

## **Financial Literature to Sustainability Micro Business in Gowa Regency**

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### **ABSTRACT**

This research is a qualitative research that aims to find out how the level of financial literacy on the sustainability of Micro Enterprises in Gowa Regency. The sample in this study consisted of 5 informants of micro business actors. Techniques for analyzing research data using the help of ATLAS.ti 9. The results of the analysis show that micro-enterprises are classified as not literate, so the financial literacy of micro-enterprises is still lacking. It can be concluded that micro-enterprises have no potential for business sustainability.

**Keywords:** Financial Literacy; Business Sustainability; Micro Enterprises.

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### **INTRODUCTION**

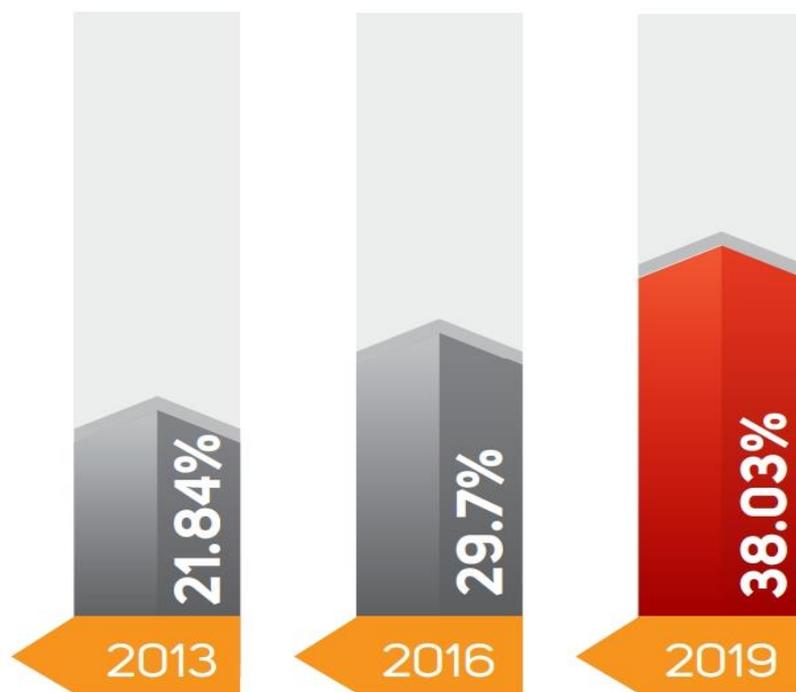
One of the areas most affected by the Covid-19 pandemic is Micro Enterprises, which have also contributed to the decline in the national economy. The problems faced by Micro Enterprises are closely related to business continuity because of the limited community activities that have an impact on decreasing income. The overall high level of micro-enterprises in Indonesia is not far from the many challenges and conditions of the Covid-19 pandemic and has an impact on the shift in the way goods and services are used. To maintain business continuity, members of micro-enterprises must have sufficient financial knowledge and ability to manage finances, plan business finances and make business decisions. Financial literacy alone is not enough, it takes the ability and desire to utilize this knowledge, which will be implemented by micro-enterprises. The number of micro-enterprises in Indonesia is increasing and of course it can affect the rate of Indonesia's economic growth. In the end more and more job opportunities are open, which can reduce unemployment and misery in this country.

The ability of micro-enterprises to identify and access financial sources affects the growth rate of micro-enterprises. The ability to manage micro-enterprise finances is critical to performance and business. If micro-enterprises do not understand the basic concepts of finance, they will not be able to make financial management decisions. Micro-enterprises with effective basic financial knowledge will be able to make better financial considerations such as credit, investment, and so on. In contrast to micro-enterprises which lack basic knowledge related to finance, this will allow risks in their business such as losses in the event of bankruptcy. This is what makes financial literacy very important for the sustainability of micro-enterprises. Financial literacy aims to improve business performance management. Regarding loan payments, the higher

the level of financial literacy, the more effective the loan payments will be managed, so that it is better to manage production finances (Rahayu, 2017).

A person with good financial knowledge will be able to control his financial situation. The person can allocate the money he has and knows how to handle financial problems efficiently. Make appropriate personal financial decisions such as investments, insurance, tuition fees, monthly, annual budgets, tax planning, or financial decisions related to his business. Basic indicators of financial literacy include knowledge of mathematical calculations, interest rates, inflation, financial management and knowledge of financial risks (Suryani & Surya, 2017). During this time, someone with a low level of financial knowledge will tend to make inappropriate decisions, such as tending to take loans with very high interest rates. By increasing the knowledge of microenterprise members about financial literacy, they can make their management and accountability more accountable like large companies. Financial literacy is a basic need for everyone, especially business people, to avoid financial problems.

