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THE INFLUENCE OF RELIGIOSITY AND FINANCIAL LITERACY ON ISLAMIC FINANCIAL BEHAVIOR IN MUSLIM WOMEN IN JEMBER REGENCY-EAST JAVA

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Abstract: *This study aims to analyze the influence of Religiosity and Financial Literacy on Islamic Financial Behavior in Muslim women in Jember Regency, East Java. The research method used is a quantitative method with a survey approach. The sampling technique uses the saturated sampling method, where all members of the population are used as a sample because the number of available respondents can be reached as a whole. Data were collected through the distribution of questionnaires to 120 respondents and analyzed using multiple linear regression with the help of SPSS. The results of the study showed that simultaneously, the variables of Religiosity and Financial Literacy did not have a significant effect on Islamic Financial Behavior, with a significance value of 0.400 (> 0.05) and R Square of 0.015. This means that only 1.5% of the variation in Islamic Financial Behavior can be explained by Religiosity and Financial Literacy, while the rest is influenced by other factors outside of this research model. Partially, Religiosity and Financial Literacy also do not have a significant effect on Islamic Financial Behavior. These findings indicate the need for a more comprehensive approach in encouraging Islamic financial behavior, not only through increasing religiosity and financial literacy, but also by considering social, cultural, and practical experiences in managing sharia-based finance. This research is expected to be the basis for future research that examines other variables that have a greater influence on Islamic financial behavior.*

Keywords: Religiosity, Financial Literacy, Islamic Financial Behavior, Saturated Sampling, Muslim Women, Jember Regency.

1. Introduction

Islamic financial behavior is becoming a topic that is getting more and more attention in the study of Islamic economics and finance, especially in the context of Muslim women. Financial behavior that is in accordance with Islamic principles not only reflects the rational aspects of financial management, but also the religious values that underlie financial decision-making (Putriana et al., 2023) Religiosity has a significant role in shaping Islamic financial behavior. Religiosity reflects the extent to which individuals internalize religious values in daily life, including in financial decisions (Huber & Huber, 2012). A study conducted by (H. R. Wijaya et al., 2024) shows that a high level of religiosity contributes to more ethical financial management and in accordance with Islamic principles, such as avoiding usury, managing zakat and alms, and investing in Islamic financial instruments.

In Indonesia, especially in Jember Regency, Muslim women have a significant role in the household economy and small businesses. Therefore, understanding the factors that influence Islamic financial behavior in this group is crucial to improve their literacy and financial well-being (Rohman, 2022). One of the main factors that can affect Islamic financial behavior is the level of religiosity of individuals (Nawi et al., 2022). Religiosity is a person's level of religious understanding, beliefs, and practices that can affect the way they manage their finances. In Islam, good financial management includes principles such as the halalness of sources of income, avoidance of usury, and the importance of alms and zakat as part of social responsibility (Alfi & Yusuf, 2022). Muslim women who have a high level of religiosity tend to be more aware of the importance of managing finances in accordance with Islamic law, so that they can avoid economic practices that are contrary to Islamic teachings.

Although the level of national financial literacy continues to increase, the challenges in implementing Islamic-based financial literacy are still quite large (J. C. Wijaya & Setyawan, 2024). Many Muslim women have understood the basic concept of finance, but have not fully integrated Sharia principles in personal and family financial management (Amaroh & Istianah, 2020; Sari & Yanti, 2023), on the other hand, religiosity as an internal factor that plays a role in shaping daily behavior also does not necessarily automatically encourage the formation of consistent Islamic financial behavior. This shows that there is a gap between the understanding of Islamic values and the financial practices carried out.

This research was conducted to answer the need for a deeper understanding of the relationship between religiosity and financial literacy to Islamic financial behavior, especially in Muslim women in Jember Regency. Using a quantitative approach and saturated sampling techniques, this study examines whether the level of religiosity and financial literacy contributes significantly to shaping financial behavior in accordance with sharia principles.

In the context of the state of the art, most previous studies have focused more on the importance of general financial literacy to economic behavior, without specifically distinguishing between conventional finance and Islamic finance (Bebasari & Istikomah, 2020; Mawad et al., 2022; Mukhlisiah, 2023). In addition, research that examines religiosity factors tends to be qualitative, so a quantitative approach is needed that can provide a more measurable empirical picture. Therefore, this study offers a contribution by combining two main variables, namely religiosity and financial literacy, to see their influence on Islamic financial behavior in a more systematic way. With this background, this study aims to find out the extent to which religiosity and financial literacy affect the Islamic financial behavior of Muslim women in Jember Regency. The findings of this study are expected to provide practical implications in designing more effective Islamic finance education programs and enriching scientific treasures in the field of Islamic finance.

