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Factors Influencing Behavior and Financial Welfare of MSMEs

Maria Widyastuti[1*], Y. Budi Hermanto[2], Amanda Wahyu Astuti[3]

[123] Faculty of Economics, Darma Cendika Catholic University
Jl. Dr. Ir. H. Soekarno No.201, Klampis Ngasem, Kec. Sukolilo, Surabaya, Indonesia

Corresponding e-mail: maria.widyastuti@ukdc.ac.id

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Abstract - The aim of this research is to test financial literacy, self-control, optimism, deliberative thinking in determining the value of financial behavior and well-being. This research is explanatory/associative by testing hypotheses. The research population is MSME actors in East Java (Sidoarjo, Malang, Pasuruhan, Gresik), with a sample of 200 MSME actors, data collection using the purposive sampling method. The results of data processing with the help of the SmartPls analysis program show that financial literacy, self-control, optimism and deliberative thinking have a significant but weak direct and indirect influence on financial behavior and financial well-being. The results of this research provide meaning that financial literacy, self-control, optimism and deliberative thinking have a strategic role in explaining why the financial behavior and well-being of MSMEs is getting better and developing. So that the understanding of MSME players regarding: financial literacy must always be developed, self-control means that when spending money must be based on careful consideration, a spirit of optimism needs to be fostered because it will give rise to confidence that the results of the efforts made will be positive, profitable and as expected. Meanwhile, deliberative thinking is a planned, clear, considered decision-making process that influences personal decision making.

Keywords: Factors behavior, financial well-being, MSMEs

1. Introduction

One of the elements of a country's economic growth is the involvement of MSMEs. MSME actors are able to create jobs and reduce poverty, but due to their limitations they are often hampered in developing. One element of a country's economic growth is the involvement of MSMEs. MSMEs are able to create jobs and reduce poverty, but because of their limitations they are often hampered from developing. The trend of economic growth in the MSME sector in East Java continues to develop progressively. This is evidenced by the increasing contribution of MSMEs to the East Java GRDP. Head of the East Java Provincial Cooperatives and MSMEs Service, Endy Alim Abdi Nusa, emphasized that the contribution of cooperatives and MSMEs to the East Java GRDP currently reaches 59.18%. Referring to previous years, the contribution of MSMEs to the East Java GRDP continues to increase. In 2020, the contribution of cooperatives and MSMEs to the East Java GRDP was at 57.25% or reached IDR 1,316 trillion. 1.5 Million MSMEs Grow and Move Up, East Java GRDP Continues to Increase".

The East Java Provincial Government has so far been active in providing assistance and coaching so that MSMEs in East Java move up in class. Because, in principle, there are two types of MSMEs. The first thing that emerged was because by design, meaning they already had readiness and supporting capacity. Second by accident_.

For example, to help the family economically, being laid off from work, then finally deciding to start a business. The second group of MSME actors usually tend to be unprepared, do not have entrepreneurial knowledge, and are reckless so they tend to have the risk of being less able to develop and less able to increase business results. The East Java Provincial Government provides guidance and assistance to them so that their businesses can continue to develop and move up in class. The assistance provided varies. For the past five years, it has implemented the Millennial Job Center (MJC) program. This program facilitates financial planning because in general there is a weakness in this area so that funds are not separated between funds for business and daily living expenses. It is necessary to instill the ability to control oneself in the use of profits obtained so that one can expand the business. For the type of MSMEs that suffer by accident, they need to be given motivation so that they don't give up easily when faced with problems. Assistance is also needed so that MSMEs are able to access information, especially about finance. Manurung's research results & Barlian (2012), MSME actors only think in the short term, this can be seen from the absence of an innovation concept. In the long term, this will cause the development of MSMEs to stagnate. The method that must be done so that the sustainability and performance of MSMEs increases, strategic efforts need to be made. Understanding financial literacy is an effort to improve financial behavior in accountable management. Nowadays, the ability to manage financial resources will be seen from the level of financial literacy mastered by a person, this is capital for sustainability and increasing profits for MSME actors. In addition, MSME actors will be able to make rational decisions by utilizing all available information.

