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The effect of Financial Literacy, *Access to Finance*, and *Financial Risk Attitude* on the Culinary Business Performance of SMEs in Yogyakarta

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Abstract. Individuals, households, and business entities that have met the criteria as businesses have SMEs as productive businesses. Micro, small, and medium enterprises (SMEs) significantly contribute to a region's economic development. Financial literacy, access to finance, and financial risk attitude are important in improving business performance. This study aimed to examine the effect of financial literacy on access to finance, financial risk attitude, and culinary business performance. Test mediating roles access of finance and financial risk attitude on the impact of financial literacy on the performance of the MSME culinary business in Yogyakarta. Statistical analysis model using mediation regression. The research sample is the Actor Culinary business SMEs in Yogyakarta. Sampling technique with purposive sampling. Respondents were 135 SME Culinary Entrepreneurs. Mediation regression analysis tool using PLS. The research results show that: 1) Financial literacy positively affects culinary business performance. 2) Financial literacy has a positive effect on access to finance. 3) Access to finance mediates the effect of financial literacy on culinary business performance. 4) Financial literacy has a positive effect on financial risk attitudes. 5) Financial risk attitudes mediate the effect of financial literacy on culinary business performance. The research results recommend the importance of increasing financial literacy and ease of access to finance. Analyzing risk is needed for SME culinary business actors to improve business performance and sustainability.

Keywords. Financial literacy, access of finance, financial risk attitude, business performance

Introduction

SMEs are productive businesses owned by individuals, households, or business entities that have met the criteria as a business. The classification of MSMEs can be seen from the limit of turnover per year, the number of assets, and the number of employees employed. Based on data from the Indonesian Ministry of Cooperatives and SMEs for 2022, the number of SMEs currently reaches 64.19 million with a contribution to GDP of 61% or a value of 8,573.89 trillion rupiahs. The contribution of MSMEs to the Indonesian economy includes the ability to absorb 97% of the total existing workforce. In the last five years, the contribution of MSMEs in Indonesia to the Gross Domestic Product (GDP) has increased from 57.8% to 61%. This makes SMEs a safety net and a driver of the economy. (Ministry of Cooperatives and SMEs, 2022).

During the Covid-19 pandemic, SMEs were the driving force for the Yogyakarta economy. Dominated by micro and small industries of 98.4%, and employment reaching 79%. The Shopee SMEs Campus is here, which can bridge the needs of SMEs in facilitating and accelerating the digitalization of SMEs in Yogyakarta. many foreign products flooding the Indonesian and Yogyakarta markets (BI, 2022). During the COVID-19 pandemic, there was a decrease in Medium Enterprises and small Enterprises, while Micro Enterprises experienced an increase (Deperindag DIY, 2022).

The Yogyakarta BI Authority is committed to upgrading the performance of SMEs. Various penta helix collaboration programs with various parties are carried out to carry the development of SMEs. The program, Ngayogyakarta Tourism Synergy Program (Siwignyo), organizing Grebeg Jogjakarta SMEs, Jogjakarta Export Import Communication Forum Payment Digitization Quickening Program, Jogja and Overwhelming Inflation Control Coordination Program (KOPI JOSS), as well as Sharia Economic and Financial Progression (BI, 2022).

BI Jogjakarta predicts that its GDP will increase by 5.4-6.2% (yoy) at the end of 2021, and it remains optimistic that this growth will continue into 2022. It is predicted that Jogjakarta's inflation rate will continue be modest in 2021, falling between 1.6% and 2.0% (yoy). BI anticipates that Jogjakarta's situation will improve in 2022, particularly about managing the COVID-19 pandemic and the economy.

SMEs significantly contribute to economic development through wealth distribution, employment creation, technological advancement, poverty reduction, and innovation (Agyei, SK, 2018). The industrial sector and the country's economy need a robust SME sector. Stable and long-term economic growth depends on well-functioning SMEs. Small and medium-sized businesses can compete more effectively in domestic and international markets thanks to emerging markets' rapid economic development and high profitability (Hosseini et al., 2019). A robust SME sector is essential for developing nations with excellent sector development potential. Many areas have not fully reaped the rewards of a robust SME sector. In developing nations, the SME industry has become stagnant. The sustainability of SMEs is also threatened by a number of features of developing economies, including economic turbulence, unstable exchange rates, immature information infrastructure, higher transaction costs, political unrest, high inequality, and deteriorating unilateralism in trade policies (Oláh et al., 2019; Kristanto, 2022). Many scholars are attempting to get involved in the SME sector directly to uncover strategies to boost the productivity and sustainability of SMEs.