2. Materials and Methods

This study uses a quantitative approach with a correlational survey design to examine the influence of Religiosity and Financial Literacy on Islamic Financial Behavior in Muslim women in Jember Regency. Data was collected using an instrument in the form of a questionnaire, which was compiled based on the indicators of each research variable. The questionnaire consists of three main sections: questions related to Religiosity, Financial Literacy, and Islamic Financial Behavior, each of which is measured using a five-point Likert scale, ranging from "Strongly Disagree" to "Strongly Agree".

The research materials include printed questionnaires and filling instruction sheets. The instrument has gone through validity and reliability tests before being used in data collection. The validity of the instrument was tested using Pearson product-moment correlation, while reliability was tested using Cronbach's Alpha.

The design of this study used a saturated sampling technique, where the entire population consisting of 120 Muslim women in Jember Regency was used as research respondents. This population was selected based on the criterion that the respondents were Muslim women who were at least 20 years old and had experience in managing family finances.

The research procedure began with the preparation of a questionnaire based on the theory and indicators of each variable. After that, instrument tests are carried out to ensure the reliability and validity of the measuring instrument. After the instrument was declared feasible, the questionnaire was distributed directly to all members of the population. The questionnaire is filled out face-to-face, with the help of enumerators to ensure the respondents' understanding of the questions asked.

The collected data were analyzed using SPSS software version 26. Data analysis included testing the validity and reliability of the instruments, multiple linear regression analysis to test the influence of religiosity and financial literacy on Islamic financial behavior, and testing classical assumptions such as normality and multicollinearity to ensure the validity of regression models.

3. Discussion and Conclusion

The results of the validity test showed that all questionnaire items had a positive correlation with their total construct scores. The correlation between Religiosity and Financial Literacy was 0.357, while Islamic Financial Behavior was 0.114. Financial Literacy showed a correlation of 0.570 to its own construct, but only -0.006 to Islamic Financial Behavior. Islamic Financial Behavior shows a correlation of 1,000 to its own construct.

However, the results of the reliability test showed that the Cronbach's Alpha value of 0.359, which was below the minimum threshold of 0.60, indicated that the internal consistency of this research instrument was still low. Regression analysis showed that the RRR value was 0.124 and the R2R^2R2 was 0.015, which means that Religiosity and Financial Literacy were only able to explain 1.5% of the variation in Islamic Financial Behavior. Adjusted R2R^2R2 of -0.001 indicates that this model is not good enough at predicting dependent variables.

The results of the ANOVA test showed an F value of 0.923 with a significance value (p-value) of 0.400 ($P > 0.05$), which shows that the regression model is not statistically significant. In the Coefficients table, the value of the constant coefficient was 18.752 ($p < 0.001$), Religiosity was 0.118 ($p = 0.177$), and Financial Literacy was -0.060 ($p = 0.587$). Thus, neither Religiosity nor Financial Literacy has a significant effect on Islamic Financial Behavior.

The results of this study show that Religiosity and Financial Literacy do not have a significant effect on the Islamic Financial Behavior of Muslim women in Jember Regency. These findings are in contrast to some previous studies that have shown that religiosity plays an important role in shaping Islamic financial behavior (e.g., a study by Abdullah & Lutfi, 2021). In their research, a high level of religiosity was strongly correlated with the application of sharia principles in daily financial management.

One of the reasons for this indifference may be due to other factors that are more dominant in influencing financial behavior, such as social pressure, access to Islamic financial services, or income levels that are not measured in this study. In addition, despite the high level of religiosity, the application of Islamic principles in financial behavior requires more than just belief. It also requires practical skills, ease of access, and in-depth education.

Financial literacy also did not show a significant influence. This may be due to a bias in literacy perceptions, where respondents feel that they have enough understanding of general financial concepts, but are not specific to Islamic financial aspects. In addition, the gap between financial knowledge and practice is also a classic issue in the financial behavior literature (Anindita et al., 2024). In terms of strength, this study provides an early picture that automatic assumptions about the linkage of Islamic religiosity and financial behavior do not always apply directly (Achour et al., 2014; Antara et al., 2016). This study also uses a saturated sampling approach, so that the results represent the entire target population.

However, this study has several limitations, namely the low reliability of the instrument (Cronbach's Alpha = 0.359) which has the potential to affect the accuracy of the results, and the limited coverage of independent variables. Further studies with more reliable instruments and considering additional factors, such as income, access to Islamic financial services, and local cultural factors, are needed. Thus, this study emphasizes the importance of not only increasing religiosity or financial literacy in general, but also ensuring the translation of these values into concrete actions through Islamic finance education that is more applicable and based on community needs.

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This research is specifically intended to contribute to a deeper understanding of Islamic financial behavior among Muslim women in Jember. It is hoped that the findings will serve as a basis for more effective strategies in promoting Islamic financial literacy and empowering women within the framework of Islamic economics. The researcher is fully aware that this work has its limitations; therefore, constructive suggestions and feedback are most welcome. May this research bring meaningful benefits, particularly in supporting the development of an inclusive and just Islamic financial system.

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