Ekspektra : Jurnal Bisnis dan Manajemen, Volume 8, Nomor 1, Hal. 1-15
ISSN 2549-3604 (Online), ISSN 2549-6972 (Print)
DOI: http://dx.doi.org/10.25139/ekt.v8i1.7339

The Influence of Financial Literacy on Financial Resilience through Financial Planning (Study on BUMDes in East Java)

Ida Ayu Sri Brahmayanti[1],
(brahmayanti@untag-sby.ac.id)
Faculty of Economy and Business, Universitas 17 Agustus 1945 Surabaya, Indonesia

Gustaf Naufan Febrianto[2*],
(gfebrianto@untag-sby.ac.id@untag-sby.ac.id)
Faculty of Economy and Business, Universitas 17 Agustus 1945 Surabaya, Indonesia

(Submit : 17th November 2023, Revised : 19th December 2023, Accepted : 21th December 2023)

ABSTRACT

This research aims to investigate the influence of financial literacy on financial resilience through financial planning, with a special focus on Village-Owned Enterprises (BUMDes) in East Java. Quantitative research methods were used with stratified random sampling techniques to select representative BUMDes samples of 300 BUMDes management respondents. The research instrument is a structured questionnaire that measures the level of financial literacy, financial planning and financial resilience of BUMDes. This research data was taken from June to September 2023. The research instrument is a structured questionnaire that measures the level of financial literacy, financial planning and financial resilience of BUMDes. The results of data analysis using the Structural Equation Modeling-Partial Least Square (SEM-PLS) approach show that there is a significant positive relationship between the level of financial literacy and financial planning on the financial resilience of BUMDes. The implications of this research provide an in-depth understanding of the importance of financial literacy and financial planning in increasing the financial resilience of BUMDes, so that it can help in designing more effective policies and training programs to support local economic growth at the village level.

***Keywords** : Financial Literacy; Financial Resilience; Financial Planning; BUMDEs Jawa Timur.*

1. INTRODUCTION

Financial resilience is an inevitable crucial point for Village-Owned Enterprises (BUMDes). In facing economic dynamics and various challenges that may arise, the existence of financial resilience has become the main foundation that allows BUMDes to maintain their stability. By having financial resilience, BUMDes can maintain their operations even in the midst of an economic crisis or sudden policy changes. This advantage also gives BUMDes the ability to invest in sustainable projects and advance society at the village level.

Furthermore, financial resilience creates financial independence, reducing dependence on government or third party funds. This means that BUMDes can be more independent in managing and developing village economic potential, creating business opportunities, and having a positive impact on community welfare through local economic development and the provision of public services. In other words, financial resilience is not only an aspect of preventing financial risk, but also the main driver for sustainable growth and development at the village level. Therefore, increasing financial literacy and implementing good financial planning are crucial steps in building a solid financial resilience foundation for BUMDes in East Java.

ISSN 2549-3604 (Online), ISSN 2549-6972 (Print)
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Factors that have a significant impact on financial resilience, especially in the context of Village-Owned Enterprises (BUMDes), involve elements of financial literacy and financial planning. Financial literacy is an essential foundation that enables individuals or organizations, including BUMDes, to understand basic financial principles. A high level of understanding of financial concepts allows BUMDes to make wiser decisions regarding the management of their financial resources.

Financial planning, as a systematic step in planning expenses and income, also has an important impact on financial resilience. Through good financial planning, BUMDes can ensure efficient fund allocation, identify potential sources of risk, and develop strategies to face financial challenges. By planning wisely, BUMDes can build adequate financial reserves to overcome crises or economic uncertainty that may arise.

The relationship between financial literacy and financial planning is very close. A high level of financial literacy can improve the quality of financial planning, while good financial planning can deepen understanding of financial principles. Together, they create a strong foundation for financial resilience, enabling BUMDes to survive and thrive even amidst economic challenges. Therefore, investing in increasing financial literacy and implementing effective financial planning practices are strategic steps that can be taken to strengthen the financial resilience of BUMDes in East Java, increasing their ability to manage finances in a sustainable manner.