Financial behavior and well-being are influenced by cognitive factors, namely education, income, age, and gender and noncognitive: such as self-control, optimism, and thinking deliberative. This is in accordance with the results of the study The Strömback *et al.*, (2017) which makes someone able to think and make decisions wisely. A person's success in controlling themselves will be able to control wasteful consumption patterns and be able to plan their future. Optimism is a psychological factor that believes that everything that is done will produce positive *outcomes and tends to be more active in working and saving easily, Research* Castle & Robinson (2007), found the level of optimism those with too high levels of optimism will be more careless than those with moderate or moderate levels of optimism. Matter This describes the level optimism will influence a person's behavior and financial well-being.

Working in finance generally has a greater deliberative mindset than those who work in non-finance fields. This is because they have information and knowledge in making the right financial decisions. Discussion of the financial field, especially financial behavior and well-being in Indonesia is still limited, especially those related to psychological factors. So it will be very useful in solving the problem: Factors that Influence the Behavior and Financial Welfare of MSMEs**.**

Financial responsibility relates to a person's financial behavior with the ability to manage funds and assets productively for a better future. Ricciardi & Simon (2000) stated that behavior Finance is a science in which there is interaction between various sciences. Good financial behavior is seen in financial planning, management and financial control. In addition, his attitude shows his ability to make investments, manage cash flow, save, understanding the financial concept is known as financial literacy (Dwiastanti, 2015).

Management behavior according to Ida & Dwinta (2010) is the ability to manage finances productively. Meanwhile, Weston and Brigham (1981) stated that financial behavior is a combination of individual and organizational motives in order to improve welfare, conversely negative financial behavior has bad social consequences (Mien & Thao, 2015).

The results of Dew & Xiao's (2011) research stated that financial behavior is caused by anxiety, marital status, education level and life satisfaction. In addition, the study also found that individual financial behavior can be measured on a scale called *the Financial Management Behavior Scale* (FMBS). Where the scale states that the causal factors are consumption patterns, *cash management,* savings and investment, credit management, health insurance, property insurance and *life insurance.* Someone who has good financial behavior will be wiser and more responsible for the financial decisions taken. His life will be happier because he is not burdened with bad finances.

Financial well-being is a state in which a person can fulfil obligation finance moment this and safe in time front, and able to make choices in his life. Clearly financial well-being is the benchmark measuring to their financial condition (Strömbäck *et al.*, 2017). A person's quality of life can be observed from financial well-being. A person's decision-making will affect economic conditions including career advancement and self-confidence (Taft *et al.*, 2013).

Survey Results from the CFPB (*The Consumer Financial Protection Bureau*) team in 2015 found that financial behavior affects a person's financial well-being. Four types of financial behavior that support a person's financial well-being, including: 1) Effective financial management, 2) Seeking financial information in decision making 3) Carrying out planning finance 4) Following up on planned financial decisions. Four financial behaviors are concluded that individuals with good financial well-being will do information search, planning and implementing financial planning with Good. Besides that, has habit shopping according to their financial capabilities (CFPB annual report, 2015). The study concluded that financial well-being is a measure of a person's satisfaction with condition one's finances. Matter This Because Financial well-being is formed due to the influence of several aspects in a person's life. Individuals will feel satisfied and prosperous in their financial condition if they are able to make financial decisions comfortably and safely without fear of feeling a loss The research results show that MSMEs consider access to finance as the most significant obstacle hindering their growth. The main determinants among company characteristics are company size, age, and growth rate as well as company ownership.

Amanah et al (2016) stated that financial literacy in a person will be seen from the pattern of financial behavior. A person with a high level of financial literacy will manage finances more carefully and rationally, and know the risks faced and the benefits to be obtained (Lusardi *et al* 2010). Financial well-being is the goal of every individual and is very dependent on financial literacy possessed. A person with good financial literacy will tend to make good decisions towards a more prosperous life (Strömbäck *et al.*, 2017).

