

THE INFLUENCE OF LITERACY AND FINANCIAL INCLUSION ON THE PERFORMANCE AND SUSTAINABILITY OF MICRO ENTERPRISES (GROCERY STORES) REGISTERED AT DKUPP PROBOLINGGO REGENCY.

Titin Krisnawati¹⁾, Tatik Amani²⁾, Umi Habibah³⁾

^{1,2,3} Faculty of Economics and Business, Panca Marga University, Probolinggo Regency

^{1,2,3}, titinkrisnawati@upm.ac.id, tatikamani@upm.ac.id

ARTICLE HISTORY

Received:
May 9, 2025
Revised
June 14, 2025
Accepted:
June 14, 2025
Online available:
June 30, 2025

Keywords:

Financial Literacy, Financial Inclusion, Performance, Sustainability.

*Correspondence:

Name: Titin Krisnawati

E-mail: titinkrisnawati@upm.ac.id

Editorial Office

Ambon State Polytechnic
Center for Research and
Community Service
Ir. M. Putuhena Street, Wailela-
Rumahtiga, Ambon
Maluku, Indonesia
Postal Code: 97234

ABSTRACT

Introduction: SMEs are known as a resilient sector against shocks and economic crises, as evidenced during the monetary crisis and the COVID-19 pandemic when SMEs were able to survive and even contributed to maintaining national economic stability. Financial literacy and inclusion play an important role in the sustainability and improving the performance of SMEs.

Methods: The research method used is quantitative, with financial literacy and financial inclusion as independent variables and business performance and sustainability as dependent variables. The sample in this study consists of 44 Micro Enterprises registered with DKUPP Probolinggo Regency. Data collection was conducted using interviews, questionnaires, and documentation. The data analysis technique used was SmartPLS 4.0.

Results: Research findings indicate that the variable of financial literacy has an impact on the performance and sustainability of Micro Enterprises (Grocery Stores), while the variable of financial inclusion does not affect the performance and sustainability of Micro Enterprises (Grocery Stores) registered in the DKUPP Probolinggo Regency.

Conclusion and suggestion: Financial literacy affects the performance and sustainability of micro-enterprises (grocery stores). This indicates that micro-business actors (grocery stores) already have good financial literacy. Financial inclusion does not affect the performance and sustainability of micro-enterprises. Although access to financial services is available, business actors have not fully utilized financial products and services optimally. DKUPP needs to develop training and mentoring programs to enhance the skills and knowledge of business actors, especially regarding financial inclusion.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) have a strategic role and position in creating and increasing job opportunities, driving the wheels of the Indonesian economy, and distributing the benefits of economic development evenly, which is one of the important goals. During the period from 1997 to 1999, Indonesia experienced a monetary crisis; however, MSMEs were able to withstand the impact and even contributed to maintaining the stability of the national economy. MSMEs are known as a resilient business sector against shocks and economic crises. This resilience is reflected in data from the Central Statistics Agency (BPS), which recorded that in 1997–1998, 99.9% of total businesses in Indonesia were MSMEs, while large enterprises accounted for only 0.01%. Based on the available data, it can be concluded that MSMEs in Indonesia have great potential and play a significant role in the national economy, one of which is contributing to reducing the unemployment rate (Sudrartono et al., 2). In 2020, the Indonesian economy contracted by 2.07 percent due to the impact of the Covid-19 pandemic. In this condition, MSMEs are a sector that requires special attention from the government. In 2021, the Indonesian economy grew by 3.70 percent, and 5.31 percent in 2022. The Indonesian economy continues to show impressive resilience and growth, making it one of the best among the ten G20 member countries. Indonesia is ranked second with a growth rate of 5.72 percent annually (Bahtiar, 2021). Various obstacles are faced by MSMEs in their operations, one of which is financial conditions, according to Bahri (2022, 3) financial conditions are important in the development of MSMEs, the capital owned must be sufficient for business activities if there are constraints in the capital, the development of MSMEs will be hampered. Understanding financial management makes it easier for business actors to manage finances to minimize losses that will occur in the future, make financial decisions in the business world (business), and provide a boost to a country's economic growth (Rahajeng et al., 2024: 174). One of the strategic efforts that the government can make to improve the performance and sustainability of MSMEs is to broaden the insights of MSME actors regarding the importance of financial literacy and financial inclusion. Thus, their business management and financial accountability can be carried out more professionally and responsibly, like large companies (Aribawa, 2016: 2). Based on the background described above, it is the basis for researchers to conduct research entitled "The Influence of Financial Literacy and Financial Inclusion on the Performance and Sustainability of Micro Businesses (Grocery Stores) registered with the DKUPP of Probolinggo Regency".

