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Fintech Literature and Inclusion's Impact on MSMEs in Bandar Lampung

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***Abstract*— The purpose of this research is to determine the impact of financial literacy and fintech on financial inclusion. Purposive sampling was utilized in the sampling procedure, and 97 responses were gathered. According to the findings of this study, Financial Literacy has a considerable impact on Financial Inclusion in MSME Actors. Financial technology has had no substantial impact on MSMEs' financial inclusion in Bandar Lampung City. This research can be used by the Financial Services Authority (OJK) and Bank Indonesia, in collaboration with companies that provide financial products and services, to conduct socialization activities to improve financial literacy among the general public, particularly MSME owners, and to complete consumer protection regulations for financial technology services.**

Keywords— Financial Literature, Fintech, Inclusion, MSME

I. INTRODUCTION

The development of a country is distinguished by the establishment of a stable financial system that serves all levels of society. Financial institutions serve a crucial role as intermediaries in encouraging economic growth, income distribution, and financial system stability; yet, the rapidly expanding financial industry is not always supported by appropriate access to financing. According to World Bank data, financial penetration in Indonesia continues to lag behind that of other nations. The financial penetration index in Indonesia is now at 48%, up from 36% previously. This rise nevertheless leaves more than half of Indonesia's population unaffected by financial services. This implies that Indonesians will have easier access to credit.

The term financial inclusion, which became a post-crisis trend in 2008, denotes a country's development achievement. Financial inclusion refers to any attempts to remove all price and non-price obstacles to public access to financial services. In Indonesia, financial inclusion has emerged as a priority. at the international and national levels Financial inclusion in Indonesia is progressing in line with global trends. Financial inclusion is a national policy to promote economic growth through fair income distribution and financial system stability. The creation of financial goods and services is one of the initiatives to enhance public access by making financial products and services available that meet the demands of today's society. According to the primary indices of financial inclusion, Indonesia ranks fourth for the proportion of account ownership, fifth for the percentage of saving, and seventh for credit card use at the ASEAN level. Efforts to increase financial inclusion include not only the development of financial products and services, but also four elements of financial inclusion: financial access expansion, financial product and service availability, financial product and service use, and improving the quality of financial product and service use. The younger generation is currently the government's priority in expanding financial inclusion in Indonesia. According to OJK [11], it would increase its attention and importance on financial education objectives, particularly for SMEs. The goal is to teach financial education to the younger generation so that they can develop good financial habits at a young age. The government has undertaken several efforts, one of which is the youth action activity, which is an action activity in the framework of education and saving and investment campaigns. According to the findings of a pre-survey of 30 MSME players in MSMEs, 50% of MSME actors commonly transact using ATMs over a one-month period, while the remainder seldom transact through ATMs since they do not have a bank account. This means that MSME players can easily gain access to one of the banking products. The findings of the survey on MSME actors are shown in the table below:

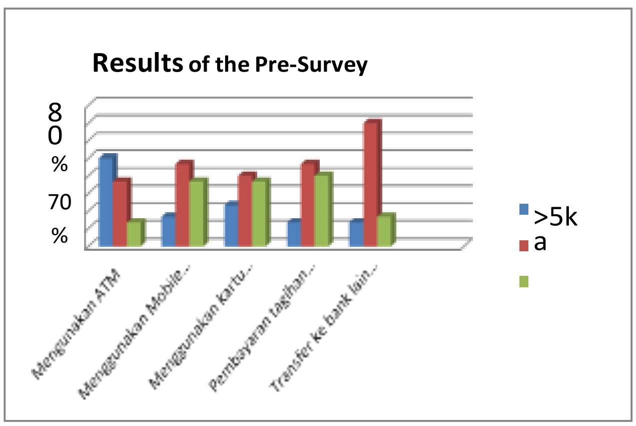

Figure 1. Results of the Survey of MSME Actors

Source: data processed, 2020

In accordance with the figure above, there are numerous MSME players who frequently use ATMs, but there are still a small number of MSME actors that use mobile banking. Only 23.3% of MSME actors frequently use a debit card in their transactions, while the rest seldom or never use a debit card at all. This is connected to statistics from Data books katadata.com, which indicates that smartphone users in Indonesia have increased significantly. Based on the National Financial Inclusive Strategy Survey (SNKI), around 70.2% of the adult population possesses a cell phone in 2018, but only 24.5% utilize mobile phones to perform financial transactions. Many MSMEs have been allowed to use ATMs, but they are solely utilized for withdrawing money from accounts and are not generally used in other financial operations, thus financial inclusion for MSMEs remains relatively low.

