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## UNLOCKING THE POTENTIAL: HOW FINANCIAL INCLUSION AND FINANCIAL BEHAVIOR DRIVE GROWTH IN CULINARY MSMEs

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**Abstrak:** Technological developments in the world that are increasinglyThe development of technology in an increasingly advanced world has affected people's lifestyles, especially the style of transactions. Technology is designed to facilitate all community activities. Starting from accessing all information from various countries to broaden horizons. In financial services fintech is present offering convenience in financial transactions to improve financial literacy. Jember Campus Area MSMEs players do not use financial technology due to a lack of understanding of financial literacy. The object in this study is culinary MSMEs players in the Jember campus area which has a sample size of 120 respondents using an unknown population size, the number of research respondents can be determined by referring to the minimum sample size requirements in a particular analysis. Data collection techniques using interviews and questionnaires. The analysis used in this study includes validity test, reliability test, classical assumption test (normality test, multicollinearity test, heteroscedasticity test), multiple linear regression analysis, and hypothesis testing (t test). The results of multiple linear regression analysis in this study prove that financial inclusion (0.261), financial behavior (0.235) has a significant effect on the growth of MSMEs

**Keywords:** financially inclusion, financial literacy, spiritual intelligence, financially behavior

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### INTRODUCTION

The development of technology in an increasingly advanced world has affected people's lifestyles, especially the style of transactions. Technology is designed to facilitate all community activities. Starting from accessing all information from various countries to broaden horizons. In financial services, *fintech* is present to offer convenience in financial transactions to improve financial literacy. The development of the internet and the transformation of digitalization initiated the presence of financial technology. (Economy & Development, 2019). New innovations in the financial sector continue to be developed so that they can pamper business people for transactions. The presence of Technology companies. finance or better known as *Financial Technology* in Indonesia is growing relatively rapidly. The increasing interest of people in Indonesia in using this service creates this financial technology increasingly in demand by users as a result of which the mastery for the use of *fintech* is also is one of the important concepts of finance. Many characters define the concept of behavioral finance, for example Behavioral Finance is a discipline, it includes interaction and continuous integration so that the discussion is not isolated. All three aspects of a person's financial behavior are influenced by psychology, sociology, and finance. How individuals use, treat, and manage fund resources is explained in the concept of Financial behavior can be. According to Hseuh (2017) is one of the important concepts of finance. Many characters define the concept of behavioral finance, for example Behavioral Finance is a discipline, it includes interaction and continuous integration so that the discussion is not isolated. All three aspects of a person's financial behavior are influenced by psychology,

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sociology, and finance. How individuals use, treat, and manage fund resources is explained in the concept of Financial behavior.

Behavioral finance is one of the important concepts of finance. Many characters define the concept of behavioral finance, for example Behavioral Finance is a discipline, it includes interaction and continuous integration so that the discussion is not isolated. All three aspects of a person's financial behavior are influenced by psychology, sociology, and finance. How individuals use, treat, and manage fund resources is explained in the concept of Financial behavior can be influenced by several things including financial literacy, and financial inclusion. companies. finance or better known as *Financial Technology* in Indonesia is growing relatively rapidly. The increasing interest of people in Indonesia in using this service creates this financial technology increasingly in demand by users as a result of which the mastery for the use of *fintech* is also getting higher. *Financial Technology* by financial plans that are made effectively. (Putri, 2020). Behavior in managing finances is related to income.

Finance concept of is one of the important concepts of finance. Many characters define the concept of behavioral finance, for example Behavioral Finance is a discipline, it includes interaction and continuous integration so that the discussion is not isolated. All three aspects of a person's financial behavior are influenced by psychology, sociology, and finance. How individuals use, treat, and manage fund resources is explained in the concept of Finance behavior can be (Vidovicova, in Wicaksono's research, 2015). Finance literacy can be defined as finance knowledge, with the aim of achieving welfare (Lusardi and Mitchell, 2007). The existence of fintech has bridged finance access for the community, in this case MSMEs, to be able to access finance services easily. *Finance inclusion* is the calculation of the number of enthusiasts or customers for the use of finance services in Indonesia in various forms of finance products such as savings deposits, loans, investments, transfers, payments and insurance. Jember City, which is located in East Java Province, is a city with quite a lot of population both in terms of society and in terms of students. Of course, MSMEs in Jember City continue to grow with the development of this modern era. Researchers are interested in analyzing MSMEs in Jember City, especially the campus area because there are quite a lot of MSMEs in the Jember Campus Area but they are still undeveloped in terms of *Finance Technology*. Some of the Jember Campus Area MSMEs are:

