

THE EFFECT OF UNDERSTANDING OF FINANCIAL LITERACY AND EASE OF DIGITAL PAYMENT ON THE CONTINUITY OF MSMEs IN THE DIGITALIZATION ERA

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Abstract

Understanding financial literacy is the ability to understand knowledge and skills in managing financial resources in order to improve welfare. Financial technology is a combination of financial service systems and technology that provides easy access to financial transaction processing for the public when using these financial applications. This study aims to examine the effect of understanding financial literacy and the ease of digital payments on the sustainability of MSMEs in the digitalization era for MSMEs in the Medan Tembung Sub-District. The research method is a quantitative descriptive study with a population of 157 MSMEs in the Medan Tembung Sub-District. Source of data obtained from primary and secondary sources. Data collection techniques through distributing questionnaires using a simple random sampling technique. The results of the T-test research show that understanding financial literacy has a positive and significant effect on the sustainability of MSMEs in the digitalization era, digital payments have a positive and significant effect on the sustainability of MSMEs. This shows that the performance of MSMEs will increase significantly if MSME actors continue to increase their understanding of financial literacy and ease of digital payments in order to realize business continuity, the results of the f-test show that understanding financial literacy and the ease of digital payments simultaneously have a significant effect. It means that simultaneously there is an influence of understanding financial literacy and ease of digital payments on the sustainability of MSMEs in the digitalization era.

Keywords: Financial Literacy, Digital Payments, MSMEs, Business Continuity

INTRODUCTION

In 2008, the Indonesian government established laws regarding MSMEs, namely: Law No. 20 of 2008 concerning micro, small, and medium enterprises. MSMEs are productive business opportunities owned by individuals or individual business entities. The existence of MSMEs makes one of the supporters of the country's economy. MSMEs are a forum for the community to develop their own skills in realizing creativity and increasing economic income (Yuniawati & Widiasih, 2019).

The role of Micro, Small, and Medium Enterprises (MSMEs) has long been believed to have a significant role in a country's economic development efforts (Audretsch, Van der Horst, Kwaak, and Thurik, 2009; Carter and Jones-Evans, 2006). The Small and Medium Enterprises Sector (MSMEs) contributes greatly to the Gross Domestic Product (GDP), this is in line with a survey by the Financial Services Authority (OJK) which said MSMEs contributed 60% of the Gross Domestic Product and absorbed 97% of the national workforce (OJK press release: SP-38/DKNS/OJK/2016). The MSME sector is also believed to be able to provide broad employment opportunities which can certainly reduce poverty. Not only in Indonesia but in various countries, MSMEs also make an equal contribution to advancing the economy.

MSMEs contribute to reducing the unemployment rate by providing employment, as well as economic equity for low-income communities. The contribution of MSMEs to the formation of GDP in 2019 reached 60.51% of the total national GDP (Kemenkop UKM, 2019). Meanwhile, the number of MSMEs in Indonesia reached 65.4 million, with a total workforce of 96.92% or 123.3 million people. The number of MSMEs in Indonesia is proportional to the distribution of employment so MSMEs have a large share in the distribution of labor.

Previous research explains that understanding financial management is an important aspect of running a business. This is expected of actors who run the business be it small or medium can understand and be able to wisely manage business finances. Financial management carried out by the owner business, whether it is correct or not correct, will have a short-term impact as well as the long-term of the business being run. Every business owner wants a business can run well. Likewise, the use of sophisticated

technology to market their business products using social media and electronic payments is the key to the progress of small businesses (Wafiq Asisa, 2022).

The city of Medan is the capital of the province of North Sumatra which is known as the city of merchants and trade which has a total of 23 sub-districts. Medan City is one of the most developed and largest cities in the list of cities in Indonesia. Medan City has a population of 2,460,850 people per year in 2022 and has a high population number so not a few people make a living as entrepreneurs. This can be seen from the data from the Office of Cooperatives, Small and Medium Enterprises of the Medan City Government, the number of MSMEs in Medan City was recorded as reaching 33,792 MSMEs in 2021. The development of MSMEs in Medan City is increasing every year and experiencing rapid progress. One of the districts that have experienced an increase in the number of MSMEs is Medan Tembung Sub-District.