Research tends to show that a high level of financial literacy is positively related to an individual's or organization's ability to plan their finances (Brown et al., 2018). Individuals or entities with a better level of financial literacy tend to have better financial planning as well (Chauhan & Dey, 2020). There is evidence that implementing effective financial planning can increase the level of financial resilience (Compen et al., 2018). Organizations or individuals who have a good financial plan tend to be better able to deal with financial stress or economic uncertainty (Grohmann, 2018). Several studies highlight the role of financial literacy as a mediator in the relationship between financial planning and financial resilience (Manuel et al., 2019). In other words, financial literacy can act as a connecting factor that strengthens the positive impact of financial planning on financial resilience. Research findings may vary based on geographic, economic, and population contexts studied.

Research on the influence of financial literacy on financial resilience through financial planning has a very important urgency in the context of financial management of individuals, organizations or entities such as Village-Owned Enterprises (BUMDes). By understanding in depth how financial literacy influences financial planning abilities and ultimately increases financial resilience, this research provides a foundation for developing more effective strategies in facing economic challenges and improving financial well-being. For BUMDes, which have a crucial role in economic development at the village level, understanding this relationship can be the key to creating financial sustainability, minimizing risks and increasing the positive impact on local communities. Therefore, this research not only provides theoretical insights, but also supports the implementation of better financial practices, bringing a direct positive impact on the level of economic sustainability at the village level.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS FORMULATION

2.1. Financial Capability Theory

This research perspective can be based on Financial Capability Theory as a basis for thinking. Financial Capability Theory emphasizes that increasing financial knowledge, financial skills, and financial behavior of individuals or groups can increase their financial capacity. This theory is very relevant to explain the relationship between financial literacy, financial planning and financial resilience in the context of Village-Owned Enterprises (BUMDes).

1. Financial Knowledge (Financial Literacy)
   In Financial Capability Theory, financial knowledge is a key element. In this research, financial literacy is measured as an indicator of financial knowledge. BUMDes that have a high level of financial literacy are expected to have a better understanding of financial concepts, risks and opportunities, which can help them manage their finances effectively.
2. Financial Skills (Financial Planning)
   Financial skills, included in the concept of Financial Capability Theory, can be interpreted as the ability of BUMDes to plan their finances. It is hoped that the results of financial literacy can be implemented in good financial planning, helping BUMDes manage their financial resources effectively and efficiently.
3. Financial Behavior (Financial Resilience)
   Financial Capability Theory highlights the importance of good financial behavior in achieving financial resilience. In the context of BUMDes, financial resilience can be reflected in their ability to withstand and adapt to economic pressures or changes in financial conditions, which is in line with the concept of Financial Resilience.

The relevance of Financial Capability Theory in this research lies in the understanding that increasing financial literacy and financial planning is expected to increase the financial capacity of BUMDes, help them manage risks, make wiser decisions, and achieve financial resilience. By adopting this framework of thinking, this research can provide in-depth insight into how financial literacy and financial planning can be key in strengthening the financial capabilities of BUMDes in East Java.

2.1. Financial Resilience

Financial resilience, in a financial context, reflects the ability of an individual, family, organization, or even an economic system to survive and recover from financial stress or economic crisis (Jiang et al., 2019). This involves not only resilience to market changes or economic fluctuations, but also the ability to manage financial risk, maintain financial stability, and stay focused on long-term financial goals (Mu˜noz-Murillo et al., 2019). Financial resilience includes a deep understanding of personal or organizational finances, the ability to plan and manage budgets wisely, and wisdom in making financial decisions (Skagerlund et al., 2018).

This concept also describes adaptability to economic changes that may occur, creating a strong foundation for dealing with financial uncertainty. Financial resilience is not just about surviving amidst uncertainty, but also about empowering individuals and organizations to grow and develop, creating a solid foundation for long-term financial sustainability (Xu et al., 2019). In other words, financial resilience is not only a response to financial stress, but also a proactive strategy to achieve financial independence and improve overall quality of life.

2.2. Financial Literacy

Financial literacy, an integral concept in personal and organizational financial management, refers to a person's level of understanding and knowledge about financial aspects, including money management, investment, credit, as well as understanding financial instruments (Mu˜noz-Murillo et al., 2019). Overall, financial literacy equips

ISSN 2549-3604 (Online), ISSN 2549-6972 (Print)
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individuals with the skills and knowledge necessary to make smart and sustainable financial decisions. This involves understanding how to manage a budget, understanding investment risks and returns, and the ability to create long-term financial plans (Rangchian et al., 2019). A high level of financial literacy is not only the key to personal financial success, but also plays a central role in promoting broader economic stability (Mu˜noz-Murillo et al., 2019). Apart from empowering individuals to manage their finances wisely, increasing levels of financial literacy can also have a positive impact on macroeconomic development, especially in the context of financial inclusion and poverty alleviation (Douissa, 2019). As a result, efforts to increase financial literacy have become an important strategy in creating a society that is able to manage finances intelligently, participate in financial markets, and contribute to sustainable economic growth.

