THE IMPACT OF FINANCIAL ATTITUDES AND FINANCIAL LITERACY ON FINANCIAL WELLBEING WITH FAMILY FINANCIAL MANAGEMENT AS A MODERATING VARIABLE: A CASE STUDY OF UMKM SUMBAWA DISTRICT

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Abstract
Low financial knowledge hinders financial walfare and has a direct impact on the quality of life of individuals and communities. Ignorance in financial management can lead to poor decisions, such as ineffective debt management, inappropriate investments, and lack of preparation for emergency needs. Conversely, adequate financial knowledge is essential for the welfare and financial stability of the community, especially for Micro, Small and Medium Enterprises (MSMEs). This study aims to analyze the effect of financial attitudes and financial literacy on financial walfare, with family financial management as a moderating variable. The analytical tool used is Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach. The population in this study included all MSME actors in Sumbawa Regency, totaling 1,362. Given the large population, the determination of the sample size was carried out using the Slovin formula, so that the number of samples in this study was 200 respondents with a 5% margin of error. Data were collected through a questionnaire using a Likert scale with a nominal scale of 1-4. The results showed that financial attitude, financial literacy, and family financial management have a positive and significant influence on financial walfare partially. In addition, family financial management can moderate (strengthen) the influence of financial attitudes and financial literacy on financial walfare in MSME actors in Sumbawa Regency.
Keyword: Financial Attitudes; Financial Literacy; Family Financial Management; Financial Walfare.

INTRODUCTION

Micro, small, and medium enterprises (MSMEs) play a very important role in the Indonesian economy. According to data from the Ministry of Cooperatives and SMEs, MSMEs contribute around 60% to the Gross Domestic Product (GDP) and absorb around 97% of the total workforce in Indonesia. Despite this large contribution, the financial well-being of MSMEs remains a significant challenge. One of the key issues is limited access to financing. In 2022, Bank Indonesia conducted a survey which revealed that approximately 70% of MSMEs struggle to secure funding from formal financial institutions (Bank Indonesia, 2022). This certainly hampers their efforts to grow their businesses and improve their financial well-being. The low level of financial literacy among MSME players exacerbates this problem. According to research results from (Mas, Pratiwi, & Budhi, 2021), the financial literacy of MSMEs in Indonesia remains below the national average. This low literacy leads to less effective financial management, which ultimately impacts the continuity of their business.

The COVID-19 pandemic has also had a major impact on the welfare of MSMEs. Data from the Central Statistics Agency (BPS) in 2022 revealed that around 84% of MSMEs experienced a drastic drop in revenue during the pandemic. Many MSMEs have reduced the number of employees due to this decline, and some have even had to close their businesses (Badan Pusat Statistik (BPS), 2022). The government has made various efforts to overcome this problem. One of them is the national economic recovery program that provides assistance and low-interest loans to MSMEs affected by the pandemic (Sudrajat & Setiyawan, 2022). Additionally, there is an intensive focus on increasing financial literacy through training and workshops. Overall, the FINANCIAL WELLBEING of MSMEs in Indonesia is a complex issue that requires the collaboration of various parties to resolve (Ramadhania & Krisnawati, 2024). Improving access to finance, financial literacy, and adaptation to economic changes can help MSMEs survive and thrive. Thus, they can continue to contribute significantly to the national economy.

Financial literacy, in particular, plays an important role in shaping the financial behavior and decision-making capabilities of business owners. For MSMEs, financial literacy includes an understanding of budgeting, savings, investment, and credit management, all of which are critical in managing day-to-day operations and planning for long-term growth (Kondoy, Rikly, & Sumanti, 2023) By being financially literate, MSME owners are more likely to make informed decisions, optimize resource allocations, and strategically manage risks, thereby contributing positively to their financial stability and overall business resilience (Kurniawan, Nurwati, & Sarlawa, 2020). In recent years, various studies have increasingly highlighted the link between financial literacy and financial well-being among MSME owners. Financial literacy empowers MSMEs to address challenges like fluctuating cash flows, market volatility, and limited access to credit, demonstrating this relationship (Ali & Asyik, 2023). In addition, MSME owners with higher levels of financial literacy are often better equipped to understand complex financial products, negotiate favorable terms, and avoid high-cost debt, ensuring financial well-being and stability.