Financial literacy and knowledge will affect personal life, business and social pressure. A person with a high level of literacy will work more productively and efficiently (Taft *et al.*, 2013). The results of Lusardi and Mitchell's (2005) research, stated that planning failure, minimal market participation, bad lending behavior can be prevented by training finance. Lusardi *et a.* (2010) stating that someone who is too confident about the financial markets will tend to make wrong decisions.

Literacy finance and its influence on uptake financial decisions were first introduced by Chen and Volpe (1998). Then Lusardi and Mitchell (2005) put forward the concept of financial literacy as a personal financial tool. Müller and Weber (2010) found that investors with high financial literacy prefer investing in passive instruments because of their low administrative costs. Chen and Volpe (1998) found that education in business and economics would improve a person's financial literacy.

H_1 : Financial literacy has a significant influence on financial behavior.

H_2 : Financial literacy has a significant effect on financial well-being.

Borghans Research *et a.* (2006) found that *the outcome* A person depends on a person's cognitive abilities. Because, before making a decision, the information obtained must be processed first before making a decision. So research on the relationship between thinking patterns and financial conditions has been widely conducted. Strömbäck *et a.* (2017) find, someone with high score on thinking deliberative will plan and analyze problems related to financial behavior and well-being.

So the hypothesis put forward in the research This is :

H_3 : Deliberative Thinking have a significant impact on financial behavior

H 4: Deliberative Thinking has a significant impact on well-being finance

Study The Strömback *et a.* (2017) stated that lian control a person's self -control is good, then he will be able to control emotions, plan and manage finances wisely and be able to think logically, all of which are provisions for someone to face a future full of uncertainty, compared to individuals with low self-control. Self-control is an indicator of a person's success in life, this is because self-control will affect a person's mindset and behavior. (Ameriks *et al.*, 2007).

Self-control can contribute to a person's success in achieving financial well-being in the future, because they can think more rationally (Strömbäck *et al.*, 2017). Discussion of topics that have not been widely explored in previous research is individual ability for controlling the urge to feel anxious about their financial situation. Daily life in society financial well-being is considered an objective measure in material form. But actually the important aspect is how someone feels in a way subjective about situation finance they. Example: a the extent to which a person feels anxious about uncertainty in financial decision making or whether those who have difficulty controlling themselves will feel more anxious about the financial behavior they have to determine their level of financial well-being in the future (Strömbäck *et al.*, 2017).

So the hypothesis put forward in the research This is:

H 5 : Control self has a significant influence on behavior finance

H 6 : Self-control have a significant impact on financial well-being

The results of Puri & Robinson's (2007) research in the field of Economics provide little evidence of the role of optimism in decision making. The source of economic phenomena is largely determined by optimism. Because optimism will greatly influence financial decision making, excessive optimism will cause a decrease in returns on investment.

Strömbäck *et al.* (2017) stated, a person with a high score on optimism has a positive outlook on their life and future. Meanwhile, according to Puri & Robinson (2007), individuals with high optimism tend to have financial behavior that is worse than those who tend to be pessimistic in their lives.

So the hypothesis put forward in study This is:

H7 : Optimism have a significant impact on financial behavior

H8 : Optimism influential significant to welfare finance

Meuris and Leana (2018) showed that people who are worried about their financial situation have less cognitive capacity, which then affects performance. Williams et al. (1996) reported that financial problems and people's worries increase in uncertain economic conditions, and their impact on productivity is significant. Documentation of these impacts is needed to promote financial counseling and education programs for workers in the workplace. The costs and benefits of the program are intended to encourage the increase and continuation of employee assistance programs or human resources in collaboration with other financial professionals.

H_9 : Financial Behavior is Influential significant to welfare finance

2. Research Methods

This study took the population of MSME actors in four areas of East Java (Sidoarjo, Malang, Pasuruan and Gresik). The number of samples was 200 respondents with a sampling technique. *purposive sampling* with active characteristics until the end June 2024, what is meant by UMKM actors is the manager, owner, or managers and owners who have been active for at least 3 years. The MSME sector in the study includes food and beverage businesses, handicrafts, clothing and others (besides the three already mentioned).

