How Financial Knowledge, Experience, and Attitude Shape Financial Behavior of Micro, Small, and Medium Enterprises' Owners in Pekanbaru?

Dian Sukmawati
Department of Management, Faculty of Economics and Social Sciences, UIN Sultan Syarif Kasim Riau, Indonesia
Email: Dianskmwti@gmail.com
*Susnaningsih Mu'at
Department of Management, Faculty of Economics and Social Sciences, UIN Sultan Syarif Kasim Riau, Indonesia
Email: susnaningsih@uin-suska.ac.id

Abstract
Research purposes
This study aims to analyze how financial knowledge, experience, and attitudes influence the financial behavior of micro, small, and medium enterprise owners (MSME owners) in the food and beverage sector in Pekanbaru City. Given the importance of good financial management for the sustainability of small businesses, this study seeks to explain the factors that encourage wise financial behavior.

Design/Methodology/Approach:
This study uses a quantitative approach using a survey method. Data was collected through questionnaires, which were distributed online to 239 food and beverage MSME owners in Pekanbaru. Data analysis was carried out using SPSS and SmartPLS 4 with the Structural Equation Modeling (SEM-PLS) approach.

Research findings:
The results of the study show that financial knowledge, experience, and attitudes have a positive and significant effect on the financial behavior of MSME actors. This confirms that good financial literacy and attitudes are important for making healthy financial decisions.

Theoretical Contribution/Originality:
This study expands the study of MSME owners' financial behavior by integrating three main psychological variables (knowledge, experience, and attitude). This finding strengthens the study using the Theory of Planned Behavior and provides a new empirical basis in the context of food and beverage MSMEs in developing areas.

Practical/Policy/Social Implications:
These findings can be used by the government, financial institutions, and industry players to design financial literacy and training programs for MSMEs so that they are able to make wise financial decisions and avoid financial risks.

Research Limitations/Implications:
This study is limited to MSME actors in the food and beverage sector in Pekanbaru, so it does not cover all sectors or regions. Further research is expected to cover other MSME sectors and consider external factors such as technology support and access to financing.

Keywords: Financial Behavior, Financial Knowledge, Financial Experience, Financial Attitude, MSMEs

*Related Author : susnaningsih@uin-suska.ac.id

INTRODUCTION

Financial behavior is an important part of financial management, both for individuals and business actors. Financial behavior is defined as a person's actions related to financial management in everyday life (Xiao, 2008). This behavior includes activities such as investment, savings, financial decision-making, and debt management, which can be influenced by psychological, cognitive, and environmental factors (Anisyah et al., 2021; Meida & Kartini, 2023). Poor financial management can have a negative impact on financial stability, while a good understanding of financial behavior allows individuals or business actors to make wise and planned financial decisions (Sari et al., 2020).

In the context of business, the ability to manage finances is very important, especially for MSMEs, which are the backbone of the Indonesian economy. Based on data from the International Financial Corporation (World Bank, 2016), Indonesia is one of the countries with the highest number of MSMEs in the world. MSMEs play an important role in providing employment and contributing to Gross Domestic Product (GDP) (DJPB, 2023). One of the MSME sectors that has experienced rapid growth is the food and beverage sector, which in 2020 was recorded as having 1.51 million micro-small-scale business units (Badan Pusat Statistik, 2022). Based on data from the Cooperatives and SMEs Service in Pekanbaru City itself, there were 26,648 food and beverage business units spread across 15 sub-districts in 2023. Pekanbaru City was used as the object of this study because, based on a table sourced from the Central Statistics Agency (BPS), in 2021 Pekanbaru was the city with the largest food and beverage sector in Riau province (BPS, 2020).

However, the phenomenon of increasing reports of illegal investments and illegal online loans to (Otoritas Jasa Keuangan OJK, 2023)shows that financial literacy is still low among the community, including MSME owners. Therefore, understanding the factors that influence financial behavior is crucial. Several factors that have been widely studied related to financial behavior include financial knowledge, financial experience, and financial attitudes (Brilianti & Lutfi, 2020; Meida & Kartini, 2023; Sandi et al., 2020).

Financial knowledge includes understanding basic financial concepts used to make sound financial decisions (Huston, 2010). Meanwhile, financial experience describes a person's ability to learn from past experiences related to finance (Brilianti & Lutfi, 2020). Financial attitudes are individuals' views and behaviors towards money that influence how they manage and plan their finances (Prihartono & Asandimitra, 2018).

Although many studies have been conducted, the results still show inconsistencies. Several studies state that financial knowledge, experience, and attitudes have a positive effect on financial behavior (Brilianti & Lutfi, 2020; Meida & Kartini, 2023), but other studies show the opposite results (Purwidianti & Tubastuvi, 2019; Sari et al., 2020). This inconsistency is an important research gap to explore further.

