FINANCIAL SATISFACTION DETERMINANTS FROM HOME INDUSTRY IN SURABAYA

Jovian Fernando[1*], Jesica Handoko[2]

Abstract

Background: Financial satisfaction is one of the goals that every entrepreneur wants to achieve, which requires sacrifice of resources such as capital, time, energy, and other things to obtain it. Financial satisfaction is also the goal of a home business which is currently growing rapidly in Indonesia..

Purpose: The purpose of this research is to examine the effect of income, financial literacy, financial attitudes, and financial distress on the financial satisfaction of home-based business owners in the city of Surabaya.

Method: The convenience sampling method will be used to get 100 home-based business respondents in the city of Surabaya, both businesses that were established before or during the COVID-19 pandemic. Data collection was carried out by distributing questionnaires and the data was processed using SPSS software.

Results: The results of this study indicate that only income and financial attitudes have a positive and significant effect on financial satisfaction, while financial literacy and financial distress do not affect financial satisfaction.

Research Novelty: This research is a small amount of research that focuses on the achievements of home-based businesses that are thought to have the ability to survive during a pandemic. The findings prove that financial difficulties are not able to reduce their financial satisfaction.

Keywords: Income, Financial Literacy, Financial Attitude, Financial Distress, Financial Satisfaction

Introduction

The results of the 2016 At the end of 2019 economic stability was disrupted due to the Covid-19 pandemic, which not only had an impact on Indonesia but throughout the world. Various social restriction policies and regional quarantines have made it difficult for the community to carry out various activities, which has hampered the flow of distribution of goods and services. Despite this, micro and macroeconomic businesses in Indonesia have developed quite rapidly, both before and during the pandemic census stated that the area of the new business sector, small and large, was the largest source of livelihood, namely 22.37 million people (31.81%) of the total number of workers in Indonesia. The island of Java is of course the island with the largest majority of businesses/companies when compared to other islands in Indonesia, namely 16.2 million businesses/companies or equivalent to 60.74% (Siswoyo and Asandimitra, 2021). The number of Micro, Small, and Medium Enterprises (MSMEs) has increased quite rapidly during the

pandemic. Many new businesses have emerged along with the growth of new creative ideas and innovations even during a pandemic. The Surabaya Cooperatives and Micro Business Office noted that from 2020 to early 2021, the number of MSMEs increased to reach 40 thousand. There are an additional 29 thousand new MSMEs in Surabaya (Widodo, 2021). Several home industries that developed during the COVID-19 period in Surabaya, for example, included food and beverage businesses, private courses/lessons, make-up, and financial consultants. It can be said, that a home-based business is an alternative source of income in the midst of declining economic conditions.

Increasing MSMEs does not mean that MSMEs will always succeed in surviving. Some MSME traders tend to have products that are only popular at one time or season. Several frozen food businesses, for example (Ezizwita and Sukma, 2021), are developing in the community only because of the condition of the people who are afraid to go out to buy food outside due to hygienic factors and having to travel quite a distance. Indeed, there are MSMEs that are successful, such as businesses in the health sector (MSMEs masks and face shields) which are still getting a lot of orders during the pandemic. However, it would be better if MSMEs could last as long as possible and become business units needed by the wider community. To survive, MSMEs need to pay attention to many things including products, sales ethics, investment, and cooperation with various parties. In order to be able to adapt and meet various demands in doing business, MSME owners need to have financial satisfaction (Wahab, Aprillia, and Mulia, 2019).

Financial satisfaction is a condition of satisfaction that individuals feel related to various aspects of their financial condition (Sahi, 2017). An MSME/ home-based business entrepreneur must have a good business plan and financial targets for each business period/period so that the sustainability of a business can be ensured in the future. The importance of financial satisfaction is important for MSME owners so that business development can continue by offering products or services that attract consumers. The financial satisfaction of MSME owners can also be a benchmark for self-evaluation for MSME owners in detecting errors in the financial performance of the businesses they run.

Financial satisfaction can be influenced by many factors, such as: financial risk (Farild, 2022), loans (debt), gender differences (Siswoyo dan Asandimitra, 2021), financial behavior, and work experience (Ajzen, 2020). This study refers to 4 main factors, namely: income, financial literacy, financial attitude, and financial distress.

The first factor that is thought to influence financial satisfaction is income (Wijaya and Sugara, 2020). Income is additional income that is focused on meeting needs (Amelia and Isbanah, 2021). Income that is stable or even exceeds the target is thought to increase the financial satisfaction of home-based business owners. This variable is based on the theory of subjective well-being which states a state of mind that is capable of giving a full feeling of satisfaction and happiness. Moods that have positive emotions

involve cognitive assessments such as satisfaction in life and emotional responses to events that have been felt (DUHL, 2001). However, the research results of Siswoyo and Asandimitra (2021) and Amalia and Asandimitra (2022) found that income does not have a strong influence on financial satisfaction because high income does not always make people feel satisfied. Both of these studies, although they also use the subjective well-being theory (which suspects that a person's subjective assessment of his life includes life satisfaction components of positive affect and negative affect) like previous research (Diener, Oishi, and Lucas, 2003) but these two studies do not use a sample of MSME owners. The research sample of Siswoyo and Asandimitra (2021) uses a sample of workers who work at State-Owned Enterprises (BUMN) in the Sidoarjo area, while Amalia and Asandimitra (2022) use a sample of Surabaya residents who use online applications. Research will now be carried out on the object of MSME owners in Surabaya.

