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# FINTECH PAYMENT ABILITY FOR MSME ACTIVITIES OF THE BABY BOOMERS GENERATION IN SOUTH TANGERANG CITY

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***Abstract***

*Advances in technology in the financial sector, namely fintech payments in the current digital era, can be a challenge to adapt in everyday life. And it is undeniable that the generation that grew up with technology has very different expectations and experiences in using digital media than previous generations. This study aims to determine the effect of digital economic literacy and financial inclusion on the ability to use fintech payments through financial inclusion for the MSMEs of the baby boomers generation based on valid data. Data collection was carried out in this study using quantitative techniques with data analysis techniques Path Analysis through questionnaires. The number of samples studied were 160 SMEs of the baby boomers generation in South Tangerang City in 2022. The research variable data was in the form of primary data consisting of the ability to use fintech payments (Y), digital economic literacy (X1) and financial inclusion (X2). The results of the study show that digital economic literacy has a positive effect on the ability to use fintech payments; financial inclusion has a positive effect on the ability to use fintech payments; digital economic literacy has an indirect effect on the ability to use fintech payments through financial inclusion.*

***Keywords:*** *Digital Economy Literacy, Financial Inclusion, Fintech Payment*

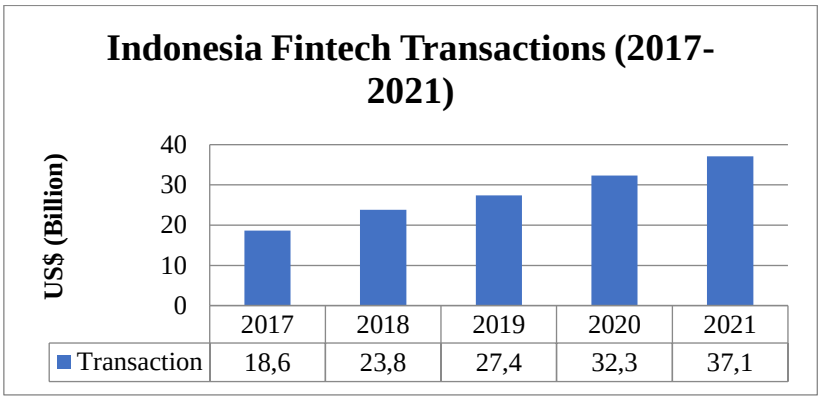
## 1. INTRODUCTION

With the advancement of technology, innovations have emerged in a variety of fields, including the field of financial services, also known as financial technology (Wijoyo et al., 2020). Taking advantage of digital roles, people can now conduct remote transactions via payments that can be made in seconds without visiting a bank using only their smartphones. According to Rahardjo et al., (2019), the phenomenon of innovation in the global financial services industry is presently transforming its landscape. All of these alterations contribute to the emergence of a new phenomenon known as Financial Technology or Fintech. The fintech sector is a strategy that offers tremendous opportunities not only to expand financial inclusion, but also to improve the welfare of individuals. Fintech is increasingly benefiting from the widespread use of smartphones in rural areas to connect hard-to-reach individuals with formal financial institutions, smartphones that make it simpler to use financial services to meet one's needs and maintain business continuity. The accumulation of transaction value and the excellent development of digital payments demonstrate that a number of factors make fintech very attractive not only to entrepreneurs but also to users.

Currently, almost all industrial sectors in Indonesia are offered with new innovations that can change the business model of each industry to be more effective and efficient, one of which is the financial sector. The financial sector is a sector that has a role in national economic growth. According to the Department for International

Development (DFID), the financial sector is part of all macro and micro companies or can be said to be part of the economy that focuses on financial services related to transactions that exist in financial institutions. As a result, new technological innovations that are developing in the financial sector are known as financial technology. Financial technology (hereinafter refers to fintech) is the maximum use of technology in improving financial services. The concept of fintech is to use software, the internet, and today's communication. Fintech is worked on by start-up companies that provide convenience in transactions, especially financial transactions and challenges conventional companies that are still lacking in the use of technology.

The development of Fintech transactions can be seen in the graph below, where the graph shows a trend in the use of fintech payments which tends to increase every year, it can be seen in figure 1 as follows:




Source: Data Processed by Researchers Based on Statista Databoks.