No.	Name of MSME	Location
1	Duck Galak 88	Jl. Jawa, Jember
2	Nasi Pecel Pincuk	Jl. Kalimantan, Jember
3	Lontong Kare Bu. Pur	Jl. Kalimantan, Jember
4	Nasi Pecel 2 Rasa	Jl. Riau, Jember
5	Fried Chicken	Jl. Mastrip, Jember
6	Padang Rice	Jl. Mastrip, Jember
7	Om Boy's stall	Jl. Sumatra, Jember
8	Sego Sambel Bunda	Jl. Kaliurang, Jember

Based on the table above, there are eight MSMEs in the Jember Campus Area that are quite large and quite good according to the results of the researcher's *survey*. Of the several MSMEs in the Jember Campus Area, they still do not use *finance technology* and still use manuals so that there is a lack of development and progress from their business. *Finance technology* is needed in doing business because the advantages of *finance technology* are easy to serve consumers, fast and easy information, guaranteed security, fast processing, efficient service. However, from the existing advantages, there are still some disadvantages,

including being required to be connected to the internet, only reaching consumers who understand the internet, prone to fraud, high costs. From some of the existing shortcomings, the advantages provided by *finance technology* are very beneficial to MSME actors. MSME players in the Jember Campus Area do not use *finance technology* due to a lack of understanding of finance literacy. companies. finance or better known as *Finance Technology* in Indonesia is growing relatively rapidly. The increasing interest of people in Indonesia in using this service creates this finance technology increasingly in demand by users as a result of which the mastery for the use of *fintech* is also getting higher. *Finance Technology* by finance plans that are made effectively. (Putri, 2020). Behavior in managing finances is related to income companies. finance or better known as *Finance Technology* in Indonesia is growing relatively rapidly. The increasing interest of people in Indonesia in using this service creates this finance technology increasingly in demand by users as a result of which the mastery for the use of *fintech* is also getting higher. *Finance Technology* by finance plans that are made effectively. (Putri, 2020). Behavior in managing finances is related to income.

## LITERATURE REVIEW

### Finance Management

According to Musthafa (2017) Finance Management is one of the important concepts of finance. Many characters define the concept of behavioral finance, for example Behavioral Finance is a discipline, it includes interaction and continuous integration so that the discussion is not isolated. All three aspects of a person's finance behavior are influenced by psychology, sociology, and companies. finance or better known as *Finance Technology* in Indonesia is growing relatively rapidly. The increasing interest of people in Indonesia in using this service creates this finance technology increasingly in demand by users as a result of which the mastery for the use of *fintech* is also getting higher. *Finance Technology* by finance plans that are made effectively. (Putri, 2020). Behavior in managing finances is related to income finance. How individuals use, treat, and manage fund resources is explained in the concept of Finance behavior can be person's finance behavior are influenced by psychology, sociology, and finance. How individuals use, can be influenced by various ways to maximize the efficiency (usability) of the company's operations.

### Finance Management Behavior

Finance management behavior is a person's expertise that is closely related to budgeting, checking, planning, managing, searching, controlling and storing daily finances. (Iskandar, 2019). Finance management behavior is the way a person sector continue to be developed so that they can pamper business people for transactions. The presence of Technology companies. finance or better known as *Finance Technology* in Indonesia is growing relatively rapidly. The increasing interest of people in Indonesia in using this service creates this finance technology increasingly in demand by users as a result of which the mastery for the use of *fintech* is also getting higher. *Finance Technology* by finance plans that are made effectively. (Putri, 2020). Behavior in managing finances is related to income companies. finance or better known as *Finance Technology* in Indonesia is growing relatively rapidly. The increasing interest of people in Indonesia in using this service creates this financial technology increasingly in demand by users as a result of which the mastery for the use of *fintech* is also getting higher. *Finance Technology* by finance plans that are made effectively. (Putri, 2020). Behavior in managing finances is related to income, planning and use of money that has a specific purpose. (Sumiarni, 2019). Finance management Behavioral Finance is a discipline, it includes interaction and continuous integration so that the discussion is not isolated.

### Finance Literacy

*Finance literacy* is a person's knowledge and expertise in managing their finances with the aim of improving their finance well-being. (Miswan, 2019). Behavioral Finance is a discipline, it includes interaction and

continuous integration so that the discussion is not isolated. All three aspects of a person's finance behavior are influenced by sector continue to be developed so that they can pamper business people for transactions. The presence of Technology companies. finance or better known as *Finance Technology* in Indonesia is growing relatively rapidly. The increasing interest of people in Indonesia in using this service creates this finance technology increasingly in demand by users as a result of which the mastery for the use of *fintech* is also getting higher. *Finance Technology* behavior can be influenced e (Yusnia & Jubaedah, 2019).