It is recorded from the Small and Medium Enterprises Cooperative Service, Medan Tembung District has 1009 business units, of which 412 are engaged in the accommodation sector, food and beverage providers, 65 units are engaged in service activities, 456 are engaged in wholesale and retail trade. This is also in line with the 2021 Medan City economic growth census data, Medan's economy in 2021 will increase by 2.62 percent. Experiencing an increase compared to 2020 which experienced a contraction of 1.98 percent. According to the Head of the Medan City Cooperatives and MSMEs Service, the increase in MSMEs has increased significantly from 27 thousand in 2021 to 90 thousand in 2022. With the increasing number of MSMEs, it proves that MSMEs (Micro, Small, and Medium Enterprises) have a role in economic growth in the city of Medan. However, in the rapid progress of MSMEs, business actors in Medan Tembung District cannot be separated from an obstacle that occurs.

Based on the results of interviews with several MSMEs in the Medan Tembung Sub-District, researchers found problems that occurred with MSMEs in the Medan Tembung Sub-District. One of the problems that occurred with MSMEs was that some MSME actors in the Medan Tembung Sub-district had not kept records or bookkeeping on every transaction that happened to their business, in other words, MSMEs in Medan City have not implemented SAK EMMK for their businesses. Even though SAK EMMK is a

financial accounting standard that must be owned by entrepreneurs or business actors. SAK EMKM aims to make it easier for MSME players to make financial reports. SAK EMKM can help effectiveness in managing finances, and can also be a reference to whether the business is running well or not, this is to be able to determine the next steps that must be taken to realize future business continuity.

Based on the 2018, Micro, Small and Medium Entity Financial Accounting Standards (SAK EMKM) published by IAIA in chapter 1, paragraph 1 it is explained that the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) are intended to be used by Micro, Small entities, Intermediate. SAK EMKM is prepared to meet the financial reporting needs of micro, small, and medium entities. According to Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises it can be used as a reference in defining and providing a quantitative range of EMKM. The purpose of SAK EMKM (2016: 3) financial reports aims to provide an overview of the financial position and performance of an entity, which can be useful for several users in making economic decisions.

On these issues to be able to implement SAK EMKM, business actors must have the ability and knowledge of finance to manage their finances effectively, therefore an understanding of financial literacy is very important for every entrepreneur. According to Latief (2008), there are still many MSMEs in Indonesia who do not understand accounting while accounting knowledge has a role in the sustainability of the business being undertaken. In understanding the understanding of public accounting records, it is necessary first to educate financial literacy. In 2014, the Financial Services Authority (OJK) issued Circular No. 1/SEOJK.07/2014 regarding the implementation of education in an effort to foster financial literacy for the community, especially for consumers.

Financial Literacy is the ability to understand knowledge and skills in managing financial resources in order to improve welfare. Kasendah & Wijayaangka, 2019, page 154): Financial Literacy affects the way one thinks about financial conditions and influences strategic decision-making in terms of finance and good management for business owners. The ability to manage finances is indeed very necessary for business performance and business continuity.

Apart from financial literacy, digital payment is also a factor improve the performance of SMEs. Digital payment or financial technology (Fintech) is also a driving factor in the performance of MSMEs where this can be seen in research (Yeboah Kwabena et al., 2019) which found that the performance of MSME actors depends on receipts and payments made so that it will affect the business being run.

In this day and age, technological progress is accelerating and all corporate sectors such as internet companies, technology companies, and financial technology institutions are actively utilizing digital technology to empower finance. They continuously provide new innovations in creating new business models, promoting transformation and of course improving financial institutions, namely by encouraging financial technology for economic development (Su et al., 2021). Digital payment is a new innovation in the financial sector. Digital payments are made due to technological advances, where this technology makes it easy to transact both through payments and by applying for loan funds. This new innovation provides easy access and convenience in transactions.