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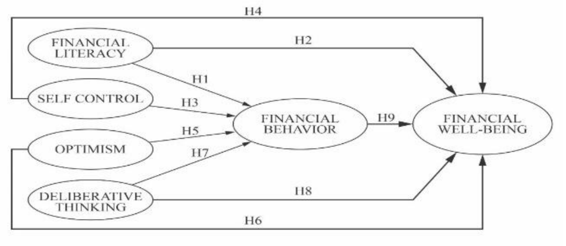

Figure 1: Analysis Model

Operational Definition of Variables

Table 1: Operational Definition of Variables

No	Variable	Operational Definition	Indicator
1	Financial Literacy (LN)	Disseminating knowledge and skills in managing microfinance access, as well as understanding techniques and applying them effectively and efficiently with maximum benefits to the community.	• Understanding insurance • Understanding savings • Knowledge of financial products • Knowledge about taxation • Consumer protection regulations • Retirement Financial Preparation • Knowledge about investment • Knowledge of stocks and bonds • General economic knowledge
2	Self-control (PI)	The ability to control oneself to resist temptations that hinder the achievement of long-term goals is determined by a strong will. Success in achieving goals is something that a person must do. knowing that there is self-control conflict so that individuals are able to exercise self-control in the face of temptation and achieve goals.	• Changing habits • Ability to focus • Strong determination • Doing something fun • Act without creating other alternatives • Focus on the short term • The future will take care of itself • Live for today • Comfort is important in decision making
3	Optimism (OE)	A belief that results from effort Which done will positive, profitable and as expected, results best from situation certain. will be able to influence financial decisions.	• Always expect the best • Errors may occur • Believe in the future • Nothing bad ever happens • Rely on always the good things
4	Deliberative Thinking (PF)	Process is planned, clear, considered and carried out consciously. It not only influences personal decision-making but also organizational decision-making.	• Development of plans • Problem Analysis • Decision-making • The goal to be achieved
5	Financial Behavior (PN)	Financial management patterns, related to individual financial responsibility productively will support a prosperous life where there will be continuous interaction of various disciplines. There are three aspects that influence a person, namely psychology, sociology, and finance.	• Compare prices • Pay on time • Recording expenses • Shop according to budget • Pay off credit cards • Maximizing credit card limits • Minimum loan payment • Maintaining emergency savings • Save at the beginning of the month • Long term savings • Providing pension funds • Making an investment
6	Financial Well-being (KN)	A situation in which a	

No	Variable	Operational Definition	Indicator
		person feels able to fulfil obligation finance moment this, and time front finance they, and capable make a choice in life Which allow they get pleasure from life and happiness.	• Financial terms • Financial anxiety • Delay of decision • Feeling worried • Current Financial Condition • Future financial conditions • Confidence in retirement • Caring about future finances is important

Source: Remund (2010), Myrseth & Fishbach, 2009), (Puri & Robinson, 2007). (Pachur & Spaar, 2015). Ricciardi & Simon (2000) (Strömbäck *et al.*, 2017). Hutahuruk (2020) (Younas et al., 2019).

This research uses a questionnaire instrument as a means of collecting data. What is meant by a questionnaire instrument is a series of questions that must be answered by MSME actors. as respondents and meet the criteria as members of the population. The questionnaire as a research instrument must meet the requirements of validity and reliability. Validity in this study uses the loading factor formula and reliability using cronbach's alpha . The instrument is declared valid if the loading factor >0.70 and AVE >0.5 and the instrument is declared reliable if the cronbach's alpha value is greater than 0.6 . (Chin & Dibbern 2010).

