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The Effect of People's Business Credit, Own Capital, and Business Duration on MSME Income among Culinary Entrepreneurs in Karanganyar Regency

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Abstract

Micro, Small, and Medium Enterprises (MSMEs) play an important role in supporting economic development and community income generation. However, MSME growth is often constrained by limited access to financing, insufficient internal capital, and differences in business experience. This study aims to examine the effect of People's Business Credit (KUR), own capital, and business duration on MSME income among culinary entrepreneurs in Karanganyar Regency. This study employed a quantitative approach using a survey method. The population consisted of 129 registered culinary MSME owners, and 98 respondents were selected using the Slovin formula and purposive sampling technique. Data were collected through questionnaires using a Likert scale and analyzed using validity tests, reliability tests, classical assumption tests, multiple linear regression analysis, t-tests, F-tests, and the coefficient of determination. The results show that People's Business Credit has a positive and significant effect on MSME income, with a t-value of 6.556 and a significance value of 0.000. Own capital also has a positive and significant effect on MSME income, with a t-value of 3.767 and a significance value of 0.000. Meanwhile, business duration does not have a significant effect on MSME income, with a t-value of 1.394 and a significance value of 0.167. Simultaneously, People's Business Credit, own capital, and business duration significantly affect MSME income, as indicated by an F-value of 100.173 and a significance value of 0.000. The Adjusted R Square value of 0.754 indicates that the research model explains 75.4% of the variation in MSME income. These findings highlight that improving access to productive financing and strengthening capital management are essential strategies for enhancing MSME income, while entrepreneurs should also develop innovation and adaptation capabilities to sustain business growth.

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1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a significant role in supporting economic development, employment creation, and income distribution in many developing countries. MSMEs contribute to economic resilience because they provide opportunities for entrepreneurship, encourage local economic activities, and support household income generation. In Indonesia, MSMEs represent one of the most important sectors in the national economy, as they are widely operated by communities across various regions and business sectors. Their ability to survive and grow is closely related to internal capabilities, including financial resources, business management, and access to external support (OECD, 2021; World Bank, 2023).

The culinary sector is one of the MSME sectors that continues to experience growth due to its close relationship with daily consumer needs. Culinary businesses generally require relatively flexible operational management; however, they also face challenges related to production costs, raw material availability, competition, and business expansion. In local economic areas, such as public spaces and community activity centers, culinary MSMEs contribute not only to income generation for business owners but also to regional economic activity. Therefore, understanding the factors influencing MSME income becomes important

to support sustainable business development.

One of the major challenges faced by MSMEs is limited access to business capital. Adequate capital availability enables entrepreneurs to purchase raw materials, increase production capacity, improve business facilities, and expand marketing activities. However, many MSME owners experience difficulties in obtaining formal financial support due to financial constraints and limited access to external funding, which may restrict business expansion and performance improvement (Matar & Alkhawaldeh, 2022). To address this issue, the Indonesian government introduced the People's Business Credit (Kredit Usaha Rakyat/KUR) program as a financing scheme aimed at improving access to productive credit for small businesses. Access to external financing can provide MSMEs with opportunities to increase operational capacity and improve business performance when the funds are utilized effectively.

Previous studies indicate that access to financial resources has an important relationship with MSME performance. External financing allows entrepreneurs to overcome capital limitations and allocate resources for business expansion, inventory management, and productivity improvement. In the context of MSMEs, credit availability can become a strategic factor because business growth often depends on the ability of entrepreneurs to obtain sufficient working capital (Nicolas, 2022; Widyastuti et al., 2023; Bhattacharyya et al., 2023). However, the effectiveness of credit utilization depends on how entrepreneurs manage and allocate borrowed funds for productive activities.

Besides external financing, internal capital or own capital is another important factor affecting MSME income (Serrasqueiro et al., 2023; Elgammal et al., 2023; Caporale et al., 2023). Own capital provides flexibility for entrepreneurs because it does not create repayment obligations or interest costs. Adequate internal capital enables business owners to maintain operational continuity, manage cash flow, and respond to market changes more effectively. The availability of sufficient internal capital enables business owners to maintain operational continuity, manage cash flow, and respond to market changes more effectively. Financial capability is an important factor that supports MSME competitiveness and business performance improvement (Amoah et al., 2021).