Knowledge-based view (KBV) demand is growing, which hastens the development of knowledge-based policy conclusions. KBV offers tactics by which businesses can get a competitive edge and boost their output (Grant, R.M., 1996). Key resources for enhancing organizational performance include tacit and collective knowledge. The capacity of the business to combine individual and corporate expertise of its products and services is also stressed by KBV. Knowledge-based resource-rich organizations are more likely to outperform rivals in terms of earnings. According to Nonaka et al. (2006), knowledge can be considered a crucial resource that is challenging to reproduce or transmit and is socially complicated. Little attention has been given to the significance of knowledge-based resources and their role in the sustainable performance of SMEs in the expanding literature on their performance.

The majority of study focuses on other aspects, such as competitive advantage, supply chain management, and internationalization, in addition to the significance of knowledge resources for the sustainability of SMEs (Degong et al., 2018; Ying et al., 2019). Evidence supporting the significance of managers' intangible skills to sustainability SMEs was discovered

by Ying et al. in 2019. When it comes to navigating the turbulent market environment, managers are crucial. Husain et al. (2018) looked at how knowledge resources affect SMEs' performance. The findings demonstrate how knowledge assets, such as business acumen and financial literacy, aid SMEs in maintaining their success. The literature has been expanded with in-depth research of how particular knowledge resources, including financial literacy, might enhance the sustainability of SMEs.

This study intends to fill in the gaps in the literature by examining the significance of financial literacy in the culinary business sector for SMEs. This study makes five contributions to the literature on financial literacy, culinary business performance, and the sustainability of SMEs. First, it makes reference to the KBV, pecking order theory, and dual-process theory, three theoretical stances. explains the value of financial access, financial knowledge, and risk-taking attitudes in the SME sector. The indirect link between financial literacy and SMEs' sustainability and financial performance is examined, which broadens our understanding of financial literacy. The third step in closing gaps is investigating financial literacy at the corporate level in the Yogyakarta SMEs sector. Fourth, create a framework that SMEs may utilize to maintain their business performance. Fifth, the study's conclusions can help policymakers develop and launch financial literacy programs, including those especially suited to SMEs' requirements (Kristanto, 2022). The results of this study will contribute to the body of knowledge in the Yogyakarta region and enhance the viability of SMEs there.

Literature Review and Hypothesis

Business performance is an important element to be able to achieve company goals. The success of the business and the survival of the company are the goals of every business actor. Business performance can be used as a measure of the overall achievement of business process activities in an organization. Business performance is also defined as a business performance level measurement including marketing, finance, number of customers, profits, and sales growth (Voss & Voss, 2000, 69).

Banking is a major factor in the improvement of SMEs sector welfare. Through the goal of directing national SMEs credit and raising public financial literacy, the government is encouraging banking contributions. The literature on financial management provides extensive documentation of financial literacy. According to Adomako et al. (2016), the information and cognitive skills required to manage finances and make wise financial decisions are known as financial literacy. Financial literacy, according to Korutaro et al. (2014), is the capacity of a person to make wise judgments and practical choices regarding the use and management of money. For business owners, financial knowledge is crucial. SMEs must be financially literate to assess their financial management and make financial decisions. Business owners can overcome obstacles in complex loan markets with financial literacy.

Entrepreneurs with financial literacy can control risk using the following techniques: 1) keeping cash reserves, 2) diversifying their investment portfolio, 3) lowering risk, and purchasing insurance. The sustainable development of SMEs has been found to be significantly hampered by inadequate financial literacy. Entrepreneurs still have a poor level of financial literacy, according to empirical studies. According to Kristanto (2022), a common issue for SMEs is a lack of financial literacy. Financial illiteracy affects corporate enterprises from the beginning to the end. The biggest cause of SMEs failing is a lack of financial knowledge. Although the advantages of financial literacy have been empirically demonstrated, little research has been done on how they may affect the sustainability of SMEs.

