

## **ABSTRACT**

*This research aims to analyze the effect of capital, labor, raw materials, and length of business on the income received by water hyacinth craft business actors around Rawa Pening every month. The theory put forward by Cobb-Douglas explains that capital and labor will have an influence on production results which then affect the level of income received by business actors. Water hyacinth craft is one of the leading handicraft products of Semarang Regency by utilizing water hyacinth as well as a solution to the problem of excessive weed population that occurs in Rawa Pening. The market share of water hyacinth handicraft products has also expanded abroad, so the micro craft business has the potential to grow in the future.*

*This research was carried out using survey methods and saturation sampling techniques on water hyacinth craft business actors around Rawa Pening. Data collection method was carried out through an interview process and distribution of questionnaires to 42 respondents or the entire population of water hyacinth craft business actors around Rawa Pening. Then the data were analyzed and processed using the OLS (Ordinary Least Squares) multiple linear regression analysis method with the SPSS (Statistical Package for Social Science) version 26 program.*

*The results of this research show that the variables capital, labor, raw materials, and length of business have a positive and significant influence on the income of water hyacinth craft business operators around Rawa Pening, Semarang Regency. The labor variable has the most dominant influence compared to the capital, raw materials and length of business variables. Therefore, growth in capital, labor, raw materials and length of business will increase the income of water hyacinth craft business actors around Rawa Pening, Semarang Regency.*

*Keywords: Capital, labor, raw materials, length of business, income*