Another factor that may influence MSME income is business duration. Longer business experience is often associated with better knowledge of market conditions, customer preferences, supplier relationships, and operational management. Entrepreneurs who have operated for a longer period may have accumulated experience that supports decision-making and business adaptation. However, previous research has shown inconsistent findings regarding the relationship between business duration and MSME income. Some studies suggest that longer business experience contributes to higher income, while others indicate that business age alone does not guarantee better performance because innovation, technology adoption, and market adaptation also play important roles (Salfore et al., 2023; Otache, 2024).

Karanganyar Regency is one of the areas in Indonesia with growing MSME activities, including culinary businesses. The Karanganyar Regency area represents one of the economic activity centers where many culinary entrepreneurs operate. Based on the data used in this study, there were 129 registered culinary MSMEs in the Karanganyar Regency area in 2025. These businesses have economic potential; however, their income levels may vary depending on their ability to access financing, manage capital, and develop business experience.

Although previous studies have examined factors affecting MSME income, differences remain regarding the effects of financing sources and business characteristics. Some studies emphasize the importance of credit access, while others highlight the role of internal capital or managerial capabilities. In addition, the effect of business duration remains inconclusive. This research gap indicates the need for further investigation, particularly among culinary MSMEs operating in local economic centers.

Therefore, this study aims to analyze the effect of People's Business Credit (KUR), own capital, and business duration on MSME income among culinary entrepreneurs at Karanganyar Regency. Specifically, this study examines the partial effects of each independent variable and their simultaneous effect on MSME income. The findings are expected to provide empirical evidence regarding financial factors and business characteristics that influence MSME income and contribute to the development of strategies for strengthening MSME

performance.

2. Literature Review

2.1 MSME Income

Micro, Small, and Medium Enterprise (MSME) income represents the financial outcomes generated from business activities after considering the ability of enterprises to manage operational processes, market opportunities, and available resources. Income is an important indicator of business performance because it reflects the success of entrepreneurs in generating economic value from their activities. For MSMEs, increasing income is not only determined by sales volume but also influenced by resource management, financial capability, production capacity, and the ability to adapt to competitive business environments (Amoah et al., 2021).

The resource-based perspective explains that business performance is influenced by the ability of firms to utilize valuable internal resources and capabilities. Financial resources, managerial capability, and innovation-related capabilities represent important factors that support MSME competitiveness and performance improvement (Khan et al., 2021). In the MSME context, financial resources represent one of the essential capabilities because limited capital availability may restrict production expansion, marketing activities, and business development.

MSME income is therefore influenced by both internal and external factors. Internal factors include own capital, entrepreneurial experience, and managerial capability, while external factors include access to financial institutions, government support programs, and market conditions. Among these factors, capital-related aspects are considered important because MSMEs often face financial limitations that affect their ability to expand operations.

2.2 People's Business Credit (KUR) and MSME Income

People's Business Credit (Kredit Usaha Rakyat/KUR) is a government-supported financing program designed to improve access to productive credit for MSMEs. Access to external financing can help entrepreneurs overcome capital constraints and provide additional resources for business operations. Through sufficient financing, MSMEs can increase production capacity, purchase equipment, maintain inventory availability, and expand their market activities.

Financial constraints remain one of the major challenges faced by MSMEs because limited access to external financing may restrict business development opportunities. Access to financial resources enables small businesses to strengthen operational capacity and improve business performance (Matar & Alkhawaldeh, 2022). Therefore, access to credit is expected to contribute positively to business performance and income improvement.

Previous empirical studies have shown that financing access has a significant relationship with MSME performance. The previous studied found that KUR contributes to increasing business income because financial support enables entrepreneurs to improve operational activities and business development (Finnegan & Kapoor, 2023). Similarly, the previous studied reported that KUR distribution has a positive effect on MSME income by supporting entrepreneurs in fulfilling business capital requirements (Tran et al., 2021).