Cognitive processes and intuition influence the financial decisions of people with high financial literacy. By using risk management knowledge and abilities, Widdowson and Hailwood (2007) found that financial literacy enables people to benefit from the escalating competition in the financial markets. This study also demonstrates how financial literacy aids entrepreneurs in communicating their viewpoints to bankers when conducting customer interviews. empowering SMEs to overcome the obstacles posed by shifting financial and commercial marketplaces in order to attain sustainability (Reich, Berman, & Cowling, 2015). The sustainability of a corporation is influenced both directly and indirectly by financial literacy. It is common practice to utilize experimental study methods to examine the effects of individual financial literacy on predefined decisions, such as investing strategies and decisions (Norton & Moore, 2006). Research on financial literacy has been conducted in industrialized nations, and various financial literacy studies have been conducted in developing nations' SME sectors (Florio & Leoni, 2017).

Empirical Review and Hypothesis Formulation

According to the resources-based view (RBV), both tangible and intangible resources contribute to competitive advantage and firm performance. 2000 (Das & Teng). To keep a competitive edge, businesses require a variety of tools and information. According to Carmeli and Tishler (2004), intellectual capital contributes to organizational sustainability. According to the KBV model, financial literacy is a type of knowledge that affects how long SMEs can survive. According to Jappelli (2013) and Lusardi et al. (2010), financial literacy is crucial to the value creation process of SMEs and sustainable performance. Financial literacy adds to an organization's knowledge base and aids in its ability to respond to shifting market conditions. Companies profit from the chances that these shifts bring (Hosseini et al., 2019). Companies need to comprehend the value of financial literacy and methods for enhancing their knowledge capabilities.

Financial literacy is favorably correlated with corporate performance, according to a number of research (Huston, 2010). Companies with strong financial management perform better and have greater understanding of the financial implications of strategic concerns. According to Wise (2013), financial literacy is crucial for SMEs' survival in both developed and developing nations. Financial mistakes are frequently made as a result of poor financial management techniques (Lusardi & Mitchell, 2014). According to Huston's (2010) research, it takes financial literacy to navigate the swift changes in the economy. According to Kristanto (2022), individuals with good financial literacy are more likely to successfully invest in complex assets. 2004 Davidson III et al. discovered a link between financial literacy and business performance. According to Behrman et al. (2012), financial literacy plays a significant role in both wealth accumulation and business performance. According to Allgood and Walstad (2015), financial literacy is now one of the most important factors influencing organizational decision-making and long-term financial planning. Companies with strong financial management procedures are more likely to recruit them and support their growth or sustainability. Therefore, it is believed that financial literacy positively impacts SMEs' financial performance and sustainability. **Hypothesis 1: Business performance is impacted by financial literacy.**

Many studies have been conducted on the direct effect of financial literacy on the sustainable performance of SMEs. The pecking order theory explains the indirect effect of financial literacy on the sustainable performance of SMEs through access to finance. Myers (1984) expands on the funding sequence theory. Organizations take a hierarchical approach to investment and financing needs, favoring internal funds, external debt, and external equity in

that order. The literature suggests several side reasons for the demand and supply of this preference hierarchy. Kristanto (2022) argues that supply-side constraints exist when SMEs cannot access debt financing. Factors, such as higher interest rates and collateral requirements, are causing undercapitalization. Demand-side factors are based on facts, according to Bolton (1971) and LeCornu et al. (1996). According to Lawless and McCann (2011), managers of SMEs are particularly hesitant to give up control of their company and try first to finance business needs with their own money (personal savings and retained earnings). They next turn to short-term loans and finally long-term debt. Studies on SME finance frequently demonstrate that an issue with funding in this industry. The high failure rate of SMEs has been attributed primarily to poor financial literacy (Van Praag, 2003). SMEs must rely on internally generated cash because of their restricted access to financial markets. Internally produced cash can only support SMEs' performance to a certain extent.

