

DETERMINANTS OF CONTEMPORARY SHARIA FINANCIAL LITERACY AMONG STUDENTS IN HIGHER EDUCATION INSTITUTIONS



M. Rizwan¹ , Eriyati² , Yelly Zamaya³

*Correspondence:

Email :

m.rizwan@lecturer.unri.ac.id

Authors Affiliation:

^{1,2,3}Universitas Riau, Indonesia

Article History :

Submission: January 30, 2025

Revision: May 15, 2025

Received: Juni 17 , 2025

Published: June 30, 2025

Keyword :

Financial Literacy,
Sharia Finance Literacy,
Students

Abstract

This research aims to analyze the determinants of contemporary Sharia financial literacy among students of the Faculty of Economics and Business at Universitas Riau (FEB UNRI). This study employs a quantitative approach, using numerical data derived from both primary and secondary sources. Primary data were collected through questionnaires using a Likert scale, distributed to 304 students from the Development Economics, Accounting, and Management study programs. Secondary data were obtained from literature reviews, academic journals, websites, and publications from financial and statistical institutions. The data analysis method used was Multiple Linear Regression with the SEM – PLS (Structural Equation Modeling – Partial Least Squares) approach. The results indicate that education, information media, and the role of clerics/government have a significant and positive effect on Sharia financial literacy, while the social environment has a positive but insignificant effect. The primary contribution of this study is to emphasize the importance of enhancing Sharia financial literacy among students as part of preparing the younger generation to support the development of a more advanced Islamic economic system in the future.

Abstrak

Studi ini bertujuan untuk menguji determinan literasi keuangan syariah kontemporer mahasiswa Fakultas Ekonomi dan Bisnis Universitas Riau (FEB UNRI). Studi dilakukan dengan metode kuantitatif dengan data berbentuk numerikal. Studi menggunakan data kuantitatif berupa data primer dan data sekunder. Data primer menggunakan hasil wawancara dan kuesioner dengan skala likert pada mahasiswa FEB UNRI yang berjumlah 304 orang yang berasal dari Program Studi Ekonomi Pembangunan, Akuntansi dan Manajemen. Sedangkan data sekunder berupa data yang tersedia dari studi literatur, jurnal, website, terutama dari lembaga keuangan dan statistik. Metode analisis data adalah regresi linier berganda menggunakan model SEM-PLS. Temuan mengungkap bahwa Pendidikan, media informasi, dan peran ulama/pemerintah berpengaruh signifikan dan positif, dan terakhir lingkungan sosial berpengaruh tidak signifikan dan positif, terhadap literasi keuangan syariah pada mahasiswa FEB UNRI. Kontribusi utama dalam studi adalah untuk meningkatkan khazanah ekonomi dan keuangan syariah saat ini kepada mahasiswa sebagai generasi muda untuk masa depan dan untuk mengembangkan ekonomi yang lebih maju.

INTRODUCTION

Financial literacy is an activity and process to foster skills, abilities, confidence, awareness, and knowledge in managing personal finances, enabling them to effectively utilize both Sharia and conventional financial services to improve and prepare for their future financial well-being (Hamzah, 2021). Furthermore, financial literacy means to capability of person for effective also acceptable financial problem solving. It can be interpreted as a person's virtue how to make choices regarding management of their personal resources (Margaretha & Pambudhi, 2015). According to Lusardi (2019), Financial literacy describes a person's skill in judging financial matters regarding money problems like budgeting, savings, and planning of retirement. In addition, financial literacy is also related to financial behaviors that much related with money planning, understanding of the stock market, and behavior towards debt.

According to Arceo – Gyme and Villagyme Arceo – Gyme & Villagyme, (2017), the most critical components of financial literacy include: financial knowledge (which encompasses understanding and skills related to concepts such as risk diversification, inflation, and basic financial mathematics), financial behavior (which refers to an



individual's awareness of their financial situation, saving habits, and savings rate), and financial attitudes (which involve personal perspectives on financial decision – making, particularly concerns related to saving for the future).

As of 2024, Sharia finance in Indonesia has demonstrated notable growth in market share. Sharia banking assets reached Rp 980.30 trillion, representing a 9.88% year – on – year growth by December 2024. The market share of Sharia banking increased to 7.72%, up from 7.44% in December 2023 (OJK, 2024). Total sharia financial assets reached Rp 2,756.45 trillion by June 2024, with a 12.48% year – on – year growth, and a market share of 11.41% (excluding sharia stocks). Islamic banks also maintained a stable position in the national banking sector, accounting for 8.1% of total financing as of October 2024, slightly up from 8.0% in 2023, with a financing growth rate of 11.8% year – on – year. (OJK, 2024).

Table 1. Financial Literacy and Inclusion Index

Conventional Index	Year 2024	Year 2025
Literacy	65,43	66,46
Inclusion	75,02	80,51

Source: OJK (2025)

The data presented above is based on the *National Survey of Financial Literacy and Inclusion* (SNLIK) conducted in 2025 by Otoritas Jasa Keuangan (OJK, 2025) , which displayed Indonesia's financial literacy index was about 66,46 percent, a development be compared to 2024 which about 65,43 percent. This indicates a slight improvement in literacy over the year. The index increased by 1.03 points, suggesting progress in education, reading, or writing skills among the population. At same time, index of Finance inclusion reached about 80,51 percent, an escalation compared to previous SNLIK period in 2024, which was about 75,02 percent. This shows a more significant improvement in inclusion. The index rose by 5.49 points, implying notable strides in social inclusion efforts, such as better access to opportunities, services, and participation for diverse or marginalized groups. Both indices improved from 2024 to 2025, with inclusion showing a more marked growth. The concurrent improvement in both indices implies that policy interventions, targeted programs, and broader societal changes may have positively influenced financial education and inclusion outcomes in Indonesia. (OJK, 2025).