231

Based on this background, this study aims to examine the influence of financial knowledge, financial experience, and financial attitudes on the financial behavior of MSMEs in the food and beverage sector in Pekanbaru City. This study is expected to provide empirical contributions in the development of MSME financial literacy and become a basis for formulating financial education policies in the future.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT
Theory of Planned Behavior

This study uses the Theory of Planned Behavior (TPB) proposed by (Ajzen, 1991)which explains that a person's attitude and beliefs influence their behavior in accepting or rejecting a decision. TPB assumes that individuals are rational and act consciously. Individuals filter information around them and consider the consequences of their actions. In the theory of planned behavior, there are three main factors that shape individual behavior, namely personal norms, subjective norms, and perceptions related to behavioral control. Personal refers to the individual and their beliefs about behavior. Subjective norms are norms that apply in society, such as sociocultural factors that apply in the society where a person lives, customs, norms, and environmental opinions. Perceptions related to behavioral control come from personal experiences and those around them (Ajzen, 1991). This study refers to TPB in analyzing how financial knowledge, experience, and attitudes affect financial behavior.
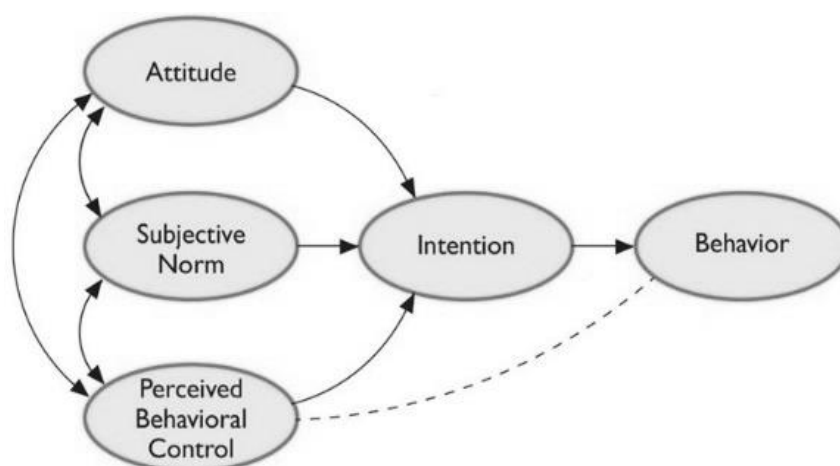

Figure 1. Theory of Planned Behavior (Azjen, 1991)

Behavior Finance

Financial behavior is defined as a person's behavior related to managing finances in everyday life (Xiao, 2008). In general, financial behavior includes behavior related to income, expenses, loans, savings, and investments; thus, financial behavior is related to income management, and the use of that income is used to meet today's consumption needs and prepare for future needs (Brilianti & Lutfi, 2020).

Meanwhile, according to Anisyah et al. (2021), financial behavior is defined as a method that explains how a person's activities related to finance, such as investment, debt, and savings are influenced by a person's psychological factors. Financial behavior is influenced by psychological, sociological, and financial aspects, so that the formation of this behavior depends not only on information but also on the individual's experience and attitude **.**

Financial Knowledge

Financial knowledge is the understanding of concepts of finance needed to be used in managing finances in everyday life **(Huston, 2010).** According to OECD & INFE (2016), financial knowledge is an important component of financial literacy that aims to help individuals compare various financial products and services and make informed financial decisions. A basic understanding of financial concepts and the ability to apply numeracy skills in a financial context enable individuals to act independently in managing financial problems and to be able to respond to information and events that can affect their financial well-being.

Financial knowledge is the main foundation for business actors, including MSME actors, in running and managing their businesses effectively. With a good understanding of finance, MSME actors can make financial plans, manage cash flow, and avoid making high-risk decisions.

Findings from several previous studies also support the importance of financial knowledge on financial behavior. Research conducted by **(Yahaya et al., 2019)**, **(Brilianti & Lutfi, 2020)**, **(Sandi et al., 2020)**, and **(Adiputra et al., 2021)**shows that financial knowledge has a positive and significant effect on the financial behavior of individuals and business actors.

H1: Financial knowledge has a positive influence on the financial behavior of MSME owners in the food and beverage sector in Pekanbaru City.

Financial Experience

Financial experience, according to Brilianti & Lutfi (2020), is the ability to make considerations from events related to financial problems that have been experienced, either long ago or recently, so that this financial experience will be used as capital in good financial management behavior.

Financial experience refers to an individual's involvement in financial activities in the past that serve as a basis for decision-making in the present (Lusardi & Tufano, 2015). This experience can include interactions with banking, insurance, pension, and credit products. Individuals with broader financial experience tend to exhibit more careful and rational financial behavior.

According to research conducted by Purwidianti & Mudjiyanti (2016), financial experience has a positive effect on financial behavior. In line with research conducted by

Brilianti & Lutfi, (2020) it proves that financial experience has a positive effect on financial behavior.

H2: Financial experience has a positive influence on the financial behavior of MSMEs owners in the food and beverage sector in Pekanbaru City.