Numerous studies have looked into the significance of financial literacy for the performance of SMEs in general, particularly their sustainability (Fatoki, 2014). Financial literacy, according to Beal & Delpachitra (2003), is a vital ability that enables people to successfully navigate the financial markets, make wise financial decisions, and lessen their risk of falling for financial scams. In order to make wise judgments to prevent financial losses and challenges, a company's access to money can be increased when the leadership is financially literate. Loan applications are more likely to be turned down when the financial reports are not prepared properly and there is a lack of financial information (Fatoki, 2014). By effectively communicating timely and useful financial information to relevant parties, such as bankers and lenders, financially literate SMEs boost their access to financial resources (Van Auken & Carraher, 2013). Good financial literacy enables SMEs to handle the difficulties of changes in the business and financial markets, according to Cowling et al. (2015). Lusardi & Mitchell (2011) found that financial literacy is essential for drafting loan applications and for persuading bankers during client interviews. Financial literacy makes financing more accessible and sufficient for SMEs, as well as more affordable and simpler to construct a sound capital structure, enhancing sustainability. **Hypothesis 2: Access to finance is influenced favorably by financial literacy. Hypothesis 3: Access to finance mediates the effect of financial literacy on business performance.**

The dual-process theory can explain the indirect effect of financial literacy on the sustainability of SMEs through financial risk attitudes. According to the dual-process theory, the mind is influenced by both cognitive and intuitive processes. A opinion, judgment, knowledge, or belief that cannot be supported logically or factually is said to be intuitive. Because they are prepared to take mental shortcuts, people who place a high value on intuition are highly affected by their emotions (Chan & Park, 2013). The cerebral activities of gathering, adapting, assessing, elaborating, storing, and utilizing information (thoughts and experiences) and sensory input are together referred to as cognitive processes. Understanding, calculating, reasoning, problem-solving, and decision-making are all aspects of cognition (Chan & Park, 2013). The relative prevalence of cognitive and intuitive thinking patterns influences financial risk attitudes, influencing decision-making (Lusardi & Mitchell, 2014).

The growing literature on financial literacy includes research on the relationship between financial literacy and financial risk attitudes (Ryack, 2011). Financial risk attitude is the extent to which a firm is willing to pursue risky financial resource opportunities in ventures with unknown returns. The organization's financial risk attitude reflects its enthusiasm for making large and risky resource commitments. Cacciotti & Hayton (2015) revealed that financial risk attitudes are influenced by cognitive and emotional factors. It seems sense that a

company's behavior to a specific circumstance would vary depending on its underlying attitude toward financial risk. Some businesses are better able to handle risk than others. Some businesses are better than others at managing risk. Attitudes toward uncertainty play a role in how one approaches financial risk and risk management.

Understanding business uncertainty and solid financial and strategic performance can be facilitated by the positive attitude toward accepting risks that comes with sound financial literacy. A link between financial risk attitudes, financial literacy, and educational attainment was discovered by Kristanto (2022). Financial literacy and risk attitudes have a beneficial association, according to Hsiao and Tsai (2018). Poor financial literacy influences poor financial decisions, as Van Rooij et al. (2011) demonstrated. A company's attitude toward financial risks and issues can be improved by raising its financial literacy. The knowledge and abilities of managers will be improved by raising corporate financial literacy. According to Eniola and Entebang (2017), good financial literacy results in improved management of resources and financial issues.

Widdowson Hailwood (2007) revealed that better financial literacy will make it easier for companies to exploit increased financial market competition. Companies that are financially literate have greater financial understanding and risk management capabilities. Making decisions is made easier when one has financial literacy. According to the theory put forth by Wiseman and Gomez-Mejia (1998), the more experience a company has with strategic risk-taking, the more certain it will be of the potential outcomes of a given risk and, consequently, the better its decisions will be. By enabling businesses to more thoroughly evaluate and justify their activities, financial literacy can lower the level of possible losses associated with taking risks. The degree to which particular tactical approaches are deemed to carry acceptable risks can vary depending on one's financial knowledge. Companies with poor financial literacy may not have the skills essential to evaluate risk, which may restrict their access to possibilities to generate very large profits. SMEs with a high level of financial literacy. More likely to engage in strategic risk-taking, which can increase their sustainability. **Hypothesis 4: Financial literacy positively affects financial risk attitudes. Hypothesis 5: Financial risk attitudes mediate the effect of financial literacy on culinary business performance.**

Research Method

Data, Research Samples, and Statistical Models

The population of this research is culinary business SMEs in Yogyakarta. Sampling technique using *purposive sampling*, with the following criteria: a) Capital according to PP No. classification. 7 of 2021, b) has financial reports, c) type of business registered at the Yogyakarta Deperindag. Structured questionnaires were used to collect data. The sample is 135 respondents or culinary business SMEs in Yogyakarta. The theory and findings from empirical investigations that support the hypotheses under investigation are referred to as the research design. The mediation regression model addressed the hypothesis (Greene, 2012; Wooldrige, 2013). The statistical tool uses the SEM-PLS model.