Further research shows that financially literate MSME owners are more proactive in conducting financial and investment planning, which supports business expansion and sustainability (Jhonson, Andriani, Noviana, & Tamara, 2023). As a result, better financial literacy contributes to better financial outcomes, such as higher savings rates, better credit scores, and more diversified income streams. These factors collectively improve the financial well-being of MSMEs and reduce the likelihood of business closure during economic downturns. Improved literacy not only enhances the financial well-being of MSME owners, but also fosters job creation and economic resilience at the community level (Aulia, Rahayu, & Bahari, 2023). In this regard, promoting financial literacy among MSME owners is not only a tool to achieve individual well-being but also a strategic national priority that supports economic stability and inclusive growth.

Improving financial literacy among MSME owners not only serves as a means to achieve personal well-being but is also a national-level strategic priority that supports economic stability and inclusive growth. Financial attitudes, which include individuals' views and behaviors toward financial aspects, play a crucial role in determining the financial well-being of MSME owners. Having a positive attitude towards financial management can encourage them to make better decisions regarding spending, investment, and debt management, all factors that contribute to the financial health of their business (Ratnawati, Rokhman, Rochayatun, Meldona, & Rahayu, 2023). A good financial attitude enables MSME owners to understand the importance of financial planning, budgeting, and recording transactions. This is crucial because many MSMEs frequently struggle with managing cash flow and fulfilling their financial obligations. With a positive attitude, they are more likely to implement sound financial practices, such as saving for the future and avoiding excessive debt (Castro-González, FernándezLópez, Rey-Ares, & Rodeiro-Pazos, 2020). In addition, a positive financial attitude can also increase MSME owners' confidence in taking measured risks, which in turn can open up new opportunities for business growth and expansion. Studies show that MSME owners who have positive financial attitudes tend to be more successful in achieving their financial goals and improving their overall well-being (Abdullah, Fazli, & Arif, 2019). Therefore, the development of positive financial attitudes among MSME owners should be an integral part of financial training and education programs. Thus, strengthening financial attitudes among MSME owners not only contributes to individual well-being but also supports broader economic goals, including job creation and contribution to national economic growth.

Considering the significance of financial well-being, family financial management is more pertinent in assessing the financial well-being of MSME proprietors. Effective family financial management may establish a robust basis for the stability and sustainability of small and medium enterprises. Research by Salsabila and Hapsari (2022) indicates a genuine correlation between financial literacy and individual economic well-being. Families exhibiting proficient financial management typically experience reduced financial stress, which can lead to improved business decision-making. For MSME proprietors, proficient management of family finances enables more efficient resource allocation, thereby fostering business growth.

Moreover, studies indicate that family-owned MSMEs exhibiting proficient financial management possess enhanced access to finance (Trisuci, 2023). Access to money is frequently a significant obstacle for numerous MSME proprietors throughout their firm progress. Through meticulous financial preparation, families can secure adequate reserve funds and capital, which act as a safeguard, particularly during periods of economic instability. Moreover, proficient family financial management can impact investment decision-making in MSMEs. Families that effectively manage their finances are more inclined to invest in education and training, hence enhancing the capabilities and productivity of human resources in their small enterprises (Mulyati & Hati, 2021). Financial literacy promotion should be intensified among MSME proprietors to augment their firm success and familial financial well-being. A deeper comprehension of financial management not only improves prudent company decision-making but also contributes to economic resilience at the household level. In summary, family financial management is crucial for the financial health of MSME proprietors and the viability of their enterprises. Enhanced financial literacy enables MSME owners to achieve increased earnings, business stability, and make substantial contributions to the wider economy (Novitasari, 2022).

RESEARCH METHOD

This study employs quantitative research methods to statistically analyze numerical data. Quantitative research uses measurable data to objectively evaluate and compare factors. Statistics allow researchers to test hypotheses, find patterns, and draw conclusions from empirical data. The findings are more reliable and valid since this method reduces subjective interpretation biases. (Chandrarin, 2018) emphasizes the necessity of choosing appropriate statistical methods to accurately depict variable relationships and provide a firm platform for decision-making and further study. This study focuses on MSME (Micro, Small, and Medium Enterprises) actors in Sumbawa Regency, with a population of 1,362 individuals. A sample size of 100 respondents was determined using the Slovin formula with a 10% margin of error, employing a total sampling technique. The research utilizes quantitative methods to analyze measurable data statistically, providing objective evaluations of variable relationships. This approach reduces subjective bias and enhances the reliability and validity of the findings.

