

## **ABSTRACT**

*This research was conducted to determine the impact of financial literacy on performance of MSME members of Paguyuban Pengusaha Kecil dan Menengah (PPKM) in the region of Rancaekek and Cileunyi. The purpose of this study is to discover and analyze the level of financial literacy among the MSMEs, as well as the level of profitability, lastly the purpose of this study is to determine the impact of financial literacy on performance of MSME members of PPKM in the region of Rancaekek and Cileunyi.*

*This research used quantitative method with descriptive research type. Supported by non-probability sampling method of total population sampling with total number of respondents as much as 35 people. Data analysis techniques used are descriptive analysis and simple linear regression analysis. Based on the results of the hypothesis being tested, financial literacy was proven to have had significant impact on profitability of MSMEs. This was supported by the level of  $t\text{-count} > t\text{-table}$  ( $5,725 > 2,305$ ) with a significance level of 0,005. Based on the coefficient of determination result shows that financial literacy constitute 49,8% of the total impact on funding access while 50,2% was affected by other factors which weren't examined in this study.*

*As conclusion of this research, the financial literacy of MSME members of PPKM in the region of Rancaekek and Cileunyi is in good level. It is essential for them to maintain and continuously improve their financial literacy due to its impact on their performance.*

*Keywords: Financial Literacy, Performance, MSME, PPKM*