3. Results and Discussion

3.1. Validity and Reliability

Table 2: Results of Validity and Reliability Tests

Variables	Loading factor	AVE	Cronback Alpha Info
Financial Literacy	0.724 - 0.822 0.650	0.7324	Valid and Reliable
Self-control	0.7 0.763 - 0.908 0.673	0.8043	Valid and Reliable
Optimism	0.794 - 0.839 0.514	0.7832	Valid and Reliable
Deliberative Thinking	0.728 - 0.890 0.586	0.7326	Valid and Reliable
Financial Behavior	0.749 – 0.883 0.685	0.8083	Valid and Reliable
Financial Well-being	0.743 – 0.870 0.506	0.7342	Valid and Reliable

The results of data processing presented in table 2 show that the loading factor of all variables shows a value between 0.724 - 0.908 with a positive value greater than 0.70 and the AVE of all variables has a value of 0.506 -0.685 with a positive value greater than 0.50. *Cronbach Alpha* of all variables has a value between 0.7 324 - 0.8 083 Which greater than 0.60. So that the loading factor value, AVE and Cronbach Alpha shows that the research instruments used in collecting respondent data are valid and reliable.

3.2. Model Fit Test

The model fit test can be seen from several indicators, but in this case it is seen from 2 indicators, namely:

1. Standardized Root Mean square Residual (SRMR)) The model is declared to have met the model fit test criteria if the SRMR value is <0.1 dn and the model is declared perfect if the SRMR is <0.08 (Vicenzo 2016:55).
2. Normal Fit Index (NFI) score ranges from 0 to 1, where the closer it is to 1, the better the model built.

The following are the results of the Fit Model test from SmartPLS

	Saturated model	Estimation model
SRMR	0.094	0.096
d_ULS	2.287	2,372
dG	0.597	0.606
Chi-square	694,420	700.254
NFI	0.610	0.607

Source: SmartPLS output

The calculation results of the SRMR value of 0.094 < 0.1 and the NFI value of 0.610 are close to 1 so it can be concluded that based on the data the model is fit. The predator variable criteria have a weak, moderate or large influence on the structural level using F Square. According to Cohen 1988 the effect size F is recommended: 0.02, 0.025 and 0.35 with exogenous latent variables having a small, moderate and large influence. The calculation results show F Square 0.295, this indicates that the predator variable has a moderate influence.

The magnitude of the determination coefficient can be shown from the R Square number. Model assessment begins by looking at the R square to see each dependent latent variable. The R square value of 0.75 is categorized as strong, the value of 0.5 is categorized as moderate and the value of 0.25 is categorized as weak. The calculation results show R Square of 0.311 and 0.228, this indicates that the predator variable has a weak influence.

3.3. Hypothesis Testing

Table 4: The Summary of Regression

Independent Variable	Dependent Variable	Sig. Coefficient (0.05) Standardize	
Financial	Financial	0.295	0.000
Literacy	Behavior	0.141	0.000
Financial	Financial		
Literacy	Well-being		
Self-control	Financial	0.108	0.016
Self-control	Behavior	0.052	0.017
	Financial		
	Well-being		
Optimism	Financial	0.133	0.043
Optimism	Behavior	0.063	0.046
	Financial		
	Well-being		
Deliberative	Financial	0.254	0.010
Thinking	Behavior	0.121	0.000
Deliberative	Financial	0.477	0.000
Thinking	Well-being		
Financial	Financial		
Behavior	Well-being		

Source: Print out data processing

The use of *SmartPls produces the* following indirect influence path coefficient test in table 5.

Table 5: Indirect Effect Path Coefficient

Independent Variable	Intervening Variable	Dependent Variable	Standardize Coefficient
Financial Literacy	Financial Behavior	Financial Well-being	0.141 sig. α = 0.000)
Self-control	Financial	Financial	0.052 (sig. α =
Optimism	Behavior	Well-being	0.016)
Deliberative	Financial	Financial	0.063(sig. α =
Thinking	Behavior	Well-being	0.046)
	Financial	Financial	0.121(sig. α =
	Behavior	Well-being	0.000)

Source: Print out data processing

3.4. The Influence of Financial Literacy on Financial Behavior

Financial literacy has a weak direct influence on financial behavior but its influence is significant (coefficient 0.295, sig. 0.000). This proves that the management of literacy programs is not optimal in creating behavior that can increase desire for desires. In general, someone who makes a budget will manage finances wisely. Financial intelligence education must always be pursued and directed to be part of financial literacy that will form responsible financial behavior.