**Figure 1** Development of Indonesian Fintech Transactions in 2017-2021

Seeing that the Indonesian digital payment market currently has enormous potential because it includes functions in electronic transactions that make it easier for users, such as: electronic money, transfers between banks via smartphones (mobile banking), ATMs and other opportunities that can be used by industry players to meet consumer needs. No exception for MSMEs in Indonesia. Other research shows that the introduction of fintech can make a positive contribution to strengthening the MSME sector, especially MSMEs which are considered as pillars of the economy. The presence of Fintech is designed to provide solutions to the problems of financial transactions and capital for many small and medium enterprises (MSMEs).

Advances in technology in the financial sector, namely fintech payments in the current digital era, can be an advantage and even a challenge to adapt in everyday life (Rumondang et al., 2019). Still, it is undeniable that the generation that grew up with technology has very different expectations and experiences in using digital media than previous generations such as the baby boomers generation. The rapid development of technology makes the baby boomers generation have different perspectives, thoughts, and ideas in using information technology to complete their work in the digital field or current technological advances (Rais et al., 2018).

Amid technological and digital advancements, fintech payments are also present in the development or maintenance of MSME actors' businesses. However, the ability of MSME actors to utilize fintech services, particularly fintech payments, is frequently a constraint (Palinggi & Allolinggi, 2019). With various factors so that someone is able to

use fintech services but on the other hand seeing MSME actors who are elderly or the baby boomers generation must have knowledge or understanding of the digital economy by becoming digital economic literature, and adapting to various financial sectors provided in this era, so that the MSMEs of the baby boomers generation are able to maintain their existence or not be left behind in the situation of fintech progress, because they, as MSME actors, the baby boomers generation must inevitably compete with various MSME actors from generation X to the Post Gen Z generation. The baby boomers generation itself is a promising market segment because in general this generation is well established, has a fairly high income and also a successful career. However, we must keep an eye on this baby boomers segment to socialize and educate on the use of fintech (Nugraheni et al., 2022). These efforts need to be supported by understanding the behavior of the baby boomers generation, both related to the level of acceptance and exploring the obstacles faced by the baby boomers generation have a fairly high income and also a successful career.

To support this research, South Tangerang City was chosen as the research location because the city of South Tangerang is also one of the best cities to support MSMEs. The Ministry of Cooperatives and MSMEs even gave South Tangerang City a regional award with the best MSME rating. Therefore, as one of the best cities in supporting MSMEs, MSME actors in South Tangerang City should adapt to fintech regulations. The number of MSMEs in South Tangerang City will reach 26,799 businesses in 2021 based on data from the South Tangerang City Cooperatives and MSMEs Service.

In developing or maintaining their business amid technological and digital advances, MSME actors are often constrained by their ability to use fintech services, especially fintech payments. The implementation of the purpose of fintech payment services to MSMEs in South Tangerang City refers to a small portion of the number of MSMEs in cities in South Tangerang. Hence, it is possible that there are still MSMEs such as street vendors or small stalls and MSME actors who have a generation of baby boomers, which can be said they do not understand the world of fintech, especially fintech payment regulations that are oriented towards future business development but have not received support and guidance to socialize the use of fintech payments services. In fact, the role of the MSME sector in the Indonesian economy cannot be denied. In 2018, the number of MSME actors in Indonesia reached 64,2 million, representing 99.99% of all business actors. MSME labor absorption capability is as high as 117 million workers, or 97% of enterprise workforce absorption capacity. In the meantime, the contribution of MSMEs to the national economy (GDP) was 61.1%, while the remaining 38.9% was given by large company players, of whom there were only 5,550, or 0.01% of the total number of business actors (Indonesian Ministry of Finance, 2020). MSMEs can alleviate poverty because they can reduce unemployment by equalizing income. However, given the limitations in developing MSME actors, this is a priority that the government must pay attention to because of its contribution to economic growth.

In the development of MSMEs, innovation is needed to adapt to the current era of scientific and technological progress, especially fintech innovation in the economic field. As according to Sugiarti et al., (2019), that supports financing through fintech because it can improve the quality and development of micro, small and medium enterprises.

In addition to the benefits obtained from using fintech payments for the baby boomers generation, there are also some problems for the baby boomers generation in

adapting to using technology. According to Fozard & Wahl (2012), the problem that arises is that the baby boomers generation who are not native to technology will have difficulty accepting various types of technology. Another problem faced by the elderly is the adaptation of the elderly to the use of technology in today's life. Even today, many elderly people are delaying their retirement to continue working or starting other careers amid today's technological advances. Therefore, baby boomers need to learn and use technology to be able to compete competitively in the world of work. Hence, this research will shed a light on the baby boomers generation in the midst of technological advances, especially in the fintech field.