Table 2. Islamic Finance Index in 2024 and 2025

Sharia Index	Year 2024	Year 2025
Literacy	39,11%	43,42%
Inclusion	12,88%	13,41%

Source: OJK (2025)

In the Sharia sector, as presented in Table 2, based on data from SNLIK 2025, presents the levels of Islamic finance literacy and inclusion in Indonesia. The results show that the Islamic finance literacy index increased from 39.11% in 2024 to 43.42% in 2025, marking a growth of 4.31 percentage points, suggesting that literacy – related efforts aligned with Sharia principles have improved. This could mean more educational programs that meet Islamic guidelines, such as gender – sensitive access, inclusion of religious content, or community – based learning rooted in Islamic values. Meanwhile, the degree of inclusion of Sharia Finance showed amount of 13,41 percent in 2025 from 12,88 percent in 2024. This is a smaller increase of 0.53 percentage points. Although the growth is minimal, it nonetheless indicates a positive trend in Sharia – based financial inclusion. This may point

to gradual enhancements in equitable access, social justice, and participation within the framework of Islamic financial principles(OJK, 2025).

The relatively low market share and financial inclusion index of Sharia finance in Indonesia raise a significant concern, especially considering that the country has the largest Muslim population in the world, approximately 237.56 million people, or 86.7% of the total population. Various elements are thought be the reason of low interest from public in Sharia Finance goods and services. First, the low degree of Sharia Finance literacy, which reached about 39.11% in 2024. Based on research conducted by ADB Institute, financial literacy is an intrinsic element that affects and motivates people to find information and commit on what they learn. Therefore, it can be inferred that improving Sharia financial literacy will positively affect financial inclusion, as greater awareness leads to increased adoption of financial products and services. Second, the Sharia finance industry faces challenges in competitiveness and innovation when compared to its conventional counterparts. This can be seen in the limited innovation of Sharia financial products, the relatively higher prices of goods and services, and less extensive office networks compared to conventional institutions, many of which are unable to reach communities, especially in remote areas (Zahra & Nurhasanah, 2023).

By increasing Sharia literacy, it is intended that people can start moving to the Sharia Finance market, where Muslim will be guided by Islamic law. Enhanced literacy can support individuals in planning and managing their finances in accordance with Sharia principles, helping to avoid prohibited elements such as Gharar (uncertainty), Maysir (gambling), and riba (interest) (Irfayunita and Puteri 2019). It also allows for more informed selection of financial services, particularly benefiting the younger generation, who often lack financial knowledge and experience. The higher the level of Sharia financial literacy among a country's population, the better individuals are able to manage their finances. Effective financial management contributes to economic development and positively impacts overall societal welfare. Numerous studies highlight the role of Sharia financial literacy in strengthening the foundations of the Islamic economy, an increasingly important factor given the projected growth of the global Muslim population (Dafiq et al., 2022).

As mentioned in Indonesia Sharia Economic Masterplan (MEKSI) 2019 – 2024 (KNKS, 2019), Indonesian Government has dreamed to be world –leading center of Sharia economics. Thus, the Government has set target about 90% of financial inclusion by 2024. To realize this goal, it is essential to strengthen efforts in advancing Sharia financial literacy and inclusion through continuous education and public outreach programs. These initiatives should be supported by training, innovation, capacity building, and enhanced competitiveness within the Sharia finance industry, particularly targeting the younger generation, such as students, who represent the future of the Sharia economy.

As members of the younger generation, students must possess financial management skills, as this knowledge is essential for their future financial well –being. With the widespread availability of information online and through various other sources, students can easily access resources on financial literacy. Once equipped with this knowledge, they are also expected to develop greater trust and confidence in financial institutions and their products and services (Muchamad Bagus Satrio Wibowo & Muhammad Iqbal, 2022). The degree of financial literacy in millennials or generation Z in Indonesia is still relatively unsatisfactory. Meanwhile, outcome of Population Census conducted by BPS in 2020 showed that 69.38 million people are millennials and 74.93 million people are Gen Z, which means that more than 50% of Indonesia's population are millennials and

generation Z. This demographic composition highlights the significant potential of millennials and Gen Z in contributing to the growth and development of Sharia banking.

Despite being home to the largest Muslim population in the world, Indonesia continues to experience low levels of Sharia financial education and inclusion. This is paradoxical given the potential demographic headroom, particularly with Millennials and Gen Z making up more than half of the population (Margaretha & Pambudhi, 2015). Prior research has focused on the general financial literacy components or the Sharia finance system's rigid structural aspects, ignoring sophisticated pedagogical frameworks aimed at educating younger users on technologies interacting with Sharia finance, which explore deeper behavioral, psychological, and digital adoption of Sharia finance by younger generations. Moreover, there is a gap in empirical investigations targeted by practical solutions for dealing with Sharia financial literacy misconceptions among students

Hence, it is essential to initiate comprehensive discussions to identify effective strategies for enhancing Sharia financial literacy and inclusion in Indonesia. This effort requires strong synergy and collaboration among key stakeholders, including the government through relevant institutions, the financial industry, educational institutions, communities, and other related parties. The study applies a first-of-its-kind strategy by creating digital educational tools aimed at millennials and Gen Z to improve Sharia financial literacy in Indonesia. By integrating behavioral finance with digital literacy, the research seeks to foster greater Sharia financial inclusion among youth, ultimately supporting Indonesia's aspiration to become a global reference for Sharia economics. Based on this context, the research problem is formulated as follows: *What are the factors that determine and influence contemporary Sharia financial literacy among students of FEB UNRI?* Accordingly, the objective of this study is to analyze the key determinants and influencing factors of contemporary Sharia financial literacy among FEB UNRI students.

Literature Review

Financial Literacy

"Finance literacy" refers to an individual's ability to understand and properly manage finances. According to Aren & Nayman Hamamcı, (2022), financial literacy is defined as financial attitudes, awareness, skills, knowledge, and behaviors that help individuals make sound financial decisions. (Amagir et al., 2018) stated about the Finance literacy is seen as human capital in helping each person make decisions about saving, investing, and retiring in the future. Finance literacy an application about knowledge, understanding, competitiveness, and values in the context of finance and related decisions that have an impact on oneself, others, society, and the environment. According to Maharani & Putra, (2023), there are several indicators that can be used as benchmarks related to Finance literacy, as follows: a) A person must be able to create a Finance surplus, it relates to extent which person able to increase their Finance assets; b) understanding and clearly knowing how much is saved and invested each month, and c) Knowing Finance products in accordance with their profile and background.