LITERATURE REVIEW

FINANCIAL LITERACY

Financial Planning, both at the individual and organizational level, has a very strong relationship with financial literacy. The higher the level of an individual's understanding of financial literacy, the better their ability to carry out financial management effectively. At the individual level, one of the relevant applications of financial management concepts is personal financial management. This process, which includes financial planning, management, and control, has a significant role in efforts to achieve sustainable financial well-being. Financial literacy is so crucial for a person's needs, besides that financial literacy also contributes to the economic and business development of a country. Thus, the increase in the development of a country is often accompanied by high public awareness of the importance of financial literacy in the financial sector (Choerudin et al., 2022: 5).

FINANCIAL INCLUSION

Financial inclusion has developed as a response to the limitations of poverty alleviation efforts and in order to encourage the achievement of inclusive economic growth. Financial services have an important role in supporting development and poverty alleviation through the provision of facilities that support investment in health, education, business development, and financial management. The rapid development of financial inclusion at the global level has also been driven by advances in technology and digital innovation, especially through the use of mobile phones, which make access to financial services easier, broader, and more inclusive for all levels of society (Wardhono et al., 2017: 28). Financial inclusion is a process that ensures that all levels of society, including vulnerable groups such as low-income individuals or those with limited access, can obtain the financial products and services they need. Such access must be available at an affordable cost, easy procedures, and the principles of fairness and transparency guaranteed by major financial institutions (Kurniawan & Vaulia, 2022: 1).

GROCERY STORE

A grocery store is a store that sells basic necessities, daily necessities, snacks for children to the elderly, sells gasoline and other supplies. Grocery stores can be found both in rural and urban areas, where the stores are usually located close together.

PERFORMANCE

Business performance refers to the extent to which the results achieved by an organization through the implementation of various managerial activities, and reflects the implementation of tasks and responsibilities that have been carried out. Meanwhile, organizational performance refers to the assessment of the operational performance of an organization, including its units and human resources, based on objectives, criteria, and standards that have been set systematically and continuously (Susilowati et al., 2022: 149). Thus, performance is the result or achievement achieved by an organization or company in a certain accounting period, which is measured based on a comparison with some predetermined criteria. Evaluate organizational performance through three main perspectives, namely financial, customer, and learning and growth perspectives. These three perspectives are used to provide a comprehensive picture of the organization's achievements, and help improve the quality of strategic decision-making, especially in the context of managing Micro, Small, and Medium Enterprises (MSMEs) (Susilowati et al., 2022: 167).

SUSTAINABILITY

The success rate of a business in innovating, realizing welfare for employees, increasing customer satisfaction, and related to the return on equity of its business, is a factor that greatly determines the sustainability of its business (Hilmawati Ninin Mei Ruli & Rohmawati, 2021: 138). To survive, Micro, Small, and Medium Enterprises need to increase creativity, innovation, and financial literacy and optimize access to capital support in financial institutions as well as improve business relationships and networks to expand the business that is traded. To survive, Micro, Small, and Medium Enterprises need to increase creativity, innovation, and financial literacy and optimize access to capital support in banking and non-banking financial institutions as well as improve business relations and networks to expand the business that is traded, Sustainability indicators according to Yanti et al (2018: 140) are income, business growth, and product quality.

RESEARCH METHODS

This study uses a quantitative correlational approach, because the main focus of the study lies in testing the relationship or influence between two independent variables, namely financial literacy and financial inclusion, on two dependent variables, namely the performance and sustainability of Micro Enterprises. The research data used in this study came from the results of distributing questionnaires, interviews, and documentation on Micro Enterprises (Grocery Stores) which were used as research samples. The measurement scale used in this study was the Likert Scale which was arranged with the following responses: strongly agree (SS), agree (S), neutral (N), disagree (TS), and strongly disagree (STS). The population in this study was Micro Enterprises (Grocery Stores) in Dringu District collected based on the business sector, namely trade (grocery stores), having OSS (Online Single Submission) and registered with the Cooperatives and Micro Enterprises, Trade, Industry Service, namely 44 Micro Enterprises (Grocery Stores). The sampling technique used saturated sampling, namely a sampling method by taking all members of the population of 44 Micro Enterprises (Grocery Stores). Data analysis in this study used the structural equation modeling software (Structural Equation Modeling) SMARTPLS version 4.0 which consists of Outner Model and Inner Model.

RESULT AND ANALYSIS

Respondents in this study were owners of Micro Businesses (Grocery Stores) in Dringu District and registered with the Cooperatives, Micro Businesses, Trade and Industry Service of Probolinggo Regency totaling 44 Micro Businesses (Grocery Stores). The description of respondents in this study is based on gender, age, last education, and length of business. Respondent data based on Gender with male gender totaling 21 or 48% and female respondents totaling 23 or 52%. The total number of respondents is 44. Respondent data based on age is divided into 4, namely respondents aged 15-25 years totaling 5 or 11%, 26-35 years totaling 21 or 48%, 36-45 years

16 respondents or 36% and <45 There are 2 respondents or 5% of the total respondents. Respondent data based on last education is the junior high school there is 1 respondent and high school / vocational high school there are 43 respondents. Respondent data is based on business duration, namely, there are 34 respondents with a business duration of 1-5 years, 8 respondents with a business duration of 6-10 years, and 2 respondents with a business duration of <10 years.