The number of micro-enterprises in the last 5 years in Gowa Regency has continued to increase. In 2017 there were 3,795 micro business units then in 2018 it became 3,948 units. In 2019 it increased again to 4,028 units and a significant increase occurred in 2022 to 37,341 micro business units. Finally, in 2021 the number of micro-enterprises in Gowa Regency reached 53,045 units. This increase shows the continued growth of micro-enterprises, so it is necessary to see how the level of financial literacy is.



**Figure 1. Financial Literacy Index**

Based on Figure 1, it can be seen that the financial literacy index has increased. The national financial literacy and inclusion survey (SNLIK) conducted for the third time by the

Financial Services Authority (OJK) in 2019 showed that the financial literacy index was around 38.03%. Obtained from the 2019 National Financial Literacy and Inclusion Survey shows that there are 38% of the general public who have a complete understanding of financial products and services, much lower than the level of use, financial products are 76%. There are still many people who use financial service products but are not equipped with an understanding of financial service products. So that in general they do not fully understand how to improve the quality of financial and management decisions to succeed in business.

Financial literacy is closely related to business continuity, because it can help economic actors manage financial problems, especially those related to investment. Financial literacy cannot be separated from business continuity, where the higher the level of financial literacy everyone will be able to maintain business continuity. Financial literacy is essential and important, especially for SME members. Sufficient understanding helps SME members understand the importance of value for money which will be useful today and have a big impact in the future and business success. Therefore, a financial education strategy is needed so that SMEs are able to develop continuously.

Financial literacy is knowledge of finance, financial institutions and financial concepts in general, as well as the ability to use financial products and manage personal finances to make short-term and long-term actions., about making financial decisions, considering financial matters, preparing for the future, and inferring appropriately the activities that affect economic decisions on a daily basis (Safryani et al., 2020; Yushita, 2017). Financial literacy is the ability of a person or a series of knowledge processes to manage or manage finances efficiently. To avoid financial problems, individuals need an understanding of financial literacy to manage and plan their finances. Targeted financial planning affects how a person's decision-making uses money And discuss money and other financial topics that affect overall well-being (Gunawan et al., 2020; Kusuma et al., 2021; Soraya & Lutfiati, 2020).

Level of publik financial literacy (Financial Services Authority, 2017), that is:

1. *Well literate* namely having knowledge and belief about financial service institutions and financial service products, including features, benefits and risks, rights and obligations related to financial products and services, as well as skills in the use of financial products and services
2. *Sufficient literate* that is mehaveknowledge and belief about financial service institutions and financial products and services, including features, benefits and risks, rights and obligations relating to financial products and services.
3. *Less literate* that is just mehavei knowledge of financial service institutions, financial products and services.
4. *Not literate* that is not memhaveknowledge and confidence in financial service institutions and financial products and services, and do not have skills in using financial products and services.

To business sustainability is a form of business sustainability inform of consistency in terms of business, and sustainability is a sustainable business method that includes growth, expansion, strategies to monitor continuity business, and business development, and the fulfillment of company funds or capital so that operational activities can continue to run so that the company has sufficient funds to run and develop its business (Widayanti et al., 2017; Aulia et al., 2021; Ardila et al., 2021). Business sustainability is business growth, and the measurement method is usually defined in terms of changes in sales, assets, workforce, productivity, innovation, employee management, payback and profit. In each phase of

development, various aspects are very valuable for the continuity of business growth and the success of MSMEs (Ningtyas & Andarsari, 2021; Rumini & Martadiani, 2020).

Sustainability in business is a condition when a business has sufficient money to increase its business. MSME sustainability affects MSME management performance. A long business life will enable SME owners to understand innovation opportunities, growth strategies, and threats in their business. The company's sustainability in MSMEs is reflected in the success of business actors in innovating, managing workers and customers, and returning initial funds. This shows that a business has a direction to develop and sees sustainable new breakthrough opportunities. The company's sustainability is expected to eliminate waste and enlarge resources. From a business perspective, sustainability is based on reducing all types of present and future costs to achieve profitability. Business sustainability indicators are financial management, promotion improvement, quality improvement, human resource management, opportunities for business planning, general business planning updates, competitor analysis, business entry promotion, and risk calculation (Ardila & Christiana, 2020; Panggabean et al., 2018).