Sharia Financial Literacy

In contrast to conventional financial literacy, Sharia finance literacy are about how individual/person understanding of Sharia finance. Finance literacy can be interpreted as capability to understand knowledge and skills to manage finance resources to achieve prosperity. Sharia Finance literacy in its context can be interpreted that consumers of goods and services of Sharia Finance institutions or community are expected not only to knowing goods and services of Sharia Finance institutions but able to understand in using

goods and services of Sharia Finance institutions as a step to change people's behavior in Finance management to achieve economic prosperity. The vision and mission of Sharia Finance literacy development are equated with the vision and mission of Indonesian National Finance Literacy Strategy, taking in the field of Sharia Finance services, so it ables to organize finances wisely, and upgrade the entrance of output in Sharia Finance services via establishment of supporting infrastructure for Islamic Finance literacy. This approach is consistent with the broader development goals of Sharia financial literacy (Nasution & Nasution, 2019).

The concept of Sharia Finance literacy is inseparable from the fundamental principles of Islamic economics, such as the prohibition of Riba (interest), Gharar (uncertainty), and Maysir (gambling). Islamic economics is presented as an alternative framework for Muslims to fulfill their financial needs in accordance with religious principles. With over 229 million people—or 87.2% of the population—identifying as Muslim, Indonesia has significant potential to improve Sharia financial literacy by transforming individuals who were previously less literate or not literate into well – informed users of Sharia – compliant financial services (Mukti et al., 2024).

Contemporary Sharia Economics

The term contemporary refers to current developments or phenomena occurring in the present time. One of the defining features of today's economic landscape is the growth of Islamic economics, also known as Sharia economics, which is a system sourced to the teachings of Al – Qur'an, amid development of a ribawi conventional economics system which are negative effects caused, Islamic Economics actually puts firmness in teaching anti – ribawi, sharia – based, and also has its own unique character in distinguishing using other systems of human product (science) (Lindiawatie et al., 2024). Therefore, Islamic economics is a monotheistic economics. Both are based on secular and materialistic philosophies, so it is philosophical basis which will distinguish Islamic economics from capitalist and socialist economics. The concept of tawhid is also the basis of economics science and is called as Islamic economics theology. Philosophy in Islamic economics, based on tawhid, which teaches two main things. First, Allah Ta'aala has provided abundant natural resources to fulfill a number of human needs. People acting as caliphs which able to use many resources for their daily needs (Hamzah, 2021).

Method

This study employs a quantitative research method, utilizing data in numerical form. Both primary and secondary data are used. The primary data were collected through structured questionnaires using a Likert scale, administered to 304 students from the Faculty of Economics and Business at Universitas Riau (FEB UNRI). These respondents were selected from a total population of 1,271 students across the Development Economics, Accounting, and Management study programs, using the Slovin formula with a margin of error of $e = 0.05$. Secondary data were obtained from literature reviews, academic journals, official websites, and data provided by financial and statistical institutions.

The analytical technique used in this study is based on the SEM – PLS (Structural Equation Modeling – Partial Least Squares) model, a type of multivariate regression analysis. Structural Equation Modeling (SEM) combines multiple statistical techniques, such as factor analysis and regression (correlation) analysis, to evaluate complex relationships between variables. SEM allows researchers to assess both the relationships among latent constructs and the relationships between constructs and their observed

indicators. According to Hulland (1999), SEM–PLS, in particular, is a variance–based approach to SEM that emphasizes prediction and the exploration of relationships between variables. Unlike covariance–based SEM, which is typically used to test theoretical models and causality, SEM–PLS is more suitable for confirming predictive relationships and is especially effective in exploratory research or when the sample size is relatively small.

The PLS approach's SEM method is especially effective because it makes very few assumptions and doesn't require a large sample size. When a model's theory is underdeveloped, or when there's a new approach to measuring each latent variable, SEM–PLS can also be used. PLS model comprises three steps: inner or structural model, outer or measurement model, and weight relation, where the value of latent variable is estimated (Wibisono et al., 2015). In this study, the PLS model is used to examine the relationships among latent constructs, covering the dependent variable is Contemporary Sharia Financial Literacy (Y), while the independent variables include Education (X1), Information Media (X2), Role of Clerics and Government (X3), and Social Environment (X4).

Table 3. Explanation of Variables, Indicators, and References

Variable	Indicator(s)	Description
Y – Contemporary Sharia Finance Literacy	Knowledge of Sharia financial products; Understanding of Islamic financial principles (Riba, Zakat, Halal/haram); Application of Sharia finance in daily life	Measures individual's awareness, comprehension, and practice of Islamic financial knowledge
X₁ – Education	Level of formal education; Exposure to Islamic finance in academic settings; Participation in financial literacy programs/workshops	Assess how general and Islamic education contribute to Sharia finance understanding
X₂ – Information Media	Access to Islamic finance info through TV, radio, internet; Frequency of consuming related content; Trust in information sources (official vs. social media)	Evaluates how different types of media influence literacy
X₃ – Role of Clerics and Government	Religious leaders' advocacy for Sharia finance; Government policies supporting Islamic financial literacy; Involvement in public education campaigns	Explores the role of institutional and religious authority in shaping financial behavior
X₄ – Social Environment	Influence of family and peers; Community norms around Islamic finance; Presence of Islamic financial institutions in the area	Captures peer and community impact on literacy and adoption

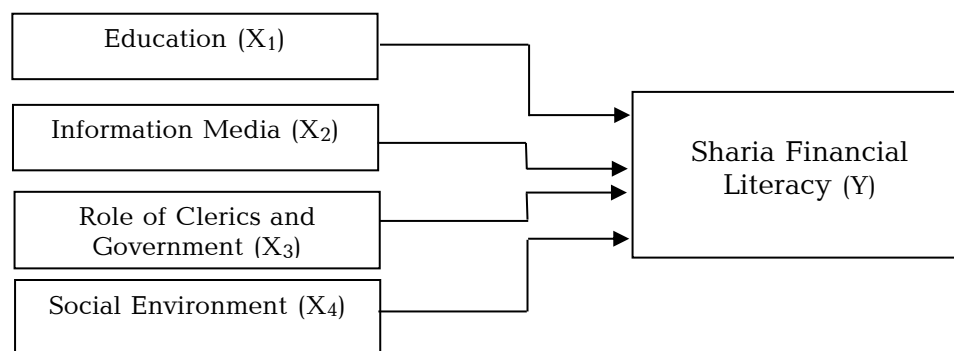


Figure 1. Framework Thinking of Research

Based on framework stated, the hypotheses in this research are formulated as follows:
H1 : Education (X₁) directly impacted Contemporary Sharia Financial Literacy (Y);
H2 : Information Media (X₂) directly impacted Contemporary Sharia Financial Literacy (Y);
H3 : Role of Clerics and Government (X₃) directly impacted Contemporary Sharia Financial Literacy (Y);
H4 : Social Environment (X₄) directly impacted Contemporary Sharia Financial Literacy (Y)

