THE ROLE OF FINANCIAL RESILIENCE FACTORS ON FINANCIAL MANAGEMENT BEHAVIOR IN CENTRAL UMKM ACTORS STRAIGHT WOVEN CRAFTS IN CAWAS DISTRICT KLATEN DISTRICT

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Abstract

In the field of economics, the concept of financial management behavior is highly regarded. It encompasses all aspects of acquiring, utilizing, and managing funds within a company. The focus of this study is to examine how financial knowledge, income, financial attitudes, and personality impact the financial management behavior of MSMEs operating in lurik weaving craft centers in Cawas District, Klaten Regency. The subjects of this research were 94 MSMEs at the lurik weaving craft center in Cawas District, Klaten Regency. Various data analysis methods were utilized including multiple linear regression, t-test, F-test, and coefficient of determination. The findings of the study indicate that there is a notable impact of financial literacy on the financial management practices of micro, small, and medium enterprises (MSMEs) in the lurik weaving industry in Cawas District, Klaten Regency. The level of income plays a vital role in shaping the financial management practices of small and medium enterprises operating within the lurik weaving craft centers in Cawas District, Klaten Regency. The attitudes towards finances also play a crucial role in determining the financial management behavior of MSMEs in these areas. Additionally, the personality traits of individuals involved in running MSMEs at lurik weaving craft centers in Cawas District, Klaten Regency have a significant impact on their financial management practices.

Keywords: *Financial Knowledge, Income, Financial Attitudes, Personality, Financial Management Behavior*

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are prevalent in contemporary society, operating both independently and collectively to significantly contribute to the enhancement of the national economy. In accordance with the Republic of Indonesia's Law no. 20 of 2008 regarding MSMEs, according to the legislation, micro enterprises are those productive enterprises owned by individuals themselves or by an individual business entity, which satisfy the specific conditions stated. Based on data from the Planning data department bureau of the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia. MSMEs provide various types of donations, in donations MSMEs contribute to the creation of national investment, MSMEs contribute to Gross Domestic Product (GDP), absorb national workforce and small, medium and micro businesses and create

national foreign exchange. In brief, it can be inferred that small and medium-sized enterprises play a crucial role in driving the Indonesian economy.

As revealed on information provided by the Ministry of Cooperatives (Kemenkop) and MSMEs, there are currently 64.2 million MSMEs in Indonesia. These MSMEs contribute 61.07% to the GDP, which is equivalent to IDR 8,573.89 trillion. They are also capable of employing 97% of the workforce and generating 60.4% of total investments. MSMEs are clearly shown to be crucial in propelling the economic advancement of Indonesia. Surviving tough times and improving performance each year does not necessarily mean that MSMEs in Indonesia can easily overcome the challenges they face, one of which is the financial management habits of MSME owners. Based on observations of MSMEs at lurik weaving craft centers in Cawas District, Klaten Regency, they have not been optimal in managing their finances related to financial knowledge, income, financial attitudes and good personality, which has an impact on poor financial management behavior.

One major thing that affects the financial management behavior of an individual is financial knowledge. Financial knowledge entailed understanding information, ideas, rules, and tools people require to make necessary decisions concerning their money (Garman & Forgue, 2006). The primary issue faced by MSME participants in terms of financial literacy lies in their reluctance to properly plan a budget. A large number of MSMEs struggle to create an accurate financial budget for their operations. Most MSMEs do not keep books related to their business management. There is low awareness of MSME actors in making budget planning because they feel it is not important and can be managed easily.

Income is another factor that can impact financial management behavior. Islahuzzaman (2012) highlight that income refers to the arrival of funds or other growth in the resources of a company, or the fulfillment of its responsibilities, as a result of providing goods or services. Other activities that are the main or main sustainable result of industrial activities. Not having financial management behavior can cause a person to go bankrupt. It is time for actors in MSMEs to manage their finances so that they become organized and can manage both budgeted expenses and the income earned. Sari et al. (2020) and Alfida & Arif (2021) found that income influences the financial management behavior of MSME players, while Surhayani & Yahya (2021) found that income does not influence the financial management behavior of MSME players.