In the research carried by Marginingsih (2021) the role of financial technology in promoting financial inclusion is also reflected in several fundamental characteristics of financial technology, which can be described as increasing access to the financial system and its decentralization through technological advances, including community participation and MSMEs; they are unable to act as donors and users of the financial system. Then, increase transparency, accountability, and collaboration in sectors where technology can improve transparency, monitoring, accountability, and information sharing with government, communities, and the private sector to work together. The development of fintech should be in line with financial inclusion, however, the role of financial inclusion through fintech integration has not yet spread to Indonesian society and the dominant contribution of financial inclusion to financial system stability has not been seen.

On the other hand, Ifa & Muttaqien, (2018) reveal that the digital economy can exacerbate inequality, because there are some MSME actors who quickly track successful digital developments and some have not been able to keep up. The digital economy is indeed still a challenge for some entrepreneurs, whereas on the other hand the digital economy can provide multiple benefits for those who can adapt. Meanwhile, Ramadani & Syariati (2020) noted that entrepreneurs who do not keep up with the sophistication of time will likely experience difficulties in developing the business world in the current digital era. Changes in market dynamics in the digital economy are also the main choice for MSME players, especially regarding further fintech developments.

This is also supported by an initial survey conducted by researchers. Whereas in general, the baby boomers generation of MSME actors in South Tangerang City, based on an initial survey conducted by researchers in South Tangerang City on 40 baby boomers generation MSME actors it was stated that 73.7% did not know Fintech payment and 26.3% knew Fintech payment.

Nevertheless, the highest percentage of the difficulty factor for the baby boomers generation of MSMEs in using fintech payment services is the statement "still feel comfortable and safe with traditional transactions" with the highest percentage of 92.5%. Meanwhile, the lowest percentage related to the difficulties of MSME actors in the baby boomers generation is in the statement "feeling ineffective in managing finances" with a percentage of 27.5%. The results of the initial survey of 40 MSME actors of the baby boomers generation. Based on the results of the initial survey, it can be concluded that the main factor that makes it difficult for MSMEs, the baby boomers generation, to use fintech payment services, is that they still feel comfortable and safe with traditional transactions. Furthermore, the second highest factor was followed by lazy trying as much as 70% and continued by the difficulty factor in the administrative process as much as

52.5%. The three highest factors are thought to affect the baby boomers generation of SMEs in using fintech payment services.

However, according to research by Joachim (2017) in (Nugraheni et al., 2022), it has been carried out with a focus on fintech payments from various users from the baby boomers age group. Besides, there are studies that study consumer perceptions of mobile banking based on fintech payments (Iman, 2019; Purba et al., 2021). As a matter of fact, studies that focus on resistance or rejection of innovation, especially by the baby boomers generation in Indonesia are still few because in general most people think that innovation is a good thing that can improve current conditions, so they often tend to ignore resistance to innovation.

Based on the description above, it can be concluded that there is a great need for policies related to socialization, coaching and training for MSME actors of the baby boomers generation (aged 58 years and above) in order to hone their abilities in using Fintech Payment services amid technological developments, so that the existence of MSMEs, especially for the perpetrators. MSMEs of the baby boomers generation in order to survive and be able to keep up with current technological advances. Increasing digital economic literacy to financial inclusion is also something that must be adapted for baby boomers MSMEs, because the ability to use Fintech Payment will not be easy if users have not become digital economic literature and adapt to financial inclusion.

The focus in this study is aimed at observing how the ability to use Fintech Payments for MSME actors and measuring the level of digital economic literacy and the state of financial inclusion, which is specifically for MSME actors of the baby boomers generation, which means the baby boomers generation is MSME actors in the age range of 58 years up in the city of South Tangerang.