DATA ANALYSIS

From the results of the questionnaire that has been distributed to 44 respondents, namely Micro Business actors (Grocery Stores) in Dringu District registered with the Cooperatives, Micro Business, Trade and Industry Service of Probolinggo Regency, the following are the scores of each variable including financial literacy, financial inclusion, performance and business sustainability.

a) Descriptive Analysis of Financial Literacy Variables

The recapitulation of the results of the financial literacy variable questionnaire was obtained by respondents with a very agreeable answer of 52%, 32% of the answer agreed, 9% of neutral answers, 7% of the answer disagreed, and the answer of 0% strongly disagreed. It can be interpreted that 44 respondents already have good financial literacy in managing their business finances.

b) Descriptive Analysis of Financial Inclusion Variables

The recapitulation of the results of the Financial Inclusion Variable Questionnaire obtained answers from respondents strongly agreeing as much as 47%, agreeing with 24%, 15%, disagreeing with 9%, and respondents who answered strongly as much as 5% because respondents were still hesitant to access the services of financial institutions and the number of cases of fraud on behalf of financial institutions.

c) Descriptive Analysis of Performance Variables

The recapitulation of the results of the performance variable questionnaire obtained respondents strongly agreed with 62%, agreed with 30%, neutral 9%, disagreed with 1%, and strongly disagreed with 0%. The answer strongly agrees dominates the statement of the financial performance variable questionnaire, it can be said that micro business actors can manage their business to support business performance and growth, provide quality services and products so that customers feel satisfied and respondents can learn new things to improve their skills in managing their business.

d) Descriptive Analysis of Business Sustainability Variables

The results of the assessment of the business continuity variable questionnaire with a percentage of 60% of the answer strongly agreed, 30% of the answer was yes, 8% neutral answer, the answer was 2% disagreed and the answer was 0% strongly disagree. The answer strongly agrees dominates in the statement of business continuity questionnaire, it can be said that respondents can meet store operations with the income earned, can meet customer needs, ensure that the products sold are safe and good for consumption, can use Mobile Banking (QRIS) in sales and purchases, have a strategic store so that it is easy to reach by buyers.

TEST OUTER MODEL (MEASUREMENT MODEL)

a. Convergent Validity Testing

Tabel 1 : Outer Loading

Indikator	Outer Loading
$X_{1,1} <- X_1$	0.938
$X_{1,2} <- X_1$	0.952
$X_{1,3} <- X_1$	0.928
$X_{1,4} <- X_1$	0.977
$X_{1,5} <- X_1$	0.953
$X_{1,6} <- X_1$	0.913
$X_{2,1} <- X_2$	0.961
$X_{2,2} <- X_2$	0.963
$X_{2,3} <- X_2$	0.975

X _{2,4} <- X ₂	0.829
Y _{1,1} <- Y ₁	0.920
Y _{1,2} <- Y ₁	0.852
Y _{1,3} <- Y ₁	0.906
Y _{2,1} <- Y ₂	0.973
Y _{2,2} <- Y ₂	0.973
Y _{2,3} <- Y ₃	0.984
Y _{2,4} <- Y ₄	0.954
X _{1,1} <- X ₁	0.938

Outer Loading results from the questionnaire distributed to 44 Micro Business actors (Grocery Stores) in Dringu District and registered with the Cooperatives, Micro Business, Trade and Industry Service of Probolinggo Regency, all indicators have values above 0.7 which indicates good validity. The Financial Literacy Indicator (X₁) has an outer loading between 0.913 - 0.977, Financial Inclusion has an outer loading between 0.829 - 0.975, Performance (Y₁) has an outer loading between 0.852 - 0.920 and Business Sustainability has an outer loading between 0.954 - 0.984.

b. Composite Reability Testing

Table 2 : Convergent Validity Testing

Variabel	Cronbach's alpha	Composite (rho_a)	Composite (rho_c)	AVE
X ₁	0,975	0,976	0,980	0,891
X ₂	0,950	0,951	0,965	0,872
Y ₁	0,873	0,875	0,922	0,797
Y ₂	0,980	0,980	0,985	0,943

Based on the results of Construct Reliability and Validity, all variables have Cronbach's alpha values above 0.7 (X₁ = 0.975, X₂ = 0.950, Y₁ = 0.873, Y₂ = 0.980) which indicates good internal reliability. The Composite Reliability (rho_c) value for all variables has a value above 0.9, namely (X₁ = 0.980, x₂ = 0.965, Y₁ = 0.922, Y₂ = 0.985). Indicates consistency between indicators.