Financial attitude is another variable that can impact behavior in financial management. Financial attitude is an action that originates from within a person in evaluating his or her

finances which is then applied to daily behavior (Robbins & Judge, 2015). Many small and medium-sized enterprises lack a positive mindset when it comes to handling their finances, showing little interest in enhancing their skills in financial management. It is crucial for businesses to continually strive to improve their financial capabilities. MSME actors often have a lackadaisical approach to finances, content with their current performance and not considering the need to enhance their financial management skills. Some believe their businesses are running smoothly without the need for budget planning or financial control. However, this mindset could lead to a decline in performance and hinder their ability to compete effectively in the market. Alfida & Arif (2021); Humaira & Sagoro (2018); Novianti & Salam (2021) discovered that financial attitudes influence the financial management behavior of MSME players, while Tampubolon & Rahmadani (2022) found that financial attitudes do not influence the financial management behavior of MSME players.

From a psychological standpoint, there are additional factors that can impact financial decision-making, including individual personality traits. As noted by Alma (2018) personality encompasses all the mental traits that a person is born with or develops over time, which ultimately shape their individuality. A person's behavior is linked to their personality and can impact their approach to managing finances. Upon thorough examination, various weaknesses were identified in each personality type that could lead to financial issues like high levels of debt. The traits of a person's personality frequently play a role in their financial decision-making as they can be a root cause of ineffective money management. By referring to previous findings, it is understood that a person's personality is an indicator that can influence financial management behavior. Novianti & Salam (2021) and Putri & Azhari (2021) report that personality influences financial management behavior, while Nisa et al. (2018) found that personality does not influence the financial management behavior of MSME players.

LITERATURE REVIEW

Financial Management

Overall, financial management encompasses all the activities within a company that involve acquiring funds, utilizing them, and handling assets to align with the company's goals. Musthafa (2017) underscores that financial management involves making a variety of choices, such as deciding where to invest money, how to obtain funding or meet financial requirements, and determining the best approach for distributing dividends. According to Pandley (2015) that: financial management involves the planning and oversight of a

company's financial assets, making it a crucial managerial function. This indicates that financial management is a managerial task focused on organizing and monitoring a business's financial resources. Utari et al. (2014) said that managing finances involves strategizing, coordinating, executing, and overseeing the process of acquiring funds at the most cost-effective rate and utilizing them efficiently and effectively for the operational needs of the organization.

Financial management involves all activities within a company pertaining to acquiring funds, utilizing funds, and overseeing assets in alignment with company goals. The presence of financial management holds great significance in any organization.

Micro, Small and Medium Enterprises

Micro, Small, and Medium Enterprises (MSMEs) are businesses run by individuals or entities. Government Regulation No. 7 of 2021 supports cooperatives and MSMEs, which is related to Law No. 11 of 2020 on Job Creation. The regulation amends laws from 2008 regarding MSMEs. According to Article 1 of the new regulation, micro enterprises are productive businesses owned by individuals or individual business entities that meet specific criteria. Small and medium enterprises are independent, productive economic entities that are not subsidiaries or branches of larger companies, and must meet the respective criteria as defined in the regulation.

Financial Management Behavior

Being mindful of how money is managed is seen as a critical aspect within the realm of finance. Many definitions are given in relation to this concept, for example, Mien & Thao (2015) mention that financial management behavior involves making decisions about finances, aligning personal interests with company objectives. Therefore, financial management directly impacts how funds are managed efficiently. As said by Lubis (2016) behavioral finance is a new approach to financial markets that is contrary to conventional finance and explains that investors are not completely rational, because they can be influenced psychologically (human mood).

As explained above, it can be inferred that individuals proficient in financial management are adept at creating financial strategies, adhering to those strategies with discipline, assessing and tweaking plans that deviate from expectations, and rectifying any financial issues that may arise.

Financial Knowledge

According to the Financial Services Authority, financial literacy is a set of practices designed to improve the knowledge, confidence, and abilities of individuals and society in managing their finances successfully. Manurung & Manurung (2009) noted that financial literacy involves developing a range of abilities and understanding that enables a person to make informed choices and maximize the use of their financial assets. Humaira & Sagoro (2018) mention that financial knowledge encompasses all aspects of financial activities that occur on a daily basis. It can also be described as a deep understanding of the different aspects of finance, including tools and skills related to managing money. Lestari (2020) highlight that improving financial expertise involves leveraging knowledge with effective information handling techniques to gain a strategic edge in making decisions. Based on this research, a hypothesis can be made:

H1: Financial knowledge has a significant effect on management behavior finances for MSME actors at the lurik weaving craft center in Cawas District, Klaten Regency.