Based on the above statement, the objectives of this study are (1) To determine the ability of the MSMEs of the baby boomers generation in the city of South Tangerang in using Fintech Payment, (2) To reveal the level of digital economic literacy of the MSMEs of the baby boomers generation in the city of South Tangerang against the ability to use Fintech Payment, (3) To find out the state of financial inclusion of the MSMEs of the baby boomers generation in the city of South Tangerang on the ability to use Fintech Payment. As for the research framework that can be seen as follows:

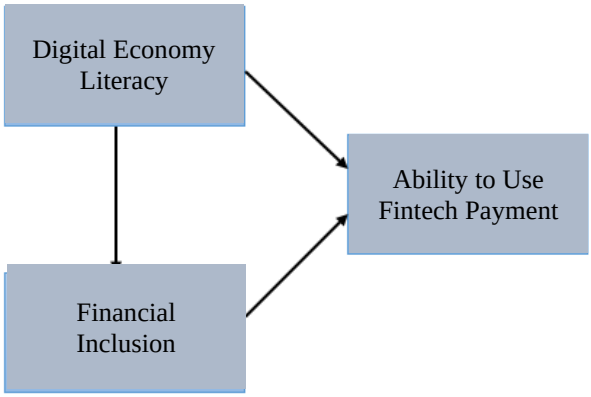



**Figure 2** Research Framework

## 2. RESEARCH METHODS

This research was conducted in South Tangerang using primary data obtained from structured interview data directly to the research object using a goggle form questionnaire. This survey serves to collect data from the MSMEs of the baby boomers generation to determine the level of digital economic literacy and financial inclusion. The scope of this research is the perpetrators of the MSME generation of baby boomers in South Tangerang City.

The analytical method used is descriptive and quantitative methods. Descriptive method is useful for analyzing and interpreting the data that has been collected in this study. While the quantitative method is useful for measuring the level of digital economic literacy and financial inclusion of MSMEs, the baby boomers generation on the Ability to Use Fintech Payments in the city of South Tangerang.

The model estimation technique is carried out using primary data using Microsoft Excel and SPSS 25 software, for the calculation of validity and reliability, using SPSS 25 software to speed up the processing of data that has been obtained from online questionnaires. In this study using two data, namely primary data and secondary data.

The data collected comes from the MSMEs of the baby boomers generation (58 years and over) in the city of South Tangerang. Community data in the form of respondent characteristics, digital economic literacy, and financial inclusion are owned by means of structured interviews.

Respondent data is primary data obtained by direct survey with interviews using a questionnaire template which is divided into four parts, namely the respondent's characteristics questionnaire, knowing the respondent's digital economic literacy, the condition of financial inclusion of the respondent. The questionnaire was first designed in such a way that data could be collected and processed and analyzed. Secondary data is data obtained from various agencies to support research purposes. Secondary data is a statistical publication issued by the cooperative and MSME service agencies in the city of South Tangerang.

The populations in this study are the Actor of MSMEs Generation of baby boomers (traders or MSME actors aged 40 years and over and seen from all ages from MSME actors in South Tangerang City in 2021 as many as 26.799 actors. approximately 2.500 – 3.100 consisting of 7 sub-districts in South Tangerang City. In this study there is a proportional number of MSME actors in South Tangerang city as many as 26.799. In this study, not all of the existing population were studied. By looking at the number of MSME actors in the baby boomers generation from 10 % of the population according to the data from the Department of Cooperatives and SMEs, South Tangerang City.

The data analysis technique used is path analysis using SPSS version 25 software. Because this research is a path analysis, the first step is to make a path diagram. The path diagram aims to present problems and hypotheses in the form of charts or pictures so that a structural equation model can be determined. Based on the research path diagram, there are 2 structural equation models that explain the relationship between variables. The following is a diagram of this research path:

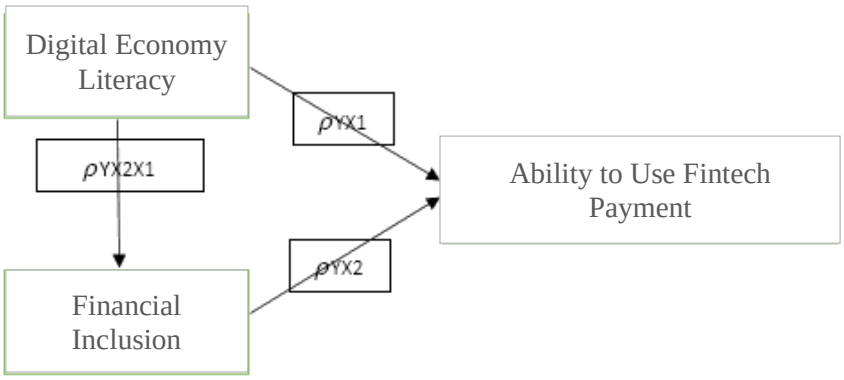



**Figure 3** Causality Relationship Between Variables

Information:

1) ρYX2X1 = Path coefficient of Digital Economic Literacy variable (X1) Ability to Use Fintech Payment (Y) through Financial Inclusion (X2), illustrates the magnitude of the influence of digital economic literacy indirectly on the ability to use fintech payments through financial inclusion.
2) ρYX1 = Path coefficient of the Digital Economic Literacy variable (X1) on the Ability to Use Fintech Payments (Y), describing the magnitude of the direct influence of digital economic literacy on the ability to use fintech payments.
3) ρYX2 = Path coefficient of the financial inclusion variable (X2) on the ability to use fintech payments (Y), describing the magnitude of the direct influence of financial inclusion on the ability to use fintech payments.

## 3. RESULTS AND DISCUSSION

### 3.1. Research Results (Sub-chapter)

**Table 1. Normality Test Results**

**One-Sample Kolmogorov-Smirnov Test**

| | | Unstandardized Residual |
|---|---|---|
| N | | 160 |
| Normal Parameters[a,b] | mean | .0000000 |
| | Std. Deviation | 1.82564368 |
| Most Extreme Differences | Absolute | .064 |
| | Positive | .056 |
| | negative | -.064 |
| Test Statistics | | .064 |
| asymp. Sig. (2-tailed) | | .200[c,d] |

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source: SPSS v.25 (2022) outputs

Based on the output results obtained a significance value of 0.200. Because the significance value is more than 5%, it can be concluded that the residuals are normally distributed.

**Table 2** Linearity Test Results between X1 and Y

**ANOVA Table**

| | | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|---|
| Ability to Use Fintech payment * Digital Economy Literacy | Between Groups | (Combined) | 633,280 | 12 | 52.773 | 14,956 | .000 |
| | | linearity | 564,526 | 1 | 564,526 | 159.983 | .000 |
| | | Deviation from Linearity | 68,755 | 11 | 6.250 | 1,771 | .064 |
| | Within Groups | | 518,714 | 147 | 3,529 | | |
| | Total | | 1151,994 | 159 | | | |

Based on the table above, the linearity significance value of the digital economic literacy variable is 0.000 < 0.05 and the deviation from linearity significance value is 0.064 > 0.05. So, it can be concluded that the digital economic literacy variable has a linear relationship to the ability to use fintech payments.

**Table 3. Linearity Test Results between X1 and Y**

**ANOVA Table**

| | | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|---|
| Ability to Use Fintech payment * Financial Inclusion | Between Groups | (Combined) | 556,789 | 9 | 61,865 | 15.591 | .000 |
| | | linearity | 494,468 | 1 | 494,468 | 124.613 | .000 |
| | | Deviation from Linearity | 62.321 | 8 | 7,790 | 1963 | .055 |
| | Within Groups | | 595,205 | 150 | 3.968 | | |
| | Total | | 1151,994 | 159 | | | |

Source: SPSS v.25 (2022) outputs

Based on the table above, the linearity significance value of the financial inclusion variable is 0.000 < 0.05 and the deviation from linearity significance value is 0.055 > 0.05. So, it can be concluded that the financial inclusion variable has a linear relationship to the ability to use fintech payments.

In the next stage, the calculation of the path coefficients of model I and path coefficients of model II will be carried out, as explained as follows:

**1) Model I**

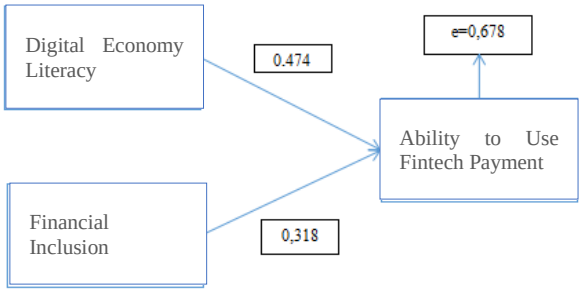
**Table 4. T-test Results of Model I**

**Coefficients[a]**

| Model | | Unstandardized Coefficients B | Unstandardized Coefficients Std. Error | Standardized Coefficients Beta | t | Sig. |
|---|---|---|---|---|---|---|
| 1 | (Constant) | 7.170 | 2,974 | | 2.411 | .017 |
| | Digital Economy Literacy | .471 | .077 | .474 | 6.148 | .000 |
| | Financial Inclusion | .351 | .085 | .318 | 4.128 | .000 |

a. Dependent Variable: Ability to Use Fintech payment
Source: SPSS v.25 (2022) output

