

Research.

The Effect of Financial Literacy and Digital Payment on Increasing Micro, Small and Medium Enterprises Income (Study on MSMEs in Kemuning Subdistrict Palembang)

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Abstract. *This research is qualitative research that aims to find out the effect of literalization and digital payment on the improvement of small and medium micro business in Kemuning Subdistrict, Palembang. The data used in this research is the primary data which was collected through a questionnaire which was administered through a paper-based questionnaire. The object of this research is small micro businesses in Kemuning Subdistrict. The population used was all MSMEs operating in Kemuning Subdistrict with a total of 1448. The sample size was determined by using the Slovin formula. In accordance with this formula, the total number of samples taken for this research was 94 MSMEs. The method used was multiple lineal regression analysis. The results showed that the variables of qualitative literacy (X1) and digital payment (X2) have a positive impact on the variables of increasing revenue (Y).*

Keywords: *Keywords: Digital Payment, Financial Literacy, Income, MSMEs*

INTRODUCTION

Background

In the current era of globalization, aspects of life are increasingly developing in the fields of economy, culture, art, social, communication and information technology. Talking about information technology, the development of information technology in this day and age is increasingly widespread and increasing. Technology has been widely recognized among people from young to old. With the existence of technology, many people are helped in conducting their activities. The development of information technology also has many impacts on society and can encourage economic growth in a country. One of the applications between information technology and economic growth is non-cash transaction payments. This has been widely applied by MSME players because it makes it easier to make transactions between sellers and buyers.

Micro, Small and Medium Enterprises (MSMEs) in various countries including Indonesia are one of the drivers of economic growth in Indonesian society. MSMEs are stand-alone productive business units, conducted by individuals or business entities in all economic sectors. In accordance with data from the Ministry of Cooperatives and SMEs, the number of MSMEs currently reaches 64.2 million with a contribution to GDP of 61.07% or worth 8,573.89 trillion rupiah. The contribution of MSMEs to the Indonesian economy includes the ability to absorb 97% of the total workforce and can raise up to 60.4% of total investment (Edward UP Nainggolan, 2021).

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MSMEs are creative industries that tend to have a short-term orientation in making decisions on their business. As a creative industry, MSMEs also have their own problems for the actors who run them. The problems owned by MSME actors can be said to be an obstacle in developing a business. Some of the problems that occur are that most MSME actors in Indonesia do not know much and lack the ability to manage finances. Many MSME players in Indonesia still combine personal money and business money, if they continue to do this, the business they are running will not run well. One of the things that can help MSME players in managing their financial performance is to introduce and understand financial literacy.

Financial literacy has several separate definitions for experts. According to the Financial Services Authority, financial literacy is knowledge, skills, and beliefs, which influence attitudes and behaviors to improve the quality of decision making and financial management in order to achieve welfare (Ardila et al., 2020). Knowledge of financial products and services plays an important role in increasing the understanding of MSME actors of various types of financial products and services offered in the hope that their utilization can contribute to developing their business (Lubis & Harahap, 2022).

According to data from the World Bank, Indonesia is the third country that has the weakest level of financial literacy after India and China, with this opinion it can be concluded that the level of financial literacy of the Indonesian people is low. This condition is clearly unfavorable for efforts to improve the welfare of the Indonesian people. Because the level of a community's welfare is in line with the level of financial understanding and the proximity of the community to financial access. Therefore, more effective and efficient microfinance development and financial inclusion programs are needed (Putra et al., 2020).

Regarding the use of information technology and innovation in the financial services sector in Indonesia, significant developments can currently be seen. Various financial services that utilize information technology or what is often called digital payment or financial technology (Fintech) have become common among the public. The development of the Fintech industry in Indonesia is supported by the increasing number of internet and smartphone users in Indonesia. Of the total 132.7 million internet users, 63.1 million or around 47.6% of users use mobile devices (smartphones). In connection with this, financial authorities need to strengthen their role in supervising Fintech by paying attention to key factors, such as aspects of consumer protection, service, inclusiveness, security and risk mitigation (Yoyo & Sofiaty Nunung Ayu, 2020).

