AN ANALYSIS OF THE INFLUENCE OF SHARIA FINANCIAL LITERACY ON INTEREST IN USING SHARIA BANK PRODUCTS

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Abstract

This study aims to analyze the influence of Sharia financial literacy on the interest in using Sharia bank products of mosque youth in Pekanbaru City, Riau. The sample of the study consists of 92 respondents. The type of this study is field research with a quantitative approach. The data are obtained from primary data with the analysis techniques using simple linear regression with data processing performed by SPSS Software Version 25.
The hypothesis testing of the study is partial analysis (t-test). The results of the study show that the Sharia financial literacy has a positive and significant influence on the interest of mosque youth in Pekanbaru City to use Sharia bank products. It is proved by the t-value of the Sharia financial literacy variable (X) of 6.215 and the t-table value of 1.661, it can be seen that: t-count > t-table (6.215 > 1.671) with a significance level of 0.000 <0.05. Furthermore, the influence of the independent variable (Sharia financial literacy) on the dependent variable (interest) is 53.2%, while the remaining 46.8% is influenced by other variables not included in this study.

**Keywords:** Sharia Financial Literacy, Interest, Sharia Bank Products.

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**Citation:**

**INTRODUCTION**

Sharia banking in Indonesia has experienced rapid development in recent years. Sharia banking has become a major factor for the community. Until now, a number of studies have been conducted to provide further insight into Sharia banking which focus on the use of Sharia banking products. Sharia banks have enormous development potential, it can be identified from most of the population of Indonesia are Muslims.

In the current era of globalization, careful financial management is mandatory for every individual. The use of funds will be decided in financial management. People who understand Sharia financial literacy will manage their funds carefully and efficiently. Literacy is related to one's competency and knowledge of a particular discipline or area. Sharia financial literacy is a person's ability to use financial knowledge, skills and attitudes in managing financial resources in accordance with Islamic teachings. Society and Sharia financial institutions have a relationship.
that requires each other. Financial literacy serves to provide knowledge and skills in financial institution services.

Sharia banking product literacy is very important to be understood and owned by all levels of society in this modern era. Financial literacy can be defined as a person's knowledge of finances and how to manage them with the aim of achieving prosperity (Kusumadewi et al., 2019). Financial literacy is a process and activity in order to increase knowledge, awareness, confidence, ability and skills to manage finances, so that people can take advantage of financial services (conventional and sharia) for the sake of prosperity and be aware of financial conditions or situation in the future (Giesler & Veresiu, 2014).

There are various factors that make it difficult for the Sharia banking industry to get a place in the national banking industry. Among other things, due to human resource (HR) problems, and the lack of public understanding of the services provided by Sharia banking. In this case, there are two categories of people who do not understand the financial services industry offered by Sharia banking. First, the people who have wrong perceptions about the financial services industry offered by Sharia banking. "Second, the people who really don't know about the existence of Sharia banks (Maesaroh & Widyananto, 2016).

According to Ahmad Yani (2016), mosque youth are the main vehicle for cadre from the mosques for the younger generation. Likewise with the existence of mosque youth who have a big role in the progress of the Sharia banking industry in Indonesia in particular and in Pekanbaru city in general. Teenagers or youth as agents of change in a nation have an important role in the development of Sharia banking, especially in its application to daily life. People's perspectives and attitudes towards Sharia banks are partly caused by the low understanding and knowledge of mosque youth towards Sharia banks and they are dominated by conventional banks. The differences in perspectives and literacy regarding Sharia finance greatly influence the interest of mosque youth in using Sharia banking products. Therefore, it is deemed necessary to study the influence of Sharia financial literacy variables on the interest in using Sharia bank products. The problem formulation of the study is whether the Sharia financial literacy influences the interest of mosque youth in Pekanbaru city to use Sharia Bank Products. The aim of the study is to analyze the influence of Sharia financial literacy on the interest of mosque youth in Pekanbaru city to use Sharia banking products.
LITERATURE REVIEW

Sharia Financial Literacy

According to Kusumadewi et al (2019), financial literacy can be defined as a person's knowledge of finances and how to manage them with the aim of achieving prosperity. Sharia financial literacy is a person's ability to use financial knowledge, skills and attitudes in managing financial resources in accordance with Islamic teachings. Sharia financial literacy can generate many great benefits, especially in Sharia financial services and financial services in general. Communities and Sharia financial service institutions have a relationship that requires each other so that the higher level of Sharia financial literacy, the more people will take advantage of products and services from Sharia financial institutions.

