



Financial Literacy and Entrepreneurial Motivation in Supporting Economic Activity and Business Sustainability of Informal Sector Entrepreneurs

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ABSTRACT: Informal sector contributes positively to economic growth of developing countries. The lack of employment in formal sector triggers the growth of informal sector. The role of the government and society is very much needed to manage informal sector. Through relevant financial knowledge and entrepreneurial motivation owned, it is expected to be able to support the economic activities of the informal sector in supporting business sustainability. The purpose of this research is to review the relationship between financial literacy and entrepreneurial motivation that can support the economic activities of informal sector in maintaining business sustainability. The sample used was 124 MSEs in informal sector. The data were collected through questionnaire deployment and analyzed using Path Analysis. The results of the research indicate the influence of financial literacy and entrepreneurial motivation on economic activity. Moreover, the influence of financial literacy and entrepreneurial motivation on business sustainability can also be proven significantly.

Keywords: Business Sustainability, Economic Activities, Entrepreneurial Motivation, and Financial Literacy.

I. INTRODUCTION

The informal sector has been known as a natural phenomenon in many developing countries including Indonesia. Informal sector workers in Indonesia are the dominant labour force in the fulfillment of the community economy. The informal sector becomes a business alternative for the community. Based on data from the Central Bureau of Statistics [1], the number of formal workers as much as 55,272,968 or increased 4.1 percent from the previous year. While in the informal sector, the number of workers in the same year had a total of 74,093,224 people or increased by 0.16 percent from the previous year. The high composition of informal sector workers makes the informal sector a safety valve in the determination of the work force problem in Indonesia.

BPS (The Central Bureau of Statistics) mentions, the development of the informal sector can be viewed from two sides. First, the development of digital economy and technology spur growth of self-employed online and independent. In addition, the growth of the informal sector is also influenced by the characteristics of the millennials who tend to choose flexible working hours. On the other hand, the growth of informal workers can also be caused by recent alternatives to simply get a job. In addition, uneven development also became the driving factor of the informal sector growth

The informal sector is seen by some experts as a 'second level' economy. However, the informal sectors ability to innovate and produce added value from used goods have made them become ideal entrepreneurs in the industrial world [2]. The role of the informal sector is believed to be able to support the economy of a country;

therefore, it needs to encourage the growth of SMEs through policies made by the government [3-5].

The existence and sustainability of the informal sector cannot be underestimated, considering that in the contemporary economic system the informal sector does not always show negative symptoms but it turns out that they are able to show their existence in economic development. At a minimum when employment opportunities for the workforce are inadequate, the informal sector is able to accommodate the workforce to find work [6-7]. The informal sector has occupied a key position in economic activity in many developing countries [8].

To improve business performance and sustainability, SMEs need to improve their financial knowledge so that financial management can be better accounted for. Financial management knowledge is recognized as a core resource that can help effective decision making by SME owners [9]. That with good financial literacy it is hoped that SMEs will be able to make appropriate management and financial decisions to improve business performance and sustainability [10], while the financial knowledge possessed by SME business entrepreneurs is able to support business sustainability [11]. Whereas, that the higher the level of financial literacy of the entrepreneurs, they will have the ability to manage their business properly concerning their business and financial decisions for long-term business sustainability [12].

There have been many literatures discussing the relationship between a company's ability to manage finances and the company's growth rate [13-16]. A positive influence between financial literacy and business success and company performance [17]. The

results of research indicated a positive relationship between financial knowledge and business sustainability for MSMEs [10, 11].

Financial knowledge is an important aspect of managing finances. Using financial knowledge owned, business and financial decisions of business people will lead to better development, increase business capacity to survive in the midst of a crisis and ultimately make the business have long-term sustainability [10]. However, other research found that financial literacy did not affect the growth of MSMEs [18]. Research on an SME in Africa found there is no influence on the understanding financial literacy on growth and the performance of SMEs [19].

Micro, Small and Medium Enterprises (MSMEs) is a business sector that have many variations of products, ranging from daily necessity products to handicraft products and souvenirs. Business in the field of food and beverage services have become one of the many businesses favored by SMEs [20]. The rapid growth of SMEs indicates that there are factors that motivate SMEs to become entrepreneurs. Empirical studies that explore entrepreneurial motivation in the small and medium enterprises (small medium enterprises - SMEs) have been carried out with various theoretical and context perspectives [21-27].