According to the diagram above, there are numerous MSME players who frequently use ATMs, but there are still few MSME actors that use mobile banking. Only 23.3% of MSME actors frequently use a debit card in their transactions, while the rest seldom or never use a debit card at all. This is connected to statistics from Data books katadata.com, which indicates that smartphone users in Indonesia have increased significantly. According to the National Financial Inclusive Strategy Survey (SNKI), around 70.2% of the adult population possesses a cell phone in 2018, yet only 24.5% utilize mobile phones to perform financial transactions. Many MSMEs have been allowed to use ATMs, but they are solely utilized for withdrawing money from accounts and are not generally used in other financial operations, thus financial inclusion for MSMEs remains relatively low.

Financial literacy refers to the information, skills, and beliefs that impact attitudes and behavior in order to improve the quality of decision-making and financial management and therefore attain success, OJK [11]. This definition assumes that consumers of financial products and services, particularly MSME actors, not only know and understand financial service institutions and financial products and services, but can also change or improve MSME actors' financial management behavior in order to improve MSME actors' welfare. Violeta and Lestari [23] stated that people who have a high level of literacy will be able to choose and also use products and services according to their needs, have the ability to do financial planning better, avoid investing activities in an unclear financial instrument and gain understanding. regarding the benefits and risks of financial products and services.

According to OJK [14], financial inclusion and financial literacy among MSME players remain low, at 64.2% and 23.4%, respectively. Based on the levels of financial inclusion and financial literacy, it is clear that the rise in financial inclusion has not been matched by a rise in financial literacy. This demonstrates that few young people understand and use financial goods and services. As a result, robust collaboration among stakeholders is required to continue carrying out various activities to increase financial literacy, particularly among MSME players. According to OJK [14], financial literacy should have three components: emergency money, insurance, and investing. In financial management, the balance is 50%, 30% needs, and 20% wants.

According to study Saputra & Dewi [18], "financial literacy has a favorable and significant influence on financial inclusion." The findings of this study are consistent with the findings of (Ummah, Nuryartono, & Anggraeni [22] who found a substantial association between financial literacy and financial inclusion. Information technology is currently advancing at a fast pace. The industrial revolution 4.0 is characterized by the industry's current development and utilization of technology to assist streamline its processes. The creation of business concepts and technological underpinnings demonstrates this rapid technological advancement. The development of this technological infrastructure ushers in a new age, that of digitalization. Financial Technology, or Fintech, is the name given to this financial industry innovation. According to Bank Indonesia, financial technology is the outcome of a mix of financial services and technology. What was formerly a face-to-face payment system and carries money is now possible with long-distance transactions and may save time.

The community, particularly MSME players, may now feel the rise of finance on numerous platforms. Fintech has a role in boosting access to financial services, particularly banking. Fintech is presently extensively available to the general public; the products available are the same as banking goods; however, by utilizing fintech, customers do not need to visit a bank branch to register. Payments, investments, loans, financial research hand planning are all examples of fintech goods. According to a poll done by katadata.com in partnership with OJK, public knowledge of fintech is growing. 74.9% choose fintech because it is simple to use, and 48.9% believe that there is no need to visit a bank to utilize fintech. This indicates that fintech can meet contemporary financial demands. Cicil.co.id, which concentrates on loan services, is one of the fintechs now circulating among MSMEs.

MSME actors can seek for loans for everything from buying personal things to paying for college. Meanwhile, Morgan Stanley data published in February 2019 suggests that Indonesia has a big number of users and digital payment transactions. According to the findings of a poll of 1,582 people, 20% preferred fintech digital payment systems above those held by banks, telecommunications corporations, or e-commerce. The increase in digital transactions from fintech was also the largest, at 55%, surpassing the increase in digital transactions from banks, which was 41%. Fintechs' ownership of digital wallets can outnumber consumers of services such as banks, even before fintech businesses debuted non-cash transactions utilizing bank property.

According to study done by Ozili [13], fintech has a favorable influence on financial inclusion. When applied to the lives of low-income individuals, increasing usage of Fintech might boost their access to basic financial services, leading to greater financial inclusion. The findings of this study are also consistent with research performed by (Hutabarat, 2018), which claims that fintech has a significant impact on financial inclusion.

II. LITERATURE REVIEW

Perception is a process by which a person selects, accepts, organizes and interprets the information he receives from the environment Ermawati & Delima [4] . Perception is the process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. Ermawati & Delima [4]. It can be argued that perception is a person's process of selecting, receiving, interpreting information to be disclosed to the surrounding environment, in other words perception is a person's level of understanding when viewing information according to that person's point of view.

