

ISLAMIC FINANCIAL LITERACY: CONSTRUCT PROCESS AND VALIDITY

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ABSTRACT

The advancement in the world of finance and information technology encourages Muslims and non-Muslims to decide the right choice of financial products and services available. Many of whom are already interested in Islamic financial products and services. In order to be able to make the proper decisions, then the aspect of Islamic financial literacy is mandatory.

The need for Islamic financial literacy research is not only driven by the internal factor of the Muslim community itself as the obligation to obey the rules of Islam, but also due to external factors, such as the availability of complex financial instruments that lead the Muslim community to respond by making financial decisions based on Islamic financial literacy.

This present research aims to determine the construction of Islamic financial literacy. Specifically, the constructs are carried out through qualitative methods based on literature review of the concepts and measures of financial literacy by revealing the existing constraints and reviewing Islamic finance literatures. Based on the preliminary review, it was found the initial understanding of Islamic financial literacy which was later strengthened by in-depth interview and coding process until the construction of Islamic financial literacy was found. Subsequently, validity test was empirically performed on the constructs and instruments to be used so that it can be applied as a measurement of public Islamic financial literacy in general. For this purpose, quantitative data collection was performed with structured questionnaires of constructs which has been found in the scientific community.

The finding of Islamic financial literacy construct with its dimensions and indicators is strongly required as a parameter to measure the level of financial literacy of the community in various groups. Thus, it can be a reference for the government and other interested parties to make a policy in order to realize the program of financial inclusion.

Keywords: Financial Literacy, Islamic Finance, Islamic Financial Literacy, Scientific Society.

INTRODUCTION

Financial literacy is a salient aspect required both in the economic, financial and social environment to make proper financial decisions. Bhushan and Medury (2013) described that financial literacy has become increasingly complex over the past few years with the introduction of many new financial products. Furthermore, Nidar and Bestari (2012) explained that the national economy will not lead to the global financial crisis provided that people understand the financial system. Miller et al. (2009) provided a number of reasons regarding the importance of financial literacy, especially on how to evaluate today's increasingly complex financial services

and products and sound decision making, help deal with financial difficulties (such as accumulated savings, asset diversification and insurance purchases), also improve financial behaviour (punctual payment of bill, manage appropriate loans) and help improve the efficiency and quality of financial services.

The efforts to improve community's financial literacy have been widely carried out in the last decade and become an important agenda of various countries characterized by programs launched by their government and researches pertaining to the measurement of financial literacy. However, it is still relatively rare to find a research which discusses the measurement of financial literacy among Muslims. This aspect is considered important since some measures used in determining the existing financial literacy have not been appropriately adapted for Muslims regarding its distinction in financial principles.

Abdullah and Chong (2014) stated the "*financial crisis has also caused the world's new focus on Islamic finance*". Thus, the Islamic finance industry has been inundated with wide ranges of financial instruments and assets choices for not only Muslim but also non-Muslim investors. Furthermore, Kayed (2008) in his article questioned the research community's efforts to investigate the level of Islamic financial literacy among Muslims and highlighted the importance of dissemination of Islamic finance knowledge through the education system.

The need for researches on Islamic financial literacy is not only encouraged by the internal factor of the Muslim community itself as the obligation to obey the rules of Islam, but also due to external factors, such as the availability (supply) of complex financial instruments that raise awareness among the Muslim community to respond through financial decision making based on Islamic financial literacy.

The purpose of this study is to determine the construction of Islamic financial literacy along with its dimensions and indicators through qualitative methods and testing the validity of the instrument constructs empirically. The establishment of Islamic financial literacy constructs with its dimensions and indicators is required as a parameter to measure the level of financial literacy of the community at various groups. It is expected that this finding can be a reference for the government in policies making and other interested parties in order to realize the financial inclusion program.

LITERATURE REVIEW

The Development of Concepts and Definitions of Financial Literacy

Since the 1950s, financial literacy has been recognized in many countries around the world. The definition of financial literacy has also been broadly acclaimed by financial experts and researchers as it is available in a number of literatures, yet none of which presents similar definitions. In general, the frequently used definition of financial literacy as proposed by Hung et al. (2009) is about knowledge and skills in financial management, while others put emphasis to the aspects of financial concepts, information assessment and decision making (Lusardi and Mitchell, 2007); ability to evaluate and make valuation of financial instrument information (Mandell, 2008); interpreted as debt literacy (Lusardi and Tufano, 2009).

More specifically, as it is stated by Atkinson and Messy (2012), financial literacy is defined as a combination of financial knowledge, attitude and behaviour. Financial knowledge is the understanding on financial terms and concepts necessary for everyday use in social life (Bowen, 2002). Meanwhile, financial attitudes are the application of financial principles for creating and maintaining value through the best decision-making and resource management

(Rajna et al., 2011). Furthermore, financial behaviour refers to human behaviour in relation to money management (Xiao, 2008).

The blueprint of financial literacy launched by the Financial Services Authority (FSA) in Indonesia dated November 19, 2013, defines that financial literacy is a series of processes or activities to improve knowledge, confidence and skill of consumers and the wider community in order that they can better manage their finances.

So far there have been some researches related to Islamic financial literacy, but researchers who discuss Islamic financial literacy do not explicitly define it. Some of them refer to the definition of conventional financial literacy tailored to the system and the obligations which must be met in Islamic finance. Salehudin (2010) used the term “*halal literacy*” and defined it as the ability to distinguish halal and haram on the basis of sharia (Islamic Law). Meanwhile, Razak and Abdullah (2015) defined “*Islamic financial literacy in a broader aspect consisting of financial or basic wealth (income, consumption and savings) management, financial planning (takaful, pension schemes and sharia-based investment), zakat, inheritance law (faraid) and wasiyyah, charitable donations (waqf and alms)*”. The researcher underlined the obligations that he thought it should be implemented in Islamic finance such as zakat, sharia and investment transactions, endowments, the implementation of wills, orphan property management and property management in accordance with the principles outlined in Islamic teachings. Similarly, Antara et al. (2016) defined “*halal literacy as a person's ability by combining a set of knowledge, awareness and skills to distinguish between halal and haram on products and services based on sharia law*”.

Approach to Financial Literacy Measurement

There are two approaches in measuring financial literacy namely self