Some of the literature shows a positive relationship between motivation towards the sustainability of SMEs; and the motivational theories can help companies have competitive advantages that will support the sustainability of their business [28]. Likewise, the research revealed that Chinese entrepreneurs regard honesty reputation as the main factor to support their success [29]. Besides, service and friendliness to customers, good management, charisma, and access to get capital serve as the main factors for achieving higher business. Entrepreneurial motivation consisting of achievement motivation, risk tendency, and self-efficacy has a significant effect on both the innovation process and business performance [30]. The relationship between entrepreneurial motivation with business performance [31].

The results of research found a significant influence between entrepreneurial motivation and the growth of SMEs in Thika City, Kenya even though the education of entrepreneurs there is still classified as middle and lower. Therefore it is necessary to intervene the local government to provide training and improve their skills as the growth of SMEs there also play an important role to support economic growth in Thika, Kenya [32].

To start the business, both the formal and informal sectors, armed with skill and talent are not enough, need to be equipped with motivation [33]. Intention of running a business needs to be manifested in behavior. Transforming ideas into important actions to realize the whole process of entrepreneurship [34]. Entrepreneurial motivation describes a person's ability to carry out his business activities, which are based on self willingness to achieve goals.

There are several motivations that underlie a person running a business. A person's motivation to develop a business is based on the desire to increase income, apply past knowledge and experience, feel worry about

work, and there are 4 (four) other reasons obtained from the results of research namely satisfaction and development of potential, freedom of self and becoming one's business manager. All reasons imply independence and the belief that starting a business can lead to a higher quality lifestyle [35].

Economic activities are carried out by humans to meet their needs. By utilizing existing resources, humans carry out economic activities to maintain survival. Objects that are used to meet human needs are divided into goods and services. Goods are all objects in physical form that are useful for meeting human needs, while services are non-physical objects that are used to meet human needs. In general economic activities are grouped into three main activities, namely production, distribution, and consumption.

Researches on economic activities which include production, distribution and consumption activities have attracted many scholars and practitioners. Researchers also analyzed the influence of consumption and production structure on growth and distribution which later turns out to yield the following recommendations (1) differences in wage class affect the distribution of income of workers, (2) class of wages and income structure influences consumption preferences (3) differences in consumption preferences will affect the company's production structure which results in product heterogeneity and (4) product characteristics will determine product heterogeneity as needed by consumers [36-38]. Moreover, other research results recommended a clear relationship between highway access and economic activity. Improving infrastructure will facilitate access to economic activity in a region [37]. Researchers also analyzed consumption and savings behavior from the perspective of the life cycle hypothesis [38]. The results show the effect of age on income and consumption patterns, where income and consumption are increasing with increasing age, but savings decrease with age which is getting closer to dusk (towards the end of life). The results of the research on economic activity imply a relationship between financial management and economic activity.

This research aims to analyze the relationship of financial literacy and entrepreneurial motivation in the informal sector that can support economic activity in maintaining business sustainability.

II. THEORETICAL FRAMEWORK

A. The Relationship between Financial Literacy and Entrepreneurial Motivation in Economic Activities

Financial literacy is related to one's ability to manage and carry out financial planning and financial literacy will affect one's ability to make decisions [39-40]. According to [41], financial literacy is defined as financial knowledge with the aim of achieving prosperity. With sufficient financial knowledge, it is hoped that the public will not be easily fooled into financial products that offer high profits in the short term without considering the risks. The four most common things in financial literacy are budgeting, savings, loans, and investment. Financial management is a process for managing financial functions effectively and efficiently [42].

Business people need financial literacy to support their economic activities [36-38]. Economic activities supported by financial literacy will strengthen businesses to manage their business. Production activities that process raw materials into finished goods, consumption activities that optimize the use of goods and services, as well as distribution activities that deliver goods and services, require relevant financial knowledge to avoid leakage and waste.