The data analysis framework is based on Partial Least Squares Structural Equation Modeling (PLS-SEM), involving both measurement (outer) and structural (inner) models. The measurement model evaluates validity and reliability through convergent validity, discriminant validity, and composite reliability tests. Convergent validity was assessed using the Average Variance Extracted (AVE), requiring a threshold of at least 0.5. Discriminant validity employed the Fornell-Larcker criterion and the HTMT ratio, which must remain below 0.85 or 0.90. Composite reliability and Cronbach's alpha ensured internal consistency with acceptable values above 0.7.

The structural model assessed causal relationships between latent variables using key indicators such as R-Square (R^2), F-Square (F^2), and Goodness of Fit (GoF). The R-Square value determined the predictive strength of endogenous variables, with thresholds categorized as substantial (>0.75), moderate (0.50-0.75), and weak (0.25-0.50). F-Square measured effect sizes, indicating weak effects above 0.02, moderate effects above 0.15, and substantial effects above 0.35. The GoF assessed overall model consistency, with values above 0.1, 0.25, and 0.38 categorized as low, moderate, and high, respectively. Hypothesis testing was conducted using bootstrapping techniques, applying a T-Statistic threshold of 1.96 and a P-Value of 0.05 for statistical significance. These methods provided robust insights into the relationships between lifestyle, influencer marketing, electronic word of mouth (E-WOM), and purchasing decisions. By systematically employing these methodologies, the study offers a strong foundation for decision-making and future research, particularly in the context of e-commerce and consumer behavior.

RESULTS and DISCUSSION

Results should be presented clearly and concisely. Discussion should explore the significance of the results work to the current condition or other research result, but not repeating the result. Result and discussion may be separated into sub chapter of result and discussion. Validity is deemed sufficient if the Average Variance Extracted (AVE) value for each indicator surpasses 0.5. The outcomes of the model estimation employing the PLS methodology indicate the subsequent findings:

Table 1. Average Variance Extracted (AVE)

Construct Variables	AVE	Information
Family Financial Management (M)	0.809	Valid
Financial Attitude (X1)	0.828	Valid
Financial Literacy (X2)	0.844	Valid
Financial Wellbeing (Y)	0.815	Valid
M1 (X1*Y)	1.000	Valid
M2 (X2*Y)	1.000	Valid

Source: processed data, 2024

Based on the analysis in the table above, it can be concluded that the Average Variance Extracted (AVE) value for the constructs of financial attitude, financial literacy, family financial management, and financial well-being are all greater than 0.5. Thus, all construct variables in the model can be considered valid. In this study, the researcher applied the Fornell-Larcker and HTMT criteria to test discriminant validity. For further explanation, see the table below:

Table 2. Fornell-Larcker Criterion

Construct Variables	M	X1	X2	Y	M1 (X1*Y)	M2 (X2*Y)
Family Financial Management (M)	0.899					
Financial Attitude (X1)	0.591	0.910				
Financial Literacy (X2)	0.769	0.534	0.919			
Financial Wellbeing (Y)	0.605	0.621	0.670	0.903		
M1 (X1*Y)	0.011	0.371	0.017	0.039	1.000	
M2 (X2*Y)	0.012	0.018	0.016	0.087	0.257	1.000

Source: processed data, 2024

Based on the analysis results in Table 2 above, it shows that all main constructs (Family Financial Management, Financial Attitude, Financial Literacy, and Financial Wellbeing) pass the Fornell-Larcker test. Each construct has a higher AVE value than the correlation between constructs, which means that discriminant validity is met, indicating that each construct is unique and different from other constructs. In addition to using the Fornell-Larcker Criteria, evaluation of the success of a construct model in testing discriminant validity can also be done using the Heterotrait-Monotrait Ratio (HTMT). The following are the results of the HTMT test in this study:

Table 3. Heterotrait-Monotrait Ratio (HTMT)

Construct Variables	M	X1	X2	Y	M1 (X1*Y)	M2 (X2*Y)
Family Financial Management (M)	0.382					
Financial Attitude (X1)	0.645					
Financial Literacy (X2)	0.812	0.556				
Financial Wellbeing (Y)	0.663	0.655	0.699			
M1 (X1*Y)	0.078	0.380	0.041	0.055		
M2 (X2*Y)	0.018	0.018	0.068	0.120	0.257	0.722

Source: processed data, 2024

The data presented in Table 3 indicates that the Heterotrait-Monotrait Ratio (HTMT) values for all construct variables in this study are below the threshold of 0.85 or 0.90. Consequently, it may be determined that all construct variables within the model are deemed valid. A trustworthy model has composite reliability and Cronbach's alpha above 0.6. Using the thresholds, this investigation's reliability assessment yielded the following results:

Table 4. Reliability Test

Construct Variables	Composite Reliability	Cronbach's Alpha
Family Financial Management (M)	0.927	0.881
Financial Attitude (X1)	0.960	0.948
Financial Literacy (X2)	0.970	0.963
Financial Wellbeing (Y)	0.956	0.943
M1 (X1*Y)	1.000	1.000
M2 (X2*Y)	1.000	1.000

Source: processed data, 2024

Based on the information presented in Table 4, each construct in this study has met the established reliability criteria. All constructs show composite reliability (CR) and Cronbach's alpha (α) values that exceed the threshold of 0.60. This indicates that the indicators used to measure each construct have met the recommended reliability standards for this study. The R-Square analysis displayed in the subsequent table will serve as a crucial foundation for researchers in determining the robustness of the structural model in elucidating the examined occurrences. The R-Square values obtained are presented in Table 5 below.

Table 5. R-Square Test Result

	R-Square	R-Square Adjusted
Financial Wellbeing (Y)	0.560	0.553

Source: processed data, 2024

The results of the analysis presented in Table 5 above show that the coefficient of determination (R-square) value reaches 0.560, which is equivalent to 56%. This figure shows that the variability in the financial well-being variable can be well explained by the independent variables in this research model, namely financial attitudes, financial literacy, and family financial management, by 56%. Meanwhile, the remaining 44% is explained by other factors not included in this research model.

Table 6. F-Square Test Result

Construct Variables	Financial Wellbeing (Y)
Family Financial Management (M)	0.365

Financial Attitude (X1)	0.172
Financial Literacy (X2)	0.160
M1 (X1*Y)	0.360
M2 (X2*Y)	0.214

Source: processed data, 2024

The analysis reveals that Family Financial Management (M) has an f-square value of 0.365, indicating a significant contribution to the variation in financial well-being. This means that family financial management has a significant influence on financial wellbeing, thus indicating the importance of financial management in improving this wellbeing. Meanwhile, the variables Financial Attitude (X1) and Financial Literacy (X2) have f-square values of 0.172 and 0.160, respectively, indicating a moderate effect on Financial Wellbeing (Y). Although the influence is not as strong as family financial management, both are still significant, indicating that positive financial attitudes and adequate financial literacy contribute significantly to improving financial wellbeing. Furthermore, the model shows a significant contribution from the moderators applied through M1 (X1*Y) and M2.

With a value of approximately f-square of 0.360, the M1 moderation between financial attitude and financial wellbeing demonstrates a nearlarge effect, thereby reinforcing the significance of financial attitudes as a crucial factor in financial wellbeing. Also, M2 (the relationship between financial literacy and financial well-being) has a value f-square of 0.214, which means it makes a moderate contribution. This shows that the relationship between financial literacy and financial wellbeing has a significant effect, though it is not as strong as the relationship between financial attitudes and financial wellbeing.

Tabel 7. Goodness of Fit (GoF) Value

Construct Variables	AVE	R-Square
Family Financial Management (M)	0.809	-
Financial Attitude (X1)	0.828	-
Financial Literacy (X2)	0.844	-
M1 (X1*Y)	1.000	-
M2 (X2*Y)	1.000	-
Financial Wellbeing (Y)	0.815	0.560

Source: processed data, 2024

Based on the data in table 7 above, it can be concluded that the average AVE value is 0.883, while the average R-square value is 0.560. According to the findings of this investigation, the model possesses a good level of appropriateness and feasibility, as indicated by the Goodness of Fit (GoF) value of 0.703. Because of this, it is possible to draw the conclusion that this study model is consistent with the data that was utilized. The testing of a hypothesis is a statistical method that is utilized to examine certain assertions or assumptions regarding a population by making use of sample data. It is the purpose of this method to determine whether or not the data from the sample give adequate evidence to either support or contradict the hypothesis that has been expressed

Tabel 8. Hypothesis Test Results (Bootstrapping)

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values	Information
Financial Attitude (X1) -> Financial Wellbeing (Y)	0.399	5.181	0.000	Hypothesis 1 Accepted
Financial Literacy (X2) -> Financial Wellbeing (Y)	0.423	5.858	0.000	Hypothesis 2 Accepted
Family Financial Management (M) ->	0.044	3.509	0.003	Hypothesis 3 Accepted

Financial Wellbeing (Y)				
M1 (X1*Y) -> Financial Wellbeing (Y)	0.109	4.517	0.000	Hypothesis 4 Accepted
M2 (X2*Y) -> Financial Wellbeing (Y)	0.087	4.482	0.000	Hypothesis 5 Accepted

Source: processed data, 2024

Based on the test results, the financial attitude variable (X1) shows an original sample coefficient of 0.399, indicating a positive influence. The results of the statistical test revealed that the t-statistic value reached 5.181, much higher than the t-table value, which was only 1.645. In addition, the P-Value obtained was 0.000, which was also much smaller than the significance level of 0.05. These findings indicate that financial attitudes have a positive and significant influence on the financial well-being of Micro, Small, and Medium Enterprises (MSMEs) in Sumbawa Regency (H1 is accepted). y.