2.3. Financial Planning

Financial planning is a holistic process that involves formulating, implementing, and monitoring financial strategies aimed at achieving individual, family, or organizational financial goals (Xu et al., 2019). In a broader scope, financial planning includes a thorough understanding of the current financial situation, determining short and long term goals, risk analysis, optimal asset allocation, as well as planning for retirement needs and insurance protection. The practice of financial planning demands proactive involvement in managing financial resources, combining aspects such as tax planning, debt management, and investment (Niu et al., 2020). In addition, financial planning considers changes in life, such as education, marriage, or retirement, and designs appropriate strategies to overcome these various phases. By detailing appropriate strategies and actions, financial planning serves as a powerful tool for achieving financial stability, increasing resilience to financial risks, and providing a solid foundation for achieving long-term financial dreams and goals (Niu et al., 2020). Thus, the practice of financial planning is not just a financial management tool, but is also a sustainable and progressive approach to achieving sustainable financial prosperity.

2.4. The Influence of Financial Literacy on Financial Resilience

The influence of financial literacy on financial resilience indicates the essential relationship between an individual's or organization's financial understanding and the ability to survive and recover from financial stress. Financial literacy, as the ability to understand and manage financial information, has direct implications for the way a person or entity plans and manages their finances. Individuals who have a high level of financial literacy are more likely to be able to make wise financial decisions and utilize their financial resources effectively. When financial literacy is integrated with good financial planning, both individuals and organizations can create financial resilience that is able to face economic changes, financial crises, or other unexpected situations. With a deep understanding of financial concepts and a readiness to plan strategically, financial literacy becomes a solid foundation for building financial resilience, an ability to not only survive, but also grow and develop amidst economic uncertainty. Therefore, research and efforts to improve financial literacy are important in empowering individuals and organizations to manage their finances more effectively, increase financial resilience, and achieve long-term economic sustainability. Thus, a hypothesis can be formulated as follows:

H1 Financial Literacy has a significant influence on Financial Resilience

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2.5. The Influence of Financial Literacy on Financial Planning

The influence of financial literacy on financial planning creates an essential foundation for effective financial understanding and management (Niu et al., 2020). Financial literacy, which includes a deep understanding of financial concepts, investments and risk management, plays a crucial role in equipping individuals or organizations with the knowledge necessary to make wise financial decisions (Douissa, 2019). In the context of financial planning, a high level of financial literacy helps individuals design more strategic and well-planned financial plans. The ability to understand financial instruments, evaluate risks and returns, and set long-term financial goals are all influenced by the level of financial literacy (Niu et al., 2020). Therefore, research on this relationship not only illustrates the correlation between financial literacy and financial planning, but also carries deep implications related to improving the quality of financial decisions, financial resilience, and creating a solid footing for achieving sustainable financial goals (Douissa, 2019). Overall, a comprehensive understanding of how financial literacy influences financial planning summarizes the importance of balancing financial knowledge in guiding practical steps to achieve sustainable financial stability and growth. Thus, a hypothesis can be formulated as follows:

H2 Financial Literacy has a significant influence on Financial Planning

2.6. The Influence of Financial Planning on Financial Resilience

The influence of financial planning on financial resilience illustrates the strategic role of financial planning in building strong financial resilience amidst the complexity of economic challenges (Douissa, 2019). Financial planning, as a systematic approach to planning, managing and allocating financial resources, has a substantial impact on the ability of individuals, organizations or entities such as Village-Owned Enterprises (BUMDes) to overcome crises and maintain financial stability (Niu et al., 2020). By having a structured financial plan, including wise allocation of funds, adequate financial reserves and effective risk management, such entities can be more resilient in the face of sudden economic changes or challenging situations. Financial planning also opens up opportunities for long-term growth and development, enabling strategic adjustments to dynamic economic conditions (Lopus et al., 2019). Therefore, research on the relationship between financial planning and financial resilience not only provides an in-depth understanding of how financial planning influences financial resilience, but also provides a basis for implementing sustainable financial practices, creating a solid foundation for a more stable future. Economically (Jiang et al., 2019). Thus, a hypothesis can be formulated as follows:

H3 Financial Planning has a significant influence on Financial Resilience

3. RESEARCH METHOD

3.1. Research design

This research uses a quantitative research design with a survey study approach. This design allows collecting large amounts of data from the relevant population and provides a clear framework for analyzing the relationship between the variables studied, namely financial literacy, financial planning, and financial resilience in BUMDes in East Java.