Operational Identification and Definition

Identification and operational definitions make the research focus clearer and more narrow for the desired outcomes. a survey on a 5-point Likert scale. Questions about inflation, currency exchange rates, interest rates, and future values are used to measure financial literacy. Items from the measurement scale created by Bongomin et al. (2018) are used in this investigation. The method utilized by Jianmu & Kulathunga (2019) and Kristanto (2022) is used

to measure financial access. The ten items that make up the access to finance scale. Financial risk attitudes are measured using psychometric tools created by Claessens and Tzioumis (2006). Six items are used to evaluate two dimensions of financial risk attitudes: risk perception and willingness to take risks. In Western nations, this tool has undergone thorough testing. Business performance is proxied by both financial and non-financial performance. use a measurement scale created by Kristanto (2022) and Jianmu and Kulathunga (2019).

Result and Discussion

Table 1 displays the traits of the respondents in this sample study. intended to describe the gender-based characteristics of managers of SMEs in the province of Yogyakarta. Men made up 51.85% of the population, respondents were generally between the ages of 26 and 43, their average level of education was a high school diploma, and they employed, on average, 1 to 15 individuals, making up 49.63% of the workforce.

Table 1. Profile of Respondents

Description:	N	Percent (%)
Gender:		
Men	70	51.85
Women	65	48.15
Age:		
17-25	15	11.11
26-34	40	29.63
35-43	35	25.92
44-52	20	14.81
53-62	25	18.52
Education:		
High school	43	31.85
Diploma	48	35.55
Bachelor	19	14.07
Master	25	18.51
Size of employees:		
1-15	67	49.63
16-30	24	17.77
31-45	5	03.70
46-60	21	15.55
Above 60	18	13.33
Note: n = 135		

Source: processed data, 2022

Factor Analysis

We use Cronbach Alpha to measure reliability, and factor loading to see validity. The measurement results can be seen in Table 2.

Table 2. Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Financial Literacy	0.944	0.945	0.953	0.718
Access of Finance	0.940	0.943	0.949	0.652
Finance Risk Attitude	0.937	0.956	0.950	0.714
Business Performance	0.955	0.959	0.961	0.714

Source: processed data, 2023

The reliability test results showed that Cronbach's Alpha values ranged from 0.937 to 0.955, all above the minimum threshold ($\alpha > 0.6$). These results are supported by Composite Reliability values ranging from 0.949 to 0.961 above 0.7 ($CR > 0.7$). Based on the table above, all constructs have a loading composite reliability value above 0.70. Referring to the opinion of Wooldridge (2013), it can be stated that this research instrument has met very reliable reliability.

Test of the Hypotheses

The statistical test results in Table 3 show that access to finance has an adjusted R square of 0.419. The results show that a financial literacy of 41.90% can explain changes in access to finance. Finance risk attitude has an R Square Adjusted of 0.279. A financial literacy of 27.90% can explain changes in financial risk attitude. Business performance has an R Square Adjusted of 0.692. A financial literacy of 69.20% can explain changes in financial performance.

Tabel. 3. R Square, R Squqre Adjusted

	R Square	R Square Adjusted
Access of Finance	0.426	0.419
Finance Risk Attitude	0.289	0.279
Business Performance	0.705	0.692

Source: processed data, 2023

Table 4. shows that financial literacy positively affects business performance, and **hypothesis 1 is accepted**. Statistical test results showed a t-statistic of 3.911 and a p-value of 0.000. The results indicate that the higher the financial literacy, the higher the SME's culinary business performance. This supports previous research, such as Huston (2010) and Lusardi and Mitchell (2014). Widdowson and Hailwood (2007), Behrman et al. (2012). Financial literacy is necessary to cope with rapid economic changes. The higher the financial literacy, the entrepreneur can quickly respond to changes that occur for the smooth running of the business. Financial literacy is an essential factor for the survival of SMEs in almost all industries in various countries. Financial literacy is the most crucial driving force in entrepreneurial decision-making and strategic short & long-term financial planning. Proficient and financial savvy form the basis for good SMEs' financial management practices and drive company performance and business continuity.