RESULTS AND DISCUSSIONS

The participants in this study were students registered for the 2024 – 2025 academic year at the Faculty of Economics and Business, Universitas Riau, comprising a total of 1,271 students across the Development Economics, Management, and Accounting study programs. Using the Slovin formula, a sample of 304 respondents was selected for the survey. The respondent characteristics considered in this study included gender, religion, study program, and academic semester.

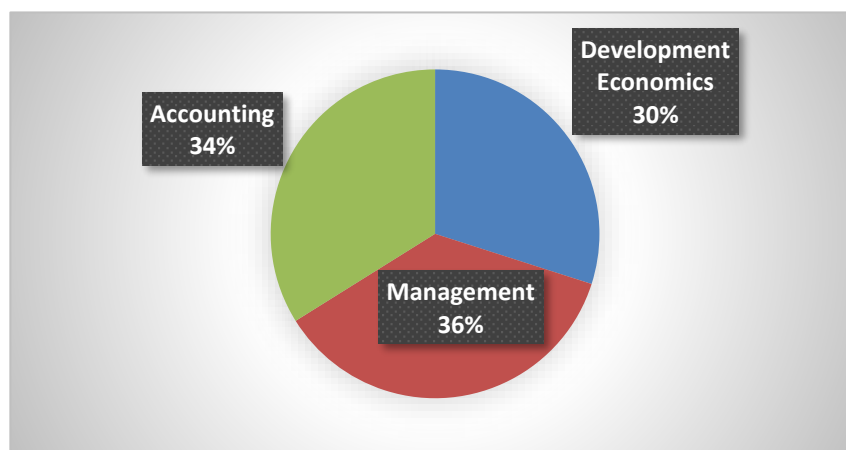


Table 4. Respondent Characteristics

No	Characteristics	Criterion	Total	Percentage
1	Gender	Men	135	44 %
		Women	169	56 %
2	Religion	Muslim	277	91 %
		Non – Muslim	27	9 %
3	Study Programs	Accounting	103	33 %
		Management	110	37 %
		Development Economics	91	30 %
4	Semester (Odd)	Semester I	65	21 %
		Semester III	103	34 %
		Semester V	94	31 %
		Semester VII	42	14 %

Source: Processed Data (2025)

Table 4 presents the demographic data of the respondents. Of the total participants, 169 were female and 135 were male. In terms of religion, 277 respondents identified as Muslim, while 27 were non – Muslim. Based on study program distribution, there were 103 respondents from Accounting, 110 from Management, and 91 from Development Economics. Last but not least, there were 65 responses at the semester level in Semester I, 103 in Semester III, 94 in Semester V, and 42 in Semester VII.

Outer Model

Test of Validity and Reliability

The validity and reliability of the latent constructs were assessed through an analysis of the measurement model. Table 5 presents the outer loadings, Average Variance Extracted (AVE), composite reliability, and Cronbach's Alpha coefficients for each construct.

Table 5. Validity and Reliability Result

Variables	Codes	Outer Loading Value	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Education	X1.2	0.731	0.879	0.889	0.912	0.676
	X1.4	0.848				
	X1.5	0.876				
	X1.6	0.858				
	X1.7	0.789				
Information Media	X2.1	0.722	0.826	0.875	0.875	0.583
	X2.2	0.780				
	X2.3	0.727				
	X2.4	0.845				
	X2.5	0.738				
Role of Clerics and Government	X3.2	0.705	0.846	0.869	0.897	0.686
	X3.3	0.831				
	X3.4	0.868				
	X3.5	0.897				
Social Environment	X4.3	0.811	0.849	0.901	0.889	0.616
	X4.4	0.781				
	X4.5	0.715				
	X4.6	0.888				
	X4.7	0.717				
Contemporary Sharia Financial Literacy	Y1.6	0.935	0.854	0.854	0.932	0.872
	Y1.7	0.933				

Source : Processed Data by Smart–PLS 3 (2025)

The standardized outer loadings of each indicator on the associated latent components are also shown in Table 5. Each construct's internal consistency dependability is indicated by Cronbach's Alpha coefficient. Each construct's dependability as a composite variable is gauged by composite reliability value. Each construct's convergent validity is evaluated by Average Variance Extracted (AVE) value. With higher outer loadings, Cronbach's Alpha coefficients over 0.7, composite reliability values above 0.7, and AVE values exceeding 0.5 for each latent construct, the measurement model demonstrated overall satisfactory levels of validity and reliability. These findings enable further examination of the structural model and give assurance that the measurement model can faithfully represent the underlying structures.

Discriminant Validity

A crucial component of construct validation is discriminant validity, which makes sure that every latent construct in the measurement model is unique. It shows if the construct captures distinctive features of phenomenon being studied. By comparing correlations between the constructs with square root of the Average Variance Extracted (AVE) for each construct, discriminant validity was evaluated in this study. The correlation matrix between latent constructs and Square root of the AVE for each construct is shown in Table 6.

Table 6. Correlation Matrix and AVE Square Root

	Contemporary Sharia Financial Literacy	Education	Information Media	Role of Clerics and Government	Social Environment
Contemporary Sharia Financial Literacy	0.934				
Education	0.379	0.822			
Information Media	0.380	0.545	0.764		
Role of Clerics and Government	0.426	0.499	0.505	0.829	
Social Environment	0.309	0.568	0.512	0.651	0.785

Source : Processed Data by Smart–PLS 3 (2025)

The correlation between two constructs must be less than square root of the AVE for each construct in order to be considered discriminantly valid. Table 6 above shows that all off–diagonal correlations exhibit discriminant validity that is sufficient, with values below appropriate AVE square root. The discriminant validity of the measurement model is supported by this observation, which shows that each latent construct in model captures variance that is distinct and distinctive from other constructs. There is discriminant validity according to Fornell–Larcker criterion.