### **Finance Inclusion**

Finance inclusion is a (Bentar Kusdimanto et al., 2022).. The existence of fintech has bridged finance access for the community, in this case MSMEs, to be able to access finance services easily. Finance inclusion is the calculation of the sector continue to be developed so that they can pamper business people for transactions. The presence of Technology companies. finance or better known as *Finance Technology* in Indonesia is growing relatively rapidly. The increasing interest of people in Indonesia in using this service creates this finance technology increasingly in demand by users as a result of which the mastery for the use of *fintech* is also getting higher. *Finance Technology* such as savings deposits, loans, investments, transfers, payments and insurance. According to Kusumaningtuti and Setiawan (2018) inclusive finance is all efforts that aim to remove all barriers to utilizing the low-cost concept to take advantage of all existing barriers to public access to finance services.

### **Finance Behavior**

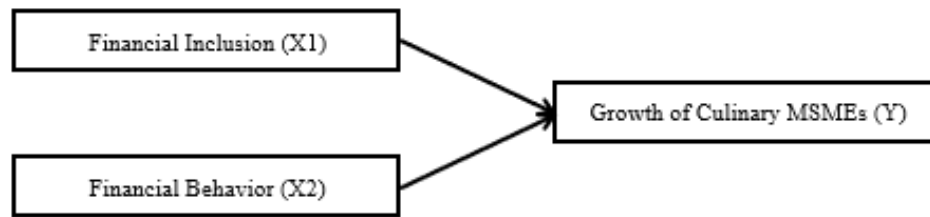
Behavioral finance is one of the important concepts of finance. Many characters define the concept of behavioral finance, for example Behavioral Finance is a discipline, it includes interaction and continuous integration so that the discussion is not isolated. All three aspects of a person's finance behavior are influenced by psychology, sociology, and finance. According to another view of (Safura Azizah, 2020) individual finance behavior is the way in which a person manages funds that can be used for decisions such as the use of funds determining funds and retirement plan planning decisions. How individuals use, treat, and manage fund resources is explained in the concept of *behavioral finance*. A person's sense of self-responsibility will help them in their finance behavior to make money by budgeting, saving money, and controlling spending, investing on time, and paying debts error in the process.

### **Small and Medium Enterprises**

The type of business of a country including Indonesia is SMEs. SMEs are defined as independent and productive economic activities based on Law No. 20/2008. SMEs are not subsidiaries or branches of medium or large companies. The economy of a country depends on the business of its people. Government support makes a lot of sense for small businesses to grow big. SMEs are a type of business that has a significant contribution in driving economic growth. SMEs play a role in expanding employment opportunities and labor absorption. The vital role of SMEs will be felt in the formation of GDP.

### **Conceptual Framework**

Based on the literature review, the framework between Finance Inclusion and Finance Behavior on the Growth of Culinary MSMEs is as follows:



Description:

—————> : Partial

Financial Inclusion : Independent variable (X)<sub>1</sub>

Financial Behavior : Independent variable (X)<sub>2</sub>

Growth : Dependent Variable (Y)

## METHODS

Quantitative research. By using numbers to process data in order to produce systematic information. As a research design using companies, finance or better known as *Finance Technology* in Indonesia is growing relatively rapidly. The increasing interest of people in Indonesia in using this service creates this financial technology increasingly in demand by users as a result of which the mastery for the use of *fintech* is also getting higher. *Finance Technology* by finance plans that are made effectively. (Putri, 2020). Behavior in managing finances is related to income as a sampling technique. In this study, data analysis is of determination. This analysis predicts the impact of the influence of finance inclusion and financial behavior on the growth of culinary MSMEs in the Jember campus area.

### Multiple Linear Regression Analysis Test Results

Variable	Regression Coefficient	Sig.	Description
Konstan	4,837	0,000	Significant
Finance Inclusion (X <sub>1</sub> )	0,261	0,000	Significant
Finance Behavior (X <sub>2</sub> )	0,235	0,000	Significant

### Results of the t-test

Variable	Sig	Description
Finance Inclusion (X <sub>1</sub> )	0,000	H <sub>0</sub> rejected
Finance Behavior (X <sub>2</sub> )	0,000	H <sub>0</sub> rejected

## DISCUSSION

### Finance Inclusion has a significant effect on MSME Growth

The results of this study are in line with previous research conducted by (Iko Putri Yanti, 2019) Financial inclusion has a positive and significant effect on the performance of MSMEs and MSMEs will continue to increase financial inclusion. (Sanistasya et al., 2019) stated that there is a positive and significant effect of financial inclusion on the performance of small businesses in East Kalimantan Province. Meanwhile,

according to research (Hilmawati & Kusumaningtias, 2021) that financial inclusion Financial Behavior (X2) Culinary MSME Growth (Y) Financial Inclusion (X1) has no effect on the performance and sustainability of MSMEs, research by Bentar et al., (2022) in his research produced the results of a study, namely this literature review shows that fintech-based financial inclusion and financial behavior play an important role in increasing the growth of SME businesses where the existence of financial inclusion that can be digitally based will make one of the SME credit funding instruments easier.

