

# ANALYSIS OF ISLAMIC FINANCIAL LITERACY OF THE MILLENNIAL MUSLIM GENERATION REGARDING ISLAMIC FINTECH (CASE STUDIES IN SEVERAL COLLAGES IN BANJARMASIN CITY)

Lili Sonia Sefty Lau<sup>1</sup>, Rohana Faridah<sup>2</sup>

<sup>1,2</sup> Faculty of Islamic Economics and Business, Antasari State Islamic University, Banjarmasin

Email: Liliisonia27@gmail.com

## *Abstract*

*This research is motivated by the importance of literacy in financial management. Islamic financial literacy is an individual's understanding or knowledge related to finance, such as understanding Islamic financial products, Islamic financial contracts, and managing funds based on sharia principles, including Islamic fintech or financial technology, Islamic fintech is a technology in the financial sector that provides services in financial service activities to costumers and the community through the internet.*

*The purpose of this research is to identify and measure the level of financial literacy of the millennial muslim generation in Banjarmasin city regarding Islamic fintech. This research is field research using quantitative descriptive analysis techniques. The location of this research is in Banjarmasin city. The population in this research consist of students from several universities in Banjarmasin, with data collection methods using questionnaires and analyzed using descriptive statistical analysis techniques.*

*The results of this research indicate that the millennial muslim generation in Banjarmasin city has a moderate level of literacy regarding Islamic fintech, which is 61% indicating that they have sufficient knowledge and understanding of Islamic fintech.*

**Keywords** – Islamic Financial Literacy, Millennial Muslim Generation, Islamic Fintech.

## **INTRODUCTION**

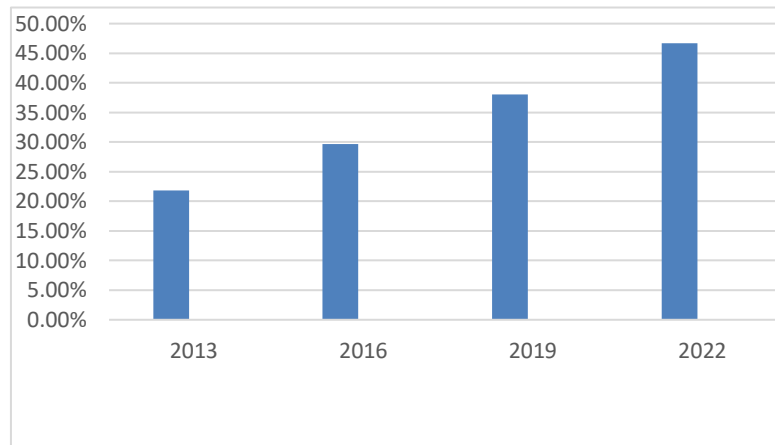
Based on the background and problem formulation, the purpose of this research is to determine the level of Islamic financial literacy of millennial muslim generation regarding Islamic fintech (case studies in several collages in Banjarmasin city). The increasing use of mobile payments, driven by internet and digital technology advancements, has coincided with a rise in illegal online loan cases, particularly affecting the younger generation, prompting this research (Anshary dkk., 2023). Therefore, the researcher is interested in conducting a more in-depth study on the level of literacy and inclusion regarding Islamic fintech.

In the last 10 years, Indonesia has experienced a vary rapid demographic transition. According to data obtained from the Central Statistic Agency census in 2020, that 27% of Indonesians population is generation Z (Ahmad Juhaidi dkk., 2023), while 25% is the millennial generation. So through the data obtained, it can be concluded that approximately 52% of Indonesians population is dominated by the young generation (Yulistiyono et al., 2021).

While the development of financial technology does not rule out the possibility that the current millennial generation still does not know what financial technology is (Riinawati, 2022). With the lack of knowledge regarding financial technology in the current millennial generation, there is a need for something called financial literacy. Financial literacy according to Lusardi (2012) is a skill that must be understood and possessed by every person which will be used to improve the standard of living, if have good financial literacy, financial management and planning will be carried out well and appropriately. In addition, Huston (2010) defines financial literacy as an understanding related to skills in financial management to organized and carry out personal financial planning in order to achieve financial well-being (Azizah, 2020; Zaki Mubarak dkk., 2023).