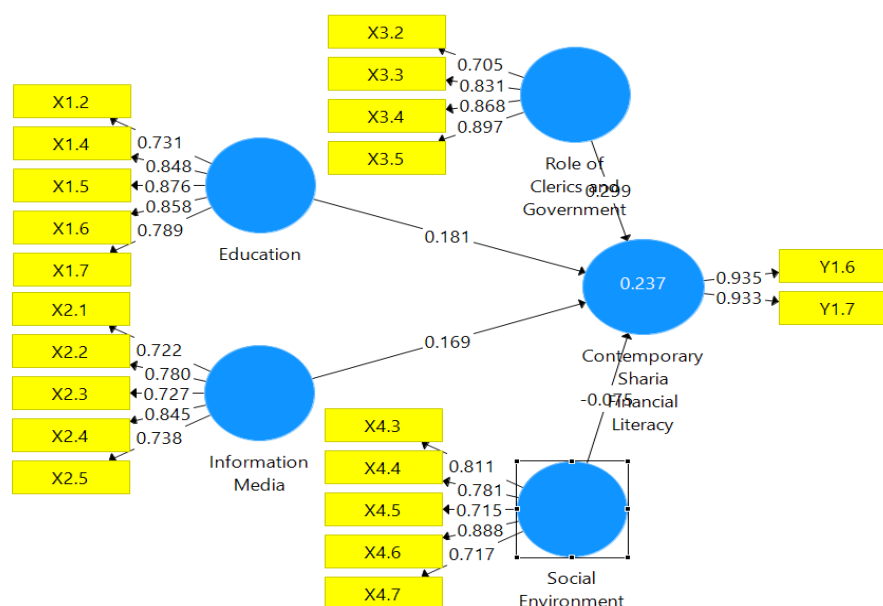


Figure 3. Outer Loadings Result

Inner Model

Model Fit

To ascertain how well the predicted structural model fits observable data, model fit evaluation is crucial. Standardized Root Mean Square Residual (SRMR), d_ULS statistic, d_G statistic, Chi–Square test, and Normed Fit Index (NFI) are some of the goodness–of–fit indices that are frequently used to assess model fit. The appropriateness of estimated model was assessed in this study by comparing model fit indices for saturated model and estimated model (Wibisono et al., 2015).

Table 7. Model Fit

	Saturated Model	Estimated Model
SRMR	0.074	0.074
d_ULS	1.280	1.280
d_G	0.595	0.595
Chi–Square	1028.884	1028.884
NFI	0.737	0.737

Source : Processed Data by Smart–PLS 3 (2025)

SRMR, which calculates the average absolute standardized residual between the observed value and the model's projected value, is one of statistics used to evaluate model fit. SRMR for saturated and estimated model was 0.074, meaning that model could not account for about 7.4% of variance in the observed variables. As a result, final model is fit and well. Additionally, the observed and model–reproduced covariance matrices were compared using d_ULS (Unweighted Least Squares) and d_G (Geodesic) statistics. With d_ULS and d_G values of 1.280 and 0.595, respectively, both models demonstrated a fair fit. The sensitivity to sample size may be the reason why Chi–Square test produced a significant value (1028.884) in both models. Furthermore, a reasonable fit to base model is indicated by NFI (Normed Fit Index) of 0.737. Although Chi–Square test may produce significant findings because of huge sample size, these fit indices often show that the estimated models accurately capture link between the latent constructs in the data.

R-square Value

Based on substantive theory, inner model also referred to as structural model, inner relation, or substantive theory illustrates relationship between latent variables. R–square (R^2) is used to assess structural model for dependent constructs. The impact of both exogenous and endogenous variables, as well as whether they have a significant impact, can be assessed using R^2 value. According to R^2 result, the model is “good” if it is around 0.67, “moderate” if it is approximately 0.33, and “weak” if it is approximately 0.19 (Wibisono et al., 2015).

Table 8. R-Square

Variable	R Square	R Square Adjusted
Contemporary Islamic Financial literacy	0,237	0,227

Source : Processed Data by Smart–PLS 3 (2025)

According to Table 8 above, R–square value for the Contemporary Sharia Financial Literacy variable is 0.237, or 23.7%. This indicates variables of Education, Information Media, Role of Clerics and Government, and Social Environment are accounted for 23.7%

of changes, with other variables accounted for remaining of 76.3%. Thus, it can be concluded that the Contemporary Islamic Financial Literacy variable's R–squared is weak.

Path Coefficient

In SEM–PLS structural model, path coefficient is a number that represents direction and strength of the direct association between two latent variables (Hulland, 1999). Table 8 below illustrates how Education, Information Media, and Role of Clerics and Government are positively affected with β of 0.181 (18.1%), 0.169 (16.9%), and 0.299 (29.9%) that measure Contemporary Sharia Financial Literacy. Contemporary Sharia Financial Literacy is negatively impacted by Social Environment variable by 0.075, or 7.5%.

Table 8. Path Coefficient

	Value (β)
Education	0.181
Information Media	0.169
Role of Clerics and Government	0.299
Social Environment	–0.075

Source: Processed Data by Smart–PLS 3 (2025)

Hypothesis Test

It is necessary to perform hypothesis testing on path coefficient between variables by comparing the p–value with alpha (0.05) or t–statistic of (>1.96) to ascertain structural relationship between latent variables. The following table shows the magnitude of the t–statistic and the P–value :

Table 9. Hypotheses Test

	T Statistics ($ O/STDEV $)	P Values	Verdict
Education (X ₁) –> Contemporary Sharia Financial Literacy (Y)	3.129	0.002	H1 accepted and significant
Information Media (X ₂) –> Contemporary Sharia Financial Literacy (Y)	2.451	0.015	H2 accepted and significant
Role of Clerics and Government (X ₃) –> Contemporary Sharia Financial Literacy (Y)	4.190	0.000	H3 accepted and significant
Social Environment (X ₄) –> Contemporary Sharia Financial Literacy (Y)	1.154	0.249	H4 declined and insignificant

Source : Processed Data by Smart–PLS 3 (2025)

The variables of Education, Information Media, and Role of Clerics and Government have a significant level or p–value $< 5\%$ (0.05) or t–statistic of (>1.96), as shown in Table 9 above. This indicates that three variables have a significant impact on Contemporary Sharia Financial Literacy, whereas Social Environment variable has no significant impact.