Income

PSAK number 23 discusses income as the total flow of economic advantages that are acquired and permissible. Martani et al. (2024) see income as the money generated from the regular operations of a company and can include various sources like sales, fees for services provided, interest earned, dividends received, and royalties gained. Rudianto (2012) said income refers to the boost in a firm's financial resources resulting from the exchange of company goods during routine business operations. According to Aji et al. (2020) income is any form of reward in the form of money or goods, obtained from company salaries, investment returns or other sources. Aji et al. (2020) and Ariadin & Safitri (2021) said that one's income greatly influences how they manage their finances. This study suggests the possibility of forming a hypothesis:

H2: Income has a significant effect on financial management behavior among MSMEs at lurik weaving craft centers in Cawas District, Klaten Regency.

Financial Attitude

Robbin and Judge (2015) define financial attitude as an action that comes from within a person in evaluating his or her finances which is then applied to daily behavior. According to Humaira and Sagoro (2018) one's financial attitude refers to their outlook, beliefs, and judgments regarding their financial situation, which influence their behavior. It involves using financial strategies to enhance and preserve wealth by making sound decisions and managing

resources effectively. Prihastuty & Rahayuningsih (2018) said the mental state of an individual when evaluating financial practices can be seen as their financial mindset, which plays a crucial role in making value-driven financial decisions.

Research conducted by Alfida & Arif (2021); Humaira & Sagoro (2018); Putri & Azhari (2021) said that the way people view finances plays a major role in how they handle their money. Based on this research, a hypothesis can be made:

H3: Financial attitudes have a significant influence on financial management behavior among MSMEs at lurik weaving craft centers in Cawas District, Klaten Regency.

Personality

As revealed by Hall and Lindzey in Syamsu & Juntika (2005) book, personality is: 1) Social skills, 2) The impression a person shows on other people. Further, Humaira and Sagoro (2018) mention that a person's personality is shaped by their surroundings and influences their career decisions, such as opting to become an entrepreneur. The qualities of an entrepreneur include confidence in oneself, focusing on tasks and outcomes, taking risks, having leadership skills, being innovative, and looking towards the future. Meanwhile, Erich Fromm in Alma (2013), personality is determined by a person's individual and distinct inherited or acquired mental characteristics, making them one of a kind. Studies carried out by Humaira & Sagoro (2018); Novianti & Salam (2021); Tampubolon & Rahmadani (2022) said that personality plays a big role in how people handle their finances. Based on this research, a hypothesis can be made:

H4: Personality has a significant influence on financial management behavior among MSMEs at the lurik weaving craft center in Cawas District, Klaten Regency.

RESEARCH METHODS

Quantitative descriptive research was carried out on MSMEs at lurik weaving craft centers in Cawas District, Klaten Regency as part of this study. These respondents were chosen by the author because the majority of MSMEs in lurik weaving craft centers in Cawas District have not implemented good and correct financial management behavior. The objective of this research is to investigate the influence of financial literacy, income, financial attitudes, and personal characteristics on the financial choices made by small and medium-sized businesses (SMEs) in the traditional handicraft industry of lurik weaving in Cawas District, Klaten Regency. The study employs quantitative data analysis, specifically utilizing a research approach grounded in positivism. The data collected consists of numerical values, which will be analyzed using statistical methods to draw conclusions related to the research