However, the impact of credit depends on the effectiveness of fund utilization. Credit obtained for productive purposes may provide greater benefits compared with credit used for non-business activities. Therefore, the availability of KUR is expected to positively influence MSME income when managed effectively. Based on these arguments, the following hypothesis is proposed.

H1: People's Business Credit (KUR) has a positive and significant effect on MSME income.

2.3 Own Capital and MSME Income

Own capital refers to financial resources provided by business owners to support business activities without external repayment obligations. Unlike borrowed capital, own capital provides greater flexibility because entrepreneurs do not have to pay interest or installment costs. Adequate own capital enables MSME owners to maintain business operations, purchase production inputs, and respond to market changes more effectively. The availability of financial resources influences business decisions and performance because sufficient capital enables MSMEs to maintain operations, support investment activities, and improve business performance (Sari & Indriani, 2021). For MSMEs, sufficient internal capital can reduce dependence on external financing and provide greater control over business

management.

Previous research has indicated that own capital contributes to MSME income improvement. The own capital has a positive relationship with MSME income because businesses with stronger internal financial resources have greater ability to develop their activities. Similarly, the previous studied stated that adequate capital availability supports business continuity and improves entrepreneurs' ability to generate income (Silva & Silva, 2026).

Nevertheless, the effectiveness of own capital depends on the ability of entrepreneurs to manage financial resources. Capital availability alone does not guarantee higher income without effective planning, cost management, and business strategies. Therefore, own capital is expected to influence MSME income positively. Based on the theoretical and empirical arguments, the second hypothesis is formulated.

H2: Own capital has a positive and significant effect on MSME income.

2.4 Business Duration and MSME Income

Business duration refers to the length of time an entrepreneur has operated a business. Longer business experience may provide entrepreneurs with valuable knowledge regarding customer preferences, market conditions, supplier relationships, and operational management. Through accumulated experience, entrepreneurs may develop better decision-making abilities and improve their ability to manage business challenges.

According to entrepreneurial learning theory, business experience contributes to knowledge development and capability improvement. Entrepreneurs who have operated businesses for longer periods may have greater opportunities to learn from previous experiences, adapt to environmental changes, and develop strategies to maintain business performance.

Several studies have suggested that business duration influences MSME performance. Longer operating periods may strengthen business networks, customer relationships, and market understanding (Abor & Biekpe, 2021). However, other studies indicate that business duration does not always determine higher income because business success is also influenced by innovation capability, technology adoption, marketing strategies, and adaptability.

The inconsistent findings regarding the relationship between business duration and MSME income indicate the need for further empirical examination. In particular, culinary MSMEs operate in highly competitive markets where adaptation and innovation may become more important than business age alone. Therefore, the third hypothesis is proposed.

H3: Business duration has a positive and significant effect on MSME income.

2.5 Simultaneous Effect of KUR, Own Capital, and Business Duration on MSME Income

MSME income is influenced by multiple factors that interact with each other. Financial resources from KUR and own capital provide entrepreneurs with the ability to conduct operational activities, while business duration reflects accumulated experience and managerial capability. These factors represent different dimensions of business resources that may collectively influence income performance. The availability of external financing, sufficient internal capital, and accumulated business experience can strengthen MSME capability in responding to market opportunities. Therefore, examining these variables simultaneously provides a more comprehensive understanding of factors affecting MSME income.

Previous studies have demonstrated that financial factors and business characteristics jointly contribute to MSME performance. However, differences in business environments may produce different findings, requiring further investigation in specific local contexts such as culinary MSMEs in Karanganyar Regency. Based on this explanation, the fourth hypothesis is formulated.

H4: People's Business Credit (KUR), own capital, and business duration simultaneously have a significant effect on MSME income.

3. Method

3.1 Research Design

This study employed a quantitative research approach using a survey method. A quantitative approach was selected because this study aimed to examine the relationship and influence between independent variables and the dependent variable through numerical data analysis. The survey method was applied by collecting data directly from respondents using structured questionnaires to measure their perceptions regarding People's Business Credit

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(KUR), own capital, business duration, and MSME income.