Muslims face many challenges towards Sharia Financial Literacy. They have less financial knowledge and want to learn Sharia finance terms. They do not understand Sharia finance and how to handle financial services using Sharia Financial Literacy (Zaman et al., 2017). However, if they choose good Sharia Financial Literacy, they must have proper information about interest rates, national economic conditions, personal finance and growth rates. Another challenge for Muslims is to find the type of financing regarding Sharia terms and conditions (Ali et al., 2021).

According to Remund, (2010), the indicators contained in Sharia financial literacy are (1) knowledge, which is one of the aspects that a person must have in the concept of financial literacy in order to be able to manage finances well. This is expected to increase their welfare. (2) ability, if a person has a high level of literacy, he will be able to make good financial decisions. Decision-making is one of the most important in the context of financial literacy. (3) Trust, not everyone is able to increase self-confidence when planning long-term needs.

Interest

According to the Great Indonesian Dictionary, interest is a strong desire for something. Interest is a preference and a sense of interest in something or activity, without being asked. Basically, interest is...
acceptance of a relationship between oneself and something outside oneself. The stronger or closer the relationship, the greater the interest (Djaali, 2013). According to Syah (2004), interest is a positive attitude from someone towards something that is done with feelings of pleasure and enthusiasm so that they can accept it without letting it go. So it can be stated that the interest is a high tendency or activity or a great desire for something as an interpretation of the feeling of liking that arises from its activity.

Factors that influence the emergence of interest according to Crow (1984) are: (1) Personal needs Factor, refers to the needs that arise from within the individual, or factor related to physical drive, motives, self-defense from hunger, fear, pain, as well as curiosity to arouse interest in conducting research and so on; (2) Social motive factor, leading to adjustment to the environment in order to be accepted and recognized by the environment or activities to meet social needs, such as working, obtaining status, getting attention and appreciation; (3) Emotional or feeling factor, the interest is closely related to feelings or emotions. Being successful in activities driven by interest will bring pleasure and strengthen existing interest, otherwise the failure will reduce the individual's interest. According to Mardiana et. al (2021) besides the Sharia financial literacy factor, religiosity also influences the interest and decision to save in Sharia banking.

Previous Studies

The researchers consider that it is important to discuss previous studies to support this study, there are several studies that have been conducted by other researchers, as follows: a study conducted by Nurudin et al., (2021), the results of the study show that the variables of Sharia financial literacy and culture have a significant positive influence on the interest in saving for students in Semarang city. Adiyanto & Purnomo, (2021), with the results of the study show that the Sharia financial literacy has a positive influence on the interest in using Sharia banking products with a regression coefficient of 0.723 and a significance of 0.002. Then Albaity & Rahman, (2019), the results of this study show that the Sharia financial literacy variable has a significant influence on the intention to use Sharia banking products. Furthermore, a study conducted by Ali et al., (2021) found that Sharia financial literacy is a significant determinant of the use of Sharia banking products in Pakistan.
METHODOLOGY

This study is a field research. The type of the study is quantitative descriptive research. The quantitative method is a method of analyzing numerical data or numbers that are processed by using statistical methods.

Population and Sample

The population of the study is the mosque youth in Pekanbaru City from 2022 to 2027, totaling 1112 respondents (JPRMI, 2022). The number of samples taken is 92 respondents with the sampling technique using simple random sampling of the Slovin formula. The instrument of the study is questionnaires. In the process of making the questionnaire items, it must be adapted to the aims of this study. The questions were developed from an extensive literature review of various journals and books. The questionnaire items of the study are the results of previous studies and have undergone improvements and modifications to the words and questions.

Data Analysis Technique

The data analysis technique of the study is quantitative with simple linear regression analysis. The data obtained was performed by using SPSS (Statistical Product and Service Solution) version 25. The procedure in the data processing technique is to test the instrument through validity and reliability tests. In the hypothesis testing, a partial test (t-test) and the coefficient of determination (R2) test are used.

RESULTS AND DISCUSSION

Results

a. Respondent Identity

Tabel 1. Respondent Identity Data:

<table>
<thead>
<tr>
<th>No</th>
<th>Indikator</th>
<th>People</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>37</td>
<td>40.22</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Female</th>
<th>55</th>
<th>59.78</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>92</td>
<td>100</td>
</tr>
</tbody>
</table>

Age (Year)

<table>
<thead>
<tr>
<th>Age Level</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 20</td>
<td>58</td>
<td>63.04</td>
</tr>
<tr>
<td>20 - 30</td>
<td>31</td>
<td>33.70</td>
</tr>
<tr>
<td>30 - 40</td>
<td>3</td>
<td>3.26</td>
</tr>
<tr>
<td>Total</td>
<td>92</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Processed Data (2023)