problem at hand. Quantitative data in this research is data transformation from the answers given by respondents, which are then processed using a Likert scale.
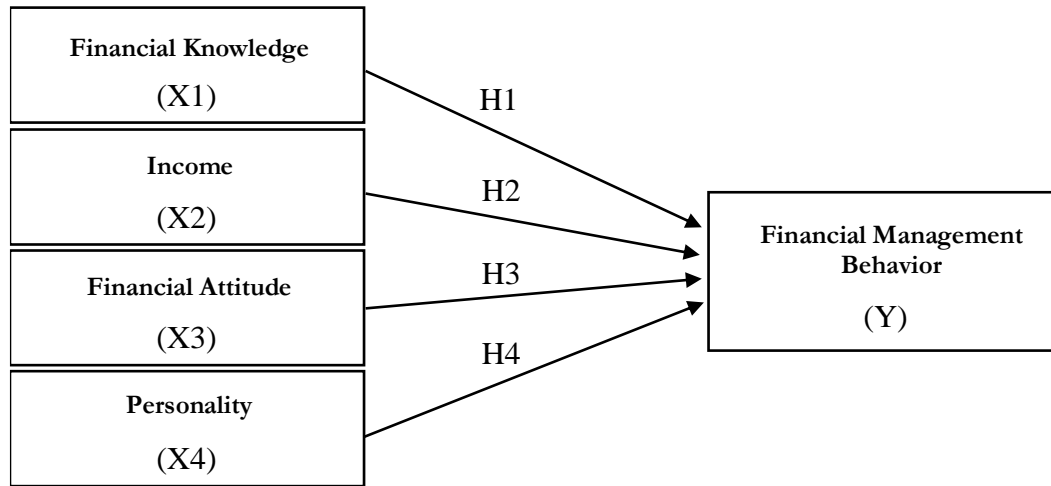
Framework

Figure 1. Research Framework

Population and Sample

A population denotes a particular set of people or things that possess particular traits and attributes identified by researchers for examination, leading to the formulation of conclusions (Sugiyono, 2018). The population in this study were MSMEs at lurik weaving craft centers in Cawas District, Klaten Regency, totaling 1,500 business actors. The example represents a fraction of the group that was analyzed (Suharsimi, 2012). The sample determination in this research uses the Slovin formula and the figure of participants who will be studied is 94 respondents. Sample selection uses probability sampling, providing equal opportunities for each element to be chosen. This method employs simple random sampling, selecting samples randomly without considering specific population characteristics due to homogeneity.

Data Collection and Analysis

The primary data gathered from questionnaires is used in this study and is analyzed using multiple linear regression with the help of SPSS. Prior to hypothesis testing, classical assumption tests are conducted, including multicollinearity (VIF < 10, tolerance > 0.10), autocorrelation (run test, Asymp. Sig. ≥ 0.05 indicates no autocorrelation), heteroscedasticity (significance ≥ 0.05 indicates no heteroscedasticity), and normality (Kolmogorov-Smirnov test, significance ≥ 0.05 indicates normal distribution). The purpose of hypothesis testing is

to analyze how independent variables impact the dependent variable by utilizing tools such as the t-test, F-test, and coefficient of determination.

Operational definition of variables

1.   Financial Knowledge

MSMEs at lurik weaving craft centers in Cawas District, Klaten Regency must have a firm understanding of financial concepts in order to effectively handle and prevent potential financial issues. The indicators in this variable refer to Humaira's (2017) opinion, namely: a) Basic knowledge of personal finance; b) Credit and debt management; c) Savings and investment; and d) Risk management.

2.   Income

Income is income that comes from product sales activities from MSME lurik weaving craft centers in Cawas District, Klaten Regency which can be calculated in days or months. According to Bramastuti in Fitroh (2019), the indicators in this variable are: a) Income received per month; b) Work; and c) Family burdens borne.

3.   Financial Attitude

The financial attitude of MSMEs at the lurik weaving craft center in Cawas District, Klaten Regency is their thoughts and opinions about personal finances, used in decision making and resource management to create and maintain value. The indicators in this variable refer to the opinion of Zahroh (2014), namely: a) Orientation towards personal finance; b) Security of funds or debt; and c) Assess personal finances.

4.   Personality

Personality is defined as the attitude of an MSME operator at the lurik weaving craft center in Cawas District, Klaten Regency in behavior related to personality and managing business finances. The indicators in this variable was taken from Syaifudin (2016) in Buchari (2015:53) such as: a) Be confident; b) Dare to take risks; c) Leadership; and d) Oriented to the future.

5.   Financial Management Behavior

Financial management practices among MSME participants in lurik weaving craft centers in Cawas District, Klaten Regency include organizing daily financial monitoring and savings. Indicators in this variable, as defined by Herdjiono and Damanik (2016), include: a) Consumption; b) Cash flow management; c) Savings and investment; and d) Debt management.