The growth of Micro, Small and Medium Enterprises (MSMEs) continues to increase in South Sumatra. In accordance with data submitted by the Head of the Cooperative and SME Office of South Sumatra Province, until now there have been more than 163,000 businesses run on an individual and group scale. The increase in MSMEs in the South Sumatra region is because of public awareness that entrepreneurship is better, therefore many choose to run a business (Djoko Suud, 2020). Palembang is one of the regions located in South Sumatra. With the potential for most of the community's income to come from Micro, Small and Medium Enterprises (MSMEs). According to the Central Bureau of Statistics of Palembang City, Kemuning Subdistrict has an area of 9,000 km². Although the area owned is not too large, Kemuning Subdistrict is the number 12 sub-district that has the most MSMEs in Palembang. Therefore, the researcher chose Kemuning as the place of research.

Rafif Rizkulla, founder of Barisan Usaha Rakyat (BARA), claims that one of the reasons why the MSME sector is lagging behind other industries is because of the lack of financial literacy knowledge among MSME business actors.

The majority of the 50 MSMEs that attended financial literacy classes in Palembang still combine their personal and business expenses in one account. The increase in financial literacy for MSMEs in Palembang was also accompanied by an understanding of

technology companies (fintech). Elga Yuki Kosasih, Transaction Advisor at PT Smartec Teknologi Indonesia, said that her company tries to offer digital financial education in large numbers. According to Elga's assessment, people, especially MSME players, will be encouraged to use financial goods and services according to their needs and abilities in conducting economic operations as long as they have good financial management (Wulandari Dinda, 2022).

The above problems illustrate the lack of knowledge of business actors in managing finances and also lack of familiarity with digital payments. In accordance with the above phenomena, the researcher raised the title "The Effect of Financial Literacy and Digital Payment on Increasing Micro, Small and Medium Enterprises Income (Study on MSMEs in Kemuning Subdistrict Palembang).

Problem Formulation

In accordance with the background described above, the following research problems can be formulated:

1. Does financial literacy affect the increase in income of MSMEs in Kemuning Subdistrict Palembang?
2. Does digital payment affect the increase in income of MSMEs in Kemuning Subdistrict, Palembang?
3. Do financial literacy and digital payment have an effect on increasing the income of MSMEs in Kemuning Subdistrict, Palembang?

LITERATURE REVIEW

Theory of Planned Behavior

Planned behavior theory is an improvement of reasoned action theory. Theory of Planned Behavior states that in addition to attitudes towards behavior and subjective norms, individuals also consider perceived behavioral control, namely their ability to perform these actions. Theory of Planned Behavior divides two kinds of reasons that can influence the actions taken by individuals. The first is behavioral belief, which is a belief in the results of a behavior and an evaluation or assessment of the results of that behavior. The second is normative belief, which is an individual's belief in the normative expectations of individuals or other people who become references such as family, friends, and superiors (Baiq Fitri Arianti, 2021).

If there is a positive attitude, support from people around and the perception of ease because there are no obstacles to behavior, one's intention to behave will be higher. Someone who has a positive attitude towards stock investment, gets support from people around him and there is a perception of ease because there are no obstacles to investing in shares, someone's intention to invest in shares will be higher (Seni & Ratnadi, 2017).

This theory relates to the financial literacy variable because a person's income will increase by utilizing technology which is now developing rapidly, namely by utilizing digital payments that provide convenience in transactions for MSME actors. This means that the higher a person's financial literacy, the more understanding a person's way of thinking in utilizing existing opportunities.

Framework

This research is entitled the effect of financial literacy and digital payment on increasing the income of micro, small and medium enterprises.

That when described, which is an independent variable (free) is financial literacy and digital payment while the dependent variable (bound) is increased income. The framework model in this research can be depicted in Figure 1 below:

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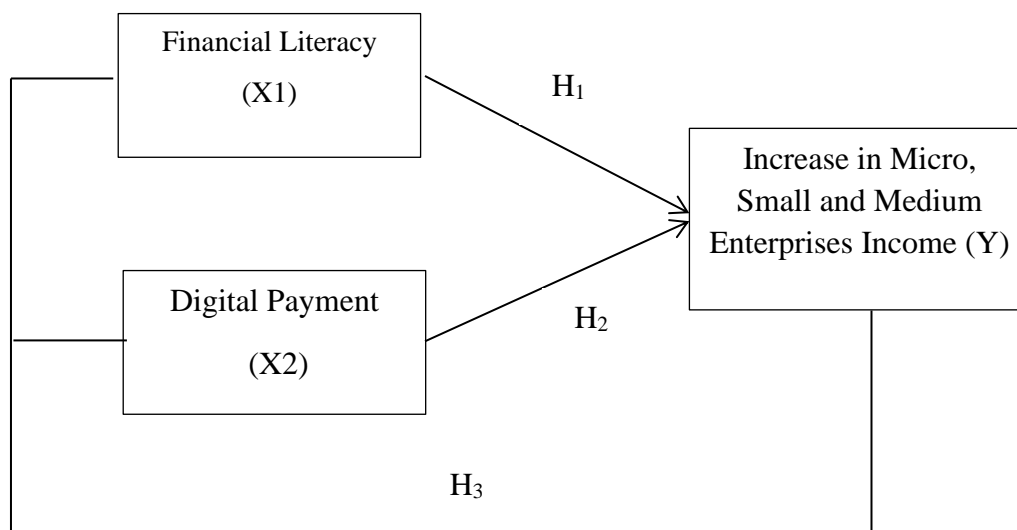


Figure 1
Framework

Hypothesis Development

According to Sugiyono, the hypothesis is a temporary answer to the formulation of research problems, where the formulation of research problems has been stated in the form of a question sentence.

The Effect of Financial Literacy on Increasing MSME Income

According to the Indonesian National Financial Literacy Strategy (SNLKI) (2017) identifies financial literacy as knowledge and understanding of financial concepts and risks, along with the skills, motivation and confidence to apply that knowledge and understanding in order to make effective decisions, improve individual and community financial well-being and participate in the economy. According to the Indonesian Institute of Accountants, revenue is income that arises in the ordinary course of the entity's activities and is known by different designations such as sales, fees, interest and dividends.

With good financial literacy knowledge in financial management, it can increase income in MSME businesses. This will affect MSME actors in Kemuning Sub-district in making decisions on productive matters such as increasing capital for the businesses they run so that the businesses they run develop well.

This is supported by research (Arianti, 2020) which shows that income has a positive influence on financial literacy. In addition, it is also supported by research (Rumbianingrum & Wijayangka, 2018) which results in financial literacy having a positive effect on MSME financial management and financial literacy has an effect of 32.4% on financial management. In accordance with the description of previous research, the following hypothesis can be formulated:

H₁: Financial literacy affects the increase in MSME income

The Effect of Digital Payment on Increasing Income

Digital payment is a technology that provides a new view for the public about non-cash payments that are far more practical and secure in transactions. Some people recognize digital payments as digital wallets or mobile money that can be used to pay for

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various transactions that are available (Rizkiyah et al., 2021). According to Martani, revenue is income derived from the normal activities of an entity and refers to different terms such as services, interest, dividends and royalties.

Business income will increase if you take advantage of existing opportunities. The opportunity that can be used by MSME actors now is digital payment. With the existence of digital payment as a convenience in transactions, Kemuning Subdistrict MSME players can use digital payment as a means to increase revenue for their business.

This is supported by research (Putri et al., 2022) which results in digital payment having a positive effect on business income. In addition, it is also supported by previous research by (Widyayanti, 2020), the results of which online payment has a positive effect on increasing business income. This is because payment transactions using a non-cash system are increasingly perceived as easy and profitable. In accordance with the description of previous research, the following hypothesis can be formulated:

H₂: Digital Payment affects the increase in MSME income

The Effect of Financial Literacy and Digital Payment on Increasing Income

According to Kali, Hudson and Vush financial literacy is the ability to understand financial conditions and financial concepts and to change that knowledge appropriately into behavior. According to Turban E and King D digital payment is a payment mechanism made via the internet to make transactions to purchase goods and services by customers. According to Diana and Setiawati, revenue is the gross inflow of economic benefits arising from the entity's normal activities during a period if the inflow results in an increase in equity that does not come from capital investment contributions.

With good financial literacy skills in managing income and applying digital payments as a convenience for transactions. This will have a significant effect on the income of MSME players in Kemuning Subdistrict because they will better understand in taking steps forward to advance their business.