In other words, MSMEs who have good financial attitudes tend to experience an increase in their financial well-being. This underscores the importance of developing a positive financial attitude as one of the key factors in improving economic well-being among MSMEs. The results of this study are in line with research by Castro-Gonzales et al. (2020), showing that MSMEs who have good financial attitudes tend to be better able to manage cash flow, allocate funds for investment, and manage financial risks effectively, which ultimately increases their financial stability. In addition, research by Ratnawati, Rokhman, Rochayatun, Meldona, & Rahayu (2023) confirmed that positive financial attitudes help MSMEs to better deal with difficult financial situations, such as coping with economic pressures and dealing with income fluctuations. This attitude allows them to be better prepared for uncertainty and supports responsible decision-making in a business context.

Based on the test results, the financial literacy variable (X2) shows an original sample coefficient of 0.423, which indicates a positive influence. The statistical test conducted showed a t-statistic value of 5.585, which is much higher than the t-table value of only 1.645. In addition, the P-Value obtained was 0.000, which is also far below the significance level of 0.05. This finding confirms that financial literacy has a positive and significant influence on the financial welfare of Micro, Small, and Medium Enterprises (MSMEs) in Sumbawa Regency, so that the second hypothesis (H2) is accepted. Thus, it can be concluded that MSMEs who have a better level of financial literacy tend to experience an increase in their financial welfare. This shows the importance of education and a good understanding of the financial aspects for MSMEs in achieving better economic goals. The results of this study are in line with research conducted by Muyati and Hati (2021), which explains that financial literacy provides MSME actors with a deep understanding of basic financial concepts, which play an important role in making wise financial decisions. By having good financial literacy, MSME actors can assess the risks and potential benefits of each financial decision taken, such as investment or working capital management. This allows them to make more precise and measurable decisions, thereby minimizing the risk of errors that may occur in managing business finances. Then, another study by Salsabila and Hapsari (2022) showed that MSMEs with good financial literacy tend to be more successful in maintaining cash flow stability and increasing profitability.

Based on the test results, the family financial management variable (M) shows an original sample coefficient of 0.044, indicating a positive influence. The statistical test conducted showed a t-statistic value of 3.509, which is much higher than the t-table value of only 1.645. In addition, the P-Value obtained was 0.003, which is also far below the significance level of 0.05. This finding confirms that family financial management has a positive and significant influence on the financial well-being of Micro, Small, and Medium Enterprises (MSMEs) in Sumbawa Regency, so that the third hypothesis (H3) is accepted. This means that individuals or families who are able to manage their finances well tend to experience an increase in their financial condition. Effective management includes various aspects, such as budget planning, spending control, and smart investment planning. When MSMEs implement good financial management practices, they can maximize the use of available resources. They become better able to anticipate expenses, save for future needs, and make wiser investment decisions. All of this contributes to the stability and growth of their financial well-being. On the other hand, lack of skills in family financial management can lead to problems, such as waste, uncontrolled debt, and difficulty in dealing with emergencies. Thus, improving financial literacy and skills among MSMEs is essential to support the sustainability of their businesses and improve overall welfare. A study by Salsabila and Hapsari (2022) found that entrepreneurs who implement effective family financial management tend to have better control over their budgets, cash flow, and business investments. This helps them in setting financial priorities, both at the household and business levels. Another study by Novitasari (2022) showed that healthy family financial management creates a stable personal financial condition, allowing business owners to focus more on business development without being distracted by household financial pressures.