RESULTS AND DISCUSSION

The questionnaire observed the responses of 94 participants and concluded that all variable items passed the validity test with coefficients below 0.05. According to the reliability assessment, all variable items have a Cronbach's alpha value exceeding 0.60, suggesting they are reliable. General description of respondents according to gender, age and latest education. It was concluded that male respondents (27.7%) and female respondents (72.3%). Respondents' age was 31-40 years 4 people (4.3%), 41-50 years 19 people (20.2%), >50 years 71 people (75.5%). Final education: 61 people (64.9%), 13 people (13.8%), 13 people (13.8%), 19 people (20.2%), 19 people (20.2%) with Diploma 3 (D3), 1 person (1.1%).

Classical Assumption Test

Table 1. Classic Assumption Test Results

Test classical assumptions	Test results	Information
Multicollinearity Test	Tolerance (0.944), (0.955), (0.970), (901) > 0.10 VIF (1.060), (1.048), (1.031), (1.109) < 10	Passed the test
Autocorrelation Test	p (0.213) > 0.05	Passed the test
Heteroscedasticity Test	p (0.663), (0.689), (0.239), (0.907) > 0.05	Passed the test
Normality Test	p (0.200) > 0.05	Passed the test

Source: Primary data processed, 2024

Table 1 data shows that the traditional assumption tests, which cover multicollinearity, autocorrelation, heteroscedasticity, and normality, were all found to be effective. This means that hypothesis testing can proceed.

Data Analysis Results

The study took place at lurik weaving craft centers in Cawas District, Klaten, focusing on MSMEs and involving 94 participants. The demographic information of the respondents, including gender, age, and educational background, is presented in the table below:

Table 2. Description of Respondents Based on Gender

Gender	Number of people)	Percentage (%)
Man	26	27.7
Woman	68	72.3
Amount	94	100

Source: Processed primary data, 2024

Based on table 2, it can be observed that there were 26 male respondents (27.7%), 68 female respondents (72.3%). The demographic makeup of participants in this study shows a significant majority of females, accounting for 72.3% of the total sample size of 68 individuals.

Table 3. Description of Respondents Based on Age

Age	Number of people	Percentage (%)
31-40 years old	4	4.3
41-50 years old	19	20.2
>50 years	71	75.5
Amount	94	100

Source: Processed primary data, 2024

Based on table 3, it is apparent that there were 4 respondents aged 30-40 years (4.3%), 19 respondents aged 40-50 years (20.2%), and respondents > 50 years old. In this research, the majority of participants were over the age of 50, with a total of 71 individuals making up 75.5% of the sample.

Table 4. Respondent Description Based on Last Education

Level of education	Number of people	Percentage (%)
Elementary School	61	64.9
Junior High School	13	13.8
Senior High School	19	20.2
Diploma 3 (D3)	1	1.1
Amount	94	100

Source: Processed primary data, 2024

Referring to table 4, it is evident that there were 61 respondents with elementary school education (64.9%), 13 respondents with junior high school education (13.8%), 19 respondents with high school education (20.1%), and Diploma 3 education level was 1 person (1.1%). In this study, the majority of respondents, 61 in total, have only completed elementary school education, making up 64.9% of the participants.

Table 5. Results of Financial Knowledge Variables

No	Statement	Average
1	I know how to manage personal and business finances well and wisely	3.91
2	I have knowledge of how I am manage my personal and business finances	3.93
3	I have knowledge in managing credit finance	3.67
4	I know the importance of investing for the future	4.23
5	Investment is important for the sustainability of my business have	4.07
6	I understand and can calculate my risks receive when making an investment	4.15
	Average	3.99

Source: Processed primary data, 2024

The findings from the analysis of Financial Knowledge variable (X1) revealed an average score of 3.99. This score indicates that participants recognize the significance of Financial Knowledge in MSMEs at the lurik weaving craft center in Cawas District, Klaten

Regency. The variable Financial Knowledge (X1) covers basic understanding of personal finance, handling credit and debts, saving and investing, as well as risk management. The highest average value was 4.23 for the savings and investment indicator, namely the questionnaire item "I know the importance of investing for the future". The lowest average score was 3.67 on the credit and debt management indicator, namely on the questionnaire item "I have knowledge in managing financial credit".