This is supported by previous research by (Aulia et al., 2022), the results of which show that partially and simultaneously the variables of financial literacy and digital payment convenience have a positive and significant effect on MSME income. It is also supported by previous research by (Kusuma Patra Nyoma I, 2019). In accordance with the description of previous research, the following hypothesis can be formulated:

H₃: Financial Literacy and Digital Payment affects the increase in MSME income

RESEARCH METHODS

This research includes quantitative research. Quantitative research can be defined as a type of research that is systematic and structured with clear stages, aiming to explain or describe an existing social phenomenon (Fauzi & et al, 2022).

In accordance with the level of explanation of the variable position, this research is causal associative. Causal associative is a research problem formulation that asks about the relationship between two or more variables. Causal relationship is a relationship that is cause and effect. The type of data used is quantitative data and the data source used is primary data.

The data collection techniques used in this research are observation and questionnaire. Observation is a data collection technique with researchers going directly to the field, then observing the symptoms being studied. The questionnaire is a series of question instruments prepared in accordance with measuring instruments for research

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variables, data collection using questionnaires is very efficient, respondents only choose answers that have been provided by researchers (Sahir, 2022). Observation in this Research by making direct observations in the field to find out the actual conditions of MSMEs in Kemuning Subdistrict. In addition, it also distributes questionnaires to MSME players who have used digital payments in Kemuning Subdistrict through paper containing questions related to the research to be conducted.

The population in this research were 1448 MSMEs in the Kemuning Subdistrict of Palembang. While the sample in this s research used the Slovin formula because the population was more than 100 people, so a research sample of 94 people was obtained. The data analysis technique used in this research consists of data quality tests, classical assumption tests, multiple linear regression analysis, hypothesis testing and correlation and determination coefficient tests. The data in this research were processed using IMB SPSS 26. SPSS is a computer program used for statistical analysis.

RESULTS AND DISCUSSION

Data Quality Test

Validity Test

The validity test is used to measure whether the questions in the questionnaire made by the researcher are valid or not. The questionnaire can be said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire or the value of $r_{count} > r_{table}$. The Corrected Item Total Correlation value or the estimated r value must be above 0.3 when used as a decision-making criterion. Validity testing uses SPSS facilities.

Table 1 Financial Literacy Variable Validity Test Results

No. of Question	Rcount	Rtable	Remarks
X1_1	0.745	0.2028	Valid
X1_2	0.706	0.2028	Valid
X1_3	0.521	0.2028	Valid
X1_4	0.584	0.2028	Valid
X1_5	0.623	0.2028	Valid

Source: Primary Data Processed SPSS 26, 2023

Table 2 Results of the Digital Payment Variable Validity Test

No. of Question	Rcount	Rtable	Remarks
X2_1	0.741	0.2028	Valid
X2_2	0.697	0.2028	Valid
X2_3	0.683	0.2028	Valid
X2_4	0.726	0.2028	Valid
X2_5	0.706	0.2028	Valid

Source: Primary Data Processed SPSS 26, 2023

Table 3 Results of the Income Variable Validity Test

No. of Question	Rcount	Rtable	Remarks
Y_1	0.696	0.2028	Valid
Y_2	0.649	0.2028	Valid

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Y_3	0.688	0.2028	Valid
Y_4	0.602	0.2028	Valid
Y_5	0.745	0.2028	Valid

Source: Primary Data Processed SPSS 26, 2023

In accordance with the results of the validity test of the three variables, it shows that all questions from the financial literacy variable (X1), digital payment (X2) and income (X3) have a correlation greater than r_{table} (0.2028), it can be concluded that the variables of financial literacy, digital payment and income can be declared valid and can be used for research data.

Reliability Test

Reliability test aims to calculate the magnitude of the alpha coefficient value for each variable on the questionnaire answers. A questionnaire can be said to be reliable if the Cronbach Alpha value is > 0.60 . If the Cronbach Alpha value is less than or equal to 0.60, it cannot be said to be reliable. Reliability testing using SPSS facilities.

Table 4 Reliability Test Results

Variables	Cronchbach Alpha	Reliability	Results
Financial Literacy	0.630	0.60	Reliable
Digital Payment	0.750	0.60	Reliable
INCREASE IN INCOME	0.703	0.60	Reliable

Source: Primary Data Processed SPSS 26, 2023

In accordance with the reliability test results in the table above, the Cronchbach Alpha value on the financial literacy variable is 0.630, the digital payment variable is 0.750, and the increase in income variable is 0.703. These results indicate that the Cronbach Alpha value is > 0.60 . It can be concluded that the respondents' answers to each questionnaire are reliable.

