

Analysis of the Influence of Financial Literacy Levels on Financial Management and Micro Business Sustainability (Case Study on Micro Businesses in Bandar Lampung)

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ABSTRACT

This study analyzes the influence of financial literacy level on financial management and sustainability of micro businesses in Bandar Lampung. The research method used is qualitative with a case study approach. Primary data were obtained through questionnaires distributed to 137 respondents and in-depth interviews with 5 micro business actors. The results of the study show that the level of financial literacy of micro business actors in Bandar Lampung falls into the category of sufficient literacy, with an average score of 3.83. The findings reveal that financial literacy has a significant impact on business financial management, with an average score of 4.10, as reflected in the aspects of financial planning, recording, reporting, and control. Financial literacy also has a positive effect on business sustainability, with an average score of 3.72, where business actors who possess good financial understanding tend to engage in long-term planning and are able to make data-based strategic decisions. The results confirm the Resource-Based View theory, which posits that financial literacy is a strategic resource that can enhance the competitiveness and resilience of micro businesses in facing market challenges.

KEYWORDS

Business Sustainability, Financial Literacy, Financial Management, Micro Business



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INTRODUCTION

In the context of the global economy, *Micro, Small, and Medium Enterprises (MSMEs)* play a fundamental role in economic development and job creation. According to Asian Development Bank data (2022), the MSME sector in Asian countries contributes significantly to the post-pandemic economic recovery, with *Gross Domestic Product (GDP)* expected to recover from a contraction of 0.8% in 2020 to growth of 6.9% in 2021 and 5.2% in 2022. This phenomenon confirms that MSMEs are not only an economic buffer but also a driving force for sustainable economic growth in the Asia-Pacific region (Böhm et al., 2023; Mancebón et al., 2019).

The Influence of Financial Literacy, Financial Behavior and Income on Investment Decision. In Indonesia, the role of MSMEs in the national economy is very strategic and multidimensional (Tambunan, 2019; Aribawa, 2016). Based on a press release from the Coordinating Ministry for Economic Affairs of the Republic of Indonesia on October 1, 2022, MSMEs have achieved extraordinary contributions by controlling 99% of all existing business units, contributing 60.5% to national GDP, and absorbing 96.9% of the total national workforce (Coordinating Ministry for Economic Affairs, 2022). This figure shows that MSMEs not only function as a means of economic equity for small people (Sarfiah et al., 2019) but also as an instrument for poverty alleviation and a significant source of state foreign exchange (Rahman et al., 2021; Suharyono et al., 2020).

However, data from the Ministry of Cooperatives and Small and Medium Enterprises (*Kemenkopukm*) reveals an interesting paradox (Arianti, 2018; Putri & Wijaya, 2020). Of the

66 million MSME actors in 2023, an increase from 64.2 million in 2021, it turns out that 99.62% are still micro-scale, with only 193,959 business units having managed to scale up to small scale out of a total of 64,194,056 MSME units in 2022 (Ministry of Cooperatives and Small and Medium Enterprises, 2022). This phenomenon shows that although the number of MSMEs continues to increase, the ability to develop and upgrade is still relatively slow, indicating structural barriers that need to be overcome.

The main obstacles faced by MSMEs in the business development process include limited capital for investment, inadequate use of information technology, and most crucially, the low financial literacy of business owners or human resources in MSMEs in managing their finances (Coordinating Ministry for Economic Affairs, 2022). *Financial literacy*, as defined in the Financial Services Authority Regulation Number 3 of 2023, is knowledge, skills, and beliefs that affect a person's attitude and behavior in decision-making quality and financial management aimed at achieving financial welfare.

Data from the 2022 National Survey on Financial Literacy and Inclusion (*SNLIK*) shows that Indonesians have a financial literacy index of 49.68% (Financial Services Authority, 2022). This figure, although an increase from previous surveys, still illustrates that more than half of Indonesians do not have an adequate understanding of basic financial concepts. In the context of MSMEs, this low financial literacy becomes more problematic because it directly impacts business financial management capabilities, access to formal financing, and ultimately the sustainability of the business itself.