In the interim, Islamic financial literacy is knowledge about Islamic finance that is needed to make financial decisions. The aspects for measuring sharia financial literacy are in the form of sharia financial institutions, sharia principles, sharia financial contracts and sharia products. Knowledge or understanding of sharia financial literacy can influence in carrying out their activities which are based on Islamic economic principles (Eliza, 2019).

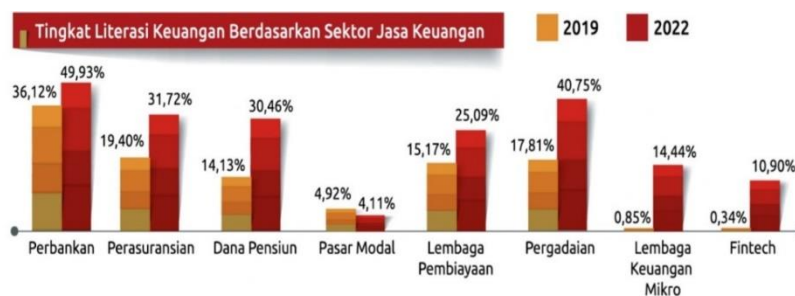
### 1. 1 Indonesian financial literacy index



Based on the data above, it can be concluded that the understanding or literacy of the Indonesians has begun to increase and improve from 2013 to 2022, but the level of financial literacy is still quite low because only 49, 68% was obtained, which means that this number is still low compared to the current population of Indonesia. Financial literacy in Indonesia remains uneven, with many people lacking a full understanding of financial products and services, indicating it is still relatively low (Faridah dkk., 2023; Suparno dkk., 2023).

Based on data from the index obtained from the OJK, the financial literacy of the Indonesians regarding the sharia financial services sector is still lacking and low, namely 9,14%. Therefore, it is very important to increase literacy or understanding of sharia finance for Indonesians, especially the millennial generation or the young generation. Because lately there have been many cases related to fintech, both sharia and conventional. As the millennial generation, especially the muslim generation, of course, really needs to understand what the sharia based financial services sector is, especially sharia fintech.

## 1. 2 Financial literacy level based on financial services sector



### RESEARCH METHODS

This type of research is field research, field research is research that is carried out systematically by obtaining data obtained from research conducted in the field (Riyanto & Hatmawan, 2020). Using a quantitative descriptive approach, quantitative descriptive according to Shields : Rangarajan (2013) quoted in (P.Sinambela & Sinambela, 2021). is research that describes the characteristics of a population regarding an observed phenomenon. This research was conducted in Banjarmasin city, South Kalimantan on muslim students at several universities in Banjarmasin city.

The population is the entire muslim millennial generation who have received financial literacy. To determine the population in this research, a non- probability sampling technique was used because the population unknown. The sample was taken from the population using a purposive sampling technique, which determines the sample based on certain considerations such as population characteristics or previously known characteristics. (Agus Purnomo & Atika Zahra Maulida, 2023; Sugiyono, 2017; Syaugi & Aulia Rahmah, 2021).

The provisions for respondents in this research have several criteria, namely active students from Lambung Mangkurat University Banjarmasin, Islamic University of Kalimantan Muhammad Arsyad Al-Banjari Banjarsin and Antasari State Islamic University Banjarmasin. In this research, the technique for determining the number of samples is to use the Lameshow formula. From the Lameshow formula, the number of samples needed is 100 respondents.

For primary data obtained directly from respondents, then for secondary data obtained from documents, books or journal related to the research. Data sources, namely millennial generation muslim respondents at several university students in Banjarmasin city. Data

collection technique using questionnaires. Then for the measurements scale using the likert scale. Data analysis techniques, namely using descriptive. The results of the next calculation use a benchmark to calculate the level of financial literacy referring to the criteria according to Chew and Volve (1998).