A person's perception of technology will be perceived differently. Someone's perception is that there are those who feel that new technology is very useful for their daily activities, but there are those who have the perception that technology makes themselves uncomfortable and not in accordance with one's abilities, Ermawati & Delima [4].

The theory of perception in financial inclusion relates to a person's belief in using financial products, choosing the desired financial product. A person will go through a selection process in using financial products. People who understand technology related to finance can choose financial products that are easy to use and understand so that users do not feel burdened by the ease of access to banking services, Ermawati & Delima [5]

Inclusion is providing financial services such as savings, credit, insurance and payments at a price level that can be paid by all economic actors, especially low-income economic actors, Anwar and Amri [1]. Financial inclusion is the process of promoting affordable, timely and adequate access to a wide range of regulated financial products and services and expanding their use by all segments of society through the adoption of existing and innovative tailored approaches including financial awareness and education with a view to promoting financial well-being, Anwar and Amri [1]

Bank Indonesia (2014) defines financial inclusion as all efforts aimed at eliminating all forms of price and non-price barriers to public access to financial services. Indicators that can be used as a measure of a country's financial inclusion are the availability to measure the ability to use formal financial services in physical affordability and price, use to measure the actual use of financial products and services (including regularity, frequency, duration of use), quality to measure whether the attributes of financial products and services have met customer needs, and also welfare to measure the impact of financial services on the level of life of service users.

The Financial Services Authority , OJK [11] defines financial inclusion as the availability of access to various financial institutions, products and services in accordance with the needs and capabilities of the community in order to improve the welfare of the community. Based on the Financial Services Authority regulation Number 76/POJK.07/2016 concerning increasing financial literacy and inclusion in the financial services sector for consumers and/or the public, the objectives of financial inclusion are: 1) Increased public access to financial institutions, products and services for financial services business actors , 2) Increasing the provision of financial products and/or services by financial services business actors in accordance with the needs and abilities of the community, 3) Increasing the use of financial products and/or services in accordance with the needs and capabilities of the community; and 4) Increasing the quality of the use of financial products and services according to the needs and capabilities of the community.

The objective of financial inclusion can be achieved with the National Strategy for Financial Inclusion that has been prepared by the government. Based on the Presidential Regulation of the Republic of Indonesia No. 82 of 2016 concerning the National Strategy for Financial Inclusion (SNKI), the financial inclusion policy includes the pillars and foundations of the SNKI which is supported by coordination between relevant ministries/institutions or agencies and is complemented by financial inclusion actions. The following are the pillars and foundations of the SNKI:1. Financial education pillar, 2. Community property rights pillar; 3. Pillars of intermediation facilities and financial distribution channels; 4. The pillar of financial services in the government sector; 5. Pillar of consumer protection; 6. Organization and effective implementation mechanism.

The SNKI pillar must be supported by three foundations as follows: 1) Conducive regulatory policies. Implementing financial inclusion programs requires policy and regulatory support from the government and authorities; 2) Supporting financial information technology and infrastructure. This foundation is needed to minimize asymmetric information that becomes an obstacle in accessing financial services; 3) Organization and effective implementation mechanism. The diversity of financial inclusion actors requires organizations and mechanisms that are able to encourage the implementation of various activities in a joint and integrated manner.

In order to overcome the low public access to the formal financial sector, currently financial inclusion has become the focus of policies carried out by many countries, including Indonesia. Sarma [17] states that there are three indicators that can be used as a benchmark for the condition of financial inclusion in an area, namely the dimensions of banking penetration, the dimensions of the availability of banking services, and the use of banking services. Banking indicators are used to see the condition of financial inclusion of a region because the banking sub-sector is the sector that has the largest role in the formal financial sector compared to other sub-sectors:

- Banking Penetration Dimension (accessibility). The indicator show the extent to which people in an area have been able to access banking services. Ownership of a bank account is an indicator that can describe how people have access to banking services.
- Dimensions of Availability of Banking Services The dimension will relate to the infrastructure of banking services available to the public. To see the dimensions of the availability of banking services, the indicator used is the number of bank offices or ATMs (automatic teller machines) available in an area.
- Dimensions of Banking Service Users (usage), the dimension of the use of banking services serves to determine the extent to which the public can take advantage of banking services. An indicator that can be used in the dimensions of the use of financial services is the amount of savings and bank credit in an area.

