

ABSTRACT

This study was conducted to determine “The Impact of Financial Literacy on Financial Distress of MSMEs Member Guided by KOPMU-DT at Bandung Raya Region”. The purpose of this study is to know and analyze how the level of financial literacy on MSMEs, how the financial distress of MSMEs member, and the impact of financial literacy on financial distress of MSMEs member guided by KOPMU-DT at Bandung Raya region.

This research uses quantitative method with descriptive research type. Sampling is done by probability sampling method simple random sampling, with the number of respondents as much as 100 people. Data analysis techniques used are descriptive analysis and simple linear regression analysis. Based on the results of hypothesis testing, financial literacy has a significant impact financial distress of MSMEs member. Based on the coefficient of determination resulted that financial literacy affects the financial distress of 41.0% while 59.0% influenced by other factors not examined in this study.

As conclusion of this research, the financial literacy of MSMEs member of KOPMU-DT Bandung Raya region is in neutral or sufficient category. It is essential for them to maintain and continuously improve their financial literacy due to its impact on financial distress.

Keywords: Financial Literacy, Financial Distress, MSMEs