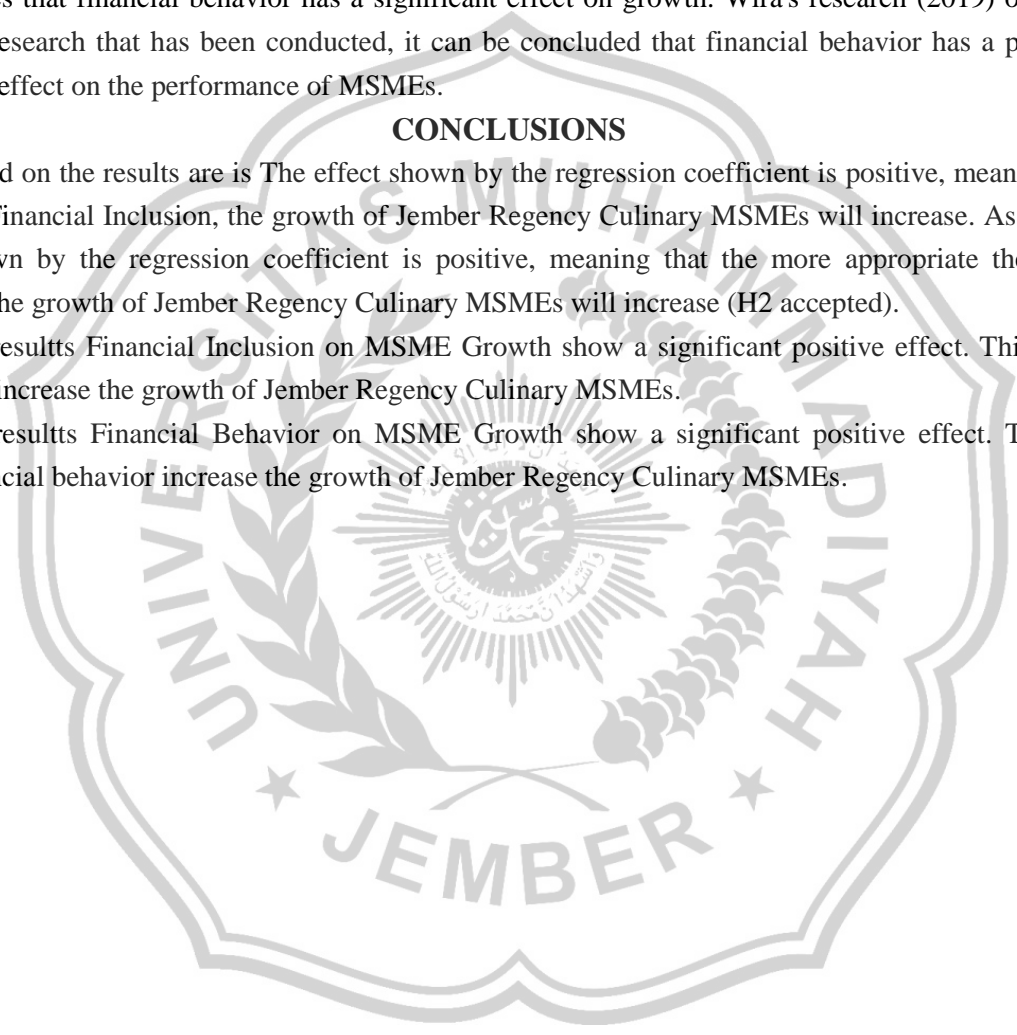
### **Finance Behavior has a significant effect on MSME Growth**

The results of this study are in line with previous research conducted by Zachosova (2018) which states that financial behavior has a significant effect on growth, this is in line with research conducted by Bentar (2022) which states that financial behavior has a significant effect on growth. Wira's research (2019) obtained the results of research that has been conducted, it can be concluded that financial behavior has a positive and significant effect on the performance of MSMEs.

### **CONCLUSIONS**

Based on the results are is The effect shown by the regression coefficient is positive, meaning that the better the Financial Inclusion, the growth of Jember Regency Culinary MSMEs will increase. As well as the effect shown by the regression coefficient is positive, meaning that the more appropriate the Financial Behavior, the growth of Jember Regency Culinary MSMEs will increase (H2 accepted).

1. The resultts Financial Inclusion on MSME Growth show a significant positive effect. This Inclusion will increase the growth of Jember Regency Culinary MSMEs.
2. The resultts Financial Behavior on MSME Growth show a significant positive effect. This quality financial behavior increase the growth of Jember Regency Culinary MSMEs.



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