The Organization for Economic Cooperation and Development [12] has developed questions on a questionnaire that can be used to measure the level of financial inclusion. This questionnaire has been used in several countries with different circumstances and characteristics of respondents. Questions are designed with a focus on five things, focused on:

- Savings/Investments. Savings/Investments are part of the product holding which is used to identify the financial products currently owned by the respondent. This indicator can explore whether consumers are at least aware of financial products available nationally, whether they are making financial product choices.
- Payment Products. Payment products are part of a product holding whose purpose is to pay for goods or services. This indicator can also explore whether consumers are aware of financial products available nationally.
- Insurance Products. This indicator is used to identify financial products in the form of insurance owned by respondents. Consumer awareness of available national financial products. How many people already have insurance products.
- Credit Loans. This indicator is used to see how many people have used the provision of money or bills. Credit loans are lending and borrowing agreements between the bank and other parties that require the borrower to make payments with the amount of interest as an imbalance.
- Understanding of Financial Products. In addition to having financial products, awareness of the use of products as needed is also important. This awareness will prevent miss-selection and help providers of financial products to identify demand from the public.

Bank Indonesia, which is the Central Bank, explained that financial inclusion is expected to provide the following benefits: Increase economic efficiency, support financial system stability, reduce shadow, banking or irresponsible finance, support deepening of financial premises, provide potential for new places for banking, support the improvement of human development The Indonesian Index (HDI), contributes to sustainable and sustainable local and national economic growth, reduces inequality and the rigidity of low income traps, so as to improve people's welfare which ultimately leads to a reduction in poverty levels.

Factors that can affect financial inclusion according to research Nugroho & Purwanti [9] analyzing Financial Inclusion in Indonesia based on Global Findex data in 2014 individuals with high income, higher education levels can affect the level of financial inclusion. Several indicators of financial inclusion according to OJK [11] are: Availability/access, Use, Quality, and Welfare

Based on the Financial Services Authority Regulation Number 76/POJK.07/2016 concerning Improvement of Financial Literacy and Inclusion in the Financial Services Sector for Consumers and or the Community, financial literacy is a knowledge, skill, belief that influences attitudes and behavior to improve the quality of decision making and management. finance in order to achieve prosperity. Organization for Economic Co-operation Development (OECD) defines financial literacy as knowledge and understanding of financial concepts and risks, along with the skills, motivation, and confidence to apply the knowledge and understanding they have in order to make effective financial decisions, improve individual and community financial well-being and participation in the economy.

According to OECD/INFE [12], the definition of financial literacy is a combination of awareness, knowledge, skills, attitudes and behaviors needed to make financial decisions to achieve the ultimate goal of achieving individual financial well-being. According to Violetta Lestari [23] financial literacy is a person's ability (skill) in making effective decisions related to his finances. Financial literacy helps individuals avoid financial problems, especially those that occur due to financial mismanagement.

Hutabarat [7] entitled Financial Literacy in Ukraine, financial literacy can be summarized as the necessary numeric skills as well as an understanding of a basic economic concept needed for savings and loan decision making. According to Warsono [24], everyone needs to achieve financial independence, knowledge and implementation of a person in managing his personal finances. Based on this description, what is meant by financial literacy in this study is a series of levels of financial knowledge that are useful for improving skills in managing finances so as to avoid financial problems. Meanwhile, according to the Financial Literacy Level of OJK in the Indonesian Financial Literacy National Strategy (2016) classifies the level of public financial literacy as follows: Well Literate, Sufficient Literate, Less Literate, and Not Literate.

The OECD International Network on Financial Education has developed a financial literacy survey instrument that canbe used with very different backgrounds in different countries. This instrument was later updated by the OECD [12] by adjusting the questions on each instrument to the circumstances of the community. The three components of the instrument used to measure the level of financial literacyof the respondents are:

- Financial knowledge, measured by counting the number of correct responses or answers by each respondent to four questions related to financial knowledge.
- Financial behavior, this calculation is carried out based on respondents' answers from a total score of five questions that are used to determine the financial behavior of respondents. The questions asked related to caution before making a purchase, punctuality in paying bills, setting long-term financial goals, saving activities, decisions in choosing financial products.
- Financial attitude, measured by calculating the total score of respondents' answers to the three questions given. Questions related to how respondents in attitudes prioritize short-term desires over long-term security or make long-term financial plans. The level of financial literacy will be measured by an index that is built from answers to a series of questions related to the financial literacy component.