Psychologically, entrepreneurial motivation can also cause someone to run a business independently [43]. Good entrepreneurial motivation allows one to increase success in business, which can be seen from the growth of his business [44]. Motivation in management refers to the movement of achieving desired goals or results and to have enthusiasm, encouragement, perseverance, creativity, direction, and sustainable energy [45]. There are four motivational factors that are important factors in establishing a business, namely large business achievement, freedom, intrinsic factor, and job security (job security) [46]. Other research found that there are four important factors that motivate a person in establishing a business, namely extrinsic rewards, freedom or autonomy, intrinsic rewards and Family security [21].

Economic activities carried out by humans aim to fulfill life's needs. Therefore, entrepreneurial motivation is needed to support the economic activities carried out. Many studies have been conducted on entrepreneurial motivation, where the results of the research show that the factors that influence entrepreneurial motivation are very diverse. Entrepreneurial motivation can be grouped into two, namely internal and external motivation. Internal motivation consists of the desire to do something new; participant education level; background; number of years of work experience; and the background of the participant's work. While external motivation includes government support and assistance; availability of factors of production; and promising product requests [47].

B. The Relationship between Financial Literacy and Entrepreneurial Motivation for Business Sustainability

Business sustainability is a form of business to maintain, develop and protect resources and meet existing needs in a business (industry) [48]. The methods used are obtained from their own experiences, others, and based on conditions or economic conditions that are occurring in the business world so that business sustainability is a form of consistency in business conditions, where sustainability is a process of ongoing good business including growth, development, strategies to maintain business sustainability and business development where all this boils down to the sustainability and existence (endurance) of the business [42].

The relationship between financial literacy and business continuity [13-16]. Likewise, the research on the relationship between entrepreneurial motivation and business sustainability [28-32, 49].

C. The relationship between economic activity and business continuity

The economic activity of the community becomes increasingly complex because of the increasing level of needs and desires to achieve satisfaction, so that economic activity will continue as long as human needs need to be served. Therefore, sufficient resources are needed, to be managed responsibly, through production activities, distribution activities and consumption activities.

The existence of production, distribution and consumption activities that are needed by the community is the trigger for the emergence of economic activities that take place continuously in line with the fulfillment of human needs. As a result, it will encourage business continuity carried out by business actors on an ongoing basis. That increasing production and consumption in the long run will affect income distribution [36]. There is a connection between transportation supply and economic activities in a region. In general, investment in transportation facilities will affect the economy and increase the competitiveness of certain regions [37]. Investigated consumption and savings behavior in Malaysia from the perspective of the life cycle hypothesis (LCH), and found that society has prepared its old age by saving at a young age for consumption needs in the future old [38].

III. RESEARCH METHODS

The type of research used is quantitative research with an explanatory research approach. This research seeks to explain the relationship of financial literacy and entrepreneurial motivation that can support the economic activities of the informal sector in maintaining business continuity. Data collection is done by distributing questionnaires in the form of closed questions distributed to respondents,

The respondents in this research were MSEs (food and beverage traders) in the Malang city campus area which numbered approximately 195 MSEs. The number of samples is determined based on the tables of Isaac and Michael with an error rate of 5 percent. The number of samples obtained according to the table is 124 MSEs. Then the determination of the sample is determined according to the criteria determined by the researcher; ie the MSEs do not have a business license, MSEs are engaged in selling food and beverages or culinary businesses, have a maximum sales turnover of 1 billion a year, and have at least 1 (one) workforce.

The respondents will be faced with a questionnaire developed from the research variables, then they were asked to provide answers using a Likert scale which has an interval of 1 to 5. Scale determination is using the following provisions: strongly agree (5), agree (4), neutral (3), disagree (2), and strongly disagree (1).

A. Research Instrument

The research instrument is a tool used to collect data through several indicators. The measurement of the variables and indicators that form them can be examined in the following Table 1.

Table 1: Summary of research variables.

Variable	Indicator
Financial Literacy	Basic Knowledge of Financial Management (FL 1) Knowledge of Savings and Investment (FL 2) Knowledge of Loans (FL 3) Knowledge about insurance (FL 4)
Entrepreneurship Motivation	Extrinsic Award (EM 1) Freedom / Autonomy (EM 2) Intrinsic Award (EM 3) Family Security (EM 4)
Economic activity	Production activity (EA 1) Distribution activity (EA 2) Consumption activity (EA 3)
Business sustainability	Innovation (BS 1) Management of customers (BS 2) Capital budgeting (BS 3) Economic conditions (BS 4) Family support (BS 5)