Table 4. shows that financial literacy positively affects access of finance, and **hypothesis 2 is accepted**. The statistical test shows a t statistic of 12.593 and a p-value of 0.00, indicating that there is a positive effect of financial literacy on the aces of finance. The higher the financial literacy, the easier it is to access finance. Entrepreneurial financial literacy can increase access to financial institutions. Effective decisions can be made to accelerate funding, investment, and transactions. High financial access avoids financial losses and difficulties.

Financial information with various applications can be more easily understood if entrepreneurial financial literacy is high (Fatoki, 2014; Cowling et al., 2015; Lawless & McCann, 2011).

Table 4. Path Coefficients, Mean, STDEV, T-Values, P-Values

	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistics (O/STDEV)	P Values
Access of Finance -> Business Performance	0.391	0.395	0.116	3.372	0.001
Finance Risk Attitude -> Business Performance	0.249	0.250	0.063	3.931	0.000
Financial Literacy -> Access of Finance	0.653	0.662	0.052	12.593	0.000
Financial Literacy -> Finance Risk Attitude	0.537	0.544	0.089	6.052	0.000
Financial Literacy -> Business Performance	0.306	0.305	0.112	2.740	0.006

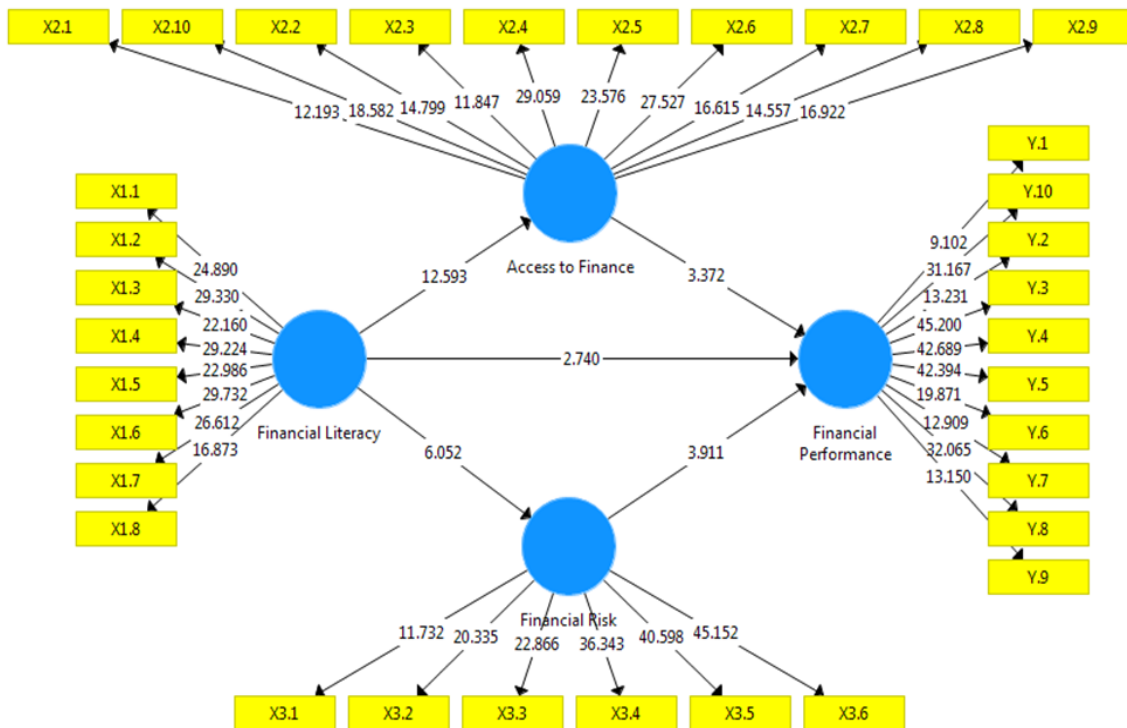
Source: processed data, 2023

Table 5. Specific Indirect Effects Mean, STDEV, T-Values, P-Values

	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistics (O/STDEV)	P Values
Financial Literacy -> Access of Finance -> Business Performance	0.255	0.261	0.079	3.223	0.001
Financial Literacy -> Finance Risk Attitude -> Business Performance	0.157	0.157	0.051	3.049	0.002