Based on the test results, the family financial management variable is able to moderate (strengthen) the influence between financial attitudes on financial well-being of MSME actors in Sumbawa Regency, this is indicated by the original sample coefficient value of 0.109, which indicates a positive influence. The statistical test conducted showed a t-statistic value of 4.517, which is much higher than the t-table value of only 1.645. In addition, the P-Value obtained was 0.000, which is also far below the significance level of 0.05, so the fourth hypothesis (H4) is accepted. This means that when MSME actors have a positive financial attitude, their success in managing family finances can increase the positive effect of this attitude on their financial well-being. Good financial attitudes, such as discipline in saving, understanding the importance of budget planning, and the ability to make wise investment decisions, can have a significant impact on financial management. However, without effective financial management, the benefits of this positive financial attitude may not be fully achieved. With good family financial management, MSMEs can be more effective in implementing their positive financial attitudes. For example, they can plan their expenses better, avoid unnecessary debt, and allocate funds for investments that can improve their business. This not only improves the financial well-being of individuals or families but also contributes to the overall success of their businesses. The results of this study confirm the research conducted by Salsabila and Hapsari (2022) which indicated that good family financial management strengthens positive attitudes towards finance by creating discipline in budgeting, controlling expenses, and allocating funds for urgent needs, which directly improves the financial well-being of MSMEs. Research by Novitasari (2022) also confirms that the ability to manage household finances strengthens the impact of financial attitudes on financial well-being. Good family financial management ensures that existing resources are used optimally and prevents financial tension at the household level.

Based on the test results, the family financial management variable is able to moderate (strengthen) the influence between financial literacy on financial well-being of MSME actors in Sumbawa Regency, this is indicated by the original sample coefficient value of 0.087, which indicates a positive influence. The statistical test conducted showed a t-statistic value of 4.482, which is much higher than the t-table value of only 1.645. In addition, the P-Value obtained was 0.000, which is also far below the significance level of 0.05, so the fifth hypothesis (H5) is accepted. This means that high financial literacy gives MSME actors a strong foundation in making smarter financial decisions for their businesses. However, the impact of financial literacy on financial well-being will be more optimal when business owners have good skills in managing household finances. With effective family financial management, MSME actors can implement the knowledge they have about financial literacy better. For example, they can plan spending based on their understanding of the budget, allocate funds for the right investments, and avoid unnecessary debts. All of these actions will contribute to improving their financial well-being. On the other hand, if MSMEs only have financial literacy without good management, they may not be able to utilize the knowledge optimally. Therefore, family financial management acts as a reinforcement in the relationship between financial literacy and financial well-being. By combining good literacy with effective management practices, MSMEs can achieve better financial results, improve financial stability, and ultimately strengthen their position in the economy. Previous research has revealed that good family financial management can strengthen the relationship between financial literacy and the financial well-being of Micro, Small, and Medium Enterprises (MSMEs). Financial literacy basically includes an understanding of the basic principles of financial management, such as budget planning, debt management, and financial product evaluation. This literacy helps MSMEs make more informed financial decisions.

However, research shows that the impact of financial literacy on financial well-being is stronger when supported by adequate family financial management skills. A study by Mulyati and Hati (2021) confirmed that the ability to manage household finances strengthens the positive effects of financial literacy on financial well-being, especially by ensuring that income is optimized and debt is controlled. Good family financial management allows business actors to apply the principles of financial literacy to their personal lives, thereby increasing financial stability at the family and business levels. Thus, high financial literacy not only encourages better financial decisions but also creates a strong personal financial foundation, so that business actors are better prepared to face business challenges. In addition, research by (Andrianingsih & Asih, 2022) shows that good family financial management creates flexibility in the use of resources, which helps MSMEs cope with unexpected fluctuations in income or expenses without disrupting their business operations. In this context, family financial management functions as a balancer, allowing MSMEs to remain stable in changing economic conditions. The ability to maintain this balance between personal and business finances is key to supporting sustainable financial well-being.

CONCLUSION

Based on the results of the tests conducted, it can be concluded that the variables of financial attitude, financial literacy, and family financial management have a positive and significant influence on the financial welfare of Micro, Small, and Medium Enterprises (MSMEs) in Sumbawa Regency. Good financial attitude (H1) and high financial literacy (H2) each show a significant positive coefficient, which means that MSMEs with good financial attitudes and literacy tend to experience increased financial welfare. In addition, family financial management (H3) also contributes positively to welfare, indicating that the ability to manage finances can improve overall financial conditions. Furthermore, family financial management functions as a moderation (H4 and H5), strengthening the influence of financial attitudes and literacy on welfare, indicating that effective financial management practices help maximize the benefits of good attitudes and literacy. These findings demonstrate the importance of education and skills development in the financial sector to improve the stability and sustainability of MSME businesses, and emphasize that good financial management can create a strong foundation for sustainable economic growth.

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