According to the Minister of Cooperatives and Small and Medium Enterprises, Teten Masduki, fintech is very important for small and medium enterprises. Indonesia's digital financial literacy level is only 35.5%. Teten also acknowledged that around 16% of MSMEs are connected to digital platforms or around 10.2 million MSMEs. The existence of financial technology provides an increase in the national economy because, with the ease of technology-based financial services, it can advance business opportunities. Good financial technology and lower costs provide benefits to individuals and society. This is in line with the desire of the people who want to get fast and cheap service.

According to Bank Indonesia, the presence of financial technology will greatly assist and make it easier for MSMEs to be more productive in advancing sales. This financial technology changes people's transaction habits, where previously people paid cash (cash) to technology-based non-cash transactions (Purnamasari, 2020).

Based on the results of previous studies that are still inconsistent with this motivated researcher to re-examine the effect of financial literacy and digital payments on the sustainability of MSME businesses in the current digitalization era. The results of Kacahya Hanugrah Nantungga's research (2022) show that there is a financial technology

relationship that has a positive effect on the sustainability of MSMEs, and financial literacy has a positive effect on the sustainability of MSMEs. Meanwhile, the results of Yuyun Yuniati Yuningsi's research (2022) show the results that financial literacy and financial technology simultaneously affect business continuity. Then Wafiq Asisa and Putri Aulia (2022) also wrote their research, in this research, they found that financial literacy and the ease of digital payments have a positive and significant effect on the performance of MSMEs. Furthermore, Murdhiyati Hilma Purba's research (2020) states that basically financial literacy and financial technology have a positive and insignificant effect on the performance of MSMEs in Medan City. And research by Rinaldi Maulana, Rochiyati Murniningsi, and Wahyu Anggit Prasetya (2022) shows the result that financial literacy has a positive and significant effect on business continuity, but fintech has no effect on business continuity.

REVIEW OF LITERATURE

Financial Literacy

The definition of financial literacy has a different meaning for each person, according to Soetiono & Setiawan (2018) saying that "Literacy is an individual's ability to use all the potential and abilities one has in life (Ardila et al., 2020). According to the regulation of the Financial Services Authority (POJK) Number 76/POJK/07/2016 financial literacy is knowledge, abilities, and beliefs, which influence behavior and attitudes to advance the quality of decision-making and financial management with the aim of achieving prosperity. According to Vidovicova (2012) in Wicaksono (2015: 86) says that financial literacy is an understanding of financial products and concepts with the help of information and advice, it becomes the ability to identify and understand financial risks in order to make the right financial decisions. Good and proper financial literacy is a basic requirement that must be owned by every individual. Not only that, but financial literacy also helps develop the quality of financial services and their role in the development and economic development of a country (Makkulau & Aatriwati, 2022).

Financial Literacy is a factor that supports economic growth and financial stability for consumers who provide financial services and government. With a good understanding

of financial literacy, it will lead to purchasing decisions that prioritize quality, and minimize wrong decisions that will be taken on financial and economic issues. The financial literacy indicators according to (Mulia & Saputra, 2020), namely: a). Basic knowledge of financial management; b). Credit management; c). Savings management; d). Economic investment in the future which is marked by the rapid development of business transactions or trade using Internet technology.

Digital Payments

In the era of digitalization, the development of the internet is so rapid which of course has given birth to new innovations, especially in the development of financial technology which will meet our needs both in providing access to financial services and processing transactions (Rahma, 2018). Fintech is a new financial industry that applies technology to increase financial activity (Schueffel, 2016). Financial technology is a combination of financial service systems and technology that provides easy access to processing financial transactions for the public when using these financial applications (Putri & Christiana, 2021 a; Marginingsih, 2021; Ningsi et al., 2022). Financial technology is a technology that is currently developing rapidly in the industrial era of 4.0.