To maintain business continuity, MSME members must have sufficient financial knowledge and ability to manage finances, plan business finances and make business decisions. Financial literacy alone is not enough, it takes the ability and desire to utilize this knowledge, which will be implemented even from micro, small and medium enterprises. The number of MSMEs in Indonesia is increasing and of course it can affect the rate of economic growth in Indonesia. In the end more and more job opportunities are open, which can reduce unemployment and misery in this country.

The higher the financial literacy of a micro business owner, it is expected that it will increasingly affect the performance and sustainability of the micro business. With financial knowledge will increase his ability to manage business operations. This can be seen in the job structure, lack of work errors, sales growth and the ability to predict output when demand increases. With financial literacy, business owners can also use their financial capabilities to make the right decisions for their business. Through effective financial decision making, micro business actors will be able to achieve their goals and be able to maintain their business continuity.

## **METHOD**

This research uses a qualitative research type with this type of study approach that is descriptive. Descriptive research is a study that seeks to describe how to solve current problems based on data. This type of qualitative descriptive research is used in this study with the hope of obtaining in-depth and comprehensive information about the financial literacy of micro-enterprises in Gowa Regency.

Snowball sampling data collection technique is to find key informants in the sample environment, so that the information obtained becomes more diverse. The main purpose of identifying informants in qualitative research is to collect certain cases, events, or behaviors that can clarify and deepen understanding of the process in a particular situation. The research informants who were targeted were microenterprise informants in Gowa Regency.

Data collection techniques used in this study that is, 1) Observe is an activity to observe an object directly and in detail to find information about the object. Observations are carried out to receive appropriate information, whether in the form of places, actors, objects, activities, actions or events. 2) Interview is a form of data collection in which an informant is asked about a topic. This survey data collection was carried out using the structured interview method, namely

the interview which is the process of directly interviewing the informant using the question guide that has been made. The question guide consists of several questionnaires. However, these questions can occur during the interview. Use of this question guide will help ensure that the interviews conducted are consistent with the research objectives. 3) Documentation is an indirect means of obtaining study data, namely data collected through supporting data documents related to the study to be studied. Documentation is a technique used to obtain data by understanding, recording information related to the problem to be studied to document the analysis of the problem. The documentation for this study focuses on gathering supporting documentation for the required data. Documents can be in the form of articles or pictures related to micro business research among micro business actors, especially in Gowa Regency.

This research is a qualitative research. The qualitative research method emphasizes the field observation method and the data is analyzed non-statistically. Qualitative data is primary data in other words, it is data taken from various places in the form of memos, recorded words and sentences. These answers can answer the next question by processing using ATLAS. Ti 9. The process of data analysis using ATLAS.ti 9, namely:

1. Create a HU (Heurmeunistic Unit) as the first step in using the ATLAS.ti 9 software as well as creating a new document in Microsoft Office Word. To create a qualitative data analysis technique project in the ATLAS.ti 9 software, that is by selecting new project and directly providing the project name which will be used to attach data.
2. Data entry: Create several PDs (Main Documents) and enter the data to be analyzed into the ATLAS.ti 9 software. The data can be in the form of text, PDF, images, photos, audio, or video.
3. Select Data: Make some citations from the data that are important to the researcher. In a study, it is not uncommon for researchers to find statements or things that attract attention as supporting material for research data.
4. Coding: Decide on the code to be used (adapted based on what individuals find) and provide the code in the form of a customized code.
5. Perform analysis: Create an overview of the research network. This network description is used by researchers to understand the relationship between analysis findings and other findings, based on quotations and marked codes.
6. Create memo, used for recording/commenting analysis.
7. Get the output, the output can be obtained from ATLAS.ti 9 supported data analysis in the form of XML, tables/graphs, HTML or SPSS.

## **RESULTS AND DISCUSSION**

The results of the analysis performed using ATLAS. ti 9 produces a network of micro enterprises. The micro business network can be seen in Figure 2.