MSME sector players should be targeted by financial institutions to increase the use of digital facilities in order to improve financial literacy programs and strengthen financial services for the community. Literacy programs must be designed in a structured manner to shape financial behavior, so that financial services for the community become easier, faster and more accurate. According to Alamsyah (2020); Yanti (2019) financial literacy has a significant impact on financial performance. However, the differences in research results produced by Wahyudi et al. (2020) (2019) does not have a significant impact between financial literacy and financial performance. This study found: (1) there is a positive and significant influence of financial literacy on financial behavior (2) there is a positive and significant indirect influence of financial literacy on financial well-being through financial behavior.

3.5. The Influence of Financial Literacy on Financial Well-being

Financial literacy has a weak direct effect on financial well-being but its effect is significant (coefficient 0.141, sig. 0.00). Financial well-being is a component of well-being that everyone desires, thus creating a dependency between the desire to achieve happiness and the quality of life of individuals or communities in managing finances (Apriansah, Mulyatini & Prabowo 2022). more knowledge about finances will make it easier for them to make financial decisions. According to Haupt *et al.*, (2019) Financial Literacy is the ability to use knowledge and skills to manage financial resources effectively for lifelong financial well-being. Financial literacy is closely related to financial well-being. Financial knowledge and skills in managing finances are very important in everyday life (Yushita, 2017). The factors that drive individuals in attitudes, behavior, financial knowledge and financial well-being are certainly not the same. Each person with a diverse background will have their own way of managing their finances because of irresponsible financial management behavior and a tendency to think short-term and identical to impulsive shopping practices, people with high incomes often experience financial problems. Everyone who already has an attitude, behavior and financial knowledge can live independently and know how to plan their finances. The goal is to manage funds and meet short, medium and long-term needs. The research results of Rumini & Martadiani, 2020, explain that increasing financial literacy, which is reflected by having an account in the name of the company, will increase the sustainability of MSMEs in Badung Regency. Meanwhile, research by Imaniar & Siahaan, 2021 shows that the financial literacy variable does not support the sustainability of MSMEs. The results of this study: (1) there is a direct positive and significant influence of financial literacy on financial well-being; (2) there is a positive and significant indirect influence of financial literacy on financial well-being . through financial behavior which is positive and significant.

3.6. The Influence of Self-Control on Financial Behavior

Self-control has a direct and weak effect on financial behavior but its effect is still significant (coefficient 0.108, sig. 0.016). Self-control shows an individual's ability to resist temptation to achieve desired goals. Someone who has strong determination can be sure to have good self-control (Myrseth & Fishbach, 2009). The power to face self-control conflicts will be able to be a motivation to face the temptations faced by someone to achieve goals, and temptations in achieving targets. Thaler & Shefrin (1981) said that self-control and financial behavior are called the Behavior Life Cycle (BLC).

Behavior Life Cycle (BLC) assumes that financial behavior is caused by a person's ability to control impulses and costs incurred. BLC also states that self-control has an impact positive on saving habits. Someone who has good emotional self-control will be happier and more confident. Optimism and deliberative thinking also affect the financial behavior and financial well-being of individuals. This is because they are able to make more rational financial decisions than someone with low self-control. (Strömbäck et al., 2017) explains that self-control not only influences financial behavior but can also influence financial well-being, having good self-control can bring about good financial behavior, which can have a positive effect on financial well-being. Research findings: (1) there is a positive and significant direct influence of self-control on financial behavior; (2) there is a positive and significant indirect influence . self -control of financial well-being through financial behavior.