Money is a core aspect of financial literacy. This aspect is an awareness of the different forms and purposes of money and the handling of simple monetary transactions such as payments for daily necessities, shopping, value for money, bank cards, checks, bank accounts and currency.

Covers important aspects of financial literacy skills, such as better planning and management of income and wealth in the short and long term, in particular knowledge and ability to monitor income and expenses and utilize income and other available resources to improve financial well-being.

According to Programmer for International Assessment (PISA) Widayanti [25] aspects of financial literacy are money and transactions, financial planning and management, risks and benefits and the financial landscape. This aspect includes the ability to identify ways to manage and balance risk including through insurance and savings products as well as an understanding of potential gains or losses in various financial and product contexts such as variable interest rate loan agreements and investment products.

Chen and Volpe stated that there are aspects of financial literacy which are divided into four aspects, namely: Understanding of several things related to basic knowledge of personal finance, Saving and borrowing (savings and loans), knowledge related to savings and loans, one example in the use of credit cards, Insurance (insurance), this includes basic knowledge of insurance and insurance products; Investment (investment), includes knowledge of place interest rates, mutual funds and investment risks.

Broadly speaking, financial literacy measures a person's ability to relate to the understanding of exchange rates, features of banking services and services, financial records and attitudes in issuing finances. According to OJK [ ] the factors that influence financial literacy are: Gender, education level, and income level. Meanwhile, according to Widayanti [25] the factors that influence financial literacy are: Parents' socioeconomic status, family financial management education, and financial learning in college.Based on the factors of financial literacy level, indicators of financial literacy according to (Latifiana, 2016) are: Savings, Loans/credit, Investment, and Risk

The wider community is expected to not only know and understand financial service institutions and financial products and services, but can change or improve people's behavior in financial management, so as to improve their welfare. Financial literacy occurs when an individual has a set of skills and abilities that make that person able to utilize existing resources to achieve a goal.

Financial Technology or commonly referred to as fintech is a combination of financial services and technology that ultimately changes the business model from conventional to moderate, which initially requires meeting or face-to-face payments and carrying a certain amount of cash, now this can be done with remote transactions by making payments. which is only a matter of seconds (www.bi.go.id).

A research institute NDRC (The National Digital Research Center) states that fintech is a term for innovation in financial services, where technology is the key. According to Bank Indonesia regulations, fintech is a new technology or business model and can have an impact on monetary stability, financial system stability or efficiency, smoothness, security, and reliability of the payment system (PBI, 2017). According to Pribadiono, Hukum, Esa & Barat [14], Financial Technology is a combination of technology and financial features or can also be interpreted as innovation in the financial sector with a touch of modern technology.

According to Hsueh [6] there are three types of fintech, namely:

- Payment system through a third party (Third payment system). An example of a payment system through a third party is a payment platform that provides services such as bank payments and transfers such as ovo, gopay and funds.
- Peer-to-peer (P2P) Lending. Peer-to-peer (P2P) Lending is a platform that brings lenders and borrowers together via the internet. This platform provides a credit mechanism and risk management. This platform also helps lending and borrowers meet their individual needs and make efficient use of money.
- Crowdfunding, is a type of fintech where a concept or product such as design, program, content and creative work is published in general and for people who are interested and want to support the concept and product can provide financial support. This crowdfunding can be used to reduce the financial needs of entrepreneurship and predict the demand for space.

According to OJK [11], the advantages of fintech are: serving people who have not been served by the traditional financial industry due to strict banking regulations and the limitations of the traditional banking industry in serving the community in certain areas, and become an alternative funding other than traditional financial industry services where the community needs a more democratic and transparent financing alternative. Meanwhile the disadvantages of fintech: Fintech is a party that does not have a license to transfer funds and is not well established in running its business with large capital, when compared to banks, There are some fintech companies that do not yet have a physical office and lack of experience in carrying out procedures related to security systems and product integrity.

According to Bank Indonesia, the benefits of fintech can be divided into borrowers, investors, and Indonesian banks: 1) For borrowers, perceived benefits such as encouraging financial inclusion, providing alternative loans for debtors who are not yet creditworthy, an easy and fast process and the resulting competition encourage a decrease in loan interest rates, 2) For investors, the perceived benefits are alternative investments with higher returns with default risk spread over many investors with a fairly low nominal each and investors can choose funded borrowers according to their preferences, and 3) For banks, cooperation with fintech can reduce costs such as using non-traditional credit scoring for initial filtering of credit applications, adding third party funds, adding credit distribution channels and alternative investments for banks.