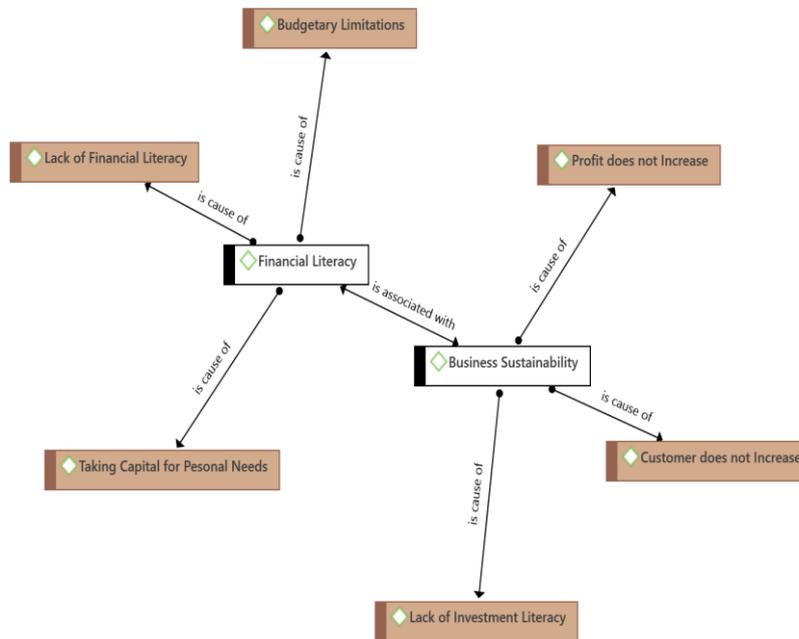


Figure 2. Micro Business Network

**Table 1.**  
**Coding Mapping Results with Indicators**

Coding	Indicator
Do not understand financial control Lack of Revenue Management Planning	Knowledge
Lack of Business Budgeting Skills	Skills
Using Business Capital for Personal Interest	Behavior
Don't Know Investment Not Investing No Investment Plan	Investation
No Profit Increase	Economic Business Sustainability
No Customer Upgrade	Business Growth

Source: Analysis result, 2022.

Based on micro business network and mapping coding the micro-enterprises interviewed above, obtained from the analysis using ATLAS.ti 9, it can be concluded that pMicro-enterprise behavior belongs to not literate related to financial literacy because they do not understand how to manage finances and tend to combine personal finances with business finances. This makes it difficult for micro entrepreneurs to manage their business finances so that it is difficult to develop. In addition, related to investment, micro business actors do not have investment knowledge. In addition, all micro business actors do not invest and tend not to have plans to invest. So that micro business actors do not get investment returns that are very useful for the sustainability of their business. Micro business actors have business barriers, especially in terms of capital. As a result of the limited working capital, many business actors run businesses and poor management and

limited expertise make the growth rate of micro-enterprises generally not too fast. Micro business actors are still not stable for the sustainability of their business. It can be seen from the limited capital, no increase in profit and no increase in consumers and the lack of a long-term strategy for business sustainability.

Micro-enterprises do not have adequate knowledge related to financial literacy, especially regarding investment. Micro business actors also do not invest and do not have an investment plan. The decision not to invest is based on the lack of awareness of micro business actors about the importance of investing. Investing will enable micro-enterprises to use their profits to develop their businesses so that they can thrive and survive in the future. Lack of knowledge of micro business finance, low financial management skills and attitude of micro business actors who use business money for personal purposes. The low financial literacy of micro-enterprises has hampered their business development. The absence of an increase in profits and customers while running a business is due to a lack of good financial planning and management. Financial problems such as capital will often occur as a result of inefficient management. This is an obstacle to the development of micro-enterprises so that they have less potential for business sustainability.

The results of this study are in accordance with research (Christopher & Kristianti, 2020) show that financial literacy has a positive relationship with business continuity. As a result of this study, knowledge of financial products including banks, insurance, financial institutions, capital markets and financial skills is required to support the business. Based on discussion, it shows that the level of financial knowledge of micro-enterprise implementers greatly impacts business sustainability. Micro-enterprises tend to experience business constraints in terms of capital. Micro-enterprises who lack financial knowledge also tend not to have a strategy or only have a desire to increase business capital. Micro-enterprises have a low level of financial knowledge, resulting in less potential for business sustainability.

## CONCLUSION

In terms of financial literacy, micro-enterprises are still classified as not literate, which means that financial knowledge is still low and does not yet have the ability to run and develop a business. The low level of micro-enterprise financial literacy makes these businesses less potential to have business sustainability. Based on these conclusions, it is hoped that micro business actors in Gowa Regency can increase their understanding of financial knowledge and can understand also invest for the long term of their business. Likewise for the government in Gowa Regency to be able to conduct training on micro business financial management, prepare financing and develop local products for micro business actors in order to create business sustainability.

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