1. ( $> 80\%$ ) which means the level of knowledge about finance is high.
2. ( $60\% - 79\%$ ) which means the level of knowledge about finance is moderate.
3. ( $< 60\%$ ) which means the level of knowledge about finance is low.

## **RESULTS**

From the basic knowledge indicator of Islamic financial literacy, it can be seen that the Muslim millennial generation in Banjarmasin city has knowledge or understanding of 76%, where in this indicator the Muslim millennial generation in Banjarmasin city already knows and understands that Islamic finance is in accordance with and is based on the principles of the Qur'an and Hadith, both in terms of services and its contract system. In the Islamic savings and loans indicator, the Muslim millennial generation in Banjarmasin city has a literacy rate of 75%, which means that they have a moderate level of knowledge regarding contracts and their products. Then in the Islamic insurance indicator, the literacy rate is 68% which is classified as moderate, where the millennial generation in Banjarmasin city already knows enough about the products and contracts in Islamic insurance but still does not or does not use sharia-based insurance services. In the Islamic investment indicator, the literacy rate is 70%, which means that they have sufficient knowledge about the products and risks in Islamic investment, but it needs to be improved again. In basic knowledge of Islamic fintech, financial literacy is 61%.

### **Reporting Research Results**

#### **A. Respondent Description**

The respondents in this study were the millennial generation of Banjarmasin city, this study used data collection in the form of questionnaires distributed to students at universities or colleges in Banjarmasin city, including UIN Banjarmasin, UNLAM Banjarmasin, and UNISKA Banjarmasin which were distributed online via Google Form with a total of 100 respondents who answered the questionnaire.

### 1.1 Respondent description table based on gender

Gender	Total	Percentage (%)
Male	21	21%
Female	79	79%
<b>Total</b>	<b>100</b>	<b>100%</b>

Sources : Processed data, 2024

### 1.2 Respondent description table based on universities

University	Total	Percentage (%)
UIN Antasari Bjm	25	25%
ULM Banjarmasin	39	39%
UNISKA Banjarmasin	36	36%
Total	100	100%

## B.Validity and Reliability test

### 1. Validity Test

Validity test is a tool used to determine whether a questionnaire is valid or not. A questionnaire is said to be valid if the questions in it are able to reveal what is being measured. The instrument is considered valid if the calculated r value is  $>$  from the r table, where  $df = n - 2$  with a significant value of  $\alpha < 0.05$ .

#### 2. 1 Validity test results Table

Variable	Indicator	Item number	R Count	R Table	Sig Value	Information	
	Basic knowledge of Islamic financial literacy	PDLKS 1	0, 679	0, 197	0, 001	Valid	
		PDLKS 2	0, 582	0, 197	0, 001	Valid	
		PDLKS 3	0, 573	0, 197	0, 001	Valid	
		PDLKS 4	0, 603	0, 197	0, 001	Valid	
		PDLKS 5	0, 786	0, 197	0, 001	Valid	
			TDPS 1	0, 672	0, 197	0, 001	Valid
			TDPS 2	0, 641	0, 197	0, 001	Valid

Islamic financial literacy	Sharia Savings and Loans	TDPS 3	0, 819	0, 197	0, 001	Valid
		TDPS 4	0, 783	0, 197	0, 001	Valid
		TDPS 5	0, 654	0, 197	0, 001	Valid
	Sharia Insurance	AS 1	0, 690	0, 197	0, 001	Valid
		AS 2	0, 686	0, 197	0, 001	Valid
		AS 3	0, 747	0, 197	0, 001	Valid
		AS 4	0, 845	0, 197	0, 001	Valid
		AS 5	0, 729	0, 197	0, 001	Valid
	Sharia Investments	IS 1	0, 509	0, 197	0, 001	Valid
		IS 2	0, 772	0, 197	0, 001	Valid
		IS 3	0, 734	0, 197	0, 001	Valid
		IS 4	0, 735	0, 197	0, 001	Valid
		IS 5	0, 728	0, 197	0, 001	Valid
	Basic knowledge of Islamic Fintech	PDFS 1	0, 825	0, 197	0, 001	Valid
		PDFS 2	0, 840	0, 197	0, 001	Valid
		PDFS 3	0, 834	0, 197	0, 001	Valid
		PDFS 4	0, 828	0, 197	0, 001	Valid
		PDFS 5	0, 696	0, 197	0, 001	Valid