Table 6. Results of Income Variables

No	Statement	Average
1	The profits I receive from my business every month are able to meet my family's needs.	4.11
2	The profits I get are in accordance with the capital I spend.	4.11
3	I earn income from the sale of my business goods.	4.07
4	The profits I get cannot afford meet existing needs.	4.11
	Average	4.10

Source: Processed primary data, 2024

The descriptive analysis findings for the income variable (X2) revealed an average of 4.10. This result suggests a consensus among survey participants regarding the income of MSME actors in the lurik weaving craft center, located in Cawas District, Klaten Regency. The income variable indicator (X2) includes aspects such as monthly earnings, job responsibilities, and family financial obligations. The highest average value is 4.11 on the Income indicator received per month, namely on the questionnaire item "The profits I receive from my business monthly are able to meet the needs of my family", and on the Employment indicator, namely on the questionnaire item "The profits I get are in accordance with the capital that I spend", and on the indicator of family burden borne, namely in the questionnaire item "The profits I get are not able to meet existing needs". The lowest average value is 4.07 for the Employment indicator, namely the questionnaire item "I earn income from the sale of goods from my business".

Table 7. Results of Financial Attitude Variables

No	Statement	Average
1	I have my own budget in planning my business finances.	4.01
2	I will use my personal savings for emergencies.	4.00
3	I am quite good at estimating business difficulties that I might face.	4.12
4	Buying raw materials for my weaving business by owe.	3.97
5	How I spend the budget reflects my nature.	4.32
6	I think learning about finance is a... priority.	4.54
	Average	4.16

Source: Processed primary data, 2024

The findings from the descriptive examination of the Financial Attitude factor (X2) revealed an average score of 4.16. This score signifies that participants are in consensus regarding the Financial Attitude of MSMEs in the lurik weaving craft center, located in Cawas District, Klaten Regency. This consensus is related to the variable indicators of Financial Attitude (X2), which include Orientation towards Personal Finances, Security of Funds, and Evaluating Personal Finances. The highest average value is 4.54 on the indicator of assessing personal finances, namely on the questionnaire item "For me, learning about finance is a priority." The lowest average value is 3.97 on the indicator of security of funds or debt, namely on the questionnaire item "Buying raw materials for business I weave by way of debt."

Table 8. Results of Personality Variables

No	Statement	Average
1	I am confident that I can manage my business finances well	4.38
2	I am not sure that I can manage my business finances	1.85
3	I am brave in taking the associated risks with my business financial decisions.	4.54
4	The big risk makes me not dare to do it make decisions related to the finances of my business.	3.81
5	The big risk will be commensurate with the results I get	4.19
6	I have a capable leadership spirit directing and relying on my employees.	4.38
7	I have a financial management plan for future	4.36
	Average	3.93

Source: Processed primary data, 2024

The findings from the descriptive study of the Personality trait (X4) revealed an average score of 3.93. This score indicates a consensus among survey participants regarding the significance of personality traits such as self-confidence, risk-taking, leadership, and future orientation in MSMEs within the lurik weaving craft center located in the Cawas District of Klaten Regency. The highest average value is 4.58 for the Risk-Taking indicator, namely the questionnaire item "I am brave in taking risks related to my business financial decisions". The lowest average score was 1.85 on the Confidence indicator, namely on the questionnaire item "I am not sure that I can manage my business finances".

Table 9. Results of Financial Management Behavior Variables

No	Statement	Average
1	I always buy things according to my needs	4.11
2	I always prepare a financial budget for shopping my business	3.91
3	I take insurance to avoid internal risks manage finances	3.86
4	I invest to manage finances my business and as savings for the future	4.33
5	I always carry out evaluations in managing the debt or credit that I take out for the sake of business continuity	4.44
	Average	4.13

Source: Processed primary data, 2024

The average score from the descriptive analysis of the variable Financial Management Behavior (Y) was 4.13. This indicates that survey participants acknowledge the significance of Financial Management behavior for MSMEs in the lurik weaving craft center, Cawas District, Klaten Regency. The factors within Financial Management Behavior (Y) are consumption patterns, managing cash flow, saving and investing, and handling debts. The highest average score was 4.44 for the debt management indicator, namely the questionnaire item "I always carry out evaluations in managing the debt or credit that I take for the sustainability of my business". The lowest average value was 3.86 for the cash flow management indicator, namely the questionnaire item "I take insurance to avoid risks in managing finances".