ISSN 2549-3604 (Online), ISSN 2549-6972 (Print)
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3.2. Population, Sample, and Sampling Techniques

The population of this research is all Village-Owned Enterprises (BUMDes) in East Java. This research adopted an accidental sampling approach in selecting the sample where the total sample for this research was 300 respondents managing BUMDes. The accidental sampling approach, also known as convenience sampling, involves selecting research subjects based on their availability or accessibility, without considering specific criteria. In the context of this research, this method is used because it allows researchers to collect data from Village-Owned Enterprises (BUMDes) in East Java more quickly and efficiently.

3.3. Research Instruments and Data Analysis Techniques

The research instrument uses a structured questionnaire designed to measure the level of financial literacy, financial planning, and the level of financial resilience of BUMDes which refers to the results of research instrument development from Fianto (2022). This instrument was adapted from a questionnaire whose reliability has been tested in similar previous research. The collected data will be analyzed using descriptive statistical techniques to explain sample characteristics and inferential data analysis techniques, including linear regression, to test the relationship between the variables studied. Statistical analysis was carried out using the Structural Equation Modeling Partial Least Square (SEM-PLS) approach. The results of the analysis are interpreted in depth to find the implications and meaning of the research findings. The questionnaire is presented in Exhibit 1.

4. RESULTS AND DISCUSSION

4.1. Respondents' Profiles

Table 1: Respondents' Demographic Profile

Demographic Profiles		Frequency	Percentage
Gender	Male	158	53%
	Female	142	47%
Education Level	Undergraduate	205	68%
	Graduate	95	32%
Experience	Less than five years	115	38%
	5 to 10 years	75	25%
	11 to 15 years	65	22%
	More than 15 years	45	15%

Source: Author's Analysed Data (2023)

4.2. Measurement Model

To evaluate the relationship between constructs and appropriate indicators, this research conducted an assessment of the measurement model. The assessment process involves two stages, namely the discriminant validity test and the convergent validity test. The discriminant validity test consists of three steps, namely assessing indicator validity, construct reliability assessment, and analysis of Average Variance Extracted (AVE) results. The validity of the indicator is measured by looking at the factor loading value; An indicator is considered valid if the T-statistic value exceeds 2.0 and the loading factor value is greater than 0.5. Conversely, if the T-statistic value is less than 2.0 and the factor loading value is below 0.5, the indicator is considered to be removed from the outer model

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and requires further analysis. Factor loadings reflect the strength of the correlation between the construct and its indicators, with higher correlations indicating greater validity. The results of the factor loading significance test, which are recorded in the T-statistic value, can be seen in Table 1.

Table 2: Outer Loadings (Mean, STDEV, T-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
X11 ← Financial Literacy	0.738	0.734	0.041	17.853	0.000
X12 ← Financial Literacy	0.879	0.878	0.016	55.608	0.000
X13 ← Financial Literacy	0.802	0.803	0.027	29.853	0.000
Y11 ← Financial Resilience	0.819	0.819	0.020	41.396	0.000
Y12 ← Financial Resilience	0.769	0.769	0.043	17.803	0.000
Y13 ← Financial Resilience	0.823	0.823	0.021	38.297	0.000
Z11 ← Financial Planning	0.793	0.794	0.031	25.692	0.000
Z12 ← Financial Planning	0.872	0.873	0.018	47.858	0.000
Z13 ← Financial Planning	0.793	0.794	0.023	34.581	0.000

Source: Author's Analysed Data (2023)

Table 2 displays the results showing the factor loadings for each indicator, revealing a T-statistic value above 2.0 and a P value below 0.010. These statistical findings demonstrate the significant validity of all indicators used in this study. Construct reliability was evaluated using both Cronbach's alpha and composite reliability to better assess convergent validity. A reliability threshold of 0.70 was applied as acceptance criterion. As seen in Table 3, all constructs show Cronbach's alpha values and composite reliability exceeding 0.70, strengthening the substantial reliability of the constructs studied. Additionally, convergent validity assessment involves evaluating the Average Variance Extracted (AVE). A research construct is considered to have good convergent validity if the AVE value exceeds 0.5. The findings presented in Table 3 indicate that all study constructs met the specified AVE criteria, providing additional evidence of strong convergent validity.