Source: processed data, 2024

Validity test in this study uses SPSS assistance, using a 5% confidence level. If  $r$  count  $>$   $r$  table then the instrument in the study can be said to be valid and vice versa. From the table above it can be concluded that each question has  $r$  count  $>$   $r$  table, therefore all question items are valid.

## 2. Realibility Test

Reliability is a measuring tool to measure the reliability of an instrument. Measurement will be said to be reliable if it provides consistent results. Reliability measurement will be said to be reliable if Cronbach's Alpha  $> 0.06$ . If the Alpha value  $> r$  table then the instrument can be said to be reliable.

## 2.2 Reliability test results Table

Variable	Indicator	Cronbach - Alpha Value	Standard Value	Inform
Islamic financial literacy	Basic knowledge of Islamic financial literacy	0,650	0,60	Reliable
	Sharia Savings and Loans	0,744	0,60	Reliable
	Sharia Insurance	0,791	0,60	Reliable
	Sharia Investments	0,725	0,60	Reliable
	Basic knowledge of Islamic Fintech	0,862	0,60	Reliable

Source: processed data, 2024

Based on table, it shows that all aspects or research instruments are declared reliable because all Cronbach's Alpha values are  $> 0.60$ .

## 3. Descriptive Statistics

Descriptive statistics is a data analysis used to describe data that has been collected according to the actual situation specifically and does not attempt to make conclusions that apply generally or generalizations.

## 2.3 Descriptive Statistics Table

Indicator	<i>N</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>Standar Deviation</i>
Basic knowledge of Islamic financial literacy	100	13	25	19.11	2.558
Sharia Savings and Loans	100	9	25	18.74	2.884
Sharia Insurance	100	9	23	16.98	2.752
Sharia Investments	100	10	24	17.62	2.654
Basic knowledge of Islamic Fintech	100	5	25	15.33	3.464

Source: processed data, 2024

Based on table 4.6 above, there are 100 respondents where the test results show that the minimum value (the smallest value of the respondent's answer), maximum (the highest value of the respondent's answer) and standard deviation are the values used to determine



how widely the data is distributed in a sample. The greater the standard deviation, the more diverse and varied the values of each indicator in the study, so it is relatively heterogeneous or (not grouped) and the smaller the standard deviation, the values of each indicator in the study do not vary, so it is relatively homogeneous (grouped) or the more accurate the mean.

#### 4. Respondents' Sharia Financial Literacy Based on Percentage Level Category.

##### 2. 4 Percentage Based On The Level of Islamic Financial Literacy

No	Indicator	Low ( < 60%)	Moderate (60% - 79%)	High ( > 80 %)
1	Basic knowledge of Islamic financial literacy		76 %	
2	Sharia Savings and Loans		75%	
3	Sharia Insurance		68%	
4	Sharia Investments		70%	
5	Basic knowledge of Islamic Fintech		61%	

Source : processed data, 2024

Based on table the calculation results using the financial literacy level benchmark according to the criteria set by Chen and Volpe (1998). Which is divided into 3 parts, namely:

1. (> 80%) which means the level of financial knowledge is high.

2. (60% - 79%) which means the level of financial knowledge is moderate.
3. (< 60%) which means having low financial literacy or understanding.