The second factor that is thought to influence financial satisfaction is financial knowledge (financial literacy) (Yap, Komalasari, and Hadiansyah 2018). Financial literacy is a good attitude toward making financial decisions using knowledge and experience that has been mastered (Nugraha, Pratama, and Kustiawan, 2020). Financial literacy is an important indicator for business owners that includes a good ability to manage finances efficiently, the ability to consider various alternatives in making financial decisions, and the ability to manage expenses and allocate them by utilizing existing financial resources (Sugiarti, Diana, and Mawardi, 2019). Financial knowledge is needed in an effort to determine the performance and direction of the company, such as the ability to understand the market price of the products we sell, see business opportunities to invest and generate income as well as being able to meet sales and income targets. This variable is based on the theory of planned behavior, namely attitude towards habitual behavior patterns is the initial definition of a person's approval of what is the stimulus for his response, both positive and negative (Ajzen, 2011), which is needed, including business activities. Amalia and Asandimitra (2022) found that financial literacy is stated to have a significant effect on financial satisfaction where it is assumed that a person will be able to make the right decisions if the way he manages his finances improves. The limited financial knowledge that a person has will have an effect on the lack of individual awareness in managing their finances. However (Siswoyo and Asandimitra, 2021) found that financial literacy has no effect on financial satisfaction. Agustina, Laili, and Pertiwi (2021) also did not find a significant effect on financial literacy because based on the rule of thumb test conducted it showed that the average profitability value (p-value) in this study only placed financial literacy in position 3 with a value of 0.031 and this value is below the other variables.

The third factor is financial attitude. Financial attitude refers to a belief and a belief that has a relationship to various basic individual financial concepts such as whether it is important to save money or save money (Parrotta and Johnson, 1998). Research (Siswoyo and Asandimitra, 2021) assesses that

financial attitude is influential because the high financial attitude of an individual determines awareness of accountability for individual expenses. Amalia and Asandimitra's research (2022) shows that individuals rarely make financial plans and only immediately save or just invest when they have their remaining salary, while Siswoyo and Asandimitra (2021) show the effect of financial attitude because a high financial attitude means showing high awareness of individual expenditure accountability. This variable is also explained by the theory of planned behavior, which is thought to affect the financial satisfaction of MSME owners.

The final factor that can affect financial satisfaction is financial distress. Financial distress can be defined as the failure of a company to fulfill its financial obligations at maturity which causes the company to retire (Opler and Titman, 1994). A company that experiences financial difficulties generally experiences a decrease in profit growth and fixed assets, as well as an increase in inventory relative to healthy companies (Kahya and Theodossiou, 1999). Agustina, Laili, and Pratiwi (2021) state that financial distress affects financial satisfaction. This study used a sample of 50 student respondents at Hasyim Tebuireng University, Jombang, while this study used home industry business owners in Surabaya.

This research has 2 benefits, namely academic benefits and practical benefits, the academic benefits of this research are that this research is expected to be one of the empirical and theoretical evidence for further research, especially related to income, financial literacy, financial attitude, and financial distress on financial satisfaction from the owner home industry especially in Surabaya. Practical benefits are expected to be considered for business owners to improve their financial literacy and financial attitude. In addition, this research is expected to help business owners find out the direct impact of income and financial distress on financial satisfaction, which is especially needed during the pandemic era.

Literature Review

Subjective Well-Being Theory

The theory of subjective well-being (SWB) is a theory that proposes a situation in which each person is able to measure correctly based on life experiences with actual situations and an assessment of life satisfaction (Diener, et al. 2003). The results of subjective well-being are introspection and evaluation of each individual. each personal about his life path that comes from affective and cognitive evaluations. An evaluation can be carried out with cognitive assessments, such as achieving satisfaction in each person's life, and emotional responses (Diener and Diener, 2002).

SWB is slightly different from health in mental behavior or psychological health, this can be caused by the presence of several people who experience the possibility of delusions that feel happy and achieve satisfaction in the life they live, but each person concerned cannot be defined as mentally or psychologically

healthy. Subjective well-being is not the same as psychological well-being (Diener et al, 1997). Explanations of subjective well-being and pleasure can be divided into three broad groups. First, subjective well-being is not a subjective definition but a number of expectations that have qualities that each wants to feel. Second, subjective well-being is an overall assessment of a person's life that refers to many kinds of criteria. The last definition of subjective well-being is when it is applied in daily dialogues where positive feelings dominate more than negative feelings (Diener, 2009).

Theory Of Planned Behavior

Theory of Planned Behavior is a theory created to measure and explain the actions of a human being in a specific context or more in Ajzen, 1991 (in Ajzen, 2011). The theory of Planned Behavior (TPB) is the result of the development of the Theory of Reasoned Action (TRA). This theory states that there are psychological influences that affect individuals in their decision-making. Making the right decision also involves mentality, nature, knowledge, and other things that result in a person not always being rational in making the right decision (Ajzen, 2011). This theory is principally to follow up on traditional financial theory. TPB states that the intention of each individual to do something is determined by three elements, namely: attitude toward the behavior, subjective norms, and perceptions of behavior control. Attitude toward a behavior is an interest in responding to something that is liked or disliked in an object, person, institution or event (Ajzen, 2011). Attitude is the sum of the affections (feelings) experienced and taken by each person to accept or avoid an object or habitual control and is measured by a step that places the individual on a two-pole evaluative scale, for example, good or bad, and agrees or refuses. After that can be decided, a person's attitude towards reactions to fraud will show feelings about the right and wrong of that action for a human being (Ajzen and Fishbein, 1975).