Table 3: Construct Validity and Reliability

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Financial Literacy	0.734	0.748	0.849	0.654
Financial Planning	0.756	0.760	0.860	0.673
Financial Resilience	0.729	0.739	0.846	0.646

Source: Author's Analysed Data (2023)

Ekspektra : Jurnal Bisnis dan Manajemen, Volume XX, Nomor XX, Hal. XX-XX
ISSN 2549-3604 (Online), ISSN 2549-6972 (Print)
DOI: http://dx.doi.org/10.25139/ekt.v8i1.7339

The assessment of the measurement model involves an extra step known as the discriminant validity test, which consists of two steps: assessing the cross-loading value and comparing the Average Variance Extracted (AVE) with the squared correlation value between the constructs. The cross-loading process involves analyzing the extent to which each indicator shows the highest level of correlation with the construct in question compared to other constructs. The findings from the cross-loading analysis can be found in Table 4.

Table 4: Cross Loadings

	Financial Literacy	Financial Planning	Financial Resilience
X11	0.738		
X12	0.879		
X13	0.802		
Z11		0.793	
Z12		0.872	
Z13		0.793	
Y11			0.819
Y12			0.769
Y13			0.823

Source: Author's Analysed Data (2023)

In Table 4, it can be seen that the indicator correlation value is highest with the Financial Resilience construct compared to other constructs. Likewise, other indicators show the highest correlation values with their respective constructs when compared with other constructs. These findings indicate that the measurement model used in this study exhibits satisfactory discriminant validity. In addition, Table 5 presents a comparison between the roots of Average Variance Extracted (AVE) for each construct and the correlation between constructs. As depicted in Table 5, each construct shows a higher AVE root value than the correlation between the constructs.

Table 5: Latent Variable Correlations

	Financial Literacy	**Financial Planning**	**Financial Resilience**	**AVE**	**AVE Root**
Financial Literacy	0.809			0,654	0,809
Financial Planning	0.590	0.820		0,673	0,820
Financial Resilience	0.534	0.702	0.804	0,646	0,804

Source: Author's Analysed Data (2023)

4.3. Structural Model

After verifying the validity of the measurement model, the next step involves structural analysis. This includes assessing the significance of the path relationships according to the proposed hypothesis and observing the R^2 value. The results of the significance test for path relationships are presented in Table 6.

Ekspektra : Jurnal Bisnis dan Manajemen, Volume 8, Nomor 1, Hal. 1-15
ISSN 2549-3604 (Online), ISSN 2549-6972 (Print)
DOI: http://dx.doi.org/10.25139/ekt.v8i1.7339

Table 6: Path Coefficient (Mean, STDEV, T-Values)

	Original Sample (O)	**Sample Mean (M)**	**Standard Deviation (STDEV)**	**T Statistics (|O/STDEV|)**	**P Values**
Financial Literacy → Financial Planning	0.590	0.593	0.042	13.999	0.000
Financial Literacy → Financial Resilience	0.185	0.187	0.045	4.072	0.000
Financial Planning → Financial Resilience	0.593	0.595	0.041	14.597	0.000

Source: Author's Analysed Data (2023)

The findings in Table 6 clearly demonstrate the importance of the variables studied and the hypotheses proposed. T-statistic values exceeding 2.0 and P values below the predetermined significance threshold of 0.01 provide strong evidence supporting the statistical significance of all the hypotheses formulated in this study. As a result, all proposed views can be validated. Additionally, Table 7 presents the calculated values for R^2 and Adjusted R^2, providing a thorough understanding of the model's explanatory capacity and fit.

Table 7: R^2 and Adjusted R^2

	R Square	R Square Adjusted
Financial Planning	0.348	0.345
Financial Resilience	0.515	0.512

Source: Author's Analysed Data (2023)

Presented in Table 8 is the analysis of indirect effects, specifically the impact of mediating variables on the relationships between exogenous variables and their endogenous variables. The results showed that each indirect effect displayed a T-statistic value exceeding 2.0, with a P value below the previous significance threshold of 0.01. These findings confirm the validation of the hypothesis indicating the importance of mediation effects in this study.