## **DISCUSSION**

Financial literacy is a series of understandings that should be possessed and mastered by every person or individual to manage finances, both personal and other finances. Literacy is a skill or expertise and insight possessed by an individual related to an expertise in the financial field so that the financial system is efficient and becomes better. In addition to the importance of financial literacy in general as a Muslim, Islamic financial literacy is also needed as according to Hidajat and Hamdani in the study (Ade Gunawan, 2022). that Islamic financial literacy is an activity in finance that is in accordance with Islamic economics which is used for decision making in managing finances. Then Zait stated in his research that Islamic financial literacy is a person's behavior or knowledge and skills in understanding the basic concepts of Islamic finance which include financial products and services that are appropriate and based on the principles of Islamic economics with the aim of obtaining divine pleasure and financial well-being.

In this case, the millennial generation of Muslims in the city of Banjarmasin has knowledge or literacy of Islamic finance which is measured by several indicators including basic knowledge of Islamic financial literacy, Islamic savings and loans, Islamic insurance, Islamic investment, and basic knowledge of Islamic fintech. The results of measuring the level of Islamic financial literacy are guided by the categories based on Chen and Volpe (1998) in the study (Margaretha & Pambudhi, 2015), where the level of Islamic financial literacy of the millennial generation of Muslims in the city of Banjarmasin which was carried out on students of several universities in the city of Banjarmasin is included in the moderate category, which is 70% or according to OJK in (Andarsari & Ningtyas, 2019). is included in the category of sufficient literate which means having knowledge or understanding in addition, they also have clear beliefs about financial service institutions and financial service products and services, including features, benefits, risks, rights, and obligations related to financial service products.

With these results, it can be concluded that the Muslim millennial generation in Banjarmasin city has sufficient understanding, but it is still not good, because as a Muslim

millennial generation, they should already have an understanding and knowledge of Islamic financial literacy because if Islamic financial literacy is at a high level, it can help increase Islamic financial inclusion in Indonesia. As stated by the OJK, the level of Islamic financial literacy in Indonesia in the 2022 index measurement was only 9.14%, which means it is still very low and far behind the level of conventional financial literacy which reached 49.68%. This was also stated by the Indonesian Financial Services Authority that digitalization in the financial sector can facilitate access for the millennial generation to get more literacy because according to Wijayanti (2021) in (Muktamar et.al., 2023) that the millennial generation is "no gadget no life" which means that the current millennial generation uses internet technology every day every time. The financial literacy rate of the millennial generation in Banjarmasin city should be better or more than 70% because the millennial generation is a generation that has an understanding and expertise in digital technology and can easily get information about Islamic financial literacy that can be accessed via the internet anywhere and anytime, compared to the previous generation who had difficulty getting access and information about Islamic finance, and also the majority of the Indonesian population is Muslim, as a Muslim, it is only right to study and understand finance based on Islamic principles.

From the basic knowledge indicator of Islamic financial literacy, it can be seen that the Muslim millennial generation in Banjarmasin city has knowledge or understanding of 76%, where in this indicator the Muslim millennial generation in Banjarmasin city already knows and understands that Islamic finance is in accordance with and is based on the principles of the Qur'an and Hadith, both in terms of services and its contract system. In the Islamic savings and loans indicator, the Muslim millennial generation in Banjarmasin city has a literacy rate of 75%, which means that they have a moderate level of knowledge regarding contracts and their products. Then in the Islamic insurance indicator, the literacy rate is 68% which is classified as moderate, where the millennial generation in Banjarmasin city already knows enough about the products and contracts in Islamic insurance but still does not or does not use sharia-based insurance services. In the Islamic investment indicator, the literacy rate is 70%, which means that they have sufficient knowledge about the products and risks in Islamic investment, but it needs to be improved again. In basic knowledge of Islamic fintech, financial literacy is 61%.