c. Average Variance Extracted (AVE) Testing

Based on table 1, the Average Variance Extracted (AVE) value for all variables is more than 0.5 (X1 = 0.891, X2 = 0.872, Y1 = 0.797, Y2 = 0.943), which means that this research instrument has adequate convergent validity.

d. Discriminant Validity Testing

Table 3 Discriminant Validity Testing

Variabel	Heterotrait - monotrait ratio (HTMT)
Y ₁ <-> X ₁	0.790
Y ₁ <-> X ₂	0.708
Y ₂ <-> X ₁	0.801
Y ₂ <-> X ₂	0.690

Based on the results of the Heterotrait - monotrait ratio (HTMT) the value between the Performance variable (Y₁) and Financial Literacy (X₁) is 0.790, Business Sustainability (Y₂) and Financial Literacy (X₁) is 0.801, Performance Variable (Y₁) and Financial Inclusion (X₂) is 0.708, Business Sustainability (Y₂) and Financial Inclusion (X₂) is 0.690. All HTMT values are below the limit of 0.9 which indicates that each variable has good discriminant validity. Thus there is no problem of multicollinearity between variables in this study in addition, discriminant validity can be seen from the Outer Loading value, the following are the results of the outer loading:

INNER MODEL TEST (STRUCTURAL MODEL)

a. Variance Inflation Faktor (VIF)

Table 4 : Variance Inflation Faktor (VIF)

Variabel	VIF
X ₁ -> Y ₁	1.946
X ₁ -> Y ₂	1.946
X ₂ -> Y ₁	1.946
X ₂ -> Y ₂	1.946

Based on the results of the Variance Inflation Factor (VIF), the VIF value for the relationship between X₁ and Y₁ and Y₂, X₂ and Y₁ and Y₂ is 1.946. All VIF values are below the limit of 5, indicating that there is no multicollinearity problem between independent variables. Thus, this regression model is suitable for further use.

b. R-square

Table 5 R-square

Variabel	R-square	R-square adjusted
Y ₁	0.576	0.556
Y ₂	0.642	0.625

Based on the R-square results, the value for variable Y₁ is 0.576, which means that 57.6% of the variation in the performance of Micro Enterprises (Grocery Stores) can be explained by Financial Literacy (X₁) and Financial Inclusion (X₂). Meanwhile, the R-square value for variable Y₂ is 0.642, which means that 64.2% of the variation in the Sustainability of Micro Enterprises (Grocery Stores) can be explained by Financial Literacy (X₁) and Financial Inclusion (X₂). The adjusted R-square value that is close to R-square indicates that this model has good predictive ability.

c. Effect Size f²Table 6 : Effect Size f²

Variabel	F-square
X ₁ -> Y ₁	0.377
X ₁ -> Y ₂	0.556
X ₂ -> Y ₁	0.080
X ₂ -> Y ₂	0.007

Based on the results of the Inner model data analysis, the F-square of the influence of financial literacy (X₁) on performance (Y₁) has a value of 0.377 which indicates a large effect, the influence of financial literacy (X₁) on business sustainability has a value of 0.556 which indicates a large effect, the influence of financial inclusion (X₂) on performance (Y₁) has a value of 0.080 indicating a medium effect and the influence of financial inclusion (X₂) on business sustainability (Y₂) has a value of 0.007 indicating a small effect. These results illustrate the contribution of each independent variable (Financial literacy and financial inclusion) to the dependent variable (Performance and business sustainability) in the research model.

Hypothesis Test

Hypothesis testing is conducted to determine the relationship between independent variables and dependent variables whether it can be accepted or rejected. A hypothesis can be said to be accepted if the p values <0.05. The results of the hypothesis test obtained through bootstrapping on the SmartPLS 4.0 application are presented in the following table.

Table 8 : Path Coefficients Results

Variables	Original Sample (O)	T statistik (O/STDEV)	P Value	Provision	Information
X ₁ -> Y ₁	0.557	0.173	0.001	< 0,05	Accepted
X ₁ -> Y ₂	0.622	0.145	0.000	< 0,05	Accepted
X ₂ -> Y ₁	0.257	0.200	0.199	> 0,05	Rejected
X ₂ -> Y ₂	0.232	0.166	0.164	> 0,05	Rejected

Based on table 8, the explanation of the results of the hypothesis test analysis is as follows:

1. The Influence of Financial Literacy on the Performance of Micro Businesses (Grocery Stores)

The results of the first hypothesis show the influence of financial literacy on the performance of Micro Businesses (Grocery Stores) with a p-value of 0.001 <0.05. So the results of the hypothesis test state that financial literacy has an effect on the performance of Micro Businesses (Grocery Stores).