Financial satisfaction

Financial satisfaction is a condition of satisfaction/relief felt by individuals related to various aspects of their financial condition (Sahi, 2017). Financial satisfaction is one of the important aspects of economic prosperity which includes subjective and objective factors of a financial situation about whether or not a person's financial resources are good or not, or satisfying or not. The general picture in predicting life satisfaction, as a measure of subjective well-being, financial satisfaction can be achieved when a person gets satisfaction with financial conditions in the present and the future in the near term (Hira and Mugenda, 2000). Financial satisfaction can also be increased by increasing individual financial solvency (Joo and Grable, 2004). And that is what causes satisfaction to be a vital measure of the desired level, namely pleasure. (Xiao and O'Neill, 2018).

One element of financial satisfaction is a future marked by the fulfillment of obligations and financial assets. Referring to this definition, it is clear that achieving financial satisfaction is of course seen in how to manage assets, assets, and money. Financial satisfaction is something that is mandatory for everyone to achieve it. Financial satisfaction can be seen through various personal perspectives on satisfaction from income/profits received, skills to meet basic needs, basic ability to overcome financial problems, level of debt owned, total savings, availability of savings assets for future needs, and future aspirations (Hira and Mugenda, 2000). Measurement and assessment of financial satisfaction can be seen subjectively and objectively. Subjective assessment is the result of each individual's self in looking at the economic conditions that occur. An objective assessment is to look at the appropriate financial condition.

Income

Financial satisfaction is a condition of satisfaction/relief felt by individuals related to various aspects of their financial condition (Sahi, 2017). Financial satisfaction is one of the important aspects of economic prosperity which includes subjective and objective factors of a financial situation about whether or not a person's financial resources are good or not, or satisfying or not. The general picture in predicting life satisfaction, as a measure of subjective well-being, financial satisfaction can be achieved when a person gets satisfaction with financial conditions in the present and the future in the near term (Hira and Mugenda, 2000). Financial satisfaction can also be increased by increasing individual financial solvency (Joo and Grable, 2004). And that's what causes satisfaction to be a vital measure of the desired level, namely pleasure (Xiao and O'Neill, 2018).

Financial Literacy

Financial Literacy can be interpreted as a positive response in determining economic decisions using knowledge and understanding that is mastered (Nugraha et al., 2020). A person's behavior is based on the desires and targets of each individual, then the factors that can influence a person's behavior are information factors (Ajzen, 2005). Guzman et al. (2019) explained that financial literacy is assessed from four references, namely loans as well as savings, investment, insurance, and personal financial management.

Financial literacy provides knowledge, which makes a person's knowledge know what, how, where, why, and when to implement financial actions or just understand things about financial products, financial literacy provides the ability to apply that knowledge in real life to achieve success and satisfaction in life. the future (Parrotta and Johnson, 1998).

Financial Attitude

Financial attitude (financial attitude) is more focused on a strength and belief related to many basic concepts about individual finances such as what is important and useful in saving for the short and long term (Parrotta and Johnson, 1998). A business actor who has the right financial attitude will have control over the behavior taken in existing financial decisions so that he can restrain and limit himself in carrying out excessive consumption activities, thus the entrepreneur will have ease in achieving financial satisfaction (Adiputra, 2021). Personals who have a good financial attitude can have an effect on the good decision-making and financial actions that can happen to them. This can be because taking a good financial attitude is able to help each individual to understand what is believed regarding their relationship with money (Arianti, 2020).

Attitude is rooted in personal feelings about personal financial problems as measured by reactions due to an opinion or opinion, then financial management behavior leads to how a person takes actions related to personal financial interests, which is assessed and seen by the actions taken by the individual (Herdjiono and Damanik, 2016).

Financial Distress

Financial Distress is a period when a company experiences a failure of a company/business in paying or paying off financial debts that are owned at maturity which causes bankruptcy/collapse of a business/company (OPLER and TITMAN, 1994). Short-term financial distress is often fleeting but can have devastating effects. Several factors of financial difficulties can be assessed from cash flow analysis, company strategy analysis, and company financial reports.

Financial distress is mentioned in the corporate finance dictionary to direct certain situations when an agreement with a creditor is violated or fulfilled but one has to work hard. Financial distress occurs before bankruptcy (Anistasya and Setyawan, 2022). Financial distress states that the two focus points are difficulties in disbursing short-term funds to unsolvability. Situations like this often last only a short time but can develop into fatal. Financial crisis indicators can be viewed from the cash flow diagram, financial reports and liabilities owned by the company (Hanafi and Breliastiti, 2016).