According to Sanistasya (2019), financial literacy can help empower and educate MSME actors so that they gain knowledge and can evaluate various financial products and services to make wise financial decisions. This is important because optimizing the source of funds in the area helps businesses become more productive and develop. Anwar (2022) strengthens this argument by stating that the higher the financial literacy and inclusion of an MSME owner, the more it is expected to affect the performance and sustainability of the owner's business.

In micro business management, financial literacy aims to improve the financial welfare of the business. However, the lack of financial literacy possessed by micro business actors in almost all provinces in Indonesia results in low financial management in businesses, assessed through four indicators: budget use, recording, reporting, and control (Khadijah, 2021). Budget utilization indicators refer to the organization's ability to estimate operational needs in future periods, then plan its finances to carry out these operations (Ardila and Christiana, 2020).

Financial recording and reporting are the most important indicators to apply in running a business; they allow business actors to track the development of their business performance, serve as a reference for information about the company's financial position, business income and expenses, as well as changes in capital and profit year to year (Syamsul, 2022). Besides benefiting the business actors, preparing financial statements in micro businesses also affects their access to capital (Sugita & Ekayani, 2022).

The urgency of this research is even stronger when considering the government's response to MSME problems through various strategic programs. The government has launched *Gernas BBI-BBWI* (National Movement Proud of Made in Indonesia and Proud of Indonesian Tourism), aiming to advance local products and tourism in Indonesia. One way to realize *Gernas BBI-BBWI* is by increasing the level of financial literacy and inclusion among

MSME actors through socialization of financial literacy, business credit distribution assistance, and so on (Financial Services Authority, 2022).

Additionally, through collaboration between the International Labour Organization (ILO), the Secretariat of the National Council for Inclusive Finance (DNKI), and the Financial Services Authority (OJK) with funding support from the Swiss State Secretariat for Economic Affairs (SECO), the *PROMISE II Impact Program* (Promoting Micro and Small Enterprises through Entrepreneurs' Access to Financial Services) has been launched, focusing on four main strategies: encouraging digital technology use, supporting digital technology adoption by *BPD* and *BPR*, improving the MSME ecosystem through digitalization, and involving local governments in supporting economic recovery policies targeted at MSMEs (Coordinating Ministry for Economic Affairs, 2023).

Several relevant studies have been conducted to understand the relationship between financial literacy and MSME performance. Sanistasya's research (2019) shows that financial literacy and inclusion have a significant effect on MSME performance, represented through financial management. Aribawa (2016) found that financial literacy positively affects MSMEs' performance and sustainability in Central Java. Hilmawati & Kusumaningtias (2021) emphasized that success is achieved by business actors who have knowledge in effective financial management.

Another study by Lusardi and Mitchell (2024) shows that financial literacy improves individuals' ability to plan and financial resilience, particularly relevant for micro-entrepreneurs facing market fluctuations and capital constraints. Rachmawati et al. (2022) revealed that MSMEs with high financial literacy are better able to survive economic pressures and prepare for market changes.

However, a significant research gap remains in understanding the specific mechanisms by which financial literacy affects financial management and sustainability of micro-enterprises in Indonesia's local context. Most previous research has focused on quantitative aspects and has not explored in depth the actual financial management practices by micro business actors or how financial literacy is translated into daily operational decisions.

The novelty of this research lies in a comprehensive approach integrating financial literacy analysis with four dimensions of financial management (planning, recording, reporting, and control) and its impact on micro enterprise sustainability through the perspective of *Resource-Based View (RBV)*. This research not only measures financial literacy levels but also explores how financial literacy as a strategic resource can create sustainable competitive advantage for micro enterprises. Additionally, the study employs a mixed-method approach combining questionnaires and in-depth interviews to provide a holistic picture of the phenomenon.