Bank Indonesia defines financial technology as the use of technology in the financial system that creates new products, services, technologies, and business models and can have an impact on monetary stability, financial system stability and efficiency, security, smoothness, and constraints in the payment system. The development of financial technology is believed to be able to have a positive impact on SMEs. According to Martawardaya, 2016; The growth of the internet is believed to be able to create a good network for business actors - micro, small and medium enterprises (MSMEs). Financial Technology is believed to be able to bring great opportunities and potential to the development of MSMEs in Indonesia. Fintech services are expected to help MSMEs in obtaining convenience and efficiency in both the financial and marketing areas (Fajar & Larasati, 2021).

Micro, Small, and Medium Enterprises (MSMEs)

According to the 1945 Constitution and then strengthened through TAP MPR NO.XVI/MPR-RI/1998 concerning economic politics in the context of Economic

Democracy, Micro, Small, and Medium Enterprises need to be empowered as an integral part of the people's economy which has a strategic position, role, and potential to realize a more balanced, developed and just national economic structure (Triapnita Nainggolan et al., 2023). Furthermore, the understanding of MSMEs was made through Law Number 9 of 1999 and due to the increasingly dynamic development conditions it was changed to Law Number 20 Article 1 of 2008 concerning Micro, Small, and Medium Enterprises, the understanding of MSMEs is as follows: a) Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises as stipulated in this Law; b) Medium Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part either directly or indirectly with small businesses or large businesses with a total net worth of sales annually as stipulated in this law; c) Medium Enterprises are productive economic enterprises that stand alone and are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become part of either directly or indirectly with Small or Large Enterprises with total assets net or annual sales proceeds as stipulated in this Law.

According to Rudjito, MSMEs (Micro, Small, and Medium Enterprises) are businesses that help the Indonesian economy, because MSMEs will create new jobs and increase the country's foreign exchange through business entity taxes. Ina Primiana, MSMEs are the mainstay of regional development to accelerate economic recovery in order to accommodate priority programs as well as sector and potential development. The definition of MSMEs according to Law No. 20 of 2008, MSMEs are trading businesses that are controlled by individuals who refer to productive economic businesses with the criteria set out in the law. MSMEs have contributed, influenced, and also played a very large role in the economic development of the Republic of Indonesia (RI).

Business Continuity

Business continuity is very important because it is the only way for organizations and their resources to survive, business continuity is a strategy to survive crises and provide new opportunities (Holliday et al., 2017; Calabrese et al., 2021. Business

continuity is related to a person's entrepreneurship and is about how an entrepreneur develops his business, which is usually done to increase the number of products distributed to the market, so it is necessary to replace, add to the resources he has, and other factors that aim to make improvements in company management.

Business Continuity (Business Sustainability) is a form of consistency in the conditions of a business, where this sustainability is a process of ongoing good business including growth, development, strategies to maintain business continuity, and business development where all of this leads to the continuity and existence (resilience) of the business. According to (Handayani 2007) business continuity is a condition or condition of a business, in which there are ways to develop, maintain and protect resources and meet the needs that exist in an industry.

RESEARCH METHOD

This research method uses a quantitative descriptive approach. Arikunto's (2006) quantitative descriptive research method is a method that aims to create an image or description of a situation objectively using numbers, starting from data collection, and interpretation of the data along with the appearance of the results. The population and subjects of this study were 1009 UMKM in the Medan Tembung Sub-District. The sample in this study was 157 UMKM. The method of determining the sample used in this study is simple random sampling. Simple random sampling is a method of withdrawing from a population or universe in a certain way so that each member of the population or universe has the same opportunity to be selected or drawn Margono (2004: 126). Sources of data used in this research are primary and secondary data. Data collection techniques through the distribution of questionnaires and interviews. Data analysis techniques with multiple linear regression analysis, validity test, reliability test, classical assumption test, multiple linear regression test, and model feasibility test, namely the T-test and F test.