Hypothesis Development

The Influence of Income on Financial Satisfaction

Income is additional income aimed at meeting daily needs in life (Amelia and Isbanah, 2021). The effect of income on financial satisfaction in this study can be explained by research conducted by (Wijaya and Sugara, 2020), Income has a positive influence on financial satisfaction. With a large influx of income,

an entrepreneur will be able to meet all varied needs, so financial satisfaction can be felt. These results support research conducted by Candra and Memarista (2015). Research (Candra and Memarista, 2015) indicates that income has a positive effect on financial satisfaction, because if the income received is higher than the number of operational funds The industry will grow, then the satisfaction of income earned will be achieved, as well as increasing needs in a month and self-desire that can be obtained. Everyone's financial satisfaction is influenced by the nominal amount earned and net income, this can be concluded that financial satisfaction can be felt immediately when the income earned increases (Wijaya and Sugara, 2020). Stable income will meet good targets in every MSME business that is developing and wants to expand its business wings. From the explanation above, the hypothesis will be tested:

H₁: *Income has a positive effect on Financial Satisfaction*

Effect of Financial Literacy on Financial Satisfaction

Financial literacy in the theory of planned behavior is also stated to have an effect on financial satisfaction as stated by this research (Amalia and Asandimitra, 2022). The information obtained and studied cannot build and decide someone how to make financial decisions. This info consists of knowledge, experiences that have occurred, and positive information obtained or reported in the media. The existence of knowledge related to financial management will help each individual to determine appropriate financial decisions and can lead to maximum financial satisfaction (Hasibuan., 2018).

Each individual has varying levels of literacy, so business people will make various decisions based on the knowledge they have. With advances in technology, a person can be more able to explore in obtaining information, sorting information is also very important because some information is still considered bad information, so the actions taken are not necessarily good actions which can lead to financial satisfaction. The action that can be implemented is to carefully sort the incoming information to ensure and ensure the suitability of the information obtained. Receiving correct information will increase the level of literacy so that you decide correctly on financial actions and achieve financial decisions (Amelia and Isbanah, 2021). Literacy in financial reading is an advantage for concluding information assessments and making the right decisions regarding the allocation and management of money.

Financial literacy has a relationship with financial management. regarding insufficient finances, resulting in the failure of targets for each individual, and can result from inflation, a decline in economic conditions both on a national and international scale or the development of the economic system (Anitha, 2016). In this research, financial literacy is thought to have a positive influence on financial satisfaction. From the explanation above, the hypothesis will be tested:

H₂: *Financial Literacy has a positive effect on Financial Satisfaction*

The effect of financial attitude on financial satisfaction

Research conducted by Wijaya and Sugara (2020) can conclude that financial attitude has a significant impact on achieving a level of financial satisfaction. The more developed the Financial Attitude from within oneself, of course, will have an impact on growing financial conditions, and the quality of the finances owned will also improve very well. (Wijaya and Sugara, 2020). Then research belongs to (Candra and Memarista, 2015) concludes that applying a good financial attitude will significantly support one's target in achieving financial satisfaction, and applying a good financial attitude will help planning and budgeting, regulatory and financial controlling activities occur. If these four things are implemented properly, the level of student financial satisfaction will be even higher (Candra and Memarista, 2015).

Attitude can be another factor that becomes a benchmark for an individual in behaving. Attitude in showing behavior is defined as a person's reference to an attitude that reflects that a person will try to evaluate himself subjectively to his nature. Research conducted by (Adiputra, 2021), also has positive results stating that financial attitude has a significant influence on financial satisfaction. Attitudes can affect a person's behavior which has been explained based on the behavioral theory. The theory of planned behavior has an explanation about our nature of behavior in which every self is able to take advantage of something that is beneficial and cannot provide benefits. Social factors are called subjective norms, guided by elements of social pressure that are felt to realize and may not take action (Adiputra, 2021). From the explanation above, the hypothesis will be tested:

H₃: *Financial Attitude has a positive effect on Financial Satisfaction*

Effect of Financial Distress on Financial Satisfaction

Research conducted by (Agustina, Laili, and Pertiwi, 2021) states that financial distress has a rather bad effect on each individual achieving financial satisfaction. understand financial distress or financial difficulties is a weakening of the financial situation that is felt before bankruptcy occurs. When a person is able to manage his financial flow wisely, all financial problems faced can be resolved so that financial distress will not be experienced and financial satisfaction can be felt (Agustina, Laili, and Pertiwi, 2021). Financial distress itself is considered to have a negative effect on financial satisfaction because financial distress in the research conducted (Agustina et al., 2021) occurs when there is a decrease in assets/assets experienced prior to bankruptcy. This variable uses the theory of planned behavior. From the explanation above, the hypothesis will be tested:

H₄: *Financial Distress has a negative effect on Financial Satisfaction.*

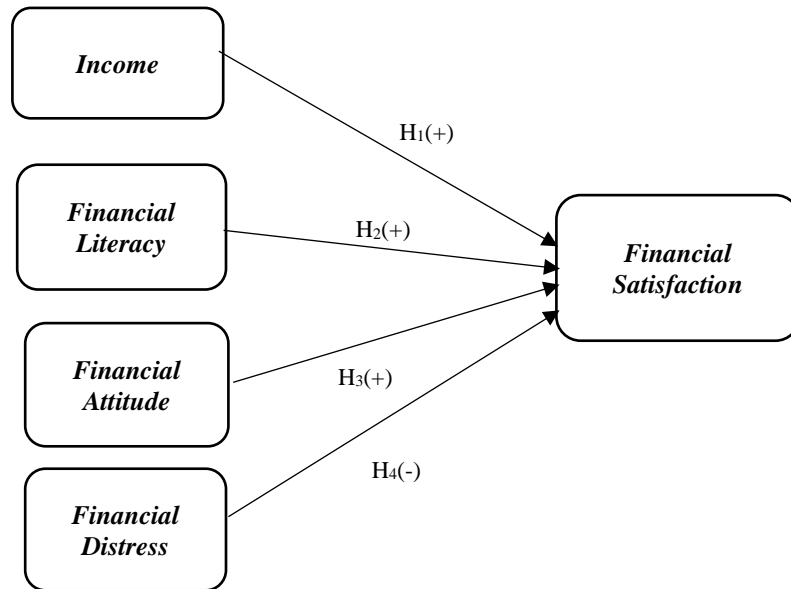The research model for all hypotheses is presented in Figure 1.

Figure 1. Research Model

Research Methods

Research Design and Research Variables

The design of this study uses a quantitative approach with primary data by distributing questionnaires online (G-form) to home industry business owners in the city of Surabaya. Data collection uses objective research instruments, and data analysis is total or total (quantitative) or statistical, with the aim of testing the hypotheses that have been made (Soegiyono, 2011).

The five variables that will be examined in this study are: Financial Satisfaction as the dependent variable and income, financial attitude, financial literacy, and financial distress as the independent variables. The following is the operational definition of each variable. All indicators are measured by 5 Likert scales with a score of (1) for Strongly Disagree (STS) and a score of (5) for Strongly Agree (SS). Pilot tests on the indicators of each variable have been carried out to test whether the questions are relevant and understandable. The questionnaire attached in the Appendix and Tabel 1 describes the research variables.

Table 1. Research Variables and Measurement

Variable	Definitions	Sources of Indicators	Number of Indicators
Income (IN)	Additional income intended for meeting needs (Amelia and Isbanah, 2021)	Siswoyo and Asandimitra (2021) and Sukirno (2006).	4 (IN1 to IN4)
Financial Literacy (FL)	a positive attitude in making financial decisions by utilizing the knowledge possessed (Nugraha., Pratama., and Kusnaedi, 2020)	Agustina, et al, (2021)	13 (FL1 to FL13)
Financial Attitude (FA)	beliefs and beliefs related to many basic individual financial concepts, such as whether it is important to save money or save money (Parrotta and Johnson, 1998).	Siswoyo and Asandimitra (2021)	6 (FA 1 to FA6)
Financial Distress (FD)	the failure of a company to pay and pay off its financial obligations at maturity which causes bankruptcy of the company. (OPLER and TITMAN, 1994)	Agustina, et al, (2021).	4 (FD1 to FD4)
Financial Satisfaction (FS)	a condition of satisfaction/relief felt by individuals related to various aspects of their financial condition (Sahi, 2017).	Agustina, et al (2021)	6 (FS 1 to FS6)

Research Sample

This study has a population of 100 home industry business owners in the city of Surabaya spread across the Surabaya area, such as (A) North Surabaya: the areas of Lebak Jaya, Kenjeran (fish center), Gembong, and Kepanjen; (B) East Surabaya: Rangkah and Mulyosari areas; (C) Central Surabaya: Peneleh and Pasar Atum areas, (D) West Surabaya: Manukan and Benowo areas; and (E) South Surabaya: the Petemon, Sawahan, and Flower Market areas. Samples with home industry MSME criteria that are the target of research are (a) Home industry businesses that were established before or at the start of the pandemic and (b) Home industry businesses in all areas of service and trade in the city of Surabaya. Sampling was carried out by targeting at least 100 home industry businesses spread across the city of Surabaya by visiting home industry locations and distributing questionnaires online.

Data Analysis Techniques

Research data analysis includes classical assumption test (multicollinearity test) data quality test (validity test and reliability test) and t-test. This study uses the Statistical Program for Social Science (SPSS) 23 analysis technique. The multicollinearity test is a test used to test whether the regression model has a

correlation between independent variables, which will be tested using a tolerance value and Value Inflation Factor (VIF) (Ghozali, 2018: 107-108). The validity test has a function as a measuring method whether a questionnaire is valid or not valid. Questionnaires can be declared valid if the questions on the questionnaire are able to reveal something that is measured by the questionnaire (Hermawan, 2022). Metrics or variables are declared valid if the Sig value < 0.05. The reliability test is actually a tool for measuring a questionnaire/questionnaire which is a benchmark or indicator that becomes a variable or construct, a variable is declared valid if the value of Cronchbach's Alpha is > 7%.

Evaluate the inner model or structural model in order to find out how the direct and indirect influences are between each variable. This evaluation can be started by using the R-Square value, which is to measure how well the regression line matches the actual data (goodness of fit). The greater R2 (closer to 1), the better the results for the regression model and the closer it is to 0, the independent variable as a whole cannot explain the dependent variable. In the end, the F test was carried out to assess whether the regression model could be established or not (Ghozali, 2018: 98). The regression model is said to be feasible if the significance of F is less than 0.05.