Classical Assumption Test

Normality Test

The normality test aims to test whether in the regression model, the dependent variable and the independent variable are normally distributed or not.

In this research, the normality test was conducted using One-Sample Kolmogorov-Smirnov statistics. With the assumption that if the calculated significant value > 0.05 , it can be said that the data distribution is normal. Normality testing using SPSS facilities.

Table 5 Normality Test Results

One-Sample Kolmogorov-Smirnov		
		Unstandardized Residual
N		94
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.35559127
Most Extreme Differences	Absolute	.075
	Positive	.061
	Negative	-.075

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Test Statistic	.075
Asymp. Sig. (2-tailed)	.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

Source: *Primary Data Processed SPSS 26, 2023*

In accordance with the results of the normality test in the table above using the One-Sample Kolmogorov-Smirnov method, the significant results of the normality test with an Asymp.Sig value of $0.200 > 0.05$. It can be concluded that the normality test in this research is normally distributed.

Multicollinearity Test

The multicollinearity test is used to determine whether or not there is a linear relationship between the independent variables in the regression model. The requirement that must be met in the regression model is the absence of multicollinearity. In this research, a multicollinearity test will be conducted by looking at the Variance Inflation Factor (VIF) value with a tolerance value > 0.10 and $VIF < 10.00$, so there is no multicollinearity.

Table 6 Multicollinearity Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.461	1.708		2.027	.046		
	FINANCIAL LITERACY	.360	.115	.328	3.114	.002	.540	1.854
	DIGITAL PAYMENT	.411	.106	.409	3.885	.000	.540	1.854

a. Dependent Variable: INCREASE IN INCOME

Source: *Primary Data Processed SPSS 26, 2023*

In accordance with the table data above, the results obtained on the financial literacy variable have a Tolerance value of $0.540 > 0.10$ and a VIF value of $1,854 < 10.00$ and on the digital payment variable has a Tolerance value of $0.540 > 0.10$ and a VIF value of $1,854 < 10.00$. This means that the tolerance value of all variables is more than 0.10 and the VIF value of all variables is less than 10.00 so it can be stated that there is no multicollinearity in the regression model in this research.

Heteroscedasticity Test

The Heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. The way to detect the presence or absence of Heteroscedasticity is to see whether there is a certain pattern on the scatterplot graph between SRESID and ZPRED which has been standardized.

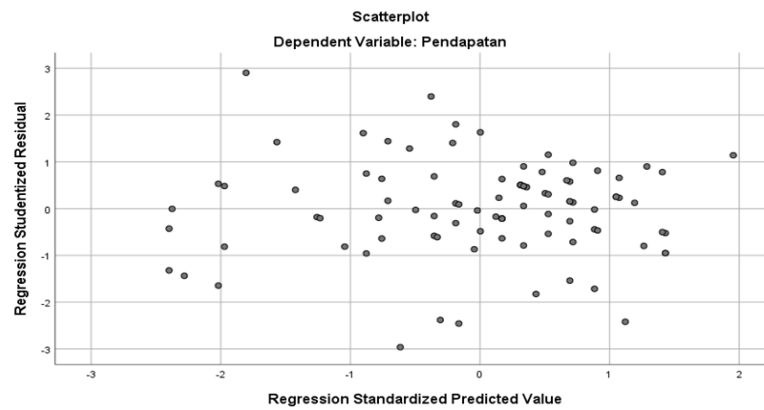


Figure 2 Heteroscedasticity Test Results

Source: Primary Data Processed SPSS 26, 2023

In accordance with Figure 2 above, the Scatterplot graph shows that the points spread randomly and are spread both above and below zero on the Y axis, do not gather in one place, and do not form a certain pattern so it can be concluded that there is no heteroscedasticity. This means that the variables in this research occur inequality of variance in the regression model.

Multiple Linear Regression Analysis

Multiple linear regression analysis is used to determine how the independent variable relates to the dependent variable. The impact of using multiple linear regression analysis can be used to decide whether the value of the dependent variable increases or decreases.