3.7. The Influence of Self-Control on Financial Well-being

Self-control has a weak direct effect on financial well-being but its effect is significant (coefficient 0.052, sig. 0.017). In developed countries, the problem of self- control self in finance Already many. Ameriks *et al.* (2007) research on control self about behavior finance and financial well-being in the future front. The findings suggest that young people have lower self-control than adults.

Herawati et al. (2018) stated that students with poor self-control tend to be wasteful and can result in failure to pay bills. Research Which has been done can be known control A good self will make better decisions and financial conditions. Matter This is because individuals with good self-control are able to make wise, rational decisions and their impact will be for the future. According to The Strömback et a. (2017), individual with control the good one will feel satisfied and no worry with financial conditions in the future. This is because good self-control helps them make financial decisions. Findings in the study: (1) Self-control has a positive and significant influence on financial well-being; (2) There is an indirect influence of self-control on well-being through positive and significant financial behavior.

3.8. The Influence of Optimism on Financial Behavior

Optimism has a weak direct effect on Financial Behavior but its effect is significant (coefficient 0.133; sig. 0.043). Optimism is an attitude mentally Which show belief that every effort will result in a positive outcome. An optimistic attitude is important as a financial intermediary that can influence financial decisions. On financial issues, there is little research on the role of optimism in a person's financial decision-making (Puri & Robinson, 2007).

Individuals who have an optimistic nature will work longer, and think they will not retire. This is in line with research by Bitler *et al.*, (2005) which states that optimism will affect company performance. According to Strömbäck *et al.*, (2017) optimism affects behavior and welfare finance. Optimistic individuals will show better financial behavior, be less anxious, and be confident about finance they. Individuals who get score tall on optimism will have a positive outlook on life and good things will happen to them.

The findings of this study: (1) Optimism has a direct positive and significant influence on financial behavior, (2) Financial behavior is able to be a significant positive mediation between optimism towards financial well-being.

3.9. The Influence of Optimism on Financial Well-being

Optimism has a direct but weak effect on financial well-being with a significant effect (coefficient 0.063; sig. 0.046). Optimism is related to job choice, financial decisions. pension, decision investment, And decision savings. The reality is that someone is optimistic more active work, often saving, tend to delay retirement, and buy stocks for investment. This proves that optimism is a dominant component in making economic decisions (Puri & Robinson, 2007). Someone who is optimistic will not be pessimistic about the future and tends to have low levels of depression. So research needs to be done to see optimism related to a person's behavior and financial well-being (Strömbäck *et al.*, 2017).

Phenomenon in economics, its root is Optimism and is a financial intermediary that can influence financial decisions. In investment, optimism often causes reactions. excessive which can cause a decrease in returns share. However, in economy especially field finance, little evidence of a role in decision making economy individual (Puri & Robinson, 2007). The findings of this study: (1) positive and significant direct influence optimism in financial well-being (2) Financial behavior is a positive and significant mediator between optimism and financial well-being. towards financial well-being.

3.10. The Influence of Deliberative Thinking on Financial Behavior

Deliberative thinking has a direct and weak effect on financial behavior and its effect is significant (coefficient 0.254; sig. 0.010). Deliberative thinking is a process of thinking and discussing together and carefully involving all parties. Deliberative thinking, logic and reason are prioritized over power, creativity, and dialogue. This process should also apply to MSME actors so that they can make the right financial decisions and avoid financial problems. Borghans et al. (2006) found that cognitive ability determines a person's outcomes, both economically and socially. Because cognitive abilities can help someone process the information obtained before making a decision. Therefore, many economists research the relationship between cognitive and psychological factors, such as thinking patterns, to see their influence on financial behavior.

This study found : (1) a direct influence of deliberative thinking on financial behavior (2) Financial behavior can be a positive and significant mediator between deliberative thinking with Financial well-being.