The t-test (partial) is used to show the effect of the independent variable on the dependent variable. Hypothesis testing explains the structural relationship between variables. Testing the hypothesis using Partial Least Square (PLS) software, the T-test can be done by comparing the value of the t-statistic with the t-table, which is 1.96. If the value of the t statistic is $\geq$ 1.96 (α = 5%) then the relationship between the two variables has a significant effect and the hypothesis is accepted.

Result and Discussion

Characteristics of Research Objects

The object used in this study is the owner of a home industry business in the city of Surabaya. The selection of samples using a convenient sampling technique. Questionnaire distribution began on March 12 2023-April 15 2023 and 100 home industry businesses were obtained for the research sample. Table 2 describes the sample demographic. Responses from the questionnaires described in Table 3.

Table 2. Demographic of Respondent (n=100)

Business Location		
Location	**Respondent Total**	**Percentage (%)**
North Surabaya	21	21%
South Surabaya	10	10%
Central Surabaya	23	23%

Business Location		
East Surabaya	29	29%
West Surabaya	17	17%
TOTAL	100	100%

business established since		
Explanation	**Respondent Total**	**Percentage (%)**
Sebelum dan pada 2019	57	57%
Setelah Tahun 2019	43	43%
TOTAL	**100**	**100%**

Income/Year		
Income/Year	**Respondent Total**	**Percentage (%)**
<1.000.000.000	54	54%
1.000.000.000-2.000.000.000	16	16%
2.000.000.000-5.000.000.000	13	13%
5.000.000.000-10.000.000.000	2	2%
>10.000.000.000	15	15%
TOTAL	100	100%

Decrease in turnover		
Explanation	**Respondent Total**	**Percentage (%)**
Yes	27	27%
No	73	73%
TOTAL	100	100%

Gender		
Gender	**Respondent Total**	**Percentage (%)**
Male	47	47%
Female	53	53%
TOTAL	100	100%

Age Of Respondent		
Age of Respondent	**Respondent Total**	**Percentage (%)**
17-25 Year	56	56%
26-34 Year	15	15%
35-42 Year	13	13%
Over 42	16	16%
TOTAL	100	100%

Source: Processed data (2023)

Table 3. Statistics Descriptive (n=100)

Variable	N	Minimum	Maximum	Mean	Standard Deviation
I	100	4.00	20.00	153.700	336.847
FL	100	13.00	65.00	495.700	918.635
FA	100	6.00	30.00	238.800	397.792
FD	100	4.00	20.00	117.900	413.972
FS	100	6.00	30.00	218.700	563.297

Source: Processed data (2023)

Multicollinearity, Validity and Reliability Test Results

The VIF value is below 10 and the tolerance value is more than 0.10 which means that there is no multicollinearity for all variables. The results of the multicollinearity test show that each variable:

1. Indicator I◊FS tolerance value is 0.511 and VIF is 2.081.

2. FL◊FS indicator tolerance value is 0.368 and VIF is 3.043

3. Indicator FA◊FS tolerance value 0.336 and VIF 3.099

4. Indicator FD◊FS tolerance value is 0.971 and VIF is 1.036

Questionnaires can be declared valid if the questions on the questionnaire are able to provide disclosure of something that is measured by the questionnaire (Hermawan, 2022). All Income variable indicators (I1-I4) show a significance level of 0.000. All indicators of the Financial Literacy variable (FL1-FL13) show a significance level of 0.000. All indicators of the Financial Attitude variable (FA1-FA6) show a significance level of 0.000. All indicators of the Financial Distress variable (FD1-FD4) show a significance level of 0.000. All indicators of the Financial Satisfaction variable (FS1-FS6) show a significance level of 0.000. The results of the validity test which all show a value of 0.000 or less than 0.05 means that each variable has shown results that can be declared valid.

Reliability test aims to measure indicators of a variable whether valid or not. Valid if Cronchbach's Alpha value is equal to or above 7%. Table 4 shows that the value of Cronbach's Coefficient Alpha If Item Deleted is more than 0.7, which means that all the variables in this study can be declared reliable.

Table 4. Result Of Reliability Test

Variable	Corrected Item-Total Correlation	Cronbach's Alpha if the item deleted
Income	0.783	0,872
Financial Literacy	0,811	0,898
Financial Attitude	0,845	0,869

Variable	Corrected Item-Total Correlation	Cronbach's Alpha if the item deleted
Financial Distress	-0,640	0,898
Financial Satisfaction	0,694	0,877

Source: Processed data (2023)

Determination Coefficient Test and F Test

Evaluate the inner model or structural model in order to find out how the direct and indirect influences are between each variable. The adjusted R-Square and R-Square values for the Income variable are 0.765 and 0.586 respectively. The F test is carried out to assess whether the regression model can be established or not (Ghozali, 2018: 98). The result of the F test is 33.566 with a significance level of 0.000. These results indicate that the model in this study is feasible.