Financial Literacy (FL) uses 4 (four) indicators; namely basic knowledge of financial management (FL1), knowledge of savings and investment (FL2), knowledge of loans (FL3), and knowledge of insurance (FL4). While the Entrepreneurship Motivation (EM) variable also uses 4 (four) indicators; namely extrinsic awards (EM1), freedom of autonomy (EM2), intrinsic rewards (EM3), and family security (EM4). For economic activity variables (EA), there are 3 indicators used; production activities (EA1), distribution activities (EA2) and consumption activities (EA3). While the business continuity variable (BS) uses 5 (five)

indicators; namely innovation (BS1), customer management (BS2), capital management (BS3), economic conditions (BS4) and family support (BS5).

IV. RESEARCH FINDING

A. Confirmatory Factor Analysis (CFA) Result

The measurement results for variable indicators that can form latent variables with Confirmatory Factor Analysis are based on the factor loading value of each indicator. A summary of the results of the CFA test on indicators that form latent variables is shown on Table 2.

Table 2: Loading Factors (λ) of Latent Variable Measurement.

Indicator and variable		Factor loading	p	
Basic Knowledge of Financial Management	←	Financial literacy	0.799	0.000
Knowledge of Savings and Investment	←	Financial Literacy	0.650	0.000
Knowledge of Loans	←	Financial Literacy	0.590	0.000
Knowledge about insurance	←	Financial Literacy	0.598	0.000
Extrinsic Award	←	Entrepreneurial motivation	0.482	0.000
Freedom / Autonomy	←	Entrepreneurial motivation	0.907	0.000
Intrinsic Award	←	Entrepreneurial motivation	0.777	0.000
Family Security	←	Entrepreneurial motivation	0.605	0.000
Production Activities	←	Economic activity	0.744	0.000
Distribution Activities	←	Economic activity	0.805	0.000
Consumption Activities	←	Economic activity	0.759	0.000
Innovation	←	Business Sustainability	0.748	0.000
Customer management	←	Business Sustainability	0.718	0.000
Capital management	←	Business Sustainability	0.733	0.000
Economic conditions	←	Business Sustainability	0.798	0.000
Family support	←	Business Sustainability	0.775	0.000

Based on Table 2, it can be explained the indicators making up latent variable have factor loading (FL) value of a significance level (p) <0.05. Therefore, all these indicators are considered important in forming latent variable. Basic knowledge on financial management is the strongest indicator in forming financial literacy variable. The freedom/autonomy is considered as the strongest indicator in forming entrepreneurial motivation variable. The distribution activity and economic

condition are also considered as the strongest indicators in forming business sustainability variable.

B. Goodness of Fit of SEM Analysis Results

Theoretical model on the conceptual framework of the research is said to be fit if is supported by empirical data. The results of testing the overall goodness of fit model, according to the results of SEM analysis aims at finding out whether the hypothetical model is supported by empirical data or not. The explanation concerning this can be seen on Fig. 1 and Table 3.