Source: processed data, 2023

Figure 2. Path Diagram



Source: processed data, 2023

The role of mediating access to finance can be seen in Table 5 specific affect effect and Figure 2. Path diagram. The research results show that access to finance can moderate the effect of financial literacy on business performance, and **hypothesis 3 is accepted**. The statistical test showed a t-statistic of 3,223 and a p-value of 0.001. The research results support previous research by Agyei (2018), Bongomin (2018), Eniola (2017), and Hussain et al. (2018). Ease of access to finance increases SMEs' physical access and eligibility for financial resources. Higher access to finance makes many choices of financial institutions that can be reached. High access to finance simplifies the process of financing transactions. This will facilitate the operations of SMEs, thereby increasing the company's performance. Easy access to finance can create a healthy capital structure, thereby increasing sustainability (Hussain et al., 2018).

Financial literacy has a positive effect on financial risk attitude. This can be seen in Table 4, with a t statistic of 6.052 and a p-value of 0.00. The results show that the higher the financial literacy, the higher the financial risk attitude. **Hypothesis 4 is accepted**. The results of this study are in line with the research findings of Chan and Park (2013), Lusardi and Mitchell (2014), Cacciotti and Hayton (2015), and Hsiao and Tsai (2018). Entrepreneurial financial risk attitude is an enthusiasm for making organizational and risky resource commitments. High financial literacy will increase mindsets and patterns of action that consider risk. Cognitive and intuitive thinking patterns influence risk attitudes when making financial decisions (Lusardi & Mitchell, 2014). Entrepreneurs can manage risk better than others. The attitude toward uncertainty and business conditions determines the attitude to financial risk and risk management.

The mediating role of finance risk attitude can be seen in Table 5 and Figure 2. The results show that the finance risk attitude can mediate the effect of financial literacy on financial

performance. Statistical t-test results of 3.043 and a p-value of 0.001, **hypothesis 5 is accepted**. This indicates that better financial literacy and easier access to finance will improve the performance of the SME's culinary business. This study supports previous research, such as Wiseman & Gomez-Mejia (1998), Rooij et al. (2011), Cacciotti & Hayton (2015), and Hsiao & Tsai (2018). Good financial literacy will influence the right financial decisions and increase entrepreneurial financial performance. Good financial literacy will make attitudes towards risks and financial challenges easier. Financial literacy helps improve entrepreneurial managerial knowledge and skills. Good financial literacy leads to more efficient and effective management of resources and finances. The greater the entrepreneur's experience in strategic risk-taking, the more careful risk consideration and better business decisions will be (Hsiao & Tsai, 2018).

Conclusion and Managerial Implication

This study examines the role of financial literacy, access to finance, and risk attitudes on the performance of the culinary business of SMEs in Yogyakarta, Indonesia. The number of respondents was 135 culinary entrepreneurs. The results show that financial literacy positively affects access to finance, risk attitudes, and culinary business performance of SMEs in Yogyakarta. Access to finance and risk attitudes can mediate the effect of financial literacy on culinary business performance.

In order to improve the performance of the SMEs in the culinary industry, policies to increase financial literacy, access to capital, and risk-taking attitudes are the management implications of the research findings. SMEs urgently require stakeholder policies, particularly those of the Provincial Government, that promote financial literacy, prudent financial attitudes and behavior, and access to capital. First of all, financial literacy encompasses more than just knowledge, skills, and values. Aspects of attitude and behavior are also required. There is a need for alignment and continuity between financial literacy efforts and financial inclusion because financial inclusion and financial literacy are strongly intertwined. Third, achieving financial literacy and inclusion methods are done so more effectively as a team, making it possible to achieve financial literacy to increase people's access to the financial services industry.

The Provincial Government must adopt a digital literacy policy to support SMEs in light of the expanding use of financial technology. Courses, training, technical assistance, and legal protection are all part of the strategies for SMEs in the education industry regarding digital literacy. Education in digital literacy is a catalyst for improving financial access, the moral character of SMEs, and the development of character to build a digital literacy ecosystem.

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