The geographical context of Bandar Lampung was chosen because this city has unique characteristics as the economic center of Lampung Province, with 60,696 MSME units as of 2022, which have high development potential but still face challenges, especially regarding limited access to financing guarantees for MSME actors (Bandar Lampung City Cooperatives and SMEs Office, 2022). The Lampung Provincial Government (2023) has even targeted MSMEs to expand their business scope into the international market, which requires a strong foundation in financial literacy and financial management.

This study aims to measure the level of financial literacy among micro-business actors in Bandar Lampung, analyze its impact on their financial management practices, and evaluate its effect on business sustainability. The findings intend to provide micro-entrepreneurs with an understanding of financial literacy's importance, serve as a reference for academics, and offer insights for policymakers to design more effective financial literacy programs. Theoretically, the research contributes to *Resource-Based View* theory by positioning financial literacy as a critical intangible resource for sustainable competitive advantage, while practically it provides concrete recommendations for training and mentoring programs to enhance the performance and longevity of micro-businesses in Indonesia.

METHOD

This study used a qualitative method with a case study approach. This approach was chosen to provide an in-depth overview of the phenomenon of financial literacy and financial management in micro businesses in Bandar Lampung.

The object of the research is micro business actors operating in Bandar Lampung with the following criteria: (1) have a maximum operating capital of IDR 1,000,000,000 or a maximum annual sales result of IDR 2,000,000,000 in accordance with Government Regulation No. 7 of 2021; (2) the business has been operating for at least 1 year; and (3) domiciled in Bandar Lampung.

Primary data were collected through:

1. Questionnaire: Distributed online to 137 respondents using a Likert scale of 1-5. The questionnaire consisted of 7 indicators: financial literacy (8 statements), financial management (7 statements), financial planning (7 statements), financial recording (7 statements), financial reporting (5 statements), financial control (6 statements), and business sustainability (6 statements).
2. Semi-structured interview: Conducted with 5 interviewees representing various types of micro businesses, namely furniture, clothing, handicrafts, coffee roasters, and coffee shops.

Data analysis was carried out in a qualitative descriptive manner by combining the results of questionnaires and interviews to provide a comprehensive picture of the phenomenon being studied.

RESULT AND DISCUSSION

Respondent Profile

This study involved 137 respondents who are micro business actors in Bandar Lampung with diverse demographic characteristics. Based on age group, the majority of respondents were in the productive age range, with 54 respondents (39.4%) aged 21-25 years, 52 respondents (38.0%) aged 25-30 years, 19 respondents (13.9%) aged over 30 years, and 12 respondents (8.8%) aged 15-20 years. This distribution shows that most micro business actors are dominated by the younger generation who have the potential to adapt to technological changes and modern financial management methods.

In terms of education, 124 respondents (90.5%) had a high school education, 11 respondents (8.0%) had a S1 education, and only 2 respondents (1.5%) had a junior high school education. The relatively homogeneous level of education at the upper secondary level

indicates that micro business actors in Bandar Lampung have a sufficient basic knowledge foundation to understand financial concepts, although they still require improvement in more complex aspects of financial literacy.

Based on the length of business, 76 respondents (55.5%) have been in business for 6-10 years, 43 respondents (31.4%) for 1-5 years, and 18 respondents (13.1%) for more than 10 years. This distribution shows that the majority of respondents have quite mature business experience, which is expected to provide valuable insights related to financial management practices and business sustainability challenges.

Financial Literacy Level of Micro Enterprises

To answer the purpose of the first research on the level of financial literacy of micro business actors in Bandar Lampung, an analysis was carried out based on 8 financial literacy indicators that have been validated. The results of the analysis show a comprehensive picture of the financial understanding of micro business actors.

