ABSTRACT

The city of Pekalongan is well known to the public as a city with a center for batik handicrafts, where batik is one of the leading products in Pekalongan City. Most of the people earn income from batik. The income of SMEs Batik Center can be influenced by various factors. This study uses capital, labor, education and working hours as independent variables. This study aims to determine the effect of the variables of business capital, labor, education and working hours on the income of the SMEs Batik Center in Pekalongan City.

This research is a quantitative research. The sample used in this study were 100 members of respondents using purposive sampling technique. The data used are primary data by questionnaire. The analysis technique used is a multiple linear regression with income as the dependent variable and four independent variables, capital, labour, education and working hours.

The results of this research indicate positive and significant effect of capital, labor, education and working hours on the income of SMEs Batik Centers in Pekalongan City. The independent variables jointly affect the income of SMEs Batik Center in Pekalongan City by 81.5 percent. The dominant variable affecting the income of SMEs Batik Center in Pekalongan City is capital.

Keywords: SMEs income, capital, labor, education, working hours