2. The Effect of Financial Inclusion on the Performance of Micro Enterprises (Grocery Stores)

The results of the second hypothesis show the effect of financial inclusion on the performance of Micro Enterprises (Grocery Stores) with a p-value of 0.199> 0.05. So the results of the hypothesis test state that financial inclusion does not affect the performance of Micro Enterprises (Grocery Stores).

3. The Influence of Financial Literacy on the Sustainability of Micro Businesses (Grocery Stores)

The results of the third hypothesis show the influence of financial literacy on the sustainability of Micro Businesses (Grocery Stores) with a p-value of 0.000 <0.05. So the results of the hypothesis test state that financial literacy has an effect on the sustainability of Micro Businesses (Grocery Stores).

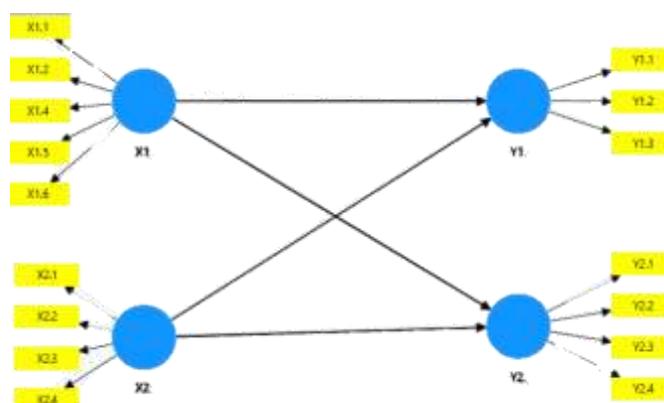
4. The Influence of Financial Inclusion on the Sustainability of Micro Enterprises (Grocery Stores)

The results of the fourth hypothesis show the influence of financial inclusion on the sustainability of Micro Enterprises (Grocery Stores) with a p-value of 0.164> 0.05. So the results of the hypothesis test state that financial inclusion does not affect the sustainability of Micro Enterprises (Grocery Stores).

Research Framework Results

The framework of thinking that is in accordance with the results of the research data and tested using the SmartPLS 4.0 application is as follows:

Figure 1 : Research Framework Results



Discussion

1. The Influence of Financial Literacy on the Performance of Micro Enterprises (Grocery Stores)

Testing of the financial literacy variable shows an influence on the performance of Micro Enterprises (Grocery Stores) in Dringu District. Tests conducted by researchers prove that there is a major contribution of financial literacy in improving the performance of Micro Enterprises (Grocery Stores) in Dringu District. Basic knowledge of good personal finance, one of which is by distinguishing between personal and business money, recording business income and expenses, having debt according to ability to be used as business capital, setting aside profits for savings and investment and having a strategy in dealing with financial risks can help Micro Enterprises (Grocery Stores) in Dringu District in improving and increasing their business performance, with a good understanding of the financial aspects, business actors can optimize the resources they have, reduce the risk of loss due to financial mismanagement, and increase operational efficiency. Therefore, good financial literacy is one of the main factors in encouraging increased performance of micro enterprises, which in the end can contribute to the growth and sustainability of the business in the long term. Based on the results of the questionnaire and data processing, Micro Enterprises (Grocery Stores) in Dringu District already have good financial literacy. Increasing financial understanding (well literate) among Micro Enterprises (Grocery Stores) in Dringu District and managing business finances are important to improve the performance of Micro Enterprises (Grocery Stores) in Dringu District. This is relevant to research by (Hilmawati NininMei Ruli & Rohmawati, 2021) which states that the performance of MSME sector businesses is greatly influenced by the level of financial literacy they have, in addition, research conducted by (Idawati et al., 2023) states that the higher the level of financial literacy possessed by MSME actors, the more the performance of the MSME will increase.

2. The Effect of Financial Inclusion on the Performance of Micro Businesses (Grocery Stores)

The results of the tests that have been carried out indicate that the financial inclusion variable has no effect on the performance of Micro Businesses (Grocery Stores) in Dringu District, based on the results of the questionnaire and data processing on increasing access to banking and non-banking financial institutions, ease of use of services, use of products and quality from banking and non-banking financial institutions that can facilitate Micro Businesses (Grocery Stores) in Dringu District in their operational activities do not affect the improvement of their business performance, Micro Business actors (Grocery Stores) have not fully utilized the products and services provided by financial institutions. The low level of utilization is caused by a sense of distrust of financial institutions, which is triggered by concerns about the risk of fraud, ignorance of the mechanisms of financial products, and limited understanding of digital financial services. This condition reflects that the availability of access alone is not enough to encourage increased business performance, if it is not balanced with the readiness and trust of business actors in using these services. Thus, financial inclusion has not been able to provide an optimal contribution to improving the performance of micro businesses. This is relevant to research (Hilmawati NininMei Ruli & Rohmawati, 2021) which states that ease of access, quality and use of financial institution services do not affect the performance of MSME businesses.