Financial Attitude

According to **(Amidos et al., 2022)**attitude is a statement that is pleasant or unpleasant towards objects, individuals, and events. The financial attitude that exists in a person can help that person in matters related to financial management, financial budgeting, and how individual decisions regarding investments will be taken.

Financial attitudes refer to a person's psychological views and tendencies toward money, such as self-control in spending, financial planning, and orientation toward the future (OECD & INFE, 2016). A positive attitude toward finance tends to encourage better financial decision-making, as well as avoiding impulsive consumption or waste.

This is proven by research conducted by (Yahaya et al., 2019) (Khalisharani et al., 2022)and (Widyakto et al., 2022)attitudes have a positive and significant influence on financial behavior.

H3: Financial attitude has a positive influence the financial behavior of MSMEs owners in the food and beverage sector in Pekanbaru City.

The conceptual framework illustrated in Figure 2 is concluded from a literature review of factors influencing financial behavior.

Figure 2. Research Framework
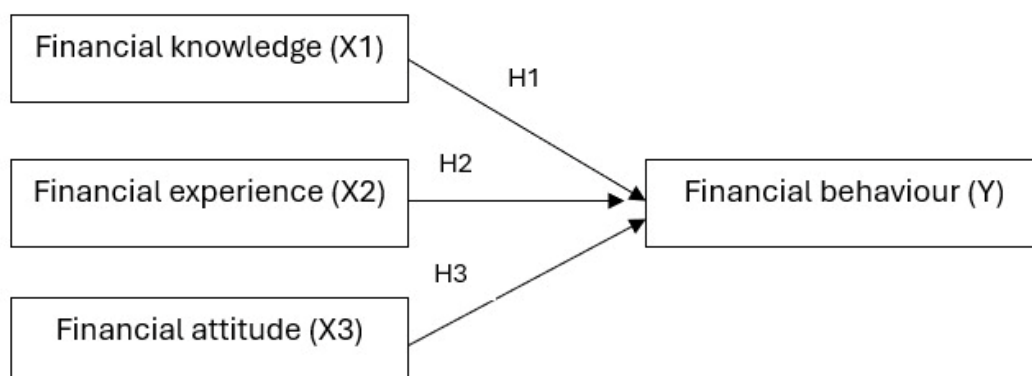
METHOD

This research employs a quantitative methodology via a survey technique. Primary data was obtained by disseminating questionnaires to MSME owners, both in person and online using WhatsApp and other social media platforms. The research population was all MSME owners, with a total number of 26,648 business units based on data from the Pekanbaru City Cooperative and MSME Service (BPS, 2020). Calculation of minimum sample size was carried out using the G*Power application, which resulted in a minimum sample size of 77 respondents. The number of respondents who were successfully collected and analyzed was 239 respondents from MSME owners in the food and beverage sector in Pekanbaru City.

The data analysis process was carried out in three stages, namely descriptive analysis using IBM SPSS and analysis of measurement and structural model relationships using SmartPLS 4. The partial least squares method was chosen because it is suitable for testing predictive models and complex construct relationships.

This study uses four main variables, namely one dependent variable and three independent variables. The dependent variable in this study is financial behavior, while the independent variables include financial knowledge, experience, and attitudes.

Operational Definition and Data Collection Techniques

Each variable in this study is measured through a number of structured statements compiled based on theoretical indicators from previous studies. In this article, the presentation of operational definitions is displayed directly in the form of statement items or questions used in the questionnaire instrument. All statements use a 5-point Likert scale, ranging from a score of 1 (strongly disagree) to a score of 5 (strongly agree).

Table 1 below presents a summary of the operational definition of each variable, including the number of items, type of statement, measurement scale, and reference sources for the indicators used.

Table 1. Summary of Operational Definitions of Variables

Sections	No of Items	Definition/Type of question	Measurement	Adapted from
Demographic	8	Gender, age, year of birth, religion, last education, initial business capital, annual income, and area of residence	-	-
Financial Behavior(Y)	10	The ten statements about financial behavior are saving, setting aside money for retirement, planning finances, following a weekly or monthly budget, paying bills, using credit	5-point Likert scale	(Joo & Grable, 2004)

		cards, spending more money than income, and financial problems.		
Financial Knowledge (X1)	4	Four statements about financial knowledge, such as the ability to manage daily finances, understand arithmetic, follow economic and financial news, and assess one's own financial knowledge.	5-point Likert scale	(A. Robb & S. Woodyard, 2011)
Financial experience (X2)	8	Eight statements about experiences using financial products such as checking accounts, mutual funds, stocks, bonds, student loans, car loans, mortgages, and pawnshops.	5-point Likert scale	(Lusardi & Tufano, 2015)
Financial Attitude(X3)	3	Three statements about financial attitudes, namely feeling happier spending money than saving for the future, tending to live for today and not caring about tomorrow, and money is there to be used.	5-point Likert scale	(OECD & INFE, 2016)

RESULTS AND DISCUSSION

Descriptive Analysis of Respondents

The demographic details of the respondents are presented in Table 2. Based on gender, the majority of respondents were male, 167 people (70%) and the rest were female (30%). Judging from the age category, the majority of respondents are in the age range of 36–45 years (62%), which shows that most MSME owners are in the productive age.