The research model was designed to examine the effect of three independent variables, namely People's Business Credit (X_1), own capital (X_2), and business duration (X_3), on MSME income (Y). The study analyzed both partial and simultaneous effects of the independent variables on MSME income among culinary MSME owners in Karanganyar Regency.

3.2 Population and Sample

The population of this study consisted of culinary MSME owners operating in the Karanganyar Regency area. Based on the data used in this research, the number of registered culinary MSME owners was 129 businesses in 2025.

The sample size was determined using the Slovin formula with a margin of error of 5%. Based on this calculation, the required sample consisted of 98 respondents. The sampling technique used was purposive sampling, in which respondents were selected based on predetermined criteria relevant to the research objectives.

The criteria for selecting respondents were:

1. Culinary MSME owners operating in the Karanganyar Regency area.
2. Registered or identified as active MSME actors.
3. Willing to participate and provide responses through the research questionnaire.

3.3 Data Collection and Research Instrument

Primary data were collected through questionnaires distributed directly to culinary MSME owners. The questionnaire was developed based on indicators representing each research variable. Respondents were asked to provide responses using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

The Likert scale was selected because it enables researchers to measure respondents' perceptions, attitudes, and assessments quantitatively through structured statements. The collected data were then processed and analyzed using statistical procedures to examine the proposed hypotheses. The research instrument consisted of four variables:

Tabel 1. Instrument

Variable	Symbol	Measurement Focus
People's Business Credit	X_1	Access, utilization, and contribution of KUR financing for business activities
Own Capital	X_2	Availability and utilization of internal business funds
Business Duration	X_3	Length of time entrepreneurs have operated their businesses
MSME Income	Y	Business revenue generated from operational activities

The original study measured each variable using five questionnaire items. The instrument consisted of items for KUR, own capital, business duration, and MSME income.

3.4 Research Variables and Operational Definitions

People's Business Credit (KUR)

People's Business Credit refers to external financing facilities provided through government-supported credit programs to assist productive MSMEs. In this study, KUR was measured based on respondents' perceptions regarding access, utilization, and contribution of credit toward business activities.

Own Capital

Own capital refers to financial resources owned and provided by entrepreneurs to support business operations. This variable reflects the availability and utilization of internal funds for maintaining and developing business activities.

Business Duration

Business duration refers to the length of time entrepreneurs have operated their culinary businesses. This variable represents business experience and accumulated knowledge gained through business activities.

MSME Income

MSME income refers to financial returns obtained from business operations. This variable reflects the ability of culinary MSMEs to generate revenue from their business activities.

3.5 Data Analysis Technique

The collected data were analyzed using IBM SPSS Statistics. Several statistical analyses were conducted to ensure the quality of the research instrument and test the proposed hypotheses. First, validity testing was conducted to determine whether questionnaire items accurately measured the research variables. Reliability testing was then performed using Cronbach's Alpha to evaluate the consistency of the research instrument. The study also conducted classical assumption tests, including normality testing, multicollinearity

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testing, and heteroscedasticity testing, to ensure that the regression model met statistical requirements. Furthermore, multiple linear regression analysis was applied to examine the effect of independent variables on MSME income. The regression model used in this study can be expressed as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

where:

- Y = MSME Income
- α = Constant
- β_1 = Regression coefficient of People's Business Credit
- β_2 = Regression coefficient of Own Capital
- β_3 = Regression coefficient of Business Duration
- e = Error term

Hypothesis testing was conducted using the t-test to examine the partial effect of each independent variable and the F-test to examine the simultaneous effect of all independent variables. The coefficient of determination (R^2) was also analyzed to determine the ability of the independent variables to explain variations in MSME income.

4. Results

4.1 Respondent Characteristics

This study involved 98 respondents who were culinary MSME owners operating in the Karanganyar Regency area. Based on respondent characteristics, the majority of respondents were female business owners. Female respondents accounted for 53 individuals (54.08%), while male respondents accounted for 45 individuals (45.92%). The distribution indicates that culinary MSME activities in Karanganyar Regency are managed by both male and female entrepreneurs with relatively balanced participation, although female entrepreneurs represent a slightly higher proportion.