From the regression test, education variable has a positive and significant effect, with the statistical test, it is known $t_{\text{count}} 3.129 > t_{\text{table}} 1.967$ and the significance value < 0.05 , namely 0.002, meaning that education has significant effect on contemporary Islamic financial literacy. Overall, Education (X_1) has a positive and significant effect on Contemporary Sharia Financial Literacy (Y). The findings of this study are consistent with other research showing that literacy, particularly literacy in Islamic economics and finance, is correlated with educational attainment. Education plays a central role in improving Sharia Finance literacy among university students, helping them understand the key principles of Sharia economics (Muharromah et al., 2023a). Moreover, the effectiveness educational of intervention is influenced by students' educational background, religious understanding, and their social environment. This research emphasizes the importance of educational institutions and policymakers to design more creative and innovative educational programs to expand Sharia Finance literacy in university life. With a better understanding of Sharia finance, students can act as agents of change in supporting sustainable economic development based on Islamic values (Iswandi, 2023). Formal education can introduce core concepts of Islamic economics, such as *riba* (interest), *zakat* (charity), *gharar* (uncertainty), and *halal/haram* financial transactions. The higher an individual's level of education, the better their ability to understand complex financial products and make informed decisions in accordance with Sharia law. (McGregor & Hamdan Alghamdi, 2024). From the regression conducted, information media variable has a positive and significant effect which known that $t_{\text{count}} 2.451 < t_{\text{table}} 1.967$ and significant value > 0.05 , namely 0.015, means that information media has a significant effect on Contemporary Islamic Financial Literacy. Overall, the Information Media variable (X_2) has a positive and significant effect on Contemporary Islamic Financial Literacy (Y).

The findings of this study align with previous research showing that information media, correlated to increase chance of Islamic economics and finance literacy, to be known by students. Information media play a significant role in shaping students' Sharia financial literacy by providing access to knowledge, discussions, and information about Sharia – compliant financial products and principles. A related study showed that students exposed to social media, such as Facebook, have good media literacy skills in receiving and processing information. This ability allows them to be more critical in filtering content that is relevant to their needs, including in the context of Islamic finance (Hidayat & Ginting, 2020). In the era of information flooding, the presence of technology – based media is an important instrument to educate students about Islamic finance principles such as *zakat*, prohibition of usury, and *halal* investment. Students who are trained in media literacy tend to be more selective and critical in adopting Islamic Finance products, thus strengthening their ability to practice Islamic Finance principles in real life. Social media influencers and Islamic finance channels can break down complex Sharia financial concepts into digestible content. Constant exposure to Sharia finance – related content increases familiarity, reduces misconceptions, and encourages interest in exploring Islamic financial products (Nur Masithoh, 2024).

From regression results, the role of Clerics and Government variable has a positive and significant effect with results of test which indicates that $t_{\text{count}} 4.190 > t_{\text{table}} 1.967$ and significant value < 0.05 , namely 0.000, means that role of clerics and government has the most significant influence on Contemporary Islamic Financial Literacy. Overall, Role of Clerics and Government (X_3) variable has positive and significant effect on Contemporary Islamic Financial Literacy (Y). The findings of this study are consistent with other researchs showing that clerics and government strategically shape public perception and

behavior through moral authority, regulation, and education, their varied roles have the biggest impact on modern Islamic financial literacy. Role of clerics and government is crucial in improving sharia Finance literacy among university students. Clerics are acting as educators and spiritual leaders, conveying principles of sharia finance through lectures, academic discussions and religious forums. They help students understand concepts such as prohibition of *riba*, *zakat*, and sharia –based investments that are relevant to modern life. On the other hand, the government has a role as facilitator and regulator, creating educational programs, policies, and literacy campaigns that support the development of sharia Finance knowledge in higher education institutions (Mustofa, 2020). Collaboration between clerics and government can result in initiatives such as seminars, trainings, or specialized curricula focused on sharia finance, which can directly increase students engagement in the practice of Islamic economics. While specific data on immediate impact of these collaborations on students is limited, their synergy has great potential to influence the younger generation's understanding of sharia finance. Clerics provide religious legitimacy and moral guidance. Their endorsement or promotion of Sharia financial practices increases trust among the Muslim community. Government policies and campaigns, such as those mentioned in the Indonesia Sharia Economic Masterplan, promote awareness, literacy programs, and regulation that ensure access to credible Sharia –compliant services. Combined, these two entities shape both the religious motivation and institutional trust necessary for deeper public engagement with Sharia finance (Riaz et al., 2023).

Social environment has an important role in shaping sharia Finance literacy among university students, especially in supporting them to understand and adopt sharia Finance principles. Research shows that family support, peer influence and academic community can motivate students to understand sharia Finance products. Research conducted at UIN K.H. Abdurrahman Wahid shows that peer influence and sharia –based business seminars encourage sharia economics students' interest in adopting Sharia Finance practices (Fa'iq Khotibul Umam et al., 2024). In addition, another study found that a family environment that supports sharia bank usage can strengthen students' understanding of sharia Finance services, although challenges such as lack of in –depth information are still an obstacle (Fatmah Rahmawati & Laily Nisa, 2024). This confirms that social environment not only serves as a motivator but also an effective source of informal learning in shaping students' understanding of sharia finance. Cultural and community norms can either encourage or inhibit engagement with Islamic finance based on collective beliefs and practices. If individuals are surrounded by peers or family who use and discuss Sharia financial products, they are more likely to learn through informal social learning. A supportive social environment can also reinforce trust in Sharia institutions and normalize the use of Sharia –compliant financial tools (Muharromah et al., 2023a).