Table 7 Multiple Linear Regression Analysis Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	3.461	1.708		2.027	.046
	FINANCIAL LITERACY	.360	.115	.328	3.114	.002
	DIGITAL PAYMENT	.411	.106	.409	3.885	.000

a. Dependent Variable: **INCREASE IN INCOME**

Source: Primary Data Processed SPSS 26, 2023

In accordance with the table above, the constant for the regression equation is 3.461 and the regression coefficient value is 0.360 for financial literacy (X1) and 0.411 for digital payment (X2).

Hypothesis Test

Partial Test (t Test)

The t test aims to determine the test of the regression coefficient of each independent variable on the dependent variable. The t test is to see the effect of increasing income on financial literacy and digital payment. If the $t_{count} > t_{table}$ value and significant < 0.05 , it can be

concluded that the hypothesis is accepted. If the value of $t_{count} < t_{table}$ and significant > 0.05 , it can be concluded that the hypothesis is rejected.

Table 8 Partial Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.461	1.708		2.027	.046
	FINANCIAL LITERACY	.360	.115	.328	3.114	.002
	DIGITAL PAYMENT	.411	.106	.409	3.885	.000

a. Dependent Variable: **INCREASE IN INCOME**

Source: Primary Data Processed SPSS 26, 2023

In accordance with the table above, it can be explained that the financial literacy variable has the results of the t_{count} test $3.114 > t_{table}$ 1.986 and a significant $0.002 < 0.005$. So that H1 is accepted and it can be concluded that financial literacy (X1) has an effect on increasing income. The digital payment variable has the results of the t_{count} test $3.885 > t_{table}$ 1.986 and a significant $0.00 < 0.05$. So that H2 is also accepted and it can be concluded that digital payment (X2) has an effect on increasing income.

Simultaneous Test (F Test)

The F test aims to see the results of whether the independent variables together have a significant effect on the dependent variable. Can be done by looking at a significant 0.05 if the probability value < 0.05 using the formula $df = n - k$.

Table 9 Simultaneous Test Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	433.163	2	216.581	38.193	.000 ^b
	Residual	516.039	91	5.671		
	Total	949.202	93			

a. Dependent Variable: INCREASE IN INCOME

b. Predictors: (Constant), DIGITAL PAYMENT, FINANCIAL LITERACY

Source: Primary Data Processed SPSS 26, 2023

In accordance with table 4.13 above, the F_{count} value is $38.193 > F_{table}$ 3.10 and the sig value is $0.000 < 0.05$. It can be concluded that the independent variables of financial literacy and digital payment have a positive effect simultaneously (together) on the dependent variable, namely income generation.

Correlation Coefficient Test (R)

Used to determine the degree of relationship between the independent variable (X) and the variable (Y). To provide an interpretation of the size of the correlation coefficient (R).

Table 10 Correlation Coefficient Test Results (R)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.676 ^a	.456	.444	2.381

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

Source: Primary Data Processed SPSS 26, 2023

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In accordance with the table above, it is known that the correlation coefficient value of Increase in income is 0.676 in accordance with the interpretation value guidelines in the range "0.60 - 0.799", meaning that the level of strong relationship between variables (X1) and (X2) on Increase in income (Y).

Determination Coefficient Test

The coefficient of determination is used to determine how much contribution or contribution the price and promotion variables make to the purchasing decision variable. The R Square value is said to be good if it is above 0.5 or 0-1.

Table 11 Test Results of the Coefficient of Determination (R²)

<i>Model Summary^b</i>				
<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	.676 ^a	.456	.444	2.381

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

Source: Primary Data Processed SPSS 26, 2023

In accordance with the table above, it is known that the R Square (R²) coefficient value is 0.456 or 45.6%. It can be concluded that the influence of financial literacy and digital payment variables on increasing MSME income is 0.456 or 45.6%, while the remaining 54.4% is influenced by other variables outside the variables used in the research.

In accordance with the results of the tests that have been conducted, the results show that financial literacy has a positive effect on increasing the income of MSMEs in Kemuning Subdistrict Palembang. This can be seen in the partial test results where the t_{count} value is $3.114 > t_{table} 1.986$ and significant $0.002 < 0.005$. So it can be concluded that the first hypothesis (H1) that financial literacy has an effect on increasing income is accepted. With good financial literacy knowledge in managing financial management, it can increase income in small and medium micro businesses. This will affect MSME actors in making decisions on productive things such as adding capital to the business they are running so that the business they run develops well.