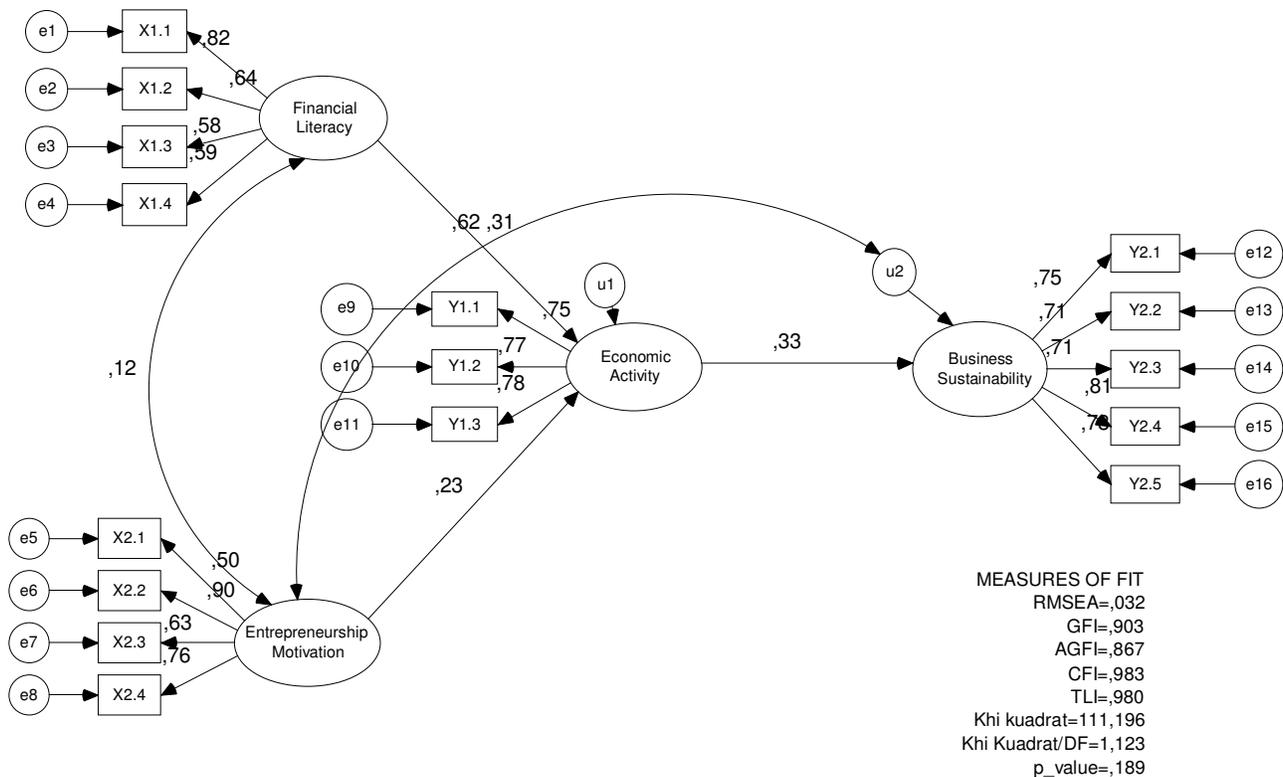


Fig. 1. Path Diagram of SEM Analysis Result.

Table 3: Hypothesis Testing of Goodness Of Fit Overall of Final Model.

Criteria	Cut-off value	Model Result	Note
Khi Kuadrat	Kecil	111.196	Marginal
p-value	≥ 0.05	0.189	
CMIN/DF	≤ 2.00	1.123	Good model
GFI	≥ 0.90	0.903	Good model
AGFI	≥ 0.90	0.867	Marginal
TLI	≥ 0.95	0.980	Good model
CFI	≥ 0.95	0.9983	Good model
RMSEA	≤ 0.08	0.032	Good model

The result of analysis related to model appropriateness index can be seen on Table 3 .

The results of testing the Goodness of Fit Overall based on Fig. 1 and Table 3, it can be seen that all criteria show a good model, so that interpretation can be carried out for further discussion.

C. Hypothesis Testing Results

Analysis of the Structural Equation Model (SEM) using AMOS 6.0 is used to test the hypothesis proposed by the researcher. As a basis for testing the hypothesis, a Critical ratio (Cr) is used from the results of regression Weight output. The research hypothesis will be accepted if the p value <of significance is 5%, then the null hypothesis is rejected. The results of hypothesis testing are presented on Table 4 as follows.

Table 4: The analysis result of regression weight.

Relationship	Path coefficient	C.r.	p-value	Note
Economic activity ← Financial Literacy	0,309	2,637	0,008	Significant
Economic activity ← Entrepreneurial motivation	0,231	2,184	0,029	Significant
Business sustainability ← Financial Literacy	0,421	3,087	0,006	Significant
Business sustainability ← Entrepreneurial motivation	0,336	3,162	0,003	Significant
Business sustainability ← Economic activity	0,326	3,357	0,000	Significant

The effect of financial literacy on economic activity results in a cr value of 2.637 with a p-value of 0.008. because the p-value is smaller than the statistical significance at $\alpha = 5\%$, so that financial literacy has a significant effect on economic activity. This result shows that the better the financial literacy of informal sector business entrepreneurs, the higher the economic activity carried out.

The effect of entrepreneurial motivation on economic activity resulted in a cr value of 2.184 with a p-value of 0.029. because the p-value is smaller than the statistical significance at $\alpha = 5\%$, so the entrepreneurial motivation has a significant effect on economic activity. This result shows that the more entrepreneurial motivation possessed by informal sector entrepreneurs, the higher the economic activity carried out.