In terms of residential area, respondents are spread across 15 sub-districts in Pekanbaru City. Tuah Madani Sub-district is the area with the largest number of respondents (10%), followed by Sail Sub-district with 21 people (9%), and Sukajadi Sub-district with 20 people (8%). This shows that food and beverage MSME actors are quite evenly distributed in various areas of the city.

In terms of level of education, most respondents are high school graduates (85%). Regarding economic variables, all respondents (100%) were recorded as having initial business capital of less than IDR 1 billion and annual business income of less than IDR 2 billion. This data shows that business actors are included in the category of micro MSMEs, in accordance with the criteria set by laws and regulations in Indonesia.

Table 2 Respondent Profile (n=239)

Variable	Frequency	Presentation
Gender		
Man	167	70%
Woman	72	30%
Age		
20-25 Years	1	1%
26-30 Years	15	6%
31-35 Years	37	15%
36-40 Years	74	31%
41-45 Years	75	31%
46-50 Years	27	11%
51-55 Years	6	3%
56-60 Years	3	1%
61-65 Years	1	1%
Residential district		
Payung sekaki	16	7%
Tuah Madani	23	10%
Binawidya	15	6%
Bukit Raya	11	5%
Marpoyan Damai	13	5%
Tenayan Raya	14	6%
Kulim	16	7%
Limapuluh	15	6%
Sail	21	9%
Pekanbaru Kota	14	6%
Sukajadi	20	8%
Senapelan	19	8%
Rumbai	12	5%
Rumbai Barat	16	7%
Rumbai Timur	14	6%
Level of education		
Elementary School	1	
Junior High School	16	7%
High School/Vocational High School	202	85%
S1	18	8%
S2	1	
Other	1	
Initial capital for MSMEs		
<1 Billion	239	100%
>1 Billion- 5 Billion	0	0
>5 Billion- 10 Billion	0	0
MSME income per year		
< 2 Billion	239	100%
>2 billion- 15 billion	0	0
>15 billion-50 billion	0	0

Descriptive Analysis of Variables

Descriptive statistics in this study are used to see the data overview. The results of descriptive statistics using IBM SPSS 25 can be seen in Table 3:

Table 3. Statistics Descriptive

	N	Minimum	Maximum	Mean	SD	Skewness		Kurtosis	
						Statistics	SE	Statistics	SE
PRK	239	2.20	4.30	3.4063	.40935	.117	.157	-.275	.314
PK	239	1.25	5.00	3.6632	.68065	-.524	.157	.628	.314
PGK	239	1.43	4.00	2.4997	.39109	.546	.157	.977	.314
SK	239	1.00	4.33	1.9484	.66641	1,220	.157	1.199	.314

Note: PRK = Financial behavior, PG = Financial knowledge, PGK = Financial experience, SK = Financial attitude

Descriptive statistical analysis shows that the financial behavior variable has an average score of 3.41 with a standard deviation of 0.41, indicating moderate variation among respondents. The financial knowledge variable recorded a higher average of 3.66 with a standard deviation of 0.68 and a skewness value of -0.524, indicating a tendency for data distribution to be negative. Meanwhile, financial experience has an average of 2.50, a standard deviation of 0.39, and a skewness value of 0.546, indicating that most of the data is concentrated in low values with some high outliers. On the other hand, the financial attitude variable showed the lowest average of 1.95, but with the highest standard deviation of 0.67 and skewness of 1.220, reflecting a strong positive skew, indicating that the majority of respondents have relatively low financial attitudes.

MEASUREMENT MODEL

Item reliability and validity are assessed using factor loading and average variance extracted (AVE) as suggested by (Chin, 2010; Hair et al., 2017). *Convergent validity* involves the extent to which individual indicators reflect a construct compared to indicators measuring other constructs (Urbach & Ahlemann, 2010). To assess *convergent validity*, *Average Variance Extracted* (AVE) is measured. The AVE value should be greater than 0.50, which explains at least 50% of the variance of the specified indicators. Table 4 shows the AVE values for all constructs. All constructs recorded AVE values higher than 0.50 for each data group, ranging from 0.526 to 0.831. These results indicate that the measurement model shown has adequate *convergent validity.* The path model of this study can be seen in Figure 3.