From regression above, social environment variable has a positive and insignificant effect from results of test which known that $t_{count} 1.154 < t_{table} 1.967$ and significant value > 0.05 , namely 0.249, means that social environment has an insignificant effect on Contemporary Islamic Financial Literacy. Overall, Social Environment (X₄) has a positive and insignificant effect on Contemporary Islamic Financial Literacy (Y). In other words, the contribution or relationship provided by social environment to the dependent variable is not strong enough or statistically insignificant, despite the result by previous research as stated above by (Fa'iq Khotibul Umam et al., 2024), (Fatmah Rahmawati & Laily Nisa, 2024), and (Muharromah et al., 2023a). This suggests that students' social contacts with their peers, families, and communities do not genuinely promote a greater comprehension or awareness of Islamic banking. The absence of active social roles in Islamic finance,

the failure of students to internalize social norms, and the dearth of reliable educational resources available to them on campus are some of the presumptions that explain why the social environment has no impact on modern Islamic financial literacy (Rabbani et al., 2024).

CONCLUSION

According to the outcome of a study conducted on students in the FEB UNRI environment related to Sharia Finance literacy, it can be concluded that Education has a positive and significant impact on Sharia Finance literacy in FEB UNRI students; Information Media has a positive and significant impact on Sharia Finance literacy in FEB UNRI students; Role of Clerics and Government has a positive and most significant impact on Sharia Financial literacy in FEB UNRI students; and Social Environment has a positive and insignificant impact on Sharia Financial literacy in FEB UNRI students.

This research that has been conducted has limitations, one of which is that the majority of those who fill out the questionnaire are from early semester students who mostly do not know about economic knowledge and sharia finance, so it is advisable for the future to determine the segmentation of respondents to final students. Furthermore, implementing a program to increase literacy and inclusion of Sharia economics and finance on an ongoing basis for FEB UNRI students, so that they can expand their knowledge in addition to conventional economics, also from Sharia economics.

Author Contributions

[M. Rizwan]: Conceptualization, Formal analysis, Methodology, Writing – Original Draft
[Eriyati]: Supervision, Resource, Investigation, Writing – review & editing
[Yelly Zamaya]: Investigation, Resources, Data Curation, Software

REFERENCES

- Amagir, A., Groot, W., Maassen van den Brink, H., & Wilschut, A. (2018). A review of financial – literacy education programs for children and adolescents. *Citizenship, Social and Economics Education*, 17(1), 56 – 80. <https://doi.org/10.1177/2047173417719555>
- Arceo – Gyme, E. O., & Villagomez, F. A. (2017). Financial literacy among Mexican high school teenagers. *International Review of Economics Education*, 24, 1 – 17. <https://doi.org/10.1016/j.iree.2016.10.001>
- Aren, S., & Nayman Hamamci, H. (2022). The impact of financial defence mechanisms and phantasy on risky investment intention. *Kybernetes*, 51(1), 141 – 164. <https://doi.org/10.1108/K-10-2020-0695>
- Dafiq, B. I., Hidayati, A. N., & Habib, M. A. F. (2022). Pengaruh literasi keuangan, literasi digital, digital marketing, brand image dan word of mouth terhadap minat generasi z pada bank syariah. *Fair Value: Jurnal Ilmiah Akuntansi Dan Keuangan*, 4(11), 4971 – 4982. <https://doi.org/10.32670/fairvalue.v4i11.1856>
- Fa'iq Khotibul Umam, Nuris Dwi Setiawan, Danang Danang, & Mufadhol Mufadhol. (2024). Perancangan Tempat Sampah Pintar Berbasis Arduino Uno. *Jurnal Sistem Informasi Dan Ilmu Komputer*, 2(1), 225 – 236. <https://doi.org/10.59581/jusiik-widyakarya.v2i1.2728>
- Fatmah Rahmawati, O., & Laily Nisa, F. (2024). Penerapan Akad Istishna dalam Sistem Cash On Delivery (COD) pada Transaksi Jual Beli Online. *JURNAL EKONOMI BISNIS DAN MANAJEMEN*, 2(3), 178 – 188. <https://doi.org/10.59024/jise.v2i3.813>
- Hamzah, A. (2021). Pemikiran Ekonomi Islam Kontemporer: Kajian Teoritis Muhammad Abdul Mannan Tentang Distribusi. *Al-Qisthu: Jurnal Kajian Ilmu-Ilmu Hukum*, 18(1). <https://doi.org/10.32694/qst.v18i1.801>
- Hidayat, F. P., & Ginting, R. (2020). Media Literacy of Communication Students in Using Facebook. *ETTISAL : Journal of Communication*, 5(1). <https://doi.org/10.21111/ejoc.v5i1.3947>
- Hulland, J. (1999). Use of partial least squares (PLS) in strategic management research: a review of four recent studies. *Strategic Management Journal*, 20(2), 195 – 204. [https://doi.org/10.1002/\(SICI\)1097-0266\(199902\)20:2<195::AID-SMJ13>3.0.CO;2-7](https://doi.org/10.1002/(SICI)1097-0266(199902)20:2<195::AID-SMJ13>3.0.CO;2-7)