Table 1. Financial Literacy Indicator Questionnaire Results

No	Statement	Mean	Category
1	I understand the difference between net profit and gross income	4,12	Good
2	I know the steps in compiling a cash flow report	4,09	Good
3	I understand financial terms such as assets, liabilities, and equity	4,05	Good
4	I am able to identify external factors that can affect business finances	3,93	Good
5	I understand the financial risks that arise from business debt	3,81	Good
6	I read reliable sources to improve financial knowledge	3,68	Enough
7	I know how to calculate the net profit earned by a business	3,55	Enough
8	I recognize the importance of insurance to protect business assets	3,41	Enough
Total Average		3,83	Sufficient Literate

Based on OJK categorization, the level of financial literacy of micro business actors in Bandar Lampung is in the category of *sufficient literacy* with an average score of 3.83. This indicates that business actors have knowledge and beliefs about financial institutions and products and services, including features, benefits and risks, as well as rights and obligations related to financial products and services, but are not able to use financial products or services optimally.

An interesting finding from this data is that the highest understanding is found in basic financial concepts such as the difference between net profit and gross income (4,12), which shows that business actors already have a solid understanding of business profitability. However, the lowest-scoring aspect was awareness of the importance of insurance to protect business assets (3.41), which indicates a lack of understanding of long-term risk management.

The results of in-depth interviews with five sources reinforce these quantitative findings. Most of the speakers admitted that they were not familiar with the term "financial literacy" conceptually:

"I've never heard of financial literacy" (R1)

"Wow, I've never heard of financial literacy" (R2)

"I've heard of it, but I've never heard of it before" (R3)

Although they did not know the term financial literacy, the speakers showed a fairly good practical understanding of basic financial concepts. In terms of understanding fixed assets, the majority of the speakers already have adequate awareness:

"I know about those assets and I think they are also investments..." (R2)

"I myself already know about fixed assets, because I think fixed assets are one of the important parts of the company's financial management" (R5)

The Impact of Financial Literacy on Financial Management

Financial literacy has a significant impact on the effectiveness of financial management of micro business actors, because financial literacy can help business actors in understanding budget planning, transaction recording, debt management, and rational financial decision-making. Business actors with a high level of financial literacy tend to be better able to manage cash flow, avoid financial mistakes, and utilize financing opportunities more wisely, thereby supporting sustainability and business growth. Research by Sulistiawati and Fauzi (2021) shows that increasing financial literacy significantly increases the ability of business actors to prepare financial statements and determine the right financial strategy. In addition, a study by Rahayu (2020) emphasizes that micro business actors with adequate financial understanding are more adaptive to risks and better prepared to face market uncertainty, so they are more competitive in managing their businesses. The following are the results of a questionnaire related to literacy and financial management, where financial management is divided into 4 sub-indicators, including; Planning, Recording, Reporting, and Control.

Table 2. Results of the Financial Management Indicators Questionnaire

No	Statement	Mean
1	I routinely evaluate the business financial management system	4,18
2	I understand the entire financial management process, including planning, recording, reporting, and evaluation	4,16
3	I have relevant education or training in the field of business finance	4,15
4	I have a system or device that helps in managing business finances	4,09
5	I have a workforce that is fully responsible for financial management	4,05
6	I realize the importance of financial management to support business sustainability	4,03
7	I apply financial software or digital technology in business financial management	4,02
Total Average		4,10

Source: Processed by Researcher (2025)

Based on the results of the questionnaire in Table 2, it can be concluded that the level of financial management of micro business actors in Bandar Lampung is in the good category, with an average score of 4.10. This value reflects that most business actors have a fairly high awareness and understanding of the importance of financial management in supporting business sustainability. The statement with the highest score was "I routinely evaluate my business financial management system" (mean 4.18), which indicates consistent evaluative practices to ensure that the business finance system remains effective and adaptive. This is also

strengthened by the respondents' high understanding of the overall financial management process, including aspects of planning, recording, reporting, and evaluation (mean 4.16).