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Sugiyono (2017: 35) defines descriptive statistical analysis as an analysis carried out to determine the existence of an independent variable, either only on one or more

variables (stand-alone variable or independent variable) without making comparisons of the variable itself and looking for relationships with other variables.

Table 1
Descriptive Statistical Test Results
Descriptive Statistics

	N	Minimum	Maximum	Means	std. Deviation
Understanding of Financial Literacy	157	38.00	50.00	44.1146	2.34512
Ease of Digital Payments	157	39.00	50.00	44.7707	3.01890
Business Continuity	157	40.00	50.00	43.8535	2.25552
Valid N (listwise)	157				

Source: SPSS 26 Output, Secondary Data

Based on the results of the descriptive test above, we can describe the distribution of data obtained by researchers as follows:

First, understanding financial literacy (X1), from these data it can be described that the minimum value is 38 while the maximum value is 50 and the average price each month is 44.1146, the standard deviation is 2.34512. The second is digital payment convenience (X2), from these data, it can be described that the minimum value is 39 while the maximum value is 50 and the average is 44.7707, the standard deviation is 3.01890. From the three-business continuity (Y), from these data, it can be described that the minimum value is 40 while the maximum value is 50 and the average is 43.8535, the standard deviation is 2.25552.

Data Quality Test Validity Test

Test Validity is to show the extent to which a measuring tool is able to measure what you want to measure. According to Sugiyono, 2018: 267, the validity test is the equation of the data reported by the researcher with the data obtained directly that occurred in the research subjects. Validity is used to measure whether or not a questionnaire is valid.

Criteria for validity test according to (Sugiyono, 2007):

If the significance value (p) < 0.05 then a questionnaire is said to be valid

If the significance value (p) > 0.05 then a questionnaire is said to be invalid

Table 2
Validity Test Results X1
Correlationsx1 Total

	Pearsons Correlation	Sig. (2-tailed)	N
X1.1	,303**	,000	157
X1.2	,429**	,000	157
X1.3	,472**	,000	157
X1.4	,499**	,000	157
X1.5	,422**	,000	157
X1.6	,375**	,000	157
X1.7	,281**	,000	157
X1.8	,360**	,000	157
X1.9	,343**	,000	157
X1.10	,244**	,002	157
x1total	1		157

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output 2023

If the significance value is < 0.05 , then the data is valid, and if the significance value is > 0.05 , then the data is not valid. Based on the SPSS Output above, it can be seen that all of the questions are valid because all significance values are < 0.05 .

Table 3
Results of the X2 Variable Validity Test
Correlations x2 Total

	Pearsons Correlation	Sig. (2-tailed)	N
X2.1	,248**	,002	157
X2.2	,302**	,000	157
X2.3	,353**	,000	157
X2.4	,490**	,000	157
X2.5	,587**	,000	157
X2.6	,677**	,000	157
X2.7	,690**	,000	157
X2.8	,669**	,000	157
X2.9	,597**	,000	157

X2.10	,398**	,000	157
x2total	1		157

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output 2023

If the significance value is < 0.05 , then the data is valid, and if the significance value is > 0.05 , then the data is not valid. Based on the SPSS Output above, it can be seen that all of the questions are valid because all significance values are < 0.05 .

Table 4
Validity Test Results for Variable Y
Correlations Y Total

	Pearsons Correlation	Sig. (2 tailed)	N
Y. 1	,363**	,000	157
Y.2	,300**	,000	157
Y.3	,342**	,000	157
Y.4	,379**	,000	157
Y.5	,296**	,000	157
Y.6	,454**	,000	157
Y.7	,604**	,000	157
Y. 8	,462**	,000	157
Y.9	,486**	,000	157
Y.10	,400**	,000	157
Ytotal	1		157

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output 2023

If the significance value is < 0.05 , then the data is valid, and if the significance value is > 0.05 , then the data is not valid. Based on the SPSS Output above, it can be seen that all of the questions are valid because all significance values are < 0.05 .