According Hutabarat [7] Based on the research conducted it can be concluded that the indicators used for fintech are: Knowledge of Financial Technology, Ease, Effectiveness, and Interest.

According to the Financial Services Authority (OJK), the level of financial literacy will be followed by the level of financial inclusion. However, a survey conducted by OJK in 2016 regarding the level of financial literacy and inclusion showed that the level of financial literacy was lower than financial inclusion. The discrepancy in the achievements expected by the Financial Services Authority

(OJK) can then be analyzed whether there is an effect of financial literacy on financial inclusion. Furthermore, in this digital era 4.0, to achieve the financial inclusion index target of 75 percent, the Ministry of National Development Planning (PPN) said the development of financial technology can support the growth of the financial inclusion index. However, further research has not been carried out on the relationship between financial inclusion and use.

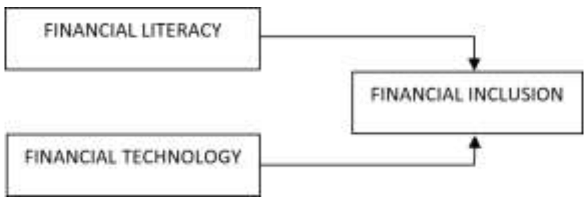

Fig 2. Research Design

III. METHODOLOGY

According to Sudjana [20] the main data in this study is primary data, where data is collected directly by researchers from data sources. Primary data in this study comes from sources, namely people who are used as objects of research or people who are used as a means to obtain information and data. In this study, the source of the data used is primary data originating from resource persons who are used as objects, namely MSME actors.In this study the data collection method used is the survey method. The survey method according to Cooper & Schindler [3] is a sampling method using a questionnaire as a data collection tool.

Strongly Agree (SS)	5
Agree (S)	4
Neutral (N)	3
Not Agree (TS)	2
Strongly disagree (STS)	1

In this study, the research population was active MSME actors in Bandar Lampung City, namely ± 2,500 people. This study also uses a sampling technique with purposive sampling. According to Sugiyono [21] purposive sampling is a way of taking samples by determining characteristics that are in accordance with the objectives. Determination of the number of samples used as respondents in this study refers to the slovin technique with the following formula:

$$n = \frac{\text{n}}{1 + N(e)^2}$$

Note:

n : Sample

N : Population

e : error tolerance

Based on formula, thus we got the samples as follows:

$$n = \frac{2.502}{1 + 2.502\ (01)^2} = 97.1$$

Based on these calculations, the number of samples obtained is 97.17 and rounded up to 97 respondents with the following criteria:1. MSME actors are active in Bandar Lampung City, 2. MSME actors who have an account at a bank, and 3. MSME actors who have regular monthly income. According to Sugiyono [21], the operational definition is an attribute or nature or value of objects or activities that have certain variations that have been determined by researchers to study and then draw conclusions. Here are the operational variables in this study:

TABLE 3.1 LIST OF OPERATIONAL VARIABLES

No	Variable	Operational Variable	Indicator	Scale of Liker
1	Y = Financial Inclusion	All efforts aimed at eliminating all forms of tariffand non-price barriers to public access in utilizing financial services.	Availability /access Use Quality Welfare (Pulungan & Ndruru (2019)	1 – 5
2	X1=Financial Literature	A series of financial knowledge levels that are useful for improving skills in managing finances so as to avoid financial problems	Saving s Loans/ credit Risk Invest ment (Latifi ana, 2016)	1 – 5
3	X2=Financial Technology	The combination of technology and financial features or can also be interpreted as innovation in the financial sector with a touch of modern technology.	Fintech Knowledge Ease Effectiveness Interest (Hutabarat, 2018)	1 – 5

According Ghozali [5] After determining the operational variables, validity and reliability tests will then be carried out, then some classical assumption tests will also be carried out. The analysis to be carried out is multiple linear regression analysis, with the following equation:

$$\boxed{IK_{it}=\alpha+\beta 1LK_{it}+\beta 2FT_{it}+e_{it}}$$

Note:

IK = Financial Inclusion

LK = Financial Literation

FT = Financial Technology

α = Constant

β1,β2 = Coefficient of

regressione = error term

IV. RESULT AND DISCUSSION

The number of questionnaires distributed in this study to MSMEs in Bandar Lampung City were 97 questionnaires. The following are the details of the data distributed and the taking of the questionnaire:

TABLE 4.1 DISTRIBUTION OF QUESTIONERS

Note	Amount	Percentage
Questionnaire sent	97	100%
Questionnaire that didnot return	0	0%
Returned and processed questionnaires	97	100%
n Samples	97	100%