3. The Influence of Financial Literacy on the Sustainability of Micro Businesses (Grocery Stores)

The research that has been conducted shows that financial literacy has an influence on the sustainability of Micro Businesses (Grocery Stores) in Dringu District. This shows that the level of understanding of Micro Business actors (Grocery Stores) in Dringu District regarding basic financial concepts, namely financial planning, cash flow management, financial records, savings and investments, and making the right financial decisions, plays an important role in maintaining the sustainability of the business being run. Business actors who have good financial literacy tend to be more able to manage financial resources efficiently, anticipate financial risks, and design long-term oriented business strategies. Thus, adequate financial literacy is one of the key factors in increasing the resilience of micro businesses to changes in economic conditions and other business challenges. Therefore, increasing financial literacy among micro business actors needs to be continuously encouraged as part of a strategy to strengthen the sustainability of the micro business sector. This is relevant to research (Aribawa, 2016) and (Hilmawati NininMei Ruli & Rohmawati, 2021) which states that financial literacy influences the sustainability of MSME businesses.

4. The Influence of Financial Inclusion on the Sustainability of Micro Enterprises (Grocery Stores)

The test conducted showed that financial inclusion did not affect the sustainability of Micro Enterprises (Grocery Stores) in Dringu District, the results of this study mean that the existence of access to formal financial products and services has not been able to encourage optimal business sustainability. This happens because Micro Enterprises (Grocery Stores) in Dringu District have not fully utilized the facilities provided by financial institutions. This low level of utilization can be caused by various factors, including low levels of understanding of financial products, concerns about the risk of fraud, and lack of trust in financial institutions. In addition, limited financial literacy and obstacles in accessing digital financial services also become obstacles in the process of utilizing financial inclusion as a whole. Therefore, even though access to financial services is available, it has not made a real contribution to the sustainability of Micro Enterprises (Grocery Stores) in Dringu District. Thus, more comprehensive efforts are needed, not only in expanding access, but also in increasing the capacity and understanding of micro-entrepreneurs regarding the benefits of using formal financial services. This is relevant to research conducted by (Hilmawati NininMei Ruli & Rohmawati, 2021) which states that financial inclusion has no influence on the development of business sustainability.

CONCLUSION

Based on the results of data analysis and discussion that researchers have conducted in the previous chapter, the following conclusions were obtained:

Based on the results of data analysis and discussion that researchers have conducted in the previous chapter, the following conclusions are obtained:

Financial Literacy has a significant positive effect on the Performance and Sustainability of Micro Businesses (Grocery Stores) in Dringu District registered with the Cooperatives, Micro Business, Trade and Industry Service of Probolinggo Regency. This shows that Micro Business actors (Grocery Stores) already have good financial literacy, the higher the level of financial literacy possessed by business actors, the better their ability to manage business finances, make the right financial decisions, and plan sustainable business strategies. Adequate financial literacy is one of the factors or keys in increasing the effectiveness of business operations and strengthening the resilience of Micro Businesses (Grocery Stores) amidst economic dynamics.

Financial Inclusion Has No Impact on the Performance and Sustainability of Micro Enterprises (Grocery Stores) in Dringu District registered with the Cooperatives, Micro Enterprises, Trade and Industry Service of Probolinggo Regency. Although access to financial services is available, Micro Enterprises (Grocery Stores) in Dringu District have not fully utilized financial products and services optimally. The low level of utilization is driven by various factors, such as lack of understanding of financial services, concerns about the risk of fraud, and limited digital literacy and trust in financial institutions. Therefore, efforts are needed to improve financial literacy as a whole as a strategic step to encourage more optimal utilization of financial inclusion, so that it can support improved performance and sustainability of micro enterprises in a sustainable manner. Based on the research results and conclusions above, the suggestions that researchers can provide are as follows:

Based on the research results and conclusions above, the suggestions that researchers can provide are as follows: For the Cooperatives, Micro Enterprises, Trade and Industry Service of Probolinggo Regency as a facilitator and mentor of MSMEs, especially in improving financial literacy, financial inclusion, and protection of micro businesses from the risk of inappropriate financial products by increasing the frequency and quality of financial literacy training for micro business actors, especially those related to understanding financial products, financial risk management, and business financial planning, encouraging cooperation with formal financial institutions (such as banks, cooperatives, and pawnshops) to provide safe, transparent, easy access to financing in terms of administration and requirements and in accordance with the characteristics of micro businesses, providing regular micro business financial consultation or assistance services so that business actors are not easily tempted by illegal financial products or those that do not match their business needs, developing an MSME database system that contains the status of financial access and business capital needs, so that empowerment policies can be more targeted, conducting socialization of the dangers of using illegal financial products and providing education regarding the characteristics of financial institutions registered and supervised by the OJK (Financial Services

Authority). With the support and supervision of the Probolinggo Regency DKUPP, it is hoped that Micro Business actors, especially grocery stores, can be wiser in choosing and utilizing financial products and be better prepared in facing business risks.