Based on the results of the recapitulation of the respondents’ identity data in Table 1 above, it can be seen that the total number of respondents is 92 people and based on the indicators including: First, respondents based on Gender, indicating that the female respondents are more dominant, namely 55 people or 59.78%. Meanwhile, there are 37 male respondents or 40.22%. Second, according to age level, it is clear that the age <20 years dominates, namely 58 people with a percentage of 63.04%. Then followed by the age level of 20-30 years totaling 31 people or 33.70%. Then the age level of 30-40 is 3 people or 3.26%.

b. Instrument Test

1) Validity Test

Validity measurement is conducted by applying the Corrected Item-Total Correlation formula with a significant level of 5 (α = 0.05), it means that an item is considered valid if it has a significant correlation with the total score. If r-count > r-table, the statement items are declared valid. And if r-count < r-table then the statement items are declared invalid.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Question Item</th>
<th>Corrected Item-Total Correlation (r count)</th>
<th>R table α = 0.05</th>
<th>Result Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sharia financial literacy (X)</td>
<td>Item 1</td>
<td>0.458</td>
<td>0.195</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 2</td>
<td>0.554</td>
<td>0.195</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 3</td>
<td>0.351</td>
<td>0.195</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 4</td>
<td>0.492</td>
<td>0.195</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 5</td>
<td>0.414</td>
<td>0.195</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 6</td>
<td>0.343</td>
<td>0.195</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 7</td>
<td>0.432</td>
<td>0.195</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 8</td>
<td>0.587</td>
<td>0.195</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 9</td>
<td>0.418</td>
<td>0.195</td>
<td>Valid</td>
</tr>
</tbody>
</table>
Source: SPSS Processed Data Version 25.0 (2023)

Based on table 2 above, it can be seen that the r-table value is 0.195 which is less than the r-count value. If r-count > r-table, the statement items are declared valid. And if r-count < r-table, so the statement items are declared invalid. The value of r-count in this test is in the Item-Total Statistics (Corrected Item-Total Correlation) column. Based on table 2, it shows that the statement items have a greater correlation value than the r-table. So that all variable items are declared valid and feasible to be analyzed.

2). Reliability Test

The reliability test used in this study is the Cronbach Alpha technique whereas the instrument can be stated to be reliable if it has a reliability coefficient of > 0.60. This reliability test is carried out on statement items that already have validity in the previous validity test. Then the number of statement items that can be tested in this reliability test is 20 items. The test results can be seen in Table 3. below:

Tabel 3. Reliability Test Results

<table>
<thead>
<tr>
<th>Variable Item</th>
<th>Question Item</th>
<th>Corrected Alpha-Item Deleted (r-count)</th>
<th>Cronbach’s Alpha</th>
<th>Result Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sharia financial literacy (X)</td>
<td>Item 1</td>
<td>0.841</td>
<td>0.6</td>
<td>Reliabel</td>
</tr>
<tr>
<td></td>
<td>Item 2</td>
<td>0.835</td>
<td>0.6</td>
<td>Reliabel</td>
</tr>
<tr>
<td></td>
<td>Item 3</td>
<td>0.857</td>
<td>0.6</td>
<td>Reliabel</td>
</tr>
<tr>
<td></td>
<td>Item 4</td>
<td>0.838</td>
<td>0.6</td>
<td>Reliabel</td>
</tr>
<tr>
<td></td>
<td>Item 5</td>
<td>0.841</td>
<td>0.6</td>
<td>Reliabel</td>
</tr>
<tr>
<td></td>
<td>Item 6</td>
<td>0.845</td>
<td>0.6</td>
<td>Reliabel</td>
</tr>
<tr>
<td></td>
<td>Item 7</td>
<td>0.840</td>
<td>0.6</td>
<td>Reliabel</td>
</tr>
</tbody>
</table>
Based on the test results of respondents’ responses from the data in Table 3 above, it can be seen that each variable has Cronbach's alpha > 0.60. Thus the Sharia financial literacy variable on the interest in using Sharia bank products is declared reliable.

**c. Hypothesis Testing**

1) The Simple Linear Regression Test

The results of simple linear regression analysis calculations of the study were performed by SPSS version 25.0, the values for the independent variables and the dependent variable are obtained which can be seen in table 4 below:

Tabel 4. Simple Linear Regression Test

<table>
<thead>
<tr>
<th>Coefficientsa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
</tr>
<tr>
<td>SHARIA FINANCIAL LITERACY</td>
</tr>
</tbody>
</table>

a. Dependent Variable: MINAT

Source: SPSS Processed Data Version 25.0 (2023)

Based on Table 4 above, the multiple regression equation can be compiled as follows:
Y = a + bX

Y = 19.464 + 0.545X

The results of the interpretation of the regression equation above are:

a. The constant value (a) is 19,464. It means that if Sharia Financial Literacy is assumed to be zero (0), then the value of Interest (Y) is 19,464.

b. The linear regression coefficient value of the Sharia Financial Literacy variable (X) is 0.545. It means that every decrease in the Sharia Financial Literacy Factor (X) by 1 unit will decrease the Interest (Y) by 0.545.