Table 8: Specific Indirect Effects

	Original Sample (O)	**Sample Mean (M)**	**Standard Deviation (STDEV)**	**T Statistics (|O/STDEV|)**	**P Values**
Financial Literacy → Financial Planning → Financial Resilience	0.349	0.353	0.037	9.402	0.000

Source: Author's Analysed Data (2023)

As illustrated in Figure 2, the structural model testing results confirm the acceptance of all hypotheses posited in this study.

ISSN 2549-3604 (Online), ISSN 2549-6972 (Print)
DOI: http://dx.doi.org/10.25139/ekt.v8i1.7339

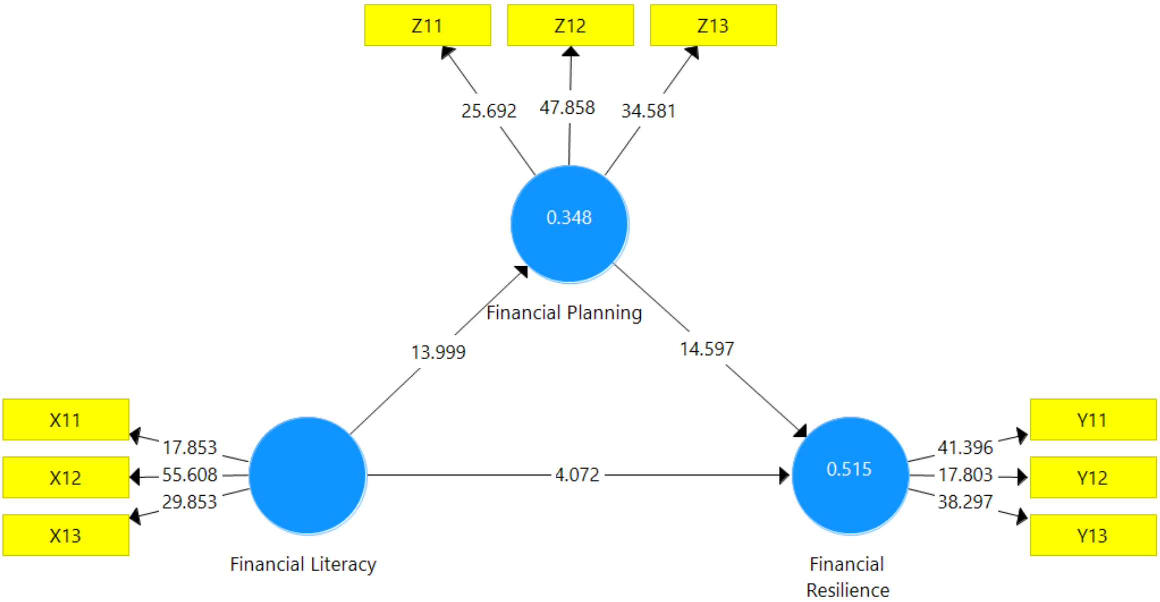

Figure 2: Result of Research Model Analysis
Source: Author's Analysed Data (2023)

4.4. Financial Literacy and Financial Resilience

Financial literacy, as the ability to understand and manage financial information well, is not just a collection of knowledge, but an essential foundation that plays a crucial role in forming financial resilience (Brown et al., 2018). Individuals or entities that have a high level of financial literacy tend to have better sensitivity and understanding of financial risks and opportunities. In-depth knowledge of investment concepts, risk management, as well as an understanding of financial instruments, enables individuals or organizations to make intelligent financial decisions (Chauhan & Dey, 2020). This, in turn, has a positive impact on their ability to deal with economic uncertainty, manage changing financial conditions, and design more effective financial management strategies. Financial literacy, therefore, not only opens the door to wise decision making, but also acts as a main pillar in building financial resilience (Manuel et al., 2019). Research and increasing financial literacy is a must, especially in an era of ever-changing economic dynamics, so that society and organizations can build solid financial resilience, making it an important foundation for sustainable economic growth.

In the context of Village-Owned Enterprises (BUMDes), the link between financial literacy and financial resilience has major implications for the sustainability and success of BUMDes in managing their finances. A good level of financial literacy among BUMDes members and managers is a key factor in ensuring a deep understanding of how to manage finances efficiently. Financial literacy enables BUMDes to better understand financial instruments, evaluate risks, and make information-based financial decisions.

By having strong financial literacy, BUMDes can develop more strategic and resilient financial plans. This involves budget planning, wise allocation of funds, as well as effective investment management. The financial resilience of BUMDes lies in its ability to survive and adapt amidst economic changes and dynamic financial situations, and financial literacy acts as a foundation for achieving this resilience. Furthermore, financial literacy at the BUMDes level can strengthen relationships with village communities. Community members who have good financial literacy are more likely to be actively

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involved in BUMDes activities, understand the benefits and risks of investment, and overall support business sustainability at the village level.