The effect of financial literacy on business sustainability results in a cr value of 3.087 with a p-value of 0.006. because the p-value is smaller than the statistical significance at $\alpha = 5\%$, so that financial literacy has a significant effect on business sustainability. This result indicates that the better the financial literacy that informal sector business entrepreneurs have, the more sustainable business they carry out.

The effect of entrepreneurial motivation on business sustainability results in a cr value of 3.162 with a p-value of 0.003. because the p-value is smaller than the statistical significance at $\alpha = 5\%$, so entrepreneurial motivation has a significant effect on business sustainability. This result indicates that the higher the entrepreneurial motivation possessed by informal sector entrepreneurs, the more sustainable the business will be.

The effect of economic activity on business sustainability results in a cr value of 3.357 with a p-value of 0.000. because the p-value is smaller than the statistical significance at $\alpha = 5\%$, so that economic activity has a significant effect on business sustainability, these results indicate that the better the economic activity, the higher the sustainability of the business.

V. DISCUSSION

A. *The Effects of Financial Literacy on Economic Activities*

Based on the calculation results, there is an influence of financial literacy on economic activities among MSE business entrepreneurs. These results provide empirical evidence that financial knowledge measured through basic knowledge of financial management, knowledge of savings and investment, knowledge of loans and insurance, shows significant results for economic activity.

Financial literacy of each individual must be improved in order to make better financial decisions and be able to manage personal finances optimally [50]. Financial knowledge provides a basis for MSE players to manage their economic activities more smartly. Activities starting from production, consumption and distribution require careful calculation to get maximum results. The experience of managing a business causes them to be more selective individuals in determining the products sold, determine who their customers are, and also where they will sell their wares, considering the culinary efforts around campus, in Malang City thrives like mushrooms in the rainy season.

The intense competition between food and beverage vendors requires business owners to be able to manage finances better. It is because the money obtained from the business must be used to meet daily needs (consumption), to maintain the business sustainability (production) and provide the best service to consumers (distribution), business owners should be smart in maintaining the existing customers.

Therefore this research proves that basic knowledge in financial management has the strongest influence in shaping the financial literacy of MSE entrepreneurs. The principle of prudence in managing finances will help MSE players to support their daily operations, especially in their economic activities. The results of the research of [51] indicates the presence of financial knowledge and awareness of SME business owners is clearly not a major prerequisite to improve the performance of SMES, but the characteristics of entrepreneurs in decision making and relationships with financial attitudes have a straight comparison with financial literacy.

B. *The Effect of Entrepreneurial Motivation on Economic Activities*

The calculation results also indicate an influence of entrepreneurial motivation and economic activities carried out by MSEs. These results provide empirical evidence that entrepreneurial motivation as measured through extrinsic rewards, freedom or autonomy, intrinsic rewards and family security gives a significant influence on the economic activities of MSE entrepreneurs.

Entrepreneurial motivation can provide a boost to the economic activities of MSE entrepreneurs. When a business entrepreneur will starts his business in both formal and informal sectors, there must be motivation underlying it [52]. Entrepreneurial motivation explains why someone starts a business or what is the basis for starting a business.

Entrepreneurial motivation is a spirit that arises in an individual that directs an individual to act as a business entrepreneur. And that one of the basic things that must be possessed that determines the performance of an entrepreneur is willingness [47]. Willingness in question is the motivation possessed by an entrepreneur behind why someone decides to go into business or become an entrepreneur. Willingness will make an entrepreneur feel free when working.

The strong reason that drives someone to become an entrepreneur turns out to be able to drive economic activity consistently. The result of this present research shows that entrepreneurial motivation supports economic activities carried out by informal sector entrepreneurs. The strongest factor that forms entrepreneurial motivation is freedom or autonomy. Like freedom in determining its business, freedom regulates time as well as freedom from the control of others.