3.11. The Influence of Deliberative Thinking on Financial Well-being

Deliberative thinking has a very weak direct influence on financial well-being and its influence is significant (coefficient 0.121; sig. 0.010). Deliberative thinking teaches that what will be done should be thought about and discussed carefully, as should be done by MSME actors. If this is done, it will definitely have a positive impact on financial well-being. Strömbäck et al. (2017) found that respondents with high scores on the deliberative thinking scale tended to make plans and analyze problems related to behavior and financial well-being in terms of financial security. Meanwhile, these results have a negative impact on financial anxiety. This research find : (1) deliberative thinking has a direct positive and significant influence on financial well-being (2) Financial behavior is able to be a positive and significant mediator between deliberative towards financial well-being.

3.12. The Influence of Financial Behavior on Financial Well-being

Financial behavior has a fairly strong direct effect on financial well-being and its effect is significant (coefficient 0.477; sig. 0.000). Good and appropriate financial behavior can have a positive and significant effect on financial well-being. Financial behavior is a person's way of managing money, including planning, budgeting, and controlling spending, loans, and savings. MSME actors have a very important role in increasing Gross Domestic Product and employment absorption. Therefore, the government must try to improve the welfare of MSME actors, by providing financial planning training so that MSME actors are more prosperous, secure, and comfortable financially, so that they are more productive. Managing finances can be a problem for MSME actors if they do not know or do not understand. The large number of MSME actors who have financial problems causes their financial well-being to decrease, but if they have a good attitude, behavior and knowledge of finance, there will be no problems in their personal finances. Asmin's research (2021) partially proves that financial behavior and entrepreneurial skills have a positive and significant effect on the welfare of MSMEs, research by Fitria et al. (2021) stated that financial literacy and financial behavior have no effect on the performance of MSMEs. This study states: there is a positive and significant direct influence between financial behavior and financial well-being.

4. Conclusion

The description of the research results above can be concluded as follows: 1) Financial Literacy has a direct, positive and significant influence on Financial behavior, this shows that hypothesis one is accepted, so literacy programs must continue to be encouraged more widely in all groups, teenagers, students, especially MSME actors so that they will form positive financial behavior. 2) Financial Literacy has a direct, positive and significant effect on Financial welfare, which means that the second hypothesis stating that financial literacy has a significant effect on welfare is accepted. So its distribution needs to be adjusted to the users so that the Financial welfare of MSME actors will be better. 3) Self- control has a direct, positive and significant effect on financial behavior. Hypothesis three which states that self-control has a significant effect on financial behavior is accepted. So self- control must develop so that MSME actors are able to make decisions and plan carefully 4) Self-control has a direct, positive and significant influence on financial well-being, so the fourth hypothesis, self-control has a significant influence on financial well-being is accepted. Therefore, self-control will be able to play an active role in making decisions in order to improve the financial well-being of MSME actors. 5) Optimism has a direct, positive and significant influence on financial behavior. So the fifth hypothesis, that optimism has a significant influence on financial behavior, is accepted. Therefore, the spirit of optimism must continue to be ignited so that the financial behavior of MSME actors can be improved. so it will change their lives 6) Optimism has a direct, positive and significant influence on financial well-being, so the sixth hypothesis that optimism has a significant influence on financial well-being is accepted. Therefore, optimism must continue to be echoed so that the optimistic attitude of MSME actors can be increased. so that it will improve financial welfare. 7) Deliberative Thinking has a direct, positive and significant effect on financial behavior. So the seventh hypothesis that deliberative thinking has a significant effect on financial behavior is accepted. Therefore, deliberative thinking must continue to be developed in order to change the financial behavior of MSME actors. 8) Deliberative thinking has a direct, positive and significant effect on financial well-being, so the eighth hypothesis that deliberative thinking has a significant effect on financial well-being is accepted. Therefore, deliberative thinking must continue to be developed so that deliberative thinking from MSME actors can be improved. so that it will improve financial welfare. 9) Financial Behavior has a direct, positive and significant effect on financial well-being. So the ninth hypothesis that financial behavior has a significant effect on financial well-being is accepted. Therefore, the financial behavior of MSME actors must continue to be changed in a positive direction so that it will improve financial well-being.

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