Therefore, investing in increasing financial literacy among BUMDes members can be considered an important strategy to increase the effectiveness of BUMDes financial management, increase village economic independence, and strengthen the role of BUMDes as agents of sustainable local economic development.

4.5. Financial Literacy and Financial Planning

Financial literacy has a deep and significant role in shaping financial planning, creating a solid foundation for wise financial management (Manuel et al., 2019). A high level of understanding of financial, investment and risk management concepts possessed by individuals or organizations who have good financial literacy is the key to designing more strategic financial plansv(Lopus et al., 2019). Through financial literacy, a person is able to clearly identify financial goals, understand the various financial instruments available, and evaluate the risks and benefits involved in each financial decision (Douissa, 2019). Thus, financial literacy opens the door to the development of more informed and measurable financial plans (Douissa, 2019). Individuals who have high financial literacy tend to be better able to plan investments, manage debt wisely, and make financial decisions that suit their situation (Mu˜noz-Murillo et al., 2019). Overall, the relationship between financial literacy and financial planning not only creates the foundation for smart financial decisions, but also provides the necessary balance between risk and growth, resulting in a financial plan that is not only effective now, but also sustainable in achieving long-term financial goals .

In relation to Village-Owned Enterprises (BUMDes), the relationship between financial literacy and financial planning is very important to support the sustainability and operational success of BUMDes at the village level. BUMDes have a strategic role in managing economic resources at the village level, and a deep understanding of financial literacy can provide a strong foundation for effective financial management.

First of all, financial literacy among BUMDes can increase their understanding of basic financial concepts, including how to read financial reports, manage income and costs, and recognize investment opportunities that can support village economic development. With good financial literacy, BUMDes can make smarter financial decisions and optimize the allocation of funds for projects that have the greatest positive impact on village communities. Furthermore, financial planning skills are very relevant for BUMDes in designing structured and measurable financial plans. Financial planning helps BUMDes in planning funding for development projects, managing financial risks, and creating fund reserves to overcome possible crises or economic challenges that arise. By planning wisely, BUMDes can increase their financial resilience, ensure operational continuity, and provide sustainable benefits to village communities.

Apart from that, financial literacy and financial planning can provide independent financial sustainability for BUMDes. With a good understanding of how to manage finances and plan effectively, BUMDes can reduce dependence on government or third party funding, increase village economic independence, and create a sustainable positive impact in community development. Overall, the link between financial literacy and financial planning helps strengthen the role of BUMDes as agents of economic development at the village level. By building a foundation of financial literacy and implementing good financial planning practices, BUMDes can be more effective in achieving financial goals and have a greater positive impact on village communities.

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4.6. Financial Planning and Financial Resilience

Financial Planning, as a systematic approach in managing and allocating financial resources, demonstrates a significant influence on Financial Resilience (Manuel et al., 2019). The financial resilience of an individual, organization or entity such as a Village-Owned Enterprise (BUMDes) does not only depend on the income received, but also on the ability to plan and manage the use of these funds. Through wise financial planning, an entity can identify potential financial risks, design strategies to deal with them, and establish financial reserves that can be relied upon in emergency situations. Financial planning also allows adjustments to changing economic conditions, providing flexibility in facing challenges and minimizing their impact on financial stability (Elisa et al., 2019). Additionally, effective financial planning includes establishing long-term financial goals, enabling an entity to build a strong foundation for sustainable growth and development (Mu˜noz-Murillo et al., 2019). Thus, research and application of financial planning practices is not only a tool for planning daily finances, but is also the key to building and maintaining strong financial resilience in facing the complex dynamics of the global economy.

The relationship between Financial Planning and Village-Owned Enterprises (BUMDes) has significant implications in the context of financial management and economic growth at the village level. BUMDes, as a local economic entity owned by village communities, is a very relevant subject in the implementation of financial planning practices. First, financial planning allows BUMDes to plan the allocation of funds wisely, including determining priorities for the use of funds for village development projects or investments that have the potential to generate profits. Second, financial planning can help BUMDes face economic risks and manage uncertainty. By considering potential risks and designing appropriate mitigation strategies, BUMDes can minimize negative impacts and ensure the continuity of their operations. This is very important considering that BUMDes often operate in a context full of challenges, such as fluctuations in agricultural product prices, changes in government policy, or the impact of climate change.