This is in line with research (Arianti, 2020) which shows that income has a positive influence on financial literacy. The results in Arianti's research show that MSME actors who have higher business income will tend to have higher financial literacy. The higher a person's income, the more that person will try to find information and understanding to utilize the money he/she has. It is also in line with research (Rumbianingrum & Wijayangka, 2018) where financial literacy has a positive effect on MSME income. The results in Rumbianingrum & Wijayangka's research show that high financial literacy will affect MSME owners in managing business finances and this will have an impact on the income they get.

In accordance with the results of the tests that have been conducted, the results show that digital payment has a positive effect on increasing the income of MSMEs in Kemuning Subdistrict Palembang. This can be seen in the partial test results where the t_{count} value is $3.885 > t_{table} 1.986$ and significant $0.00 < 0.05$. So it can be concluded that the second hypothesis (H2) digital payment has an effect on increasing income, is accepted. Business income will increase if you take advantage of existing opportunities. The opportunity that can be used by MSME players now is digital payment. With the existence of digital payment as a convenience in transactions, MSME players can take advantage of digital payment as a means to increase revenue for their business.

This is in line with research (Putri et al., 2022) which shows that digital payment has a positive and significant effect on business income. The results in Putri's research show that the use of technology in the realm of payment media or transactions in business has many benefits not only for business owners but also provides benefits to consumers, namely providing various conveniences in making payments such as being more effective and efficient. In addition, it is also in line with research (Widyayanti, 2020) where online payment has a positive effect on increasing business income. The results in Widyayanti's research show that the shift to non-cash payments is able to increase transactions faster so that it tends to encourage a greater number of sales so as to increase business income.

In accordance with the results of the tests that have been conducted, the results show that financial literacy and digital payment have a positive and significant effect on increasing the income of MSMEs in Kemuning Subdistrict Palembang. This can be seen in the simultaneous test results where the F_{count} value is $38.193 > F_{\text{table}} 3.10$ and the sig value is $0.000 < 0.05$. It can be concluded that the third hypothesis (H3) that the independent variables of financial literacy and digital payment have a positive and significant effect simultaneously (together) on the dependent variable, namely income generation, is accepted. With good financial literacy skills and implementing digital payment, MSME actors can easily understand financial management and know the income and expenses that occur in existing transactions.

This is in line with research (Aulia et al., 2022) which states that partially and simultaneously the variables of financial literacy and digital payment have a positive and significant effect on MSME income. Aulia's research results show that financial literacy reminds the importance of general knowledge of finance, namely the benefits of insurance and investment and the convenience of digital payment, namely fast transactions, easy-to-use applications have a positive influence on increasing business income and increasing sales volume.

CONCLUSIONS AND SUGGESTIONS

In accordance with the discussion of the research results, it can be concluded that:

1. In accordance with the partial test that has been conducted, it shows the results of the t_{count} value of $3.114 > t_{\text{table}} 1.986$ and a significant $0.002 < 0.005$, meaning that the financial literacy variable has a positive and significant effect on increasing income so it can be concluded that (H1) is accepted.
2. In accordance with partial tests that have been conducted, it shows the results of the t_{count} test value of $3.885 > t_{\text{table}} 1.986$ and a significant $0.00 < 0.05$, meaning that the digital payment variable has a positive and significant effect on increasing income so it can be concluded that (H2) is accepted.
3. In accordance with the simultaneous test that has been conducted, it shows the results of the F_{count} test value of $38.193 > F_{\text{table}} 3.10$ and a sig value of $0.000 < 0.05$, meaning that the financial literacy and digital payment variables have a positive and significant effect on increasing income so it can be concluded that (H3) is accepted.

MSME players are expected to better understand financial literacy and the use of digital payments, because these two things are very influential in increasing sales. By understanding financial literacy, MSME actors will better understand how to manage finances better and by understanding how to use digital payments, it will facilitate every transaction that occurs.

And for further researchers, it is hoped that it can further expand the research sample not only for MSMEs in Kemuning Subdistrict but all districts in Palembang city. In addition, it is suggested that further research can add variables that are not in this research.

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