In addition, micro business actors also show a fairly good level of technology adoption in their financial management practices, as seen from the score of 4.02 for the use of financial software or digital technology. They also generally have internal support in the form of a system or workforce that specifically handles finances. This shows that some business actors have begun to build a managerial structure that supports professionalism in financial management. Nevertheless, there is still room for improvement, especially in expanding relevant financial training so that the skills possessed by business actors continue to be updated according to technological developments and market challenges. An integrated approach between financial literacy, technology support, and human resource capacity will be the key to strengthening sustainable financial management. Financial management indicators are divided into 4 sub-indicators, the following are the results of a questionnaire from four financial management sub-indicators:

Table 3. Results of the Financial Management Sub-Indicator Questionnaire

Sub-Indicator	Highest Aspect	Mean	Lowest Aspect	Mean	Average
Financial Recording	Record financial transactions regularly	4,051	Entry and exit recording system	3,883	4,007
Financial Planning	Evaluate the financial planning of each period	4,146	Develop a routine financial budget plan	3,861	4,008
Financial Reporting	Utilize financial statements for credit applications	4,117	Use technology for report generation	3,876	4,003
Financial Control	Use reports for performance evaluation	4,117	Understanding the importance of financial control	3,861	4,000

The results of the interviews revealed that financial management practices vary between business actors. In the aspect of financial record-keeping, there is a wide spectrum from manual to digital methods:

"For financial records, we record everything in one ledger, but every day we detail it so there is a difference between outgoing money and incoming money" (R1)

"Currently I am still implementing manual recording using accounting in the past. The important thing is that I know the debit-credits, the number of goods coming in and out" (R2)

"There is a system for financial recording, because I already use the system so everything is automatically automatic from the application" (R5)

In the aspect of financial planning, the findings show that most business actors do not have a formal budget planning system:

"If this is what we don't have, of course, because we shop according to the availability of goods" (R1)

"For inventory shopping planning, we will usually conduct a survey first... so indeed every month we will conduct a survey so that we can have an appropriate budget" (R4)

"There is a mother, so every month there is already a budget for shopping and the amount is certain" (R5)

For the financial reporting aspect, a significant gap was found between business actors who already have a formal system and those who still rely on simple record-keeping:

"For the current financial statements, there is no one. For now, we are only recap transactions like that every day" (R1)

"There is, because we already use the application system, so indeed at the end of every month the output from the records in the application is directly in the form of financial statements" (R5)

Correlation of Financial Literacy and Financial Management

Based on cross-tabulation analysis between financial literacy levels and financial management, a significant positive correlation was found. Business actors with a high level of financial literacy (>4.0) show more systematic and structured financial management practices. On the other hand, business actors with low financial literacy (<3.5) tend to rely on simple and intuitive financial management methods.

The Impact of Financial Literacy on Business Sustainability

The impact of financial literacy on the business sustainability of micro business actors is very significant, because a good understanding of financial concepts allows business actors to manage cash flow, make long-term financial planning, and avoid financial risks that can threaten business continuity. Financial literacy also helps business actors in making strategic decisions oriented towards growth and efficiency, such as using loans wisely, diversifying income, and investing appropriately. According to research by Lusardi, Michaud, and Mitchell (2017), financial literacy improves an individual's ability to plan and financial resilience, which is particularly relevant for micro-entrepreneurs facing market fluctuations and capital constraints. In addition, Rachmawati et al. (2022) show that MSMEs that have high financial literacy are better able to survive in the midst of economic pressure and are better prepared to deal with market changes. Therefore, financial literacy is an important foundation in creating the sustainability of micro businesses in the midst of a dynamic and competitive business environment. The following are the results of a questionnaire related to the sustainability of micro businesses in Bandar Lampung:

Table 4. Business Sustainability Indicator Questionnaire Results

No	Statement	Mean	Category
1	I have a financial plan in place to ensure the sustainability of the business	4,095	Good
2	I conduct periodic evaluations of operational expenses to avoid waste	4,058	Good
3	I have a resource management policy to keep the business sustainable	4,036	Good
4	I maintain a balance between working capital needs and business expenses so as not to lose money	3,438	Enough
5	I use financial statements to assess business growth potential	3,431	Enough
6	I have a financial management plan to deal with economic changes	3,263	Enough
Total Average		3,723	Pretty Good