Apart from that, financial planning can help BUMDes in transparent and accountable financial management. A clear financial plan helps build community trust in BUMDes and can increase community participation in local economic activities. Financial transparency also supports BUMDes accountability for the use of village funds, which can be an important factor in gaining support from the government and other stakeholders. By designing a good financial plan, BUMDes can also increase their financial resilience. Sustainability and economic growth at the village level can be achieved through appropriate investment and increased operational efficiency. Therefore, financial planning not only helps BUMDes to manage finances well but can also be a strategic tool to support sustainable economic development and the welfare of village communities as a whole.

5. CONCLUSIONS, IMPLICATIONS, SUGGESTIONS AND LIMITATIONS OF THE RESEARCH

In order to explore the influence of financial literacy on financial resilience through financial planning in Village-Owned Enterprises (BUMDes) in East Java, this research presents findings that reflect a positive and significant relationship between the level of financial literacy, financial planning and BUMDes financial resilience. The research results show that a high level of financial literacy opens up opportunities for BUMDes to develop more structured financial planning, which in turn increases their ability to face economic challenges and emergency situations. A good understanding of financial concepts helps BUMDes in designing financial planning strategies that are responsive to risks and changes in economic conditions. The implications of this research underline the importance of developing financial literacy and effective financial planning as key factors in increasing the financial resilience of BUMDes. Therefore, a deeper understanding of this correlation can help BUMDes in East Java to optimize their financial management, support local economic growth, and provide greater benefits for village communities.

The limitations of this study need to be acknowledged to increase the validity and generalizability of the results. First, limitations in geographic coverage occur because this research focuses on BUMDes in East Java, so the results may not fully reflect the situation in other areas. Second, variability in the level of financial literacy and financial planning among BUMDes managers could be a factor that influences the results. These limitations could be remedied through the inclusion of more representative samples or through further research that includes regional variations and levels of financial expertise.

Suggestions for future research include developing further research to explore other factors that can influence financial resilience in BUMDes, such as government support, local financial infrastructure, or community involvement. In addition, research can be in-depth on the effectiveness of financial literacy programs and financial planning training that have been adopted by BUMDes. Further research could also explore the impact of mediating or moderator variables that might clarify the relationship between financial literacy, financial planning, and financial resilience. It is also recommended to involve more holistic research methods, such as in-depth interviews or case studies, to gain a deeper understanding of the experiences and perspectives of BUMDes managers related to financial literacy and financial planning. By addressing these limitations, future research can provide deeper and contextual insights to support the development of policies and best practices in improving the financial resilience of BUMDes in various contexts.

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ACKNOWLEDGEMENTS

The completion of this research was made possible through the financial support provided by the Higher Education Grant Program from the Research and Community Service Institute of Untag Surabaya. We extend our sincere appreciation for the funding assistance that enabled the successful execution of this study.

ISSN 2549-3604 (Online), ISSN 2549-6972 (Print)
DOI: http://dx.doi.org/10.25139/ekt.v8i1.7339

Exhibit 1. Questionnaire Design

Table 9: Questionnaire Design

Variables	Indicators	Items	Sources
Financial Literacy	Basic Financial Knowledge	I have a good understanding of fundamental financial concepts such as interest rates, inflation, and investment risks.	Fianto (2022)
	Financial Services and Product Knowledge	I have familiarity with various financial products and services, including savings accounts, investments, loans, and insurance	Fianto (2022)
	Perceived Financial Decision Making Capability	I have confidence in my ability to make sound financial decisions	Fianto (2022)
Financial Planning	Realistic Goal Setting	I have ability to set realistic financial goals that align with your current financial situation and future aspirations	Fianto (2022)
	Emergency Financial Planning	I have some approaches to planning for unexpected financial emergencies	Fianto (2022)
	Perceived capability of financial planning design	I feel confident in my ability to design and implement effective financial plans	Fianto (2022)
Financial Resilience	Emergency Fund Adequacy	I have proportional adequacy of emergency fund in the annual budget to cover unexpected expenses	Fianto (2022)
	Adaptability to Income Fluctuations	I have adaptation to fluctuations in the budget income, such as changes in employment or unexpected financial setbacks	Fianto (2022)
	Perceived Effective Risk Management	I have ability to manage financial risks effectively	Fianto (2022)