The t (partial) test is used to show the effect of the independent variable on the dependent variable. Hypothesis testing explains the structural relationship between variables. SPSS hypothesis testing can be done by comparing the value of the t-statistic with the t-table, which is 1.96. The following is a description of the results of the hypothesis test:

Table 5. Result of Hypothesis Testing

Hypothesis	Path Analysis	T-statistic	Sig
H_1	I → FS	6.507	0.000
H_2	FL → FS	-1.009	0.316
H_3	FA → FS	2.554	0.012
H_4	FD → FS	-1.243	0.217

Source: Processed data (2023)

1. Income has a positive and significant effect on Financial satisfaction. It can be seen that the path coefficient is 0.561, the t-statistic is 6,507 which is greater than 1.96, and the Sig is less than 0.05. This indicates that the higher the income earned by a home industry business actor, the greater the satisfaction of a business actor with his finances. The hypothesis test stated that hypothesis 1 was accepted.

2. Financial Literacy has no positive effect on financial satisfaction. This influence can be seen from the t-statistic of -1.009 or below 1.96, and a Sig of more than 0.05. This proves that the higher one's reading level has no significant effect on one's satisfaction that is owned by each personal business actor so hypothesis 2 cannot be accepted.

3. Financial attitude has a positive and significant effect on financial satisfaction. This influence can be seen in the path coefficient of 0.233, with a t-statistic of 2,554 and still above 1.96, and a Sig of not more than 0.05. This proves that the higher a person's financial attitude, the higher the level of financial satisfaction of a home industry entrepreneur, so hypothesis 3 can be accepted.

4. Financial Distress has no significant effect on financial satisfaction, but this effect can be seen from the t-statistic of -1,243 which is still below 1.96 and the Sig exceeds 0.05 which proves that financial distress has no effect on financial satisfaction.

Discussion

Income has a positive and significant effect on financial satisfaction. It can be seen that the path coefficient is 0.561, the t-statistic is 6,507 which is greater than 1.96, and the Sig is less than 0.05. This indicates that the higher the income that a home industry business actor gets, the more it affects the satisfaction of a business actor with his finances. The hypothesis test stated that hypothesis 1 was accepted.

Income has a strong influence on financial satisfaction in home industry business actors in Surabaya. Judging from the results of the data, it was found that the majority of respondents were women with a percentage of 53% aged 17-25 years. The results of this study are in line with the Subjective Well-Being Theory, in which this theory has the meaning that income can have a fairly strong effect on subjective well-being (Diener et al., 2003). In this age range (student or student age) young entrepreneurs are medium in search of income. When they want to buy something and don't want to ask their parents for it, they try to earn their own income by opening small businesses that start from home. This can be seen by the large number of young people trying to fulfill their personal desires with their own income through their own businesses, but other things such as awareness and alertness in solving economic problems can also be another factor that encourages young people to earn their own income through established businesses. The results of this study support the results of previous studies (Wijaya and Sugara, 2020) found a positive and significant relationship between income and financial satisfaction, and concluded that the higher the amount of income, the more financial satisfaction can be achieved. In other words, income has a positive and significant influence on the financial satisfaction of home industry entrepreneurs in Surabaya (H1 accepted).

Financial Literacy has no positive effect on financial satisfaction. This influence can be seen from the t-statistic of -1.009 or below 1.96, and a Sig of more than 0.05. This proves the higher that a person's reading level has no significant effect on one's satisfaction that is owned by personal business actor. So hypothesis 2 cannot be accepted. Financial literacy is proven to have no significant effect on financial satisfaction in home industry business actors in the city of Surabaya. This proves that the reading level of a home industry entrepreneur in the city of Surabaya has no effect on their individual financial satisfaction, so this is in line with the theory of planned behavior which explains that a person's behavior is based on personal intentions and goals. One of the factors that can influence a person's behavior is the information factor (Ajzen, 2011). If the objectives of the business actor cannot be achieved, financial satisfaction cannot

be achieved. In implementing a home industry business, it can also be seen that every business actor can come from various groups with different educational backgrounds, the respondents who filled out the questionnaire also saw that most of them came from the age of 17-25 years, which means that the respondent's data came more or less from the middle class. school students to university students indicating that the respondents who responded had not experienced full education. Then at the age of 42 years and over there is also the possibility that there is no formal education obtained so the results on the financial literacy variable do not have significant results or have no effect. The results of this study are also supported by research (Siswoyo and Asandimitra, 2021) which found financial literacy does not significantly affect financial satisfaction among employees, so hypothesis 2 cannot be accepted.

Financial attitude has a positive and significant effect on financial satisfaction. This influence can be seen in the path coefficient of 0.233, with a t-statistic of 2,554 and still above 1.96, and a Sig of not more than 0.05. This proves that the higher a person's financial attitude, the higher the level of financial satisfaction of a home industry entrepreneur, so hypothesis 3 can be accepted.

This proves that financial attitude has a positive positive influence on financial satisfaction. This is in accordance with the Theory of Planned Behavior, which in this theory explains that a person's behavior is based on his personal intentions and goals. One of the factors that can influence a person's behavior is the information factor (Ajzen, 2011). One of the factors that determine a behavior decision is starting with the right attitude, in making various financial decisions. Financial attitudes are related to managing financial situations and the result proves that financial attitudes prove to be a good start in achieving financial satisfaction for each individual. Ajzen (2005) argued that attitudes toward a behavior are determined by the strength of beliefs about the consequences of the behavior, also called behavioral beliefs. Beliefs refer to an individual's subjective judgments about the world around him and his understanding of himself and his environment. Beliefs can be expressed by associating a predicted action with the various benefits or losses that may result from performing or not performing that action. This belief may strengthen attitudes toward the behavior based on the analysis of the obtained data that the behavior may benefit the perpetrator. Apart from that, this hypothesis is also supported by previous research (Siswoyo and Asandimitra, 2021) which states that financial attitude can be applied and is sufficient to describe a reference for financial decisions to achieve financial satisfaction owned by respondents in this study and found that financial attitude has a positive effect on financial satisfaction. to employees in BUMN companies in the city of Sidoarjo, so hypothesis 3 can be accepted.