C. *The Effect of Financial Literacy on Business Sustainability*

The results of this research indicate the influence of financial literacy on the sustainability of informal sector business in Malang. Business sustainability of MSEs can be seen from its success in creating innovation, how it treats employees and also customers and how it can make use of opportunities to innovate sustainably [53]. That business entrepreneurs are strongly associated with complex and strategic financial decision making to achieve the goals and sustainability of their businesses [54]. The influence of financial literacy on the ability to

make financial decisions and the welfare of the company and the sustainability of the company [55]

Financial literacy can influence one's way of thinking about financial conditions and influence strategic decision making in terms of finance and better management for business owners [56]. The ability to manage business owners' finances is indeed very necessary for business performance and business sustainability. In his research. That increasing financial literacy led to more frequent individuals to make financial statements of their businesses [57]. This research found that entrepreneurs who produce better financial reports more often will have a high level of profitability than loan repayments and will continue to run higher.

The higher the level of financial literacy of the owner or manager of informal sector business, the business owner will have the ability to manage his business properly attempting to have business and financial decisions towards business sustainability. Higher financial knowledge for business managers will increase the ability of businesses to survive in the midst of a crisis and ultimately will make the business have long-term sustainability [40].

D. The Effect of Entrepreneurial Motivation on Business Sustainability

From the calculation above, it shows that the results of the research also shows the influence of entrepreneurial motivation on business sustainability. The results of research found a significant influence between entrepreneurial motivation and the growth of SMEs in Malang City, Indonesia although the education of entrepreneurs there is still considered as middle and lower. Therefore it is necessary to intervene the local government to provide training and improve their skills as the growth of these SMEs also plays a role to support economic growth.

E. The Influence of Economic Activities on Business Sustainability

The results of the tests conducted indicate the influence of economic activities measured through production, distribution and consumption activities on business sustainability.

Economic activities carried out by informal sector business entrepreneurs are activities that aim to improve living standards and utilize existing resources for welfare. However, the use of existing resources needs to be done wisely and responsibly.

Production activities must maintain the balance values and harmony with the social and environmental environment in the wider community. In addition, the community also has the right to enjoy adequate and quality production. Therefore, the production does not only concern on the interests of the producers (stock holders) but also the whole community (stake holders). The equal distribution of benefits and benefits of production for the whole community carried out in the best way is the main objective of economic activity.

Distribution activities involve the transfer of goods and services from producers to consumers. In distribution activities, it also involves the transfer of consumer income to producers. Distribution activities that take place continuously will increase the economic activity of a region. The process that takes place repeatedly will automatically increase business sustainability. Supporting producer relations with consumers makes

economic activity increasingly better and business sustainability increases.

Consumption activities act as an important pillar in economic activities carried out by individuals, companies or countries. In general, consumption is formulated with activities aimed at spending the value of goods and services to achieve satisfaction. If consumption activities increase, the sustainability of MSE business entrepreneurs will also increase.

VI. CONCLUSION

Economic activities have actually existed since the presence of humans on earth. These economic activities will continue as long as humans are still on earth. No one lives in a world that escapes or does not need economic activity, as long as he needs something for his life he needs economic activity. In order to fulfill needs or economic needs, humans carry out production, distribution and consumption activities which form the basis of economic activity on earth.

Financial knowledge provides a foundation for humans to manage resources for production, distribution and consumption activities. In addition, the results of this research prove the influence of financial literacy and economic activity.

One of the factors that can be used to achieve optimal economic activity is entrepreneurial motivation. Especially for informal sector entrepreneurs. Entrepreneurial motivation provides a basis for businesses to be able to survive in business. This research proves that there is a relationship between entrepreneurial motivation and economic activity in informal sector businesses.

Business sustainability is a measure of the achievement of a business. To achieve business sustainability consistently, it requires good financial knowledge and management and high entrepreneurial motivation. Thus, the results of this research provide support for the relationship between financial literacy and entrepreneurial motivation on business sustainability.

VII. RESEARCH LIMITATIONS & IMPLICATIONS

The limitations of this research are small samples that restrict generalization. Subsequent research can be improved by the number of samples and the diversity of businesses being researched to provide a wider picture and an important contribution in economic development.

The growing of informal sectors can be seen as partners to support the economy, so a strategic policy is required to organize them in order not to be a problem for economic development and growth. The Indonesian government has been working to improve financial literacy for the community through OJK (Financial Services Authority) with the financial inclusion program. But to make the program effective, should more enable the participation of educational institutions in realizing financial inclusion by incorporating programs of financial knowledge in the curriculum of education.

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