Reliability Test

Reliability is a value that shows the consistency of a measuring device in measuring the same symptoms. The smaller the measurement error, the more reliable the measuring device is, conversely, the larger the measurement error, the more unreliable the measuring

device is. The method used to test the reliability of the questionnaire in this study was to use the Alpha-Cronbach coefficient.

Table 5.1 Reliability Test Results Variable X1		Table 5.2 Reliability Test Results Variable X2		Table 5.3 Reliability Test Results Variable Y	
Reliability Statistics		Reliability Statistics		Reliability Statistics	
Cronbach's		Cronbach's		Cronbach's	
Alpha	N of Items	Alpha	N of Items	Alpha	N of Items
,719	10	,686	10	,707	10

If the Cronbach alpha value is > 0.60 , then the data is reliable and if the Cronbach alpha value is < 0.60 , then the data is not reliable. Based on the SPSS Output above, it can be seen that the Cronbach alpha value is > 0.60 , which means that all the data is reliable and can be tested further.

Classic Assumption Test

According to Sunjoyo, et al (2013), the classical assumption test is a statistical requirement that must be met in multiple linear regression analysis on the basis of OLS or Ordinary Least Square.

Normality Test

The normality test is used to test whether the residual values in the regression model have a normal distribution or not.

Table 6
Normality Test Results
One-Sample Kolmogorov-Smirnov Test

N		157
Normal Parameters, b	Means	,0000000
	std. Deviation	2.25198641
	Most Extreme Differences	
	Absolute	,101
	Positive	,101
	Negative	-.044
Test Statistics		,101
asymp. Sig. (2-tailed)		,472c

a. Test distribution is Normal. c. Lilliefors Significance Correction

- b. Calculated from data.
 - c. Lilliefors Significance Correction.
- Source: SPSS Output 2023

If the significance is $\alpha > 0.05$, then the residuals are normally distributed and if the significance is $\alpha \leq 0.05$, then the residuals are not normally distributed. Based on the results of the normality test above, Asymp. Sig. $> \alpha$ ($0.472 > 0.05$) so it can be concluded that the data is normally distributed.

Multicollinearity Test

The multicollinearity test aims to test whether the regression model found a correlation between the independent (independent) variables. A good regression model should not have a correlation between the independent variables.

Table 7
Multicollinearity Test Results
Coefficients^a

Model	Unstandardized Coefficients		standardized	t	Sig.	Collinearity		
	B	std. Error	Coefficients			tolerance	VIF	
1	(Constant)	4,747	4,099		6,184	,000		
	Literacy Understanding Finance	,543	,078	.056	5,695	,000	,983	1.018
	Digital Ease Payment	,437	,061	,009	4.106	,000	,983	1.018

- a. Dependent Variable: MSME Sustainability in the Era of Globalization
Source: SPSS Output 2023

If the tolerance value is > 0.10 and the VIF value is < 10 then there is no multicollinearity problem and if the tolerance value is < 0.10 and the VIF value is > 10 then there is a multicollinearity problem. Based on the results of the normality test above, a tolerance value of > 0.10 is obtained, and a VIF value < 10 means that there is no multicollinearity problem in the data.

Autocorrelation Test

The autocorrelation test is used to determine whether or not there is a deviation from the classic assumption of autocorrelation or the correlation that occurs between residuals at the time of other observations in the regression model.