Inductive Analysis

Table 10. Multiple Linear Regression Test

Variable	Regression Coefficients	t	Sig
(Constant)		5,373	0,000
Financial Knowledge	0.307	3,398	0.001
Income	0.202	2,243	0.027
Financial Attitude	-0.324	-3,633	0,000
Personality	0.337	3,641	0,000
F	10,186		0,000
Adjusted R Square	0.283		

Source: Primary data processed, 2024

From table 10, we have derived the results for the regression equation and the regression coefficient.

$$Y = 13.375 + 0.188 X1 + 0.101 X2 - 0.219 X3 + 0.239 X4$$

Y = Financial management behavior, X1 = financial knowledge, X2 = income, X3 = financial attitude, X4 = personality. The regression results show that financial knowledge

(X1) positively affects financial management behavior (Y) with a coefficient of 0.188, meaning higher financial knowledge improves financial behavior when other variables are held constant. Financial attitude (X3), with a coefficient of -0.219, negatively affects financial behavior, indicating that better financial attitudes may reduce financial behavior scores under constant conditions. Personality (X4) shows a positive effect with a coefficient of 0.239, suggesting that stronger personality traits enhance financial management behavior, assuming other variables remain unchanged.

As in table 2, after conducting a t test on the financial knowledge variable, a t value of 3.398 was calculated with a p-value of $0.001 < 0.05$. This leads to the rejection of the null hypothesis (H0) and acceptance of the alternative hypothesis (Ha), indicating a substantial impact of financial knowledge on financial management behavior. The calculated t value for the income variable was found to be 2.243 with a p-value of 0.027, which is less than 0.05. Therefore, we rejected the null hypothesis (H0) and accepted the alternative hypothesis (Ha). This indicates that income has a substantial impact on financial management behavior. The calculated t value for the financial attitude variable was - 3.633, with a p-value of 0.000 which is less than 0.05. Therefore, H0 was accepted and Ha was rejected, indicating that the impact of financial attitude on financial management behavior is not significant. Conversely, the personality variable had a calculated t value of 3.641, with a p-value of 0.000 which is less than 0.05. As a result, H0 was rejected and Ha was accepted, demonstrating that personality does have a significant influence on financial management behavior.

The data analysis in table 2 reveals that the regression model has an F value of 10.186 and a p-value of 0.000, which is less than 0.05. Therefore, the null hypothesis is rejected in favor of the alternative hypothesis, indicating that the model accurately predicts financial management behavior (Y) based on factors such as financial knowledge (X1), income (X2), financial attitudes (X3), and personality (X4).

The findings from analyzing the coefficient of determination presented in table 2 indicate a value of 0.283, showing a significant impact of financial knowledge (X1), income (X2), financial attitude (X3), and personality (X4) on the financial management behavior (Y) of MSMEs in lurik weaving craft centers in Cawas District, Klaten Regency. This accounts for 28.3% of the variance, with the remaining 71.7% influenced by additional factors like locus of control, financial education, educational background, lifestyle, and so on.

Discussion

The Influence of Financial Knowledge on Financial Management Behavior

The examination indicated that the p-value received was 0.001, demonstrating statistical significance. Consequently, the researcher rejected the null hypothesis (H0) and accepted the alternative hypothesis (Ha), suggesting that Financial Knowledge (X1) has a notable influence on Financial Management Behavior (Y). Hence, hypothesis 1 validates that financial knowledge has a significant effect on financial management behavior. This fact was established within MSMEs at the lurik weaving craft center in Cawas District, Klaten Regency.

Roestanto (2017) noted that financial knowledge involves a range of processes aimed at enhancing the understanding, expertise, and self-assurance of individuals and the public to improve their financial management abilities. The findings of this study are further backed up by research carried out by Ariadin and Safitri (2021), Humaira and Sagoro (2018), Handayani, Amalia and Sari (2022) which stated that understanding finances greatly impacts how people manage their money.

The implication of this research is that MSME actors in lurik weaving craft centers in Cawas District, Klaten Regency should further improve credit and debt management by having knowledge in managing financial credit. MSME operators of lurik weaving craft centers in Cawas District, Klaten Regency should always pay attention to the importance of investing for the future.

The Influence of Income on Financial Management Behavior

The examination findings produced a p-value of 0.027, below the threshold of 0.05. This indicates a rejection of the null hypothesis and support for the alternative hypothesis, suggesting that income influences financial management behavior significantly. Therefore, hypothesis 2 supports the notion that income significantly influences the financial management behavior of central MSME players. The lurik weaving craft in Cawas District, Klaten Regency has been proven to be true.