INTEGRATED RESEARCH JOURNAL OF BUSINESS AND MANAGEMENT

Table 4. Summary of Reflective Measurement Model Results

Constructs	Items	Reliability Indicator	Convergent Validity
		Outer Loadings	AVE
		>0.60	>0.50
Financial behavior	PRK 1	0.781	0.597
	PRK 2	0.816	
	PRK 3	0.792	
	PRK 4	0.694	
Financial knowledge	PK 1	0.758	0.519
	PK 2	0.721	
	PK 3	0.687	
	PK 4	0.715	
Financial experience	PGK 1	0.905	0.673
	PGK 2	0.809	
	PGK 3	0.871	
	PGK 4	0.678	
Financial attitude	SK 1	0.940	0.831
	SK 2	0.881	

Note: PRK= Financial behavior, PK= Financial knowledge, PGK= Financial experience, SK= Financial attitude
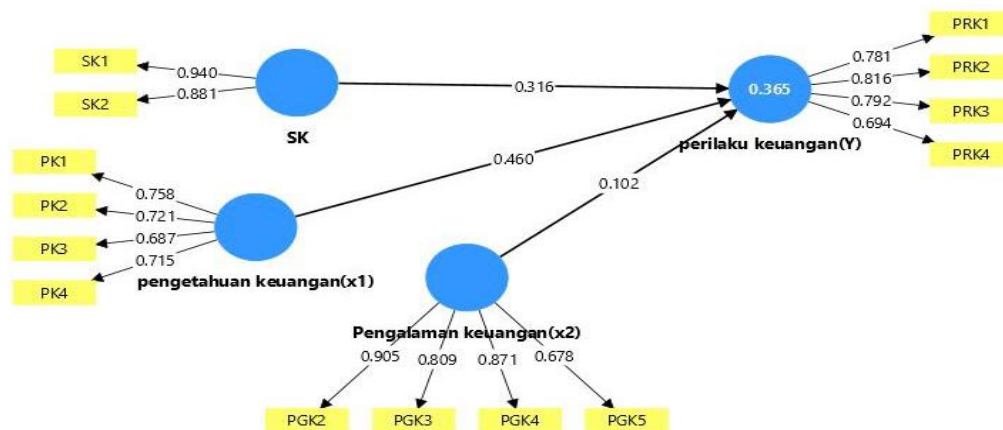Source: SmartPLS 2025 processed data

Figure 3. Path model from the SmartPLS 4 program

Note: PRK = Financial behavior, PK = Financial knowledge, PGK = Financial experience, SK = Financial attitude.

Discriminant Validity

Discriminant validity is the extent to which an indicator distinguishes between constructs or measures different concepts by testing the correlation between potentially overlapping measures (Ramayah et al. 2018). In this study, discriminat validity was measured based on the HTMT correlation ratio technique introduced by (Henseler et al., 2015). The cut-off value for the HTMT is less than 0.85 (Kline, 2016). Table 5 shows that all HTMT values are less than 0.85, which confirms that construct validity is established in the measurement model.

Table 5. Discriminant Validity

	1	2	3	4
1. PK				
2. PGK	0.118			
3. SK	0.193	0.070		
4. PRK	0.689	0.135	0.459	

Note: PRK= Financial behavior, PK= Financial knowledge, PGK= Financial experience, SK= Financial attitude

Structural Model

To test the hypothesis, a bootstrapping procedure was performed to generate relationships between variables in the model. Bootstrapping in PLS is a nonparametric test consisting of repeated random sampling with replacement from the initial sample to generate bootstrapping samples to obtain standard errors in hypothesis testing (J.F. Hair et al., 2011). For this study, three hypotheses were developed as shown in Table 6. To test the level of significance of the t-statistic for each relationship, the bootstrapping function of SmartPLS 4 was used, set at an alpha level of 0.05, a one-sided test significance level and 5000 subsamples. The critical values for the 1% (α = 0.01), 5% (α = 0.05), and 10% (α = 0.1) significance levels were 2.33, 1.645, and 1.28, respectively, for the one-sided test (Ramayah et al., 2018).

Table 6. Structural Model Relationship

Hypothesis	Variable Relationship	Path Coefficient	Std Error	T-Value	P Value	Decision
H1	PK> PRK	0.460	0.052	7,960	0.000	Accepted
H2	PGK-> PRK	0.102	0.051	1,993	0.046	Accepted
H3	SK-> PRK	0.316	0.049	6.409	0.000	Accepted

Note: PRK= Financial behavior, PK= Financial knowledge, PGK= Financial experience, SK= Financial attitude

Based on the results of the structural model relationship test in Table 6, it can be concluded that the three hypotheses in this study are accepted:

H1: Shows that financial knowledge has a positive and significant effect on financial behavior (t-value = 7.960, $p < 0.05$). This result is in line with previous research, which states that good financial knowledge increases positive financial behavior (Brilianti & Lutfi, 2020; Meida & Kartini, 2023)

H2: shows that financial experience also has a positive and significant effect on financial behavior (t-value = 1.993, $p < 0.05$). This strengthens the findings of (Lusardi & Tufano, 2015; Purwidianti & Tubastuvi, 2019), which state that empirical experience can improve the ability to make financial decisions.

H3: states that financial attitudes have a positive and significant influence on financial behavior (t-Value = 6.409, $p < 0.05$), which is consistent with the research of (Humaira & Sagoro, 2018; Meida & Kartini, 2023), which states that positive attitudes towards finance encourage wise and planned behavior.