Table 8
Autocorrelation Test Results
Summary Model b

Model	R	R Square	Adjusted R Square	std. Error of the Estimates	Durbin-Watson
1	,560a	,313	,310	2,267	1,707

a. Predictors: (Constant), Ease of Digital Payment, Understanding of Financial Literacy

b. Dependent Variable: MSME Sustainability in the Era of Globalization

Source: SPSS Output 2023

First, if the DW is below -2, it means there is positive autocorrelation, second, if the DW is between -2 to 2, it means there is no autocorrelation, and third, if the DW is above 2, it means there is negative autocorrelation. Based on the basis of the autocorrelation test decision above, it can be concluded that there is no autocorrelation problem in the data because the DW value (1.707) is between -2 and 2.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether, in the regression model, there is an inequality of variance from one residual observation to another.

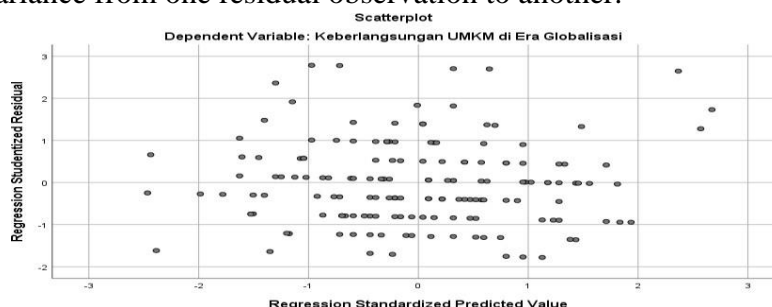


Figure 1
Heteroscedasticity Test Results

First, the data points are spread above and below or around the number 0. The two points do not gather only above or below. Third, the distribution of data points must not

form a wavy pattern, widening then narrowing and widening again. Fourth, the distribution of data points is not patterned.

Thus, we can conclude that there is no heteroscedasticity problem until a good and ideal regression model can be fulfilled.

Multiple Linear Regression Analysis

Multiple linear regression is an equation model that describes the relationship of one dependent variable/response (Y) with two or more independent variables/predictors (X1, X2,...Xn).

Table 9
Multiple Linear Regression Test Results
Coefficients^a

Model	B	Unstandardized Coefficients		standardized Coefficients	Q	Sig
		std. Error	Betas			
1	(Constant)	4,747	4,099		6,184	,000
	Understanding of Financial Literacy	,543	,078	.056	5,695	,000
	Ease of Digital Payments	,437	,061	,009	4.106	,000

a. Dependent Variables: The Sustainability of MSMEs in the Era of Globalization
 Source: SPSS Output 2023

Based on the multiple linear regression results tables above, the resulting regression equation is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

$$Y = 4.474 + 0.543X_1 + 0.437X_2 + e$$

Based on the regression equation above, it can be explained as follows: First, the constant value (a) is 4.474. This means that if the understanding of financial literacy and ease of digital payments is assumed to be zero (0), then the sustainability of MSMEs in the globalization era will remain at 4.474. The two regression coefficient values are 0.543 and are positive indicating that if the understanding of financial literacy increases by 1 unit, then the sustainability of MSMEs in the era of globalization will increase by 0.543. And the three regression coefficient values are 0.437 and are positive, stating that if the

convenience of digital payments increases by 1 unit, then the sustainability of MSMEs in the era of globalization will increase by 0.437.

t-test (Partial)

The t-test on multiple linear regression analysis is used to determine the effect of each independent variable partially on the dependent variable.

Table 10
Test Results t
Coefficients^a

Model	B	Unstandardized Coefficients		standardized	t	Sig.
			std. Error	Betas		
1	(Constant)	4,747	4,099		6,184	,000
	Literacy Understanding Finance	,543	,078	.056	5,695	,000
	Ease of Digital Payments	,437	,061	,009	4.106	,000

a. Dependent Variable: MSME Sustainability in the Era of Globalization
Source: SPSS Output 2023

If the significance value is <0.05, then there is an influence between variable X on variable Y separately and if the significance value is > 0.05, then there is no effect between variable X on variable Y separately. Based on the results of the SPSS output above, it can be seen that the significance value of X1 (0.000) <0.05, means that X1 has an effect on Y, meaning that understanding financial literacy has an effect on business continuity. Furthermore, the significance value of X2 (0.000) <0.05, means that X2 has an effect on Y, which means that the convenience of digital payments has an effect on business continuity. It can be concluded that simultaneously there is an influence of understanding financial literacy and the ease of digital payments on the sustainability of MSMEs in the era of globalization.