Source: Processed by Researcher (2025)

The table above explains the indicators of business continuity for micro business actors in Bandar Lampung based on the average value (mean) of each statement. The overall average of this indicator is 3,723, this data shows that the level of business sustainability among micro enterprises is quite varied, with some aspects that are considered good but still require more attention. The statement with the highest mean value is "I have a financial plan in place to ensure the sustainability of the business." (mean 4.095), followed by "I conduct periodic evaluations of operational expenses to avoid waste" (mean 4.058). This represents that most business actors have realized the importance of long-term financial planning, regular evaluation, and resource management to maintain the sustainability of their business. However, there are some aspects that have a lower mean value, such as "I have a financial management plan to deal with economic changes." (mean 3,263) and "I use financial statements to assess business growth potential" (mean 3,431). These results show that most micro businesses in Bandar Lampung are not fully prepared to face changes in dynamic economic conditions and have not utilized financial statements optimally to plan business growth. Overall, despite a good awareness of the importance of sustainability strategies, micro businesses in Bandar Lampung need to improve more strategic financial planning and management to face long-term economic challenges.

Business sustainability is closely related to accuracy in decision-making, because the right decisions allow business actors to allocate resources efficiently, manage risks wisely, and respond to market dynamics adaptively. Mistakes in decision-making, such as unplanned expenses, incorrect investments, or inappropriate sales strategies, can cause cash flow disruptions, financial losses, and business bankruptcy. According to research by Kalyebara and Islam (2021), good decision-making skills directly contribute to the long-term success of micro and small businesses, especially in the face of economic uncertainty. Therefore, data-driven decision-making, supported by adequate financial literacy, is an important key in maintaining business continuity and growth. The following are the results of interviews related to decision making.

Table 5. Business Decision Making Interview Results

Respond	Interview Results
R1	<i>"To make a decision, it is really through transaction records."</i>
R2	<i>"For making decisions like that, yes, I myself am still based on the notes in the book..."</i>
R3	<i>"... If you make financial decisions, there are still no definite steps, usually it's still based on the same experience."</i>
R4	<i>"For decision-making, we usually look at excel. Except for the supplies..."</i>
R5	<i>"For decision-making, we only refer to the financial statements, because usually if we want to increase the spending budget, we will see from the financial statements..."</i>

Source: Processed by Researcher (2025)

Business decision-making by micro business actors is a strategic process that involves analyzing data and information to determine the best steps in achieving business goals. Decisions can include various aspects, such as financial management, marketing strategy, product development, or business expansion. Businesses need to rely on data, such as financial

statements, market trends, and customer feedback, to make fact-based decisions and mitigate risk. Digital technologies and tools, such as business management applications, can also support decision-making by providing data in *real-time*. The right decisions not only help those businesses to overcome business challenges, but also take advantage of the opportunities that exist for sustainable growth. Additionally, evaluating the results of each decision taken is important to ensure effective strategies and improve future steps. The results of the interviews show that various approaches are taken by business actors in Bandar Lampung in making decisions related to the sustainability of their businesses. Most business actors who do not have formal financial statements tend to rely on daily transaction records or manuals as a basis for decision-making (R1, R2, R3). This practice shows that even though they don't have a structured financial system, they still use the simple information available to guide business decisions, such as determining which goods or services sell better in the market. Some business actors who manage records use Excel as a guide to make decisions, especially in terms of inventory of goods (R4). Business actors have considered external factors such as the harvest season or the availability of goods to determine the steps that need to be taken to increase or decrease stock. While this suggests an attempt to use data in decision-making, this approach is still intuitive and requires further development to be more analytics-based. Meanwhile, businesses that already have formal financial reports tend to use these reports as the main tool in strategic decision-making (R5). The resource persons have used financial statements to evaluate profitability, adjust the budget, and analyze overall business performance. For example, if there is a decrease in profits or sales that do not reach the target, they will conduct an in-depth evaluation to determine the cause and take corrective steps. This reflects the integration between financial data and a more mature business strategy.