This research still has limitations in each process, so that for further researchers, they can develop research concepts related to financial literacy, financial inclusion, business performance and sustainability, and can expand the scope of the sample by involving Micro Businesses (Grocery Stores) registered with the Cooperatives, Micro Business, Trade and Industry Service of Probolinggo Regency in locations other than Dringu District so that the research results are more representative.

For Micro Business Actors (Grocery Stores) in Dringu District to improve financial literacy in their efforts to improve business performance and sustainability, utilize access to financial services and products and be more careful in choosing and using financial products, both in the form of loans, savings, or other digital services. Before making a decision, business actors should understand the terms and conditions of the financial products offered, including interest, administration fees, late fees, avoid using illegal financial products or those not registered with the OJK, which often offer convenience but carry high risks to business continuity, adjust financial products to business needs, such as only using loans for working capital or productive investments, not for personal consumption, increase financial literacy through training, seminars held by the Probolinggo Regency Cooperatives, Micro, Trade and Industry Service, or read trusted sources, to be wiser in making financial decisions.

REFERENCES

Abdullah, P. M. (2015). Metodologi Penelitian Kuantitatif. In *Aswaja Pressindo*.

Abubakar, R. (2021). *Pengantar Metodologi Penelitian*. SUKA-Press UIN Sunan Kalijaga.

Akhmad, J. (2019). *Metodologi Penelitian Bisnis Dilengkapi Contoh Hasil-Hasil Penelitian* (pp. 1–233). Graha Ilmu.

Amani, T. (2018). Penerapan SAK-EMKM Sebagai Dasar Penyusunan Laporan Keuangan UMKM (Studi Kasus di UD Dua Putri Solehah Probolinggo). *Jurnal Ilmiah Ilmu Akuntansi, Keuangan Dan Pajak*, 2(2), 91–102. <https://ejournal.itbwigalumajang.ac.id/index.php/asset/article/view/266>

Arianti, B. F. (2021). *Literasi Keuangan (Teori dan Implementasinya)*.

Aribawa, D. (2016). Pengaruh Literasi Keuangan Terhadap Kinerja Dan Keberlangsungan UMKM Di Jawa Tengah. *SIASAT BISNIS*, 20(4), 1–13. <https://doi.org/10.1007/s10006-013-0431-4>

Bahri, S. (2018). *Metode Penelitian Bisnis Lengkap Dengan Teknik Pengolahan Data SPSS* (pp. 1–130). CV. Andi Offset.

Bahri, S. (2022). *Akuntansi UMKM Pendekatan Praktis Berdasarkan SAK EMKM*. Mitra Wacana Media.

Bahtiar, R. A. (2021). Dampak Pandemi Covid-19 Terhadap Sektor Usaha Mikro, Kecil, dan Menengah Serta Solusinya. *Pusat Penelitian Badan Keahlian DPR RI, Bidang Ekonomi Dan Kebijakan Publik*, XIII(10), 19–24. https://berkas.dpr.go.id/puslit/files/info_singkat/Info Singkat-XIII-10-II-P3DI-Mei-2021-1982.pdf

Choerudin, A., Zulfachry, Widayawati, R., Warpindayastuti, L. D., Khasanah, J. S. N., Harto, B., Oktaviani, N. F., Sohilauw, M. I., Suharsono, L., Suharsono, J., & Paramita, V. S. (2022). Literasi Keuangan. In *PT GLOBAL EKSEKUTIF TEKNOLOGI Anggota IKAPI No. 033/SBA/2022*.

Edward, Willian, R., Ekasari, N., & Lubis, T. A. (2018). Kinerja Bisnis Toko Kelontong. In *Salim Media Indonesia*.

Ghozali, I. (2021). *Partial Least Squares Konsep, Teknik Dan Aplikasi Menggunakan Program Smartpls 3.2.9 Untuk Penelitian Empiris*. Badan Penerbit Universitas Diponegoro.

Ghozali, I., & Kusumadewi, K. A. (2023). *Partial Least Squares, Konsep, Teknik Dan Aplikasi Menggunakan Program SmartPLS 4.0 Untuk penelitian Empiris Edisi 1*.

Hanim, L., & Ms, N. (2018). *UMKM (Usaha Mikro, Kecil & Menengah) & Bentuk-bentuk Usaha*. UNISSULA PRESS Universitas Islam Sultan Agung Jl. Raya Kaligawe KM.4 Semarang (50112) Jawa Tengah, Indonesia.