The involvement of both genders in culinary entrepreneurship reflects the accessibility of this sector as a form of community-based economic activity. Culinary businesses generally provide opportunities for individuals to participate in entrepreneurship because they can be developed with varying levels of business scale and capital availability.

4.2 Validity and Reliability Testing

Validity testing was conducted to evaluate whether each questionnaire item was capable of measuring the intended research variables. The validity test results showed that all statement items for People's Business Credit (KUR), own capital, business duration, and MSME income had a significance value (p-value) of 0.000, which was lower than the significance level of 0.05. These results indicate that all questionnaire items were valid and appropriate for measuring the research variables. Therefore, the instrument used in this study was considered capable of representing respondents' perceptions regarding KUR, own capital, business duration, and MSME income.

Table 2 Validity Test Results

Variable	Item Number	p-value	Criteria	Result
People's Business Credit	X1.1–X1.5	0.000	< 0.05	Valid
Own Capital	X2.1–X2.5	0.000	< 0.05	Valid
Business Duration	X3.1–X3.5	0.000	< 0.05	Valid
MSME Income	Y1–Y5	0.000	< 0.05	Valid

Source: Primary data processed (2026)

The validity results confirm that all measurement indicators fulfilled the statistical requirements for further analysis.

4.3 Reliability Test

Reliability testing was performed using Cronbach's Alpha to evaluate the internal consistency of the research instrument. The results are presented in Table 3.

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Standard	Result
People's Business Credit	0.725	0.60	Reliable
Own Capital	0.778	0.60	Reliable
Business Duration	0.794	0.60	Reliable
MSME Income	0.688	0.60	Reliable

Source: Primary data processed (2026)

The results show that all variables obtained Cronbach's Alpha values above 0.60. Therefore, all research instruments were considered reliable and demonstrated consistent measurement across questionnaire items.

4.4 Multiple Linear Regression Analysis

Multiple linear regression analysis was conducted to examine the effect of People's Business Credit, own capital, and business duration on MSME income.

The regression equation obtained from the analysis is:

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$$MSME\ Income = 2.145 + 0.417X_1 + 0.360X_2 + 0.120X_3 + e$$

The regression coefficient values indicate that People's Business Credit and own capital have positive coefficients, suggesting that increases in these variables tend to be followed by increases in MSME income. Meanwhile, business duration also has a positive coefficient; however, its effect requires further significance testing.

Table 4. Multiple Regression and t-Test Results

Variable	B	Beta	t-value	Sig.
Constant	2.145	-	1.989	0.050
People's Business Credit	0.417	0.441	6.556	0.000
Own Capital	0.360	0.391	3.767	0.000
Business Duration	0.120	0.139	1.394	0.167

Source: Primary data processed (2026)

4.5 Hypothesis Testing

Effect of People's Business Credit on MSME Income

The t-test results indicate that People's Business Credit (KUR) has a positive and significant effect on MSME income. This is demonstrated by a t-value of 6.556 and a significance value of 0.000 (<0.05). Therefore, Hypothesis 1 (H1), which states that People's Business Credit has a positive and significant effect on MSME income, is supported.

The regression coefficient of 0.417 indicates that improved access and utilization of KUR are associated with increased MSME income. This finding suggests that financing support enables culinary entrepreneurs to strengthen business activities through additional working capital, purchasing raw materials, improving equipment, and expanding operational capacity.

Effect of Own Capital on MSME Income

The results show that own capital has a positive and significant effect on MSME income. The statistical test produced a t-value of 3.767 with a significance value of 0.000 (<0.05). Therefore, Hypothesis 2 (H2) is supported.

The coefficient value of 0.360 indicates that greater availability and effective management of own capital contribute to higher MSME income. Internal financial resources provide entrepreneurs with flexibility in managing operational needs without depending entirely on external financing.

Effect of Business Duration on MSME Income

The analysis shows that business duration does not have a significant effect on MSME income. The variable obtained a t-value of 1.394 with a significance value of 0.167 (>0.05). Therefore, Hypothesis 3 (H3) is not supported.