Overall, this difference in approach shows that the level of use of financial data in decision-making among micro business actors in Bandar Lampung still varies. Business actors who already have financial statements are more likely to have a solid foundation to make strategic and data-driven decisions. Meanwhile, for business actors who do not have formal financial statements, education and access to financial technology such as financial recording and analysis applications can help business actors improve the quality of decision-making in business actors' businesses. Based on the results of questionnaire analysis and interviews, it can be concluded that financial literacy has a significant impact on the business sustainability of micro business actors in Bandar Lampung. Business actors who have a good financial understanding tend to have long-term financial planning, are able to evaluate expenses periodically, and implement resource management policies that support business sustainability. This finding is in line with the results of a questionnaire that showed that the business sustainability indicator has a fairly good average value (*mean* = 3.723), with the highest aspect in the awareness of business actors in preparing long-term financial plans. Good financial literacy allows business actors to anticipate risks, manage cash flow, and develop a more planned growth strategy.

However, there are still limitations in technical application, especially related to the use of financial statements in assessing business growth and planning for economic changes. The results of the interviews show that business actors who have high financial literacy are better able to use financial statements as a basis for strategic decision-making, while business actors with low levels of financial literacy tend to rely on simple and intuitive recording in managing

their business. Therefore, improving financial literacy not only improves understanding, but also strengthens the foundation of business sustainability through more rational, efficient, and data-driven decision-making. This supports the importance of continuous training and mentoring to increase the capacity of business actors in facing dynamic economic challenges.

These findings are in line with RBV Theory, which emphasizes that competitive advantage and business sustainability depend on the utilization of valuable, rare, *inimitable*, and *non-substitutable* internal resources. In this context, financial literacy is one of the *strategic intangible resources* for business actors. Micro business actors who have a high level of financial literacy tend to be better able to manage cash flow, prepare budgets, and use financial data as the basis for business strategies, which ultimately increases the competitiveness and sustainability of their business. Therefore, financial literacy capacity development can be considered as an investment in strengthening internal resources that support the long-term advantages of the business, as stated by Barney (1991) in the framework of RBV.

Implications of the Findings

The results of this study have significant theoretical and practical implications:

1. Theoretical Implications: This study strengthens the RBV theory by proving that financial literacy as an intangible resource can create a sustainable competitive advantage for micro businesses.
2. Practical Implications: These findings demonstrate the importance of structured and sustainable financial literacy training programs to improve the performance and sustainability of micro-enterprises.
3. Policy Implications: The government and related agencies need to develop financial literacy programs that focus not only on knowledge aspects, but also on practical implementation and behavioral change.

The limitations of this study include the limited geographical scope of Bandar Lampung and a cross-sectional approach that cannot capture the dynamics of changes in financial literacy over time. Further research can explore the effectiveness of financial literacy intervention programs with longitudinal design and wider geographic coverage.

CONCLUSION

The study finds that micro-business actors in Bandar Lampung exhibit a "sufficiently literate" level of financial literacy, demonstrating solid understanding of basic financial concepts but notable gaps in complex areas such as risk management and strategic use of financial statements. This financial literacy level significantly influences their financial management practices—systematic planning, recording, and control—which enhances operational efficiency and supports business sustainability. Aligned with the Resource-Based View theory, financial literacy acts as a critical intangible resource that helps micro-businesses gain a sustainable competitive advantage and navigate economic challenges. Future research should adopt a longitudinal approach to observe how financial literacy improvements affect financial management and sustainability over time, broaden the study to rural areas or other provinces to test the consistency of results, and develop targeted financial literacy interventions using digital tools and hands-on training to identify effective methods for strengthening micro-entrepreneurs' financial skills and resilience.

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