Source: processed data, 2022

TABLE 4.2 CHARACTERISTICS OF RESPONDENTS BASED ON **GENDER**

GENDER	AMMOUNT	PERCENTAGE
MALE	53	55%
FEMALE	44	45%
TOTAL	**97**	**100%**

Source: processed data, 2022

TABLE 4.3 CHARACTERISTICS OF RESPONDENTS

Age	Amount	Percentage
<30year	44	45%
31-40year	31	32%
41-50year	17	18%
>50year	5	5%
TOTAL	**97**	**100%**

Source: processed data, 2022

TABLE 4.4 CHARACTERISTICS OF RESPONDENTS BASED ON LENGTH OF BUSINESS

Length of Business	Amount	Percentage
< 1 year	24	25%
1-5 years	50	52%
6-10 years	12	12%
11-15 years	10	10%
> 15 years	1	1%
TOTAL	**97**	**100%**

Source: processed data, 2022

TABLE 4.5 CHARACTERISTICS OF RESPONDENTS BASE ON BUSINESS TURNOVER

MONTHLY TURNOVER	Amount	Percentage
Rp 5.000.000 – Rp 25.000.0000	58	60%
Rp 25.000.0000 – Rp 200.000.000	32	33%
➢ Rp 200.000.000	7	7%
TOTAL	**97**	**100%**

Source: processed data, 2022

From table 4.5 it can be seen that from 97 respondents. Respondents who get a turnover of Rp 5,000,000 - Rp 25,000,000 as many as 58 respondents (60%). Respondents who get a turnover of Rp 25,000,000000 –Rp 200,000,000 as many as 32 respondents (33%). Respondents who get a turnover of > Rp 200,000,000 as many as 7 respondents (7%).

TABLE 4.6 CHARACTERISTICS OF RESPONDENTS BASED ON EDUCATIONAL BACKGROUND

Education Background	Ammount	Percentage
SMP	10	10%
SMA	50	52%
S1	37	38%
TOTAL	**97**	**100%**

Source: processed data, 2022

The research described the results of descriptive analysis regarding respondents' assessment of research variables which include financial inclusion, financial literacy and financial technology.

TABLE 4.7 DESCRIPTIVE STATISTICS

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
X1	97	14	23	18,34	1,994
X2	97	5	15	10,37	1,996
Y	97	9	20	15,00	2,146
Valid N (listwise)	97				

Source: processed data, 2022

Based on the results of the Descriptive Statistics test in table 4.7, it is known that the amount of data for all variables is 97. The minimum value of the financial literacy variable (X1) is 14, the maximum value is 23, and the average value is 18.34 with a standard deviation of 1.994. The minimum value of the financial technology variable (X2) is 5, the maximum value is 15, and the average value is 10.37 with a standard deviation of 1.996. The minimum value of the financial inclusion variable (Y) is 9, the maximum value is 20, and the average value is 15 with a standard deviation of 2,146. The conclusion from the descriptive test in table 4.7 is that the average value (mean) for all variables is positive so that it can use parametric test equipment and the research can be continued.

While the estimation results of Multiple Linear Regression analysis can be seen as follows:

TABLE 4.8 ESTIMATION OF RESULT

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,283[a]	,430	,383	2,080	1,666

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

Source: processed data, 2022

As for the estimation results, the multiple linear equations will be obtained as follows:

Y = 8.780 + 0.257X1 + 0.146X2+e. While the results of the coefficient of determination test are obtained.

TABLE 4.9 COEFFICIENT OF DETERMINATION TEST (R^2)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	8,780	2,187		4,014	,000
	X1	,257	,107	,238	2,404	,018
	X2	,146	,107	,136	1,370	,174

a. Dependent Variable: Y

Source: processed data, 2022

Based on Table 4.14, it is known that the R Square value is 0.430 which means that 43 percent of the variation in financial inclusion can be explained by the two independent variables (financial literacy and financial technology), while the remaining 57 percent is explained by variables not examined in this study. While the results of the F test will beobtained in table 4.15

TABLE 4.10 RESULTS OF THE F TEST

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35,369	2	17,685	4,088	,020[b]
	Residual	406,631	94	4,326		
	Total	442,000	96			

a. Dependent Variable: Y

b. Predictors: (Constant), X2, X1

Source: processed data, 2022

The results of the multiple linear regression test in this study are shown in table 4.15, it can be seen that the F statistic value is 4.088. It can also be seen that the significance probability value is 0.020, this value is smaller than 0.05. So it can be concluded that the multiple linear regression model in this study can be used to predict financial inclusion and it is also said that financial literacy and financial technology jointly affect financial inclusion. Then, we also found that the t test result as follows:

TABLE 4.11 THE T TEST RESULT

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	8,780	2,187		4,014	,000
	X1	,257	,107	,238	2,404	,018
	X2	,146	,107	,136	1,370	,174

a. Dependent Variable: Y

Source: processed data, 2022

In this research, the t-test is used to determine whether the independent variables individually affect the dependent variable. Individual independent variables can have a significant effect on the dependent variable if the p value (sig) is smaller than the significant level in this study. The significant level used in this study was 5% or 0.05.

The results of the t-test shown in table 4.16, it can be seen that the t-test probability value of the financial literacy variable is 0.018. The t-test probability value of this financial literacy variable has a value that is smaller than the significant level applied in this study, which is 0.05. So we can conclude that the financial literacy variable has a significant effect on financial inclusion, so H1 is accepted.

The results of the t-test shown in table 4.16, it can be seen that the probability value of the t-test of the financial technology variable is 0.174. The t-test probability value of this financial literacy variable has a value greater than the significant level applied in this study, which is 0.05. So we can conclude that the financial technology variable has no significant effect on financial inclusion, so H2 is rejected.

The Effect of Financial Literacy on Financial Inclusion

Based on the results of hypothesis testing the effect of financial literacy on financial inclusion. It can be seen from the significance value of the financial literacy variable 0.018 <0.05, then financial literacy has a positive and significant effect on financial inclusion.

Financial Literacy has three components, namely financial knowledge, financial behavior and financial attitudes. In this study, these three components have a positive and significant influence on financial inclusion. This shows that the higher the financial knowledge, the better the financial behavior and financial attitude of a person, it will further increase the use, utilization and understanding of financial products and services.

MSME actors who understand financial knowledge, both in money behavior and smart in dealing with finances will be better able to use financial products and services properly. In addition to being able to use them well, being able to choose financial products and services that suit their needs and abilities. MSME actors who already have a financial budget, have control over their personal money, have long-term targets and are careful in making financial decisions will have a better level of financial inclusion. The increase in financial literacy for MSME owners will be followed by an increase in financial inclusion. There are several theories that support that a high level of financial literacy will help someone in increasing their financial inclusion as well, namely Xu and Zia [26], Lusardi and Mitchel [8], Putri and Rahyuda [15], Rahmansyah [16] and Atkinson and Messy [2].

The Effect of Financial Technology on Financial Inclusion

Based on the results of hypothesis testing the influence of financial technology on financial inclusion. Seen from the significance value of the financial literacy variable 0.174 > 0.05, then financial technology has no significant effect on financial inclusion.

Through the results of this study, it can be explained that there is still a lack of MSME actors in using digital-based financial services, so they do not support the achievement of financial inclusion implementation in Indonesia. .

According to Nurohman and Kusuma [10] Financial Technology has no significant effect on financial inclusion. The results of this study can explain that the more people use digital-based financial services, it turns out that it does not support the achievement of implementing financial inclusion by the government. This is reinforced by the answers of respondents who have the lowest scores related to financial inclusion where MSME actors in the city of Bandar Lampung do not believe that consulting services on payment products will be guaranteed.

V. CONCLUSION AND RECOMMENDATION

Based on the analysis that has been obtained, the conclusions are as follows:

- Financial Literacy has a significant effect on Financial Inclusion on MSME Actors in Bandar Lampung City.
- Financial Technology does not have a significant effect on Financial Inclusion on MSME Actors in Bandar Lampung City.

Based on the conclusions obtained in this study, suggestions are proposed as a complement to the results of the study as follows:

- The Financial Services Authority (OJK) and Bank Indonesia together with companies providing financial products and services must carry out socialization activities to improve financial literacy to the public, especially MSME owners in Bandar Lampung City, such as education about financial terms, the benefits of each product and financial services, as well as training in good financial management and as needed. The target of implementing education is suggested to all people in the city of Bandar Lampung, especially people with economic backgrounds.
- Completion of regulations on consumer protection for financial technology services, because the use of digital financial services for SMEs in Bandar Lampung City is growing rapidly. It also aims to foster a sense of student confidence in the services used and avoid digital crime.
- For further researchers to add variables or other factors that can affect Financial Inclusion. For further researchers, it is recommended to conduct research on financial literacy, financial technology, and financial inclusion among government officials or the public.

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