Hilmawati NininMei Ruli, & Rohmawati, K. (2021). Inklusi Keuangan Dan Literasi Keuangan Terhadap Kinerja Dan Keberlangsungan Sektor Usaha Mikro Kecil Menengah. *Nominal: Barometer Riset Akuntansi Dan Manajemen*, 10(1), 135–152. <https://doi.org/10.21831/nominal.v10i1.33881>

Idawati, Agung, I. A., Pratama, & Surya, I. G. (2023). Inklusi Keuangan Dan Literasi Keuangan Terhadap Kinerja

Dan Keberlangsungan UMKM Di Kota Denpasar. *Jurnal Bisnis Dan Kajian Strategi Manajemen*, 7(2), 205–213. <https://doi.org/10.37673/jmb.v2i1.305>

Karimuddin Abdullah, M. J., Suryadin Hasda, Z. F., Masita, N. T., & Meilida Eka Sari, M. K. N. A. (2021). Metodologi Penelitian Kuantitatif. In *Yayasan Penerbit Muhammad Zaini*.

Kurniawan, Z., & Vaulia, N. (2022). Buku Referensi Teori Dan Praktik Inklusi Dan Literasi Keuangan. In *cv EUREKA MEDIA AKSARA*.

Otoritas Jasa Keuangan. (2017). Surat Edaran Otoritas Jasa Keuangan Nomor 31 /Seojk.07/2017 Tentang Pelaksanaan Kegiatan Dalam Rangka Meningkatkan Inklusi Keuangan Di Sektor Jasa Keuangan. *Otoritas Jasa Keuangan (OJK)*, 9–25.

Pemerintah Indonesia. (2021). *Peraturan Pemerintah Republik Indonesia Nomor 07 Tahun 2021 tentang Kemudahan, Pelindungan, dan Pemberdayaan Koperasi dan Usaha Mikro, Kecil, dan Menengah*. 086507, 1–121.

Perekonomian, K. K. B. (2018). OSS untuk Pelaku Usaha. *Kementerian Koordinator Bidang Perekonomian Republik Indonesia*, 1–22. <https://www.oss.go.id/oss/portal/download/f/PedomanIndonesia.pdf>

Rahadi, R. D. (2023). Pengantar Partial Least Squares Structural Equation Model (PLS-SEM) 2023. In *CV. Lentera Ilmu Madani*.

Rahajeng, Y., Amani, T., & Mustafida. (2024). Pengaruh Kualitas Pelayanan dan Literasi Keuangan Syariah Terhadap Keputusan Pembelian Produk Perbankan Syariah di Bank Syariah Indonesia KCP Probolinggo. *Jurnal Ilmiah Ecobuss*, 12(2), 172–184.

Rahmansyah, A. I., Dhany, U. R., Musriati, T., & Widiana, N. P. (2024). Pengaruh Inklusi Keuangan Terhadap Kinerja Dan Keberlangsungan Ukm Pada Pujasera Alun-Alun Kota Probolinggo. *Measurement: Jurnal Akuntansi*, 18(2), 302–313. <https://www.journal.unrika.ac.id/index.php/measurement/article/view/7231>

Selvi. (2018). *Literasi Keuangan Masyarakat : Pahami Keuangan Investasi Anda*.

Sholihah, E., Nurhapsari, R., Rohmania, A. S., Ratnaningrum, Susilowati, H., & Hargyatni, T. (2023). *Kinerja UMKM dan Digitalisasi UMKM*. CV. EUREKA MEDIA AKSARA.

Sudrartono, T., Nugroho, H., Irwanto, I., Agustini, I. G. A. A., Yudawisastra, H. G., Maknunah, L. U., Amaria, H., Witi, F. L., Nuryanti, N., & Sudirman, A. (2022). Kewirausahaan UMKM Di Era Digital. In *Cv Widina Media Utama*.

Susilowati, H., Ratnaningrum, Andriana, M., Hargyatni, T., & Sholihah, E. (2022). *Kinerja Bisnis UMKM*.

Wardhono, A., Indrawati, Yulia, Qori'ah, & Gema, C. (2017). *Digital Repository Universitas Jember Digital Repository Universitas Jember Inklusi Keuangan dalam Persimpangan Kohesi Sosial dan Pembangunan Ekonomi Berkelanjutan*. Pustaka Abadi.

Widiawati, A., & Wulandari, I. (2023). Pengaruh Literasi Keuangan, Inklusi Keuangan, Dan Pengelolaan Keuangan Dalam Meningkatkan Kinerja Umkm Di Kabupaten Sleman. *Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi*, 8(4), 501–507. <https://doi.org/10.24815/jimeka.v8i4.28382>

Widyasanti Amalia Adininggar, & Dewi, F. W. (2024). *Survei Nasional Literasi Keuangan dan Inklusi Keuangan Tahun 2024*.

Yanti, V. A., Amanah, S., Muldjono, P., & Pang., A. (2018). Faktor-Faktor yang Mempengaruhi Keberlanjutan Usaha Mikro, Kecil dan Menengah di bandung dan bogor. *Jurnal Pengkajian Dan Pengembangan Teknologi Pertanian*, 20(2)(18), 137-148.