2) Partial Test (t-test)

The t-test is carried out to find out which factor is the most dominant between the independent variable and the dependent variable by using the Partial Test (t-test) performed by the SPSS for Windows version 25.0, it can be seen in table 5 below:

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>19.464</td>
<td>3.625</td>
<td>5.369</td>
</tr>
<tr>
<td></td>
<td>SHARIA FINANCIAL LITERACY</td>
<td>.545</td>
<td>.088</td>
<td>.532</td>
</tr>
</tbody>
</table>

Source: SPSS Processed Data Version 25.0 (2023)

From the processing results above it can be seen that: The t-count value of the Sharia Financial Literacy variable (X) is 6.215 and the t-table value is 1.661 with a significant level of 0.05 and degrees of freedom of 89 (dk=n-k-1(92-2-1)) it will be seen that: t-count > t-table or 6.215 > 1.661. It shows that Ha is accepted and Ho is rejected with a significant level of 0.05 whereas the value (Sig) is 0.000 <0.05, so that it can be stated that there is a significant influence of the Sharia Financial Literacy
on the Interest.

4) Determination Coefficient Test (R² Test)

The results of the determination analysis can be seen in the Model Summary output from the results of simple linear regression in table 6 below:

Tabel 6. Test Results for the Coefficient of Determination (R²)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.532a</td>
<td>.283</td>
<td>.275</td>
<td>3.646</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), SHARIA FINANCIAL LITERACY
b. Dependent Variable: INTEREST

Source: SPSS Processed Data Version 25.0 (2023)

It is known that the coefficient value of Adjusted R Square is 0.532. It means that the contribution or influence of the variation of the independent variable (Sharia financial literacy) is able to explain the variation of the dependent variable (interest) of 53.2%, while the remaining 46.8% is influenced by other variables not included in this study.

Analysis

The results of the study on the influence of Sharia financial literacy on the interest in using Sharia bank products show that the Sharia financial literacy has a positive and significant influence on the interest in using Sharia bank products. The results of the statistical tests show that the t-count value of the Sharia financial literacy variable is 6.215 with a significance level of 0.000 <0.05. This test proves that the Sharia financial literacy has a positive and significant influence on the interest of mosque youth in Pekanbaru City to use Sharia bank products.

The results of this study support other study results, such as the results of study conducted by Nurudin et al., (2021), which show that the variables of Sharia financial literacy and culture have a significant positive influence on students' interest in saving in Semarang City. Then
it supports the study result conducted by Adiyanto & Purnomo, (2021), which show that Sharia financial literacy has a positive influence on the interest in using Sharia banking products with a regression coefficient of 0.723 and a significance of 0.002. Furthermore, a study conducted by Muslichah & Sanusi, (2019) shows that the intention to use Sharia banking products is influenced by religiosity, literacy and attitudes. Meanwhile, the influence of Sharia financial literacy on the intention to use Sharia banking products shows a greater influence than other relationships.

A high level of sharia financial literacy of the people can certainly foster utilization of existing products and services in sharia banking so that it can encourage economic growth and prosperity, by considering that the society and the sharia financial institutions need each other. The higher the level of Sharia financial literacy, the more people will take advantage of Sharia banking products. This will also encourage the financial industry to continue to create and develop financial products and services in an innovative manner that is more affordable to the public according to their needs. This also happens to the society at the youth level. The mosque youth in Pekanbaru city who have a high level of knowledge literacy about Sharia finance (financial) are of course very important to increase interest in using Sharia banking products, so that the mosque youth can become the driving force and as agents of change in a nation that has an important role in the development of Sharia banking especially in its application to everyday life.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the results of data analysis and discussion, it can be concluded that the Sharia financial literacy has a positive and significant influence on the interest of mosque youth in Pekanbaru city to use Sharia banking products. So that the higher the level of Sharia financial literacy, the higher the interest of mosque youth in Pekanbaru City to use Sharia bank products. Therefore, the hypothesis stating that the Sharia financial literacy has a significant influence on the interest of mosque youth in Pekanbaru city to use Sharia bank products is accepted.

Recommendation

To develop the quality of results of this study, it is suggested for future researchers to look for a wider scope, such as variables, various
populations and more samples than this study. Then for mosque youth, it is hoped that they will have recitation programs related to Sharia financial institutions so as to encourage the implementation of religious spirituality activities and motivation among the youths so that they are more familiar with and aware of the urgency of Sharia banks as part of piety and compliance in sharia.

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