These findings indicate that all independent variables tested in this study are important factors in shaping the financial behavior of MSMEs in Pekanbaru City.

The Coefficient of Determination (R^2)

The R-square value obtained is 0.365, which means that 36.5% of the variation in financial behavior of MSME owners can be explained by financial knowledge, experience, and attitudes as an independent variable in this study. Meanwhile, the remaining 63.5% is explained by other factors outside this research model. This shows that the three independent variables in this study have a significant influence on financial behavior, but there are still other factors that have not been studied in this study.

Table 7. The Coefficient of Determination (R^2)

Variables	R-square	R-square adjusted
PRK	0.365	0.357

Note: PRK = Financial behavior

Effect Size (f^2)

The f-squared (f^2) coefficient assesses the relative impact of the predictor construct on the endogenous construct. Specifically, it assesses how strong the contribution of one exogenous construct is in explaining a particular endogenous construct. Cohen (1988) introduced guidelines for measuring *effect size, where* values of 0.02, 0.15, and 0.35 represent small, medium, and large effect sizes, respectively.

Table 9. Effect Size (f ^{2})

Connection	Effect size	
PK->PRK	0.326	Medium
PGK -> PRK	0.016	Small
SK -> PRK	0.154	Medium

Note: PRK= Financial behavior, PK= Financial knowledge, PGK= Financial experience, SK= Financial attitude

Financial knowledge has a moderate influence on financial behavior with an f2 value of 0.326. Financial experience has a small influence on financial behavior with an f2 value of 0.016, and financial attitudes have a moderate influence on financial behavior with an f2 value of 0.154.

DISCUSSION
The Influence of Financial Knowledge on Financial Behavior

Based on the test results, this study shows that financial knowledge has a positive and significant effect on the financial behavior of MSME owners in the food and beverage sector in Pekanbaru City. These results indicate that MSME owners who have a good understanding of basic financial concepts tend to be able to make more appropriate and planned financial decisions.

This finding is in line with the results of research conducted by (Brilianti & Lutfi, 2020; Sandi et al., 2020; Yahaya et al., 2019), which stated that financial knowledge can improve an individual's ability to manage income and expenses and prepare a financial budget. With this understanding, MSME owners are better prepared to face financial risks and are able to adjust financial management strategies to changing business conditions.

In addition, financial knowledge also allows business owners to understand the importance of investment, savings, and debt control, which are integral parts of healthy financial behavior. In the context of MSMEs, this knowledge provides a foundation for

maintaining business continuity and increasing financial resilience, especially in the face of market pressures and competition.

The Influence of Financial Experience on Financial Behavior

Based on the test results, this study shows that financial knowledge has a positive and significant effect on the financial behavior of MSME owners in the food and beverage sector in Pekanbaru City. These results indicate that MSME owners who have a good understanding of basic financial concepts tend to be able to make more appropriate and planned financial decisions.

Financial experience in this study covers various things, such as experience using banking products, insurance, pension programs, and experience in taking out credit. In the context of MSMEs, these experiences are very valuable because they form habits and practical understanding in dealing with complex financial situations. For example, MSME owners who have taken out credit for business needs are likely to be more careful in managing cash flow and monthly expenses because they realize the importance of accuracy in paying installments so as not to cause financial problems in the future.

Financial experience has a significant effect on financial behavior because experience reflects the real learning process that individuals have gone through in a financial context. Unlike cognitive and theoretical knowledge, experience is emotional and practical. When someone has faced failure or mistakes in financial decisions, such as being late in paying debts or experiencing investment losses, this experience will be a lesson that shapes more careful and wise financial behavior in the future. Likewise, positive experiences such as successfully saving regularly or managing business finances well will strengthen healthy financial habits. This finding is consistent with several previous studies, such as those conducted by Purwidianti and Tubastuvi (2019), and Brilianti and Lutfi (2020), which showed that financial experience has a significant effect on individual financial behavior. They stated that the more often someone is involved in various financial activities, the more mature their ability to manage finances effectively.

The Influence of Financial Attitudes on Financial Behavior

The findings of this study also show that financial attitudes have a positive and significant effect on the financial behavior of MSME owners. This means that business owners who have a positive attitude towards financial planning, spending control, and clear financial goals will be more likely to demonstrate healthy and responsible financial behavior.

A positive attitude towards money also has an impact on business sustainability, because MSMEs who have a long-term financial orientation will be more consistent in recording finances and maintaining budget discipline. Brilianti & Lutfi (2020), Sandi et al. (2020), and Yahaya et al. (2019), which state that financial knowledge can improve an individual's ability to manage income and expenses and prepare a financial budget. With this understanding, MSMEs are better prepared to face financial risks and are able to adjust financial management strategies to changing business conditions.

These results strengthen the research conducted by Khalisharani et al. (2022) and Widyakto et al. (2022), which emphasize the importance of financial attitudes in determining individual orientation and decisions in using money. Good financial attitudes enable business actors to prioritize spending, prepare budgets, and prepare emergency funds.