- Iswandi, A. (2023). Efektivitas Intervensi Pendidikan untuk Meningkatkan Literasi Keuangan Islam pada Mahasiswa: Studi Kasus di Universitas PTIQ Jakarta. *Al-Tasyree: Jurnal Bisnis, Keuangan Dan Ekonomi Syariah*, 15(01), 10 – 17. <https://doi.org/10.59833/altasyree.v15i01.1154>
- Irfayunita, F., & Puteri, H. E. (2019). Pengaruh Financial literacy Terhadap Preferensi Masyarakat Kabupaten Tanah Datar Memilih Produk – Produk Pendanaan Pada Perbankan Syariah. *EKONOMIKA SYARIAH: Journal of Economic Studies*, 3(1), 20. <https://doi.org/10.30983/es.v3i1.973>
- KNKS. (2019). *Laporan Perkembangan Keuangan Syariah*.
- Lindiawatie, L., Ria, A., Estiningsih, W., & Shahreza, D. (2024). Pengelolaan Keuangan Rumah Tangga Berbasis Syariah. *Jurnal Pengabdian Kepada Masyarakat Bangun Cipta, Rasa, & Karsa*, 3(4), 105 – 111. <https://doi.org/10.30998/pkmbatasa.v3i4.3250>
- Lusardi, A. (2019). Financial literacy and the need for financial education: evidence and implications. *Swiss Journal of Economics and Statistics*, 155(1), 1. <https://doi.org/10.1186/s41937-019-0027-5>
- Maharani, J., & Putra, Y. H. S. (2023). Pengelolaan Keuangan Keluarga Perspektif Islamic Wealth Management. *PROFIT: Jurnal Kajian Ekonomi Dan Perbankan Syariah*, 7(1). <https://doi.org/10.33650/profit.v7i1.6434>
- Margaretha, F., & Pambudhi, R. A. (2015). Tingkat Literasi Keuangan Pada Mahasiswa S – 1 Fakultas Ekonomi. *Jurnal Manajemen Dan Kewirausahaan (Journal of Management and Entrepreneurship)*, 17(1). <https://doi.org/10.9744/jmk.17.1.76-85>
- McGregor, S. L. T., & Hamdan Alghamdi, A. K. (2024). Measuring Islamic Financial Literacy. *Financial Planning Research Journal*, 10(1). <https://doi.org/10.2478/fprj-2024-0003>
- Muchamad Bagus Satrio Wibowo, & Muhammad Iqbal. (2022). Faktor Pengetahuan dan Religiusitas Generasi Z Terhadap Minat Menabung di Bank Syariah. *MALIA (TERAKREDITASI)*, 13(1), 93 – 106. <https://doi.org/10.35891/ml.v13i1.2795>
- Muharromah, S., Huda, N., Muslikh, M., & Rini, N. (2023a). Does The Community's Perspective Encourage Customers To Take Financing Products At Sharia Bank? *Jurnal Ekonomi Dan Bisnis Islam (Journal of Islamic Economics and Business)*, 9(2), 401 – 428. <https://doi.org/10.20473/jebis.v9i2.47143>
- Muharromah, S., Huda, N., Muslikh, M., & Rini, N. (2023b). Does The Community's Perspective Encourage Customers To Take Financing Products At Sharia Bank? *Jurnal Ekonomi Dan Bisnis Islam (Journal of Islamic Economics and Business)*, 9(2), 401 – 428. <https://doi.org/10.20473/jebis.v9i2.47143>
- Mukti, D. A., Thaib, Z. bin H., Fahrozi, Ardi, M. Z., & Ummah, M. F. I. (2024). Building a Sakinah Family of Qur'anic Memorizers: A Strategic Approach and Dynamics in the Framework of Contemporary Islamic Family Law. *Legitima: Jurnal Hukum Keluarga Islam*, 7(1), 40 – 57. <https://doi.org/10.33367/legitima.v7i1.5892>
- Mustofa, U. (2020). Efektivitas Program Edukasi dan Religiositas dalam Meningkatkan Literasi dan Inklusi Keuangan Syariah. *Iqtisad: Reconstruction of Justice and Welfare for Indonesia*, 7(2), 214 – 231. <https://doi.org/10.31942/iq.v7i2.3710>
- Nasution, A. W., & Nasution, A. W. (2019). Analisis Faktor Kesadaran Literasi Keuangan Syariah Mahasiswa Keuangan Dan Perbankan Syariah. *Equilibrium: Jurnal Ekonomi Syariah*, 7(1), 40. <https://doi.org/10.21043/equilibrium.v7i1.4258>
- Nur Masithoh, F. (2024). The Impact of Social Media Influencers On Personal Finance And Investment Decisions. *Jurnal At-Tamwil: Kajian Ekonomi Syariah*, 6(2), 196 – 214. <https://doi.org/10.33367/at.v6i2.1498>
- OJK. (2024, October). *Survei Nasional Literasi dan Inklusi Keuangan (SNLIK) 2024*. [https://ojk.go.id/id/berita – Dan – Kegiatan/Publikasi/Pages/Survei – Nasional – Literasi – Dan – Inklusi – Keuangan – \(SNLIK\) – 2024.aspx](https://ojk.go.id/id/berita-dan-kegiatan/publikasi/Pages/Survei-Nasional-Literasi-Dan-Inklusi-Keuangan-(SNLIK)-2024.aspx)
- OJK. (2025, May). *Survei Nasional Literasi Dan Inklusi Keuangan (SNLIK) Tahun 2025*. [https://ojk.go.id/id/berita – dan – kegiatan/siaran – pers/Pages/OJK – dan – BPS – Umumkan – Hasil – Survei – Nasional – Literasi – Dan – Inklusi – Keuangan – SNLIK – Tahun – 2025.aspx](https://ojk.go.id/id/berita-dan-kegiatan/siaran-pers/Pages/OJK-dan-BPS-Umumkan-Hasil-Survei-Nasional-Literasi-Dan-Inklusi-Keuangan-SNLIK-Tahun-2025.aspx)
- Rabbani, A. A., Tubastuvi, N., Rahmawati, I. Y., & Widyaningtyas, D. (2024). Pengaruh Literasi Keuangan, Status Sosial Ekonomi, Lingkungan Sosial, Locus Of Control Dan Gaya Hidup

- Terhadap Pengelolaan Keuangan Mahasiswa. *Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA)*, 8(1), 456 – 475. <https://doi.org/10.31955/mea.v8i1.3701>
- Riaz, U., Burton, B., & Fearfull, A. (2023). Emotional propensities and the contemporary Islamic banking industry. *Critical Perspectives on Accounting*, 94, 102449. <https://doi.org/10.1016/j.cpa.2022.102449>
- Wibisono, A., Anwar, M., & Kirono, I. (2015). Stuctural Equation Modeling Partial Least Square (Sem Pls) Untuk Mengetahui Kinerja Karyawan Pada Pt. Dempo Laser Metalindo Surabaya. *J Statistika: Jurnal Ilmiah Teori Dan Aplikasi Statistika*, 7(1). <https://doi.org/10.36456/jstat.vol7.no1.a184>
- Zahra, Q. S. A., & Nurhasanah, E. (2023). Analisis Tingkat Literasi Keuangan Syariah UMKM di Tasikmalaya. *EKSISBANK: Ekonomi Syariah Dan Bisnis Perbankan*, 7(1), 186 – 195. <https://doi.org/10.37726/ee.v7i1.816>