

ABSTRACT

This study analyzes the financial sustainability of micro and small enterprises (MSEs) owned by Muslim entrepreneurs in Semarang City. A quantitative approach was employed, utilizing the Partial Least Squares Structural Equation Modeling (PLS-SEM) method processed with SmartPLS 4 software. The independent variables investigated include Islamic Financial Literacy, Financial Knowledge, Financial Behavior, Financial Attitude, and Financial Inclusion. These five variables were tested for their influence on financial sustainability as the dependent variable. The research subjects were 120 Muslim entrepreneurs operating MSEs in Semarang City, selected using a purposive sampling technique. The findings indicate that Islamic Financial Literacy, Financial Knowledge, Financial Behavior, Financial Attitude, and Financial Inclusion all significantly and positively influence financial sustainability. The financial sustainability level of Muslim-owned MSEs in Semarang City was found to be 52.92%. Based on these findings, it can be concluded that all independent variables examined have a significant impact on the financial sustainability of Muslim MSEs.

Keywords: Islamic Financial Literacy, Financial Inclusion, Financial Inclusion, Financial Sustainability, Micro and Small Enterprises.