The basic knowledge indicator of sharia fintech is the lowest figure, namely the knowledge and understanding of the Muslim millennial generation is only 61%, which means that the Muslim millennial generation in the city of Banjarmasin still does not know for sure about sharia fintech. Based on these results, it is not surprising that according to the Financial Services Authority (OJK, 2023), the millennial generation tends to like to get into debt and get entangled in illegal online loans due to lack of literacy and education. It should be seen from fintech users, most of whom are millennials and generation Z, both conventional and sharia fintech. They should already have a good understanding of financial literacy, because they are the largest users of fintech services, both sharia and conventional. This can be proven by the number of accounts held in P2P lending issued by the OJK in December 2022, showing that most fintech accounts, 62%, are owned by customers aged between 19 and 34 years. Therefore, it is important to increase literacy regarding sharia fintech for the millennial generation, especially for the Muslim millennial generation, because if the literacy level is good, it will certainly be easy to manage finances efficiently.

## CONCLUSION

Based on the theory, research, data collection, and analysis that has been carried out regarding general knowledge of Islamic finance, Islamic savings and loans, Islamic insurance, Islamic investment, and basic knowledge of Islamic fintech in the millennial muslim generation (case study of students from several universities in Banjarmasin city). It can be concluded that in accordance with the formulation of the problem, namely based on the results of research and data analysis that the level of financial literacy regarding Islamic fintech for the millennial muslim generation in Banjarmasin city obtained was 61% which is included in the moderate category, namely between (60% - 79%) which means that they have sufficient knowledge about Islamic fintech in general.

## REFERENCES

- Ade Gunawan, S. E. (2022). *Monograf Pengukuran Literasi Keuangan Syariah dan Literasi Keuangan*. umsu press.  
<https://books.google.com/books?hl=id&lr=&id=IXt8EAAAQBAJ&oi=fnd&pg=PT17&dq=pengukuran+literasi+keuangan+syariah+dan+literasi+keuangan+ade+gunawan&ots=l0pUYnMYZ5&sig=-Xdigk6PnMyHZn516kimNYXhZt0>

- Agus Purnomo & Atika Zahra Maulida. (2023). The Effect of Dividends and Capital Gains on Underlying Assets in Green Sukuk. *JIEFeS: Journal of Islamic Economics and Finance Studies*, 4(2), 197–213. <http://dx.doi.org/10.47700/jiefes.v4i2.6473>
- Ahmad Juhaidi, Analisa Fitria, Noor Hidayati, Syaifuddin, Ridhahani, Akh. Fauzi Aseri, Masyithah Umar, Muhsin Aseri, & Muhammad Riza. (2023). Digital Citizenship of Generation Z in Indonesia: Does Islamic Higher Education Matter? *Journal of Higher Education Theory and Practice*, 23(13). <https://doi.org/10.33423/jhetp.v23i13.6325>
- Andarsari, P. R., & Ningtyas, M. N. (2019). The role of financial literacy on financial behavior. *Journal of accounting and business education*, 4(1), 24–33.
- Anshary, A. H., Faridah, R., Qamaruddin, M., Ma'mun, M. Y., & Aseri, Akh. F. (2023). Positive Attitudes Towards Digital Wallets in Banjarmasin, Indonesia. *Proceedings of the International Conference on Intellectuals' Global Responsibility (ICIGR 2022)*, 379–388. [https://doi.org/10.2991/978-2-38476-052-7\\_42](https://doi.org/10.2991/978-2-38476-052-7_42)
- Azizah, N. S. (2020). Pengaruh literasi keuangan, gaya hidup pada perilaku keuangan pada generasi milenial. *Prisma (Platform Riset Mahasiswa Akuntansi)*, 1(2), 92–101.
- Eliza, A. (2019). Literasi Keuangan Islam dan Faktor-Faktor yang mempengaruhinya. *Valid: Jurnal Ilmiah*, 16(1), 17–28.
- Faridah, R., Mamun, M. Y., Qamaruddin, M., Naimah, & Badrian. (2023). Analysis of Consumer Attitude Towards Online Transportation in Banjarmasin. Dalam T. Suryanto, L. A. Sulejmani, J. Ali, R. Rena, S. Grima, & R. Piryu (Ed.), *Proceedings of the International Conference on Sustainability in Technological, Environmental, Law, Management, Social and Economic Matters (ICOSTELM 2022)* (Vol. 770, hlm. 54–60). Atlantis Press SARL. [https://doi.org/10.2991/978-2-38476-112-8\\_7](https://doi.org/10.2991/978-2-38476-112-8_7)
- Margaretha, F., & Pambudhi, R. A. (2015). Tingkat literasi keuangan pada mahasiswa S-1 fakultas ekonomi. *Jurnal manajemen dan kewirausahaan*, 17(1), 76–85.
- Muktamar, A., Hertina, D., Ratnaningsih, R., Syaepudin, S., Syahputra, H., Hendriana, T. I., Masruroh, M., Sudalyo, R. A. T., & Nursanti, T. D. (2023). *MSDM ERA MILENIAL: Pengelolaan MSDM yang Efektif untuk Generasi Milenial*. PT. Sonpedia Publishing Indonesia. <https://books.google.com/books?hl=id&lr=&id=GWHjEAAAQBAJ&oi=fnd&pg=PR1&dq=MSDM+era+milenial&ots=Qg1VJ9xqof&sig=49Io9HvPVQD8SRk1uNqiplUdHVw>
- P.Sinambela, L., & Sinambela, S. (2021). *METODE PENELITIAN KUANTITATIF Teoritik dan Praktik*. Rajagrafindo Persada.
- Riinawati, R. (2022). Building Public Accountability Through Financial Management in Madrasah. *AL-TANZIM: Jurnal Manajemen Pendidikan Islam*, 6(1), 268–280. <https://doi.org/10.33650/al-tanzim.v6i1.3069>

