

ABSTRACT

Level of Regional Financial Independence is the ability of local governments to finance their own government activities, development and services to the people who have paid taxes and fees as a source of income needed.

This study aims to examine the effect of the Balancing Fund, Economic Growth, and Economic Expenditure on the Level of Regional Financial Independence on the official website of the Banyuwangi Regency government. The data used in this research are secondary data. This research uses quantitative methods. The sampling technique in this study is saturated sample. The sample in this study was from 2011 to 2018 with a total sample of 32 samples consisting of data on Balancing Funds, Economic Growth, Capital Expenditures, and the Level of Regional Financial Independence. The data analysis model used in this study is multiple linear regression analysis using software SPSS version 24.

The results showed that simultaneous Balancing Funds, Economic Growth, and Capital Expenditures had a significant effect on the Level of Regional Financial Independence in the Banyuwangi Regency period 2011-2018. While partially, the Balance Fund variable does not affect the Level of Regional Financial Independence. Economic Growth Variable influences the Level of Regional Financial Independence. And the variable Capital Expenditure does not affect the level of Regional Financial Independence.

Keywords: *Balancing Funds, Economic Growth, Capital Expenditures, Level of Regional Financial Independence*