Based on the test results in the table above, the effect of digital economic literacy on the ability to use fintech payments is 6.148 with a significance value of 0.000 and the effect of financial inclusion on the ability to use fintech payments is 4.128 with a significance value of 0.000. So, it can be concluded that there is a significant positive effect between digital economic literacy on the ability to use fintech payments and there is also a significant positive effect between financial inclusion on the ability to use fintech payments. The following is a picture of the relationship between the influence of each variable:




Source: SPSS v.25 (2022) output
**Figure 4. Model I Path Diagram**

**Table 5. The Result of the Coefficient of Determination Model I**

**Model Summary[b]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .735[a] | .540 | .534 | 1.83724 |

a. Predictors: (Constant), Financial Inclusion, Digital Economy Literacy
b. Dependent Variable: Ability to Use Fintech payment
Source: SPSS v.25 (2022) output

The value of R square contained in table 5 is 0.540. This shows that the contribution of X1 and X2 to Y is 54%, while the remaining 46% is the contribution of other variables outside this study. For the value of e1 is calculated by the formula e=√(1-R^2 )=√(1-0.540)=0.678.

This model simultaneously tests the hypothesis H1: there is an effect of digital economic literacy on the ability to use fintech payments and H2: there is an effect of financial inclusion on the ability to use fintech payments. It is hereby stated that hypothesis 1 and hypothesis 2 are accepted.

## 2) Model II

**Table 6. Model II t-test Results**

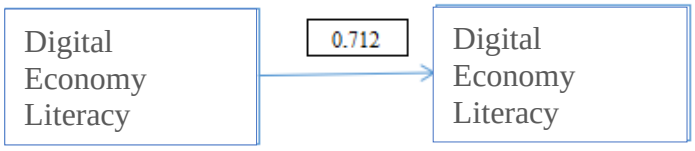
**Coefficients[a]**

| Model | Unstandardized Coefficients B | Unstandardized Coefficients Std. Error | Standardized Coefficients Beta | t | Sig. |
|---|---|---|---|---|---|
| 1 (Constant) | 17,751 | 2,402 | | 7.391 | .000 |
| Digital Economy Literacy | .642 | .050 | .712 | 12.732 | .000 |

a. Dependent Variable: Financial Inclusion

Source: SPSS v.25 (2022) output

Based on the output of the regression model II, it is known that the significance value of the two variables, namely digital economic literacy (X1) is 0.000 and the ability to use financial payments (Y) which is indicated by a constant of 0.000, both of which have a value of <0.05. These results conclude that the regression model II, namely the digital economic literacy variable (X1) has a significant effect on financial inclusion (X2).




Source: SPSS v.25 (2022) output

**Figure 5. Model II Path Diagram**

The value of R square contained in table 7 is 0.506. This shows that the contribution of X1 to X2 is 50.6%, while the remaining 49.4% is the contribution of other variables outside this study.

**Table 7. Results of the Model II Coefficient of Determination Test**

**Model Summary[b]**

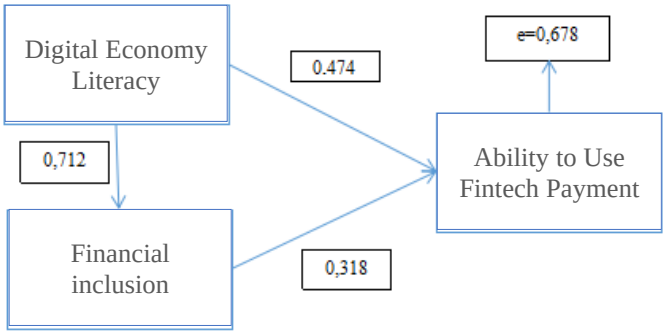
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .712[a] | .506 | .503 | 1.72122 |

a. Predictors: (Constant), Digital Economy Literacy
b. Dependent Variable: Financial Inclusion