The results of this study support the research results of Claude Bernard Lontchi, Baochen Yang, and Kabir Musa Shuaib (2022) that the relationship between Fintech and financial literacy has a positive and significant effect on the performance of SMEs. Then

this is in accordance with the research of Nia Putu Rika Puspa Astari and Ica Rika Candraningrat (2022) that Fintech has a positive effect on the financial performance of SMEs and financial literacy has a positive effect on the financial performance of SMEs.

F Test

The F test in multiple linear regression analysis aims to determine the effect of the independent variables simultaneously.

Table 7
F Test Results
ANOVAa

	Model	Sum of Squares	Df	MeanSquare	F	Sig.
1	Regression	2,485	2	1,243	21,242	,000b
	residual	791,145	154	5,137		
	Total	793,631	156			

a. Dependent Variable: MSME Sustainability in the Era of Globalization

b. Predictors: (Constant), Ease of Digital Payment, Understanding of Financial Literacy

Source: SPSS 2023 Output

If the significance value of $F < 0.05$, then H_0 is rejected and H_a is accepted. This means that there is an influence between variable X on variable Y simultaneously and if the significance value of $F > 0.05$, then H_0 is accepted and H_a is rejected, meaning that there is no effect between variable X on variable Y simultaneously. Based on the results of the SPSS output above, it can be seen that the significance value of F (0.000) < 0.05 , then H_0 is rejected and H_a is accepted. It can be concluded that X1 and X2 simultaneously have an effect. This means that simultaneously there is an influence of understanding financial literacy and the ease of digital payments on the sustainability of MSMEs in the era of globalization.

An understanding of financial literacy is a capability that MSMEs must have in order to be able to manage finances properly and healthily so that long-term business continuity can be felt. An understanding of financial literacy is believed to be able to have a positive influence on business actors. And not only that, in the current era, developments are growing, one of which is the payment system, where now the payment system has

innovated, namely non-cash payments, therefore MSME actors must be prepared to follow technological changes so that the business being run can run well. Therefore, understanding financial literacy and the ease of digital payments has a positive effect on future business continuity.

This is in accordance with the research results of Winarsih Mutoharoh, Emisa Tahar, and Inayah Abdul Aziz (2020) that fintech has proven to have a positive effect on the sustainability of SMEs and SMEs must understand knowledge in the field of financial literacy so that they can make the best decisions and their businesses can develop well, as a result of sustainability business can be maintained. And does not support the research results of Triyani Budyastuti (2021) stating that basically in realizing business success in the East Sudirman Sub-District, there is no positive effect of fintech and financial literacy on the sustainability of MSME businesses.

CONCLUSION

After knowing the results and discussing the data obtained, it can be concluded that firstly understanding financial literacy has a positive and significant effect on the sustainability of MSMEs in the digitalization era. This shows that the performance of MSMEs will increase significantly if MSME actors continue to improve their understanding of financial literacy in order to achieve business continuity. Second, understanding digital payments has a significant effect on the sustainability of MSMEs in the digitalization era. This shows that understanding digital payments can significantly improve the performance of MSMEs in order to realize business continuity. And thirdly, understanding financial literacy and the ease of digital payments simultaneously have a significant effect.

Therefore, an understanding of financial literacy and ease of digital payments is a very important variable for MSME players. The positive impact that can be obtained if MSME actors understand financial literacy is that it can raise awareness among MSME actors to make smart financial decisions. And the positive impact if business actors implement a non-cash payment system in their businesses is that the business can run well

because providing non-cash payment instruments makes it easier for people to transact more quickly and easily.

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