The findings of this study align with the guidelines outlined in PSAK number 23 regarding income, which defines income as the total economic benefits received and deemed appropriate. Additionally, the results of this research are corroborated by Aji et al. (2020) study, as well as Ariadin and Safitri (2021), which highlight the substantial impact of income on financial management practices.

The implication of this research is that MSME actors at lurik weaving craft centers in Cawas District, Klaten Regency should increase the income they receive per month and pay more attention to work because MSME actors obtain income from the sale of business goods so that the profits obtained are able to meet existing needs. MSME operators of lurik weaving craft centers in Cawas District, Klaten Regency, should always adjust their business to the capital and family burdens they bear so that the monthly profits they receive from their business are able to meet the family's needs and burdens they bear.

The Influence of Financial Attitudes on Financial Management Behavior

The examination revealed a p-value of 0.000, which is less than 0.05, resulting in the dismissal of H0 and the approval of Ha. This suggests that financial attitude (X3) significantly influences financial management behavior (Y). Therefore, hypothesis 3 states that an individual's financial behavior is greatly impacted by their financial attitude. The UMKM center for lurik weaving crafts in Cawas District, Klaten Regency has been proven to be true.

The findings of this study align with the perspective put forth by Robbin and Judge (2015) that financial attitudes are actions that originate from within a person in evaluating their finances which are then applied to daily behavior. Financial attitude is a psychological characteristic of people related to personal financial matters. The findings of this study are further backed up by research carried out by Putri and Azhari (2021), Humaira and Sagoro (2018) which stated that financial attitudes have a significant effect on financial management behavior.

This research suggests that MSMEs at lurik weaving craft centers in Cawas District, Klaten Regency should have greater trust in the safety of their financial transactions in order to invest in raw materials for their weaving businesses through taking on loans. MSME operators at lurik weaving craft centers in Cawas District, Klaten Regency should always learn to assess personal finances and make learning about finances a priority.

The Influence of Personality on Financial Management Behavior

The analysis yielded a p-value of 0.000, indicating significance at a level below 0.05. As a result, the null hypothesis was rejected in favor of the alternative hypothesis. This indicates that personality traits (X4) have a notable impact on financial decision-making behavior (Y). Therefore, hypothesis 4 concludes that personality significantly impacts financial management behavior among central MSME players. The lurik weaving craft in Cawas District, Klaten Regency has been proven to be true.

Alma (2018) sees personality as a combination of both innate and learned psychological attributes that define an individual and set them apart. A person's financial management habits are heavily influenced by their individual characteristics. Various research studies conducted by Humaira and Sagoro (2018), Novianti and Salam (2021), Tampubolon and Rahmadani (2022) also confirm that one's personality greatly affects how they handle their finances.

The implication of this research is that MSME actors at lurik weaving craft centers in Cawas District, Klaten Regency should increasingly increase their self-confidence in order to eliminate uncertainty about being able to manage business finances and should also always have risk taking, namely in the questionnaire item "I am brave in taking risks related to business financial decisions".

CONCLUSION

The study showed that expertise in finances greatly influences the financial decisions of small and medium-sized enterprises (MSMEs) in the traditional craft industry located in the Cawas District of Klaten Regency. It would be better if MSME players continue to improve credit and debt management by having knowledge in managing financial credit and always paying attention to the importance of investing for the future. The financial management practices of micro, small, and medium enterprises (MSMEs) that operate in the traditional lurik weaving craft centers in Cawas District, Klaten Regency are significantly impacted by the income level. MSME players should improve further income received per month and more notice work because MSME actors obtain income from the sale of business goods so that the profits obtained are able to meet existing needs. The financial mindset greatly impacts how MSMEs manage their finances at lurik weaving craft centers in Cawas District, Klaten Regency. MSMEs should be more confidents ecurity of funds or debt by starting to dare to buy raw materials for the weaving business by taking debt. The personality traits of MSME owners at lurik weaving craft centers in Cawas District, Klaten Regency play a crucial role in their financial decision-making. It would be better for MSME players to increase their sense of confident in order to eliminate uncertainty about being able to manage business finances and you should always have the courage to take risks.

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