- Riyanto, S., & Hatmawan, A. A. (2020). *Metode riset penelitian kuantitatif penelitian di bidang manajemen, teknik, pendidikan dan eksperimen*. Deepublish.
- Sugiyono. (2017). *METODE PENELITIAN KUANTITATIF, KUALITATIF, DAN R&D*. Alfabeta.
- Suparno, D., Tjahjawulan, I., Martodiryo, S., Anshary, A. H., Mulyono, Badrian, Indrariansi, E. A., & Suwondo, T. (2023). The influence of financial literacy, digital literacy, digital marketing, brand image and word of mouth on the z generation's interest in Islamic banks. *International Journal of Data and Network Science*, 7, 1975–1982. <https://doi.org/10.5267/j.ijdns.2023.6.015>
- Syaugi & Aulia Rahmah. (2021). Investment Decisions through Total Asset Growth toward Price to Book Value on the Jakarta Islamic Index. *MUQTASID: Jurnal Ekonomi dan Perbankan Syariah*, 12(1), 63–74. <https://doi.org/10.18326/muqtasid.v12i1.63-74>
- Yulistiyono, A., Gunawan, E., Widayati, T., Firmansyah, H., Malau, N. A., Megaster, T., Ekopriyono, A., Nurhayati, T. P. T., Siahaan, A. L. S., Suharno, S., Setiyawan, S., Sumarjiyanto, N., Manullang, S. O., Retnandari, S. D., Nawatmi, S., Caroline, C., Nusantara, A., Isnowati, S., Hikmah, H., & Indawati, N. (2021). *Bonus Demografi sebagai Peluang Indonesia dalam Percepatan Pembangunan Ekonomi*. Penerbit Insania.
- Zaki Mubarak, Rohana Faridah, Rahma Yuliani, Sukarni Sukarni, & Michelle Fong. (2023). Does Sharia Dormitory Business Unit support Islamic University Sustainability? Market, Financial, and Maqashid Sharia Analysis. *IKONOMIKA: Jurnal Ekonomi dan Bisnis Islam*, 8(1), 37–52. <https://doi.org/10.24042/febi.v8i1.15990>