This finding is in line with the results of research conducted by (Brilianti & Lutfi, 2020; Sandi et al., 2020; Yahaya et al., 2019), The findings of this study also show that financial attitudes have a positive and significant effect on the financial behavior of MSME owners. This means that business actors who have a positive attitude towards financial planning, spending control, and clear financial goals will be more likely to demonstrate healthy and responsible financial behavior.

CONCLUSION

This study aims to examine the influence of financial knowledge, experience, and attitudes on the financial behavior of MSMEs in the food and beverage sector in Pekanbaru City. Based on the results of data analysis using the Partial Least Square (PLS) approach, several important findings were obtained.

First, financial knowledge has a positive and significant effect on financial behavior. This shows that the higher the understanding of MSME actors regarding basic financial concepts, the wiser they are in managing business and personal finances. Second, financial experience also has a positive and significant effect on financial behavior, although its effect is smaller than other variables. This finding indicates that experience in using financial products and services can shape financial behavior through a practical learning process. Third, financial attitudes have been shown to have a positive and significant effect on financial behavior, which means that a positive orientation towards financial management can encourage healthier and more planned financial decision-making.

Overall, the three independent variables in this study have contributed to the formation of good financial behavior among MSME actors. This finding emphasizes the importance of financial education, direct experience in managing funds, and the formation of a positive attitude towards money as an effort to increase the independence and financial resilience of MSMEs amidst dynamic economic challenges.

LIMITATION

This study has a number of limitations that need to be considered by further researchers in order to produce a more comprehensive understanding of the financial behavior of MSME actors.

First, the scope of this study only covers MSME actors in the food and beverage sector in Pekanbaru City. Therefore, the findings obtained cannot necessarily be generalized to other MSME sectors or different geographical areas.

Second, the number of respondents involved as many as 239 people is limited and has not been able to fully represent the entire population of MSME actors in Pekanbaru City. Future research is expected to involve a larger number of samples to obtain more representative results.

Third, this study only focuses on three main variables, namely financial knowledge, financial experience, and financial attitudes. Although all three have been shown to be significant in influencing financial behavior, other factors such as education level, income, digital literacy, and access to financial institutions also have the potential to influence financial behavior and should be considered in further studies.

Fourth, the distribution of respondents in this study shows an imbalance in the proportion between male and female respondents, where the majority of respondents are male. However, this does not reduce the validity of the results because the data were analyzed by considering demographic variables as a whole to maintain the accuracy and representativeness of the findings.

Taking these limitations into account, future studies are advised to expand the scope of sectors, increase the sample size, and consider additional relevant variables to produce more holistic findings.

REFERENCE

A. Robb, C., & S. Woodyard, A. (2011). Financial Knowledge And Best Practice Behavior. *Journal of Financial Counseling and Planning*, *22*(1), 60–70.

Adiputra, I. G., Suprastha, N., & Tania, L. (2021). The Influence Of Financial Knowledge, Financial Attitude Dan Locus Of Control On Financial Behavior Of E-Wallet Users In Jakarta. *Journal of Contemporary Issues in Business and Government*, *27*(1), 3318–3332.

Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, *50*(2), 179–211. https://doi.org/10.1016/0749-5978(91)90020-T

Amidos, J., Sari, U., Indonesia, M., & Maharani, A. (2022). Perilaku Organisasi. In *Perilaku Organisasi* (Issue April). https://doi.org/10.52931/t4b6/2022

Anisyah, E. N., Pinem, D., & Hidayati, S. (2021). Pengaruh literasi keuangan, inklusi keuangan dan financial technology terhadap perilaku keuangan pelaku UMKM di Kecamatan Sekupang. *Management and Business Review*, *5*(2), 310–324. https://doi.org/10.21067/mbr.v5i2.6083

Badan Pusat Statistik. (2022). Mayoritas Industri Mikro-Kecil Bergerak di Sektor Makanan. In *Katadata.Id* (p. 2022).

BPS, R. (2020). Jumlah Perusahaan Pada Industri Mikro Dan Kecil. In *Riau.Bps.Go.Id*.

Brilianti, T. R., & Lutfi, L. (2020). Pengaruh pendapatan, pengalaman keuangan dan pengetahuan keuangan terhadap perilaku keuangan keluarga di kota Madiun. *Journal of Business and Banking*, *9*(2), 197. https://doi.org/10.14414/jbb.v9i2.1762

Chin, W. W. (2010). Handbook of Partial Least Squares. In *Handbook of Partial Least Squares*. https://doi.org/10.1007/978-3-540-32827-8

Cohen, J. (1988). Statistical Power Analysis for the Behavioral Sciences. In *Sustainability (Switzerland)* (Vol. 11, Issue 1).

DJPB. (2023). Kontribusi UMKM dalam Perekonomian Indonesia. In *Djpb.Kemenkeu.Go.Id*.

Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., & Thiele, K. O. (2017). Mirror, mirror on the wall: A comparative evaluation of composite-based structural equation modeling methods. *Journal of the Academy of Marketing Science*, *45*(5), 616–632. https://doi.org/10.1007/s11747-017-0517-x

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, *43*(1), 115–135. https://doi.org/10.1007/s11747-014-0403-8

Humaira, I., & Sagoro, E. M. (2018). Pengaruh Pengetahuan Keuangan, Sikap Keuangan, Dan Kepribadian Terhadap Perilaku Manajemen Keuangan Pada Pelaku Umkm Sentra Kerajinan Batik Kabupaten Bantul. *Nominal, Barometer Riset Akuntansi Dan Manajemen*, *7*(1). https://doi.org/10.21831/nominal.v7i1.19363

Huston, J. S. (2010). Measuring Financial Literacy. *Journal of Consumer Affairs*, *44*(2), 296–316. https://doi.org/10.1111/j.1745-6606.2010.01170.x

Joo, S., & Grable, E. J. (2004). *Beyond the Individual: Toward a Nomological Network of Organizational Empowerment Beyond the Individual: Toward a Nomological Network of Organizational Empowerment*. *34*(October 2004). https://doi.org/10.1023/B

Khalisharani, H., Johan, I. R., & Sabri, M. F. (2022). The Influence of Financial Literacy and Attitude towards Financial Behaviour Amongst Undergraduate Students: A Cross-

Country Evidence. *Pertanika Journal of Social Sciences and Humanities*, *30*(2), 449–474. https://doi.org/10.47836/pjssh.30.2.03

Kline, R. B. (2016). Principles and Practice of Structural Equation Modeling. *The Guilford Press*.

Lusardi, A., & Tufano, P. (2015). Debt Literacy, Financial Experiences, and Over Indebtedness. *Journal of Pension Economics and Finance*, *14*, 332–368. https://doi.org/10.1017/S1474747215000232

Meida, A., & Kartini. (2023). Pengaruh Financial Knowledge, Financial Experience, dan Financial Attitude terhadap Financial Behavior pada Pemilik UMKM di Kota Kudus. *Selekta Manajemen: Jurnal Mahasiswa Bisnis & Manajemen*, *02*(02), 181–199.

OECD, & INFE. (2016). International Survey of Adult Financial Literacy Competencies. *Oecd*, 1–100.

Otoritas Jasa Keuangan OJK. (2023). *Siaran Pers OJK Tingkatkan Literasi dan Inklusi Keuangan UMKM dan Ibu Rumah Tangga Gelar Edukasi Keuangan di Rusunawa Marunda Jakarta*. 1–2.

Prihartono, M. R. D., & Asandimitra, N. (2018). Analysis Factors Influencing Financial Management Behaviour. *International Journal of Academic Research in Business and Social Sciences*, *8*(8), 308–326. https://doi.org/10.6007/ijarbss/v8-i8/4471

Purwidianti, W., & Tubastuvi, N. (2019). The Effect of Financial Literacy and Financial Experience on SME Financial Behavior in Indonesia. *Jurnal Dinamika Manajemen*, *10*(1), 40–45. https://doi.org/10.15294/jdm.v10i1.16937

Sandi, kemal, Saparila, W., & Ari, D. (2020). Pengaruh Financial Knowledge dan Financial Attitude Terhadap Financial Behavior Pada Youth Entrepreneur Kota Malang. *Jurnal Administrasi Bisnis*, 140–150.

Sari, W. I., Susyanti, J., & Salim, Agus. M. (2020). Pengaruh Financial Literacy, Financial Attitude dan Pendapatan terhadap Perilaku Pengelolaan Keuangan pada Pelaku UMKM Fashion di Kota Batu. *E – Jurnal Riset Manajemen*, *9*(5), 17–31.

Urbach, N., & Ahlemann, F. (2010). A beginner's guide to partial least squares analysis. *Understanding Statistics*, *3*(4), 283–297.

Widyakto, A., Liyana, Z. W., & Rinawati, T. (2022). The influence of financial literacy, financial attitudes, and lifestyle on financial behavior. *Diponegoro International Journal of Business*, *5*(1), 33–46. https://doi.org/10.14710/dijb.5.1.2022.33-46

World Bank. (2016). Women-owned SMEs in Indonesia: A Golden Opportunity for Local Financial Institutions. *International Finance Corporation (IFC)*, *March*, 69.

Xiao, J. J. (2008). Applying Behavior Theories to Financial Behavior. In *Handbook of Consumer Finance Research* (pp. 69–81). https://doi.org/10.1007/978-0-387-75734-6_5

Yahaya, R., Zainol, Z., Abidin, J. H. O. @ Z., & Ismail, R. (2019). The Effect of Financial Knowledge and Financial Attitudes on Financial Behavior among University Students. *International Journal of Academic Research in Business and Social Sciences*, *9*(8). https://doi.org/10.6007/ijarbss/v9-i8/6205