy on MSME performance is 0.187, greater than the p-value of 0.05. This shows that technological financial literacy does not have a positive and significant effect on the performance of MSMEs.

Financial Literacy Technology is not a factor that influences MSME performance. Most of the answers given by respondents indicated that they were not affected by the presence of FinTech in their business. A small number of others agree that they are influenced by FinTech which can help finance business development. Therefore, based on the results of the research conducted above, this can be used as evaluation material to increase outreach regarding the benefits and convenience of FinTech for entrepreneurs. Research has been conducted by several researchers, where they reveal that there is no positive and significant influence of technological financial literacy on the performance of MSMEs (Hamidah et al., 2020; Utami & Sitanggang, 2021; Mulyanti & Nurhayati, 2022; Rahadjeng et al., 2023). This is due to the fact that not all MSMEs are fintech literate and are still hesitant due to ignorance. Digital payments and m-banking are the services most widely used by MSMEs. FinTech offers the freedom to transact anytime and anywhere, even though it is not yet fully optimized. When

making decisions, MSME players consider costs, transaction security and confidentiality of information rather than convenience because they do not yet believe in the existence of FinTech.

Based on the test results using SPSS 25.0 which is useful for determining the influence of financial inclusion on MSME performance, the financial inclusion variable from table 14 has a t-count value of 2.622, which shows that the t-count value is greater than the t-table value with a value of 1.670. Based on the results of the t test using SPSS 25.0 software, which functions to determine the influence of financial inclusion variables on MSME performance, the results show that the significance of financial inclusion on MSME performance is 0.011, which is smaller than the p-value of 0.05. This shows that financial inclusion has a positive and significant effect on the performance of MSMEs.

Financial inclusion is needed by the MSME sector because it provides very broad access and eliminates barriers to financial services. Financial inclusion can increase the role of existing financial institutions and increase the reach of financial services much faster and to a greater extent. Financial inclusion is the availability of financial services in the form of current accounts, credit, payments and insurance to meet business needs. This research is in line with research conducted by (Sanistasya et al., 2019; Hamidah et al., 2020; Fadilah et al., 2022; Rahadjeng et al., 2023).

Based on the test results using SPSS 25.0 which is useful for determining the influence of financial literacy, financial technology literacy and financial inclusion on the performance of MSMEs. From the F test results in table 15, the F-count is 12.626 and the probability is 0.000 because the F-count sig is < 5% (0.000 < 0.05). This shows that Financial Literacy, Financial Technology Literacy and Financial Inclusion have a positive and significant effect on the performance of MSMEs.

Financial literacy can increase knowledge of management practices and reduce losses to increase stability. Financial literacy can also increase knowledge of MSME management for making decisions, namely financial plans, cash flow management and reliable financial reports. Financial inclusion plays an important role in improving the performance of MSME players by reducing economic inequality through

increasing and equalizing access for MSME players to financial products and services (Joko et al., 2022). FinTech can make it easier for Micro, Small and Medium Enterprises (MSMEs) to access financial products and financial literacy (Utami & Sitanggang, 2021). This research is in line with research conducted by (Fadilah et al., 2022; Maulana et al., 2022).

CONCLUSION

Based on the results of the t test using SPSS 25.0 software, which functions to determine the influence of financial literacy variables on MSME performance, the results show that the significance of financial literacy on MSME performance is less than a p-value of 0.05. This shows that the performance of MSMEs is positively and significantly influenced by financial literacy. The positive influence of financial literacy on the performance of MSMEs shows that financial literacy can influence the performance of MSMEs. Financial literacy can increase knowledge of management practices and reduce losses to increase stability. 2. Based on the results of the t test using SPSS 25.0 software, which functions to determine the influence of technological literacy variables on MSME performance, the results showed that the significance of financial literacy on MSME performance was 0.187, greater than the p-value of 0.05. This shows that technological literacy does not have a positive and significant effect on the performance of MSMEs. Technological literacy is not a factor that influences MSME performance. Most of the answers given by respondents indicated that they were not affected by the presence of Fintech in their business. Based on the results of the t test using SPSS 25.0 software, which functions to determine the influence of financial inclusion variables on MSME performance, the results show that the significance of financial literacy on MSME performance is 0.011, which is smaller than the p-value of 0.05. This shows that financial inclusion has a positive and significant effect on the performance of MSMEs. Financial inclusion is needed by the MSME sector because it provides very broad access and removes barriers to financial services.

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