Financial Distress has no significant effect on financial satisfaction, but this effect can be seen from the t-statistic of -1,243 which is still below 1.96 and the Sig exceeds 0.05 which proves that financial distress has no effect on financial satisfaction. This proves that financial distress does not have a negative

relationship with financial satisfaction. Allegedly it is not uncommon for a financial turmoil that occurs nationally or globally to be felt directly by every individual. The closest example is the effect of the Covid-19 pandemic which has instead provided several new business opportunities for every home industry player, such as the example of masks, medicines, and food businesses that get more profits so that each business is able to increase the income they are targeting and planning. The results of this study are also inconsistent with the theory of planned behavior which states that a human's behavior is based on his passion and personal goals. It suggested maybe because of the nature of samples which are home industry business owners do not experience financial distress because apart from being large in number, they are also a type of business that absorbs a lot of labor. After the Covid-19 pandemic, MSMEs are also said to recover quickly because they are able to adapt to the digital ecosystem (https://www.djkn.kemenkeu.go.id/kpknl-lhokseumawe). One of the factors that can influence a person's behavior is the entry of information (Ajzen, 2011). The results of this study contradict previous studies (Agustina, Laili and Pratiwi, 2021) that found the effect of financial distress on financial satisfaction, so hypothesis 4 cannot be accepted.

Conclusion

From the research that has been done, it can be concluded that income has a significant positive effect on the financial satisfaction of home industry entrepreneurs in Surabaya. The greater the income owned by home industry business actors, the greater the attachment to financial satisfaction from home industry business actors. Likewise, it can be concluded that financial attitude has a significant positive effect on financial satisfaction. The right financial attitude can certainly help every business actor make good decisions so that every business actor's financial satisfaction is higher. Financial literacy and financial distress do not have a significant effect on financial satisfaction in home industry business actors in Surabaya. These findings fail to prove that the financial literacy level of every home industry business actor is a reference in achieving financial satisfaction. Financial difficulties are also not always a negative impact or an obstacle to a business actor in achieving the financial satisfaction expected by every business actor.

Based on the limitations of the research, the academic suggestion for future research is the need to add other variables either as independent variables or as moderating or intervening variables. Future research can explore the population of respondents in areas other than Surabaya and outside the home industry sector. Practical advice is for every home industry business actor to be more careful in taking a stance to deal with a dynamic and uncertain financial situation. In developing a home industry business, of course, income is the general goal of every business actor, but the financial attitude taken will be very helpful in developing the income earned by every home industry player in the city of Surabaya.

Appendix

Questionnaires

Please choose one answer that is in accordance with your opinion regarding income (income) as follows:

SS: Strongly Agree S: Agree TS: Disagree STS: Strongly Disagree

INCOME

No	Statement	SS	S	TS	STS
1	Business income can meet the needs of daily life				
2	The Business Profit that I receive is in accordance with the performance of the work that I do				
3	Business costs incurred per month can be met				
4	The operating profit that I earned was in accordance with the target I expected				

FINANCIAL LITERACY

No	Statement	SS	S	TS	STS
1	I use monthly financial planning because I realize the benefits of budget planning for my business				
2	I apply how to manage finances well				
3	I know and set short, medium and long-term financial goals				
4	I know the factors to consider in preparing a monthly budget and expenses				
5	I know the various sources of income in my business				
6	I am aware of unexpected expenses in business				
7	I know the time value of money				
8	I know the terms of interest rates				
9	I know the aspects that need to be considered in taking credit.				
10	I know the factors considered in choosing the type of insurance				
11	I know about short-term and long-term investing				
12	I know the investment strategy for Deposits, Stocks, Bonds, and Property				
13	I understand the knowledge of dividends				

FINANCIAL ATTITUDES

No	Statement	SS	S	TS	STS
1	I have control over my obsession with something				
2	I have the power to control things				
3	I will do my best to reach the financial target that I want				
4	I am able to control my attitude when I experience insufficient for what I have				

| 5 | I am able to increase turnover by using business profits | | | | |
| 6 | I am not worried about the risks that will occur in my business | | | | |

FINANCIAL DISTRESS

No	Statement	SS	S	TS	STS
1	I feel stressed when turnover has decreased				
2	I feel worried about fulfilling the survival of my business				
3	I often experience a lack of money to meet my business needs				
4	I feel stressed seeing the financial condition				

FINANCIAL SATISFACTION

No	Statement	SS	S	TS	STS
1	I am satisfied with the amount of personal savings to increase business capital.				
2	I am satisfied with my business income because it can be used to expand the business.				
3	I often experience a lack of money to meet my business needs				
4	I am satisfied because I am able to manage the current income and expenditure budget				
5	I am satisfied with my current business turnover				
6	I am satisfied because I am able to manage the current income and expenditure budget				

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