Although business duration has a positive regression coefficient (0.120), the statistical results indicate that longer business operation does not necessarily result in higher income. This suggests that business success is not determined solely by how long an enterprise has operated but may also depend on other factors such as innovation capability, marketing strategies, customer preferences, and technology adoption.

4.6 Simultaneous Effect Test (F-Test)

The F-test was conducted to examine the simultaneous effect of People's Business Credit, own capital, and business duration on MSME income.

Table 5. ANOVA Result

Model	F-value	Sig.
Regression	100.173	0.000

Source: Primary data processed (2026)

The results show that the regression model has an F-value of 100.173 with a significance value of 0.000 (<0.05). Therefore, People's Business Credit, own capital, and business duration simultaneously have a significant effect on MSME income.

These findings indicate that MSME income is influenced by a combination of financial resources and business characteristics rather than a single factor.

4.6 Coefficient of Determination

The coefficient of determination analysis was conducted to determine the explanatory ability of independent variables toward MSME income.

The results show an Adjusted R Square value of 0.754. This indicates that 75.4% of the variation in MSME income can be explained by People's Business Credit, own capital, and business duration. Meanwhile, the remaining 24.6% is explained by other factors outside the research model.

Table 6. Coefficient of Determination

R	R Square	Adjusted R Square
0.873	0.762	0.754

Source: Primary data processed (2026)

The high explanatory value indicates that financial factors and business characteristics included in this study provide substantial contributions to explaining MSME income variation.

5. Discussions

5.1 The Effect of People's Business Credit on MSME Income

The findings of this study indicate that People's Business Credit (KUR) has a positive and significant effect on MSME income. This result demonstrates that access to external financing plays an important role in supporting the financial capacity and operational activities of culinary MSMEs in Karanganyar Regency. The availability of KUR enables business owners to overcome capital limitations, maintain business operations, increase production capacity, and improve their ability to respond to market opportunities.

This finding is consistent with the perspective that financial constraints remain a major challenge for MSMEs, as limited access to external financing may reduce their ability to expand operations and improve performance. Therefore, access to appropriate financing sources becomes an important mechanism for strengthening MSME business capacity (Matar & Alkhawaldeh, 2022). Through credit facilities, entrepreneurs can obtain additional resources required for purchasing raw materials, improving business equipment, and expanding operational activities.

The positive effect of KUR on MSME income also supports previous empirical studies. The People's Business Credit significantly contributes to MSME income improvement because credit access provides additional working capital for business development. Similarly, the previous studied reported that KUR supports MSME growth by increasing entrepreneurs' financial capacity and enabling them to improve their business activities (Utami, 2023).

From the resource-based perspective, financial resources represent important capabilities that can strengthen MSME operations and improve business performance when effectively utilized (Khan et al., 2021). In this context, KUR functions as an external resource that enhances MSME capability when utilized effectively. Therefore, the findings suggest that government-supported financing programs can contribute to improving MSME income, particularly when entrepreneurs allocate credit funds toward productive business activities.

5.2 The Effect of Own Capital on MSME Income

The results of this study show that own capital has a positive and significant effect on MSME income. This finding indicates that internal financial resources remain an important determinant of business performance. Culinary MSME owners with better capital availability have greater flexibility in managing daily operations, purchasing production materials, maintaining product quality, and responding to consumer demand.

Own capital provides advantages because entrepreneurs can utilize financial resources without additional repayment obligations. Unlike external financing, internal capital does not generate interest expenses or installment burdens, allowing business owners to manage their cash flow more efficiently. Strong internal financial capacity can therefore support business sustainability and income improvement.

This result supports previous studies showing that own capital contributes positively to MSME performance. The previous studied found that own capital significantly affects MSME income because sufficient internal resources enable entrepreneurs to maintain and develop business activities (Salsabella et al., 2026). Similarly, the another studied stated that adequate capital availability supports business continuity and improves the ability of MSMEs to generate income (Widnyana et al., 2021).

The finding is also consistent with capital structure theory, which emphasizes that the composition and availability of financial resources influence business decisions and performance. In the MSME context, own capital represents an internal capability that allows entrepreneurs to operate more independently and make strategic decisions without excessive dependence on external financing.

However, capital availability alone does not automatically guarantee higher income. Entrepreneurs must also possess effective financial management capabilities, including separating personal and business finances, controlling operational costs, and allocating capital toward productive activities. Therefore, the positive relationship between own capital and income depends not only on the amount of capital owned but also on how effectively it is managed.

5.3 The Effect of Business Duration on MSME Income

The findings reveal that business duration does not have a significant effect on MSME income. This result indicates that longer

business operation periods do not necessarily lead to higher income among culinary MSMEs in Karanganyar Regency. Although business experience may provide entrepreneurs with knowledge regarding customers, suppliers, and market conditions, business age alone is insufficient to ensure improved financial performance.

This finding differs from the assumption that longer operating periods always generate better business outcomes. According to entrepreneurial learning perspectives, experience can improve managerial knowledge and decision-making ability; however, its benefits depend on the entrepreneur's ability to adapt and transform experience into effective strategies.

The insignificant effect of business duration may occur because culinary businesses operate in a dynamic and competitive environment. Consumer preferences, product trends, pricing strategies, service quality, and digital marketing capabilities may have stronger influences on income than business age itself. A business that has operated for a long period may still experience limited growth if it does not innovate or adapt to market changes.

This result is consistent with previous research indicating that business duration does not always determine MSME performance. The length of business operation does not necessarily increase income because other factors, such as innovation, management capability, and marketing strategies, also determine business success (Otache, 2024). Therefore, experience gained through business duration needs to be accompanied by continuous improvement and adaptation.

5.4 The Simultaneous Effect of People's Business Credit, Own Capital, and Business Duration on MSME Income

The simultaneous test results indicate that People's Business Credit, own capital, and business duration collectively have a significant effect on MSME income. This finding suggests that MSME income is influenced by a combination of financial resources and business characteristics rather than by a single determinant.

The significant contribution of these variables supports the argument that MSME performance depends on the ability of entrepreneurs to manage available resources effectively. External financing through KUR provides additional financial support, while own capital strengthens internal financial capacity. Meanwhile, business duration represents accumulated experience that may support decision-making and operational management.

The coefficient of determination indicates that the research model explains 75.4% of the variation in MSME income. This relatively high explanatory ability shows that financial factors represent important aspects influencing culinary MSME income in the research context. Nevertheless, other factors outside this model may also contribute, such as innovation capability, digital technology adoption, marketing strategy, customer loyalty, and managerial competence.

From a practical perspective, the findings highlight the importance of strengthening MSME financial capability. Government institutions and financial providers may focus on improving access to productive financing programs, while MSME owners need to improve financial management practices to maximize the benefits of available resources. In addition, entrepreneurs should not rely solely on business experience but continuously develop innovation and adaptation capabilities to maintain competitiveness.

6. Conclusion

This study concludes that People's Business Credit (KUR) and own capital have a positive and significant effect on MSME income among culinary entrepreneurs in Karanganyar Regency. The effect of People's Business Credit is indicated by a t-value of 6.556 with a significance value of 0.000, while own capital shows a t-value of 3.767 with a significance value of 0.000. Meanwhile, business duration does not have a significant effect on MSME income, as indicated by a t-value of 1.394 and a significance value of 0.167. Simultaneously, People's Business Credit, own capital, and business duration significantly affect MSME income, with an F-value of 100.173 and a significance value of 0.000. The regression model explains 75.4% of the variation in MSME income, as indicated by the Adjusted R Square value of 0.754. These findings imply that improving access to productive financing and strengthening internal capital management are important strategies for supporting MSME income growth, while business sustainability requires not only experience but also innovation and adaptation capabilities.

This study has several limitations. The research was conducted only among 98 culinary MSME owners in Karanganyar Regency, which limits the generalizability of the findings to other MSME sectors and geographical areas. In addition, the research model only included People's Business Credit, own capital, and business duration as explanatory variables, while other factors may also influence MSME income. Future studies are recommended to include additional variables, such as financial literacy, digital technology adoption, innovation capability, marketing strategy, and entrepreneurial orientation. Expanding the research scope to different MSME sectors and regions may provide broader insights into the determinants of MSME income.

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