The results of the path analysis test that had been carried out previously concluded that there was an indirect effect between the variables X1 on Y through X2. The magnitude of the indirect effect caused by digital economic literacy (X1) on the ability to use fintech payments (Y) through financial inclusion (X2) can be seen through the following formula:

=PYX1+(pX2X1 x pYX2)
=0.474+(0.712 x 0.318)
=0.474 +0.226
=0.700 (70.0%)

Based on the calculations that have been described, it is known the value of the standardized coefficient (beta) for each research variable relationship. The direct effect of digital economic literacy (X1) on the ability to use fintech payments (Y) is 0.474 (pyx1), while the indirect effect is 0.712 x 0.318 = 0.226. From these results, the total indirect effect between digital economic literacy (X1) on the ability to use fintech payments (Y) through financial inclusion (X2) is 0.474 + 0.226 = 0.700 or the ability to use fintech payments can be explained by the variable digital economic literacy through financial inclusion. by 70%, while the rest is influenced by other factors not examined. Causality between variables can be described as follows:




Source: SPSS v.25 (2022) output

**Figure 6. Path Diagram of the Indirect Effect of Digital Economic Literacy (X1) on the Ability to Use Fintech Payment (Y) through Financial Inclusion (X2)**

### 3.2. Discussion

#### 3.2.1. The Effect of Digital Economy Literacy on the Ability to Use Fintech Payment

Based on the t-test, the value of tstatistic > ttable of digital economic literacy is 6.148 > 1.975 with a significance value of 0.000 < 0.05 which indicates H1 is accepted. The value of the regression coefficient on the digital economic literacy variable is 0.471, which means that if digital economic literacy increases by 1, then the ability to use fintech payments will also increase by 0.471 at a constant of 7.170. This can be explained from the fact that when someone has good knowledge of the digital economic system, their ability to use fintech payments will also increase.

The coefficient is positive, which means that there is a positive and significant influence between digital economic literacy on the ability to use fintech payments. This illustrates that the better the digital economic literacy a person has, the better his ability to use fintech payments will be.

This result is supported by Lusardi & Mitchell (2011) that knowledge or economic literacy in society is one of the important factors in the development of the digital economy. Digital economic literacy is a basic need for everyone to avoid financial difficulties and make it easier for people to manage finances well and invest techniques to achieve economic prosperity in the current digital era.

Fajar & Larasati (2021) also suggest in their research that there is a positive relationship between digital economic literacy and the ability to use Fintech. The implementation of Fintech in MSMEs also has several challenges including

infrastructure, legislation, limited human resource capabilities, and lack of financial literacy.

Likewise, Pambudi (2019) also found that increasing digital economic literacy for understanding fintech payments can be through formal and informal education; socialization; and public campaigns. Then education and socialization through awareness (non-formal channels); and improvement of competence (formal channels) either through academic channels from various levels; profession; and profession.

From the research results that have been obtained, it can be proven that there is a direct influence between digital economic literacy on the ability to use fintech payments for the baby boomers generation of MSMEs in South Tangerang.

### 3.2.2. The Effect of Financial Inclusion on the Ability to Use Fintech Payment

Based on the t-test, the value of tstatistic > ttable of financial inclusion is 4.128 > 1.975 with a significance value of 0.000 <0.05 which indicates H2 is accepted. The value of the regression coefficient on the financial inclusion variable is 0.351, which means that if financial inclusion increases by 1, then the ability to use fintech payments will also increase by 0.351 at a constant 7.170.

The coefficient is positive, which means that there is a positive and significant influence between financial inclusion on the ability to use fintech payments. This finding illustrates that the better financial inclusion a person has, the better his ability to use fintech payments will be. Economic literacy and financial inclusion of fintech is a place to achieve effectiveness and efficiency of finance for an individual. The use of fintech has proven to be easier and more efficient because only through a smartphone can a person access and monitor finances both in terms of information and use.

Merz (2010) in (Roberto & Jaka, 2018) said that financial inclusion will provide opportunities for the poor to improve their standard of living. Financial inclusion also enables companies, particularly financial services, to do good while gaining access to a large number of profitable new customers in a dynamic and fast-growing market. In addition, for a country financial inclusion has the potential to stimulate economic activity and improve the quality of life of its population.

This result is in line with Fitriani (2018) that financial sector inclusion has a direct influence on the ability to use fintech, especially in the payment sector. Financial inclusion can increase with support from the government to improve supporting facilities and infrastructure for the use of fintech payments in Indonesia.

