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Analysis Of Financial Management Efficiency Of Umkm Empowerment Program In Limboto Lake Area Using Cost Benefit Analysis Approach

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Abstract. This study examines the efficiency and feasibility of an UMKM empowerment program around Lake Limboto using a Cost Benefit Analysis (CBA) approach, while also evaluating administrative aspects and regulatory literacy. The methods used included direct observation, interviews, and quantitative CBA analysis (Payback Period, NPV, BCR). The results indicate that the program's management budget is quite efficient, but it is not economically feasible due to a negative NPV, a payback period exceeding three years, and a BCR below one. Despite this, UMKM reported tangible benefits from government assistance. Weaknesses were identified in financial management and understanding of tax obligations, as stipulated in Government Regulation No. 23/2018. These findings are supported by previous studies. Research by Rusdin et al. (2020) in Iluta Village, on the coast of Lake Limboto, showed that UMKM utilizing local raw materials such as water hyacinth experienced challenges in financial management. Furthermore, other research on tilapia cultivation in Lake Limboto also noted the potential for high profits, but this was not matched by adequate institutional support and guidance. Based on the results of observations and synthesis of previous research, it can be concluded that empowering UMKM in the Limboto Lake area requires a more integrated approach, both in terms of budget efficiency, administrative assistance, and fiscal education.

Keywords: Financial Efficiency, Cost Benefit Analysis, Small and Medium Enterprises, Payback Period, Net Present Value, Benefit Cost Ratio