From the results of the research that has been obtained, it can be proven that there is a direct influence between financial inclusion on the ability to use fintech payments for the baby boomers generation of MSMEs in South Tangerang.

### 3.2.3. The Effect of Digital Economy Literacy on the Ability to Use Fintech Payments through Financial Inclusion

Based on the results of the calculations that have been carried out, the magnitude of the direct effect is 0.474 or 47.4% and the total indirect effect is 70%. This shows that financial inclusion has a very large influence in mediating the influence of digital economic literacy on the ability to use fintech payments for the baby boomers generation of MSMEs in South Tangerang. From the facts obtained, it is stated that the ability to use fintech payments for the MSMEs of the baby boomers generation in South Tangerang is

supported by their acceptance and knowledge of the digital economic system in the current era.

The better the digital economic literacy, the higher the financial inclusion so as to increase the ability to use fintech payments for the baby boomers generation of MSMEs in South Tangerang. Conversely, the lower digital economic literacy will reduce the value of financial inclusion which of course has a negative impact on the ability to use fintech payments for the baby boomers generation of MSMEs in South Tangerang. It is hereby declared that H3 is accepted.

The same result was revealed by Sari & Kautsar, (2020) that the achievement of financial inclusion is strongly influenced by the level of understanding and skills of a person's financial management so that they can access financial products and services wisely. As noted by Andyni & Kurniasari (2021) that the more financially literate a person is, the more actively involved in financial activities, for example in the use of financial products and services. At the same time, Yulianasari & Mahrina (2021) also stated that the use of fintech payments has an effect on digital financial literacy and inclusion in MSMEs in Bengkulu City.

Thus, it is proven that there is a positive and significant indirect effect between digital economic literacy on the ability to use fintech payments for the baby boomers generation of MSMEs in South Tangerang through financial inclusion.

Based on the results of the path analysis and the explanation above, there are the following results:

1) There is a positive and significant influence between digital economic literacy on the ability to use fintech payments for the baby boomers generation of MSMEs in South Tangerang.
2) There is a positive and significant effect between financial inclusion on the ability to use fintech payments for the baby boomers generation of MSMEs in South Tangerang.
3) Indirectly, there is an influence of digital economic literacy on the ability to use fintech payments for the baby boomers generation of MSMEs in South Tangerang through financial inclusion.

## 4. CONCLUSION

Based on statistical data processing, description and data analysis that has been carried out and described by the author, from this study the following conclusions are obtained:

1) There is a positive and significant influence between Digital Economy Literacy on the Ability to Use Fintech Payment. This means that when someone has good knowledge of the digital economic system, their ability to use fintech payments will also increase. Likewise, if a person's knowledge of Digital Economic Literacy is lower, the ability of the baby boomers generation of SMEs to use fintech payments will also be lower.
2) There is a significant positive effect between financial inclusion on the ability to use fintech payments. This can be interpreted as the better the financial inclusion of the MSMEs, the baby boomers generation, the better their ability to use fintech

payments. Hence, the lower the financial inclusion, the lower the level of ability to use fintech payments.

3) The indirect effect obtained is smaller than the direct effect between Digital Economy Literacy on the ability to use fintech payments through Financial Inclusion. This study shows that financial inclusion (X2) has little influence in mediating Digital Economic Literacy (X1) on the ability to use fintech payments (Y). This means that the better the digital economic literacy you have, the higher the financial inclusion will be so as to increase the ability to use fintech payments for the baby boomers generation of MSMEs in South Tangerang. Conversely, the lower digital economic literacy will reduce the value of financial inclusion which of course has a negative impact on the ability to use fintech payments for the baby boomers generation of MSMEs in South Tangerang.

Based on the results of the study, several suggestions can be obtained to several parties, namely:

a) To the Department of Cooperatives and SMEs of South Tangerang City, it is necessary to carry out routine socialization regarding the use of fintech payments as a form of innovation or upgrading of MSME actors, especially the baby boomers generation who in their eyes have a little difficulty using fintech payment services so that they maintain their existence as MSME traders in the midst of digital progress.
b) For further researchers who are interested in conducting similar research, it is hoped that they will pay more attention to the use of mediating variables or the independent variables to be selected. Further researchers can use other variables that are better in research on the use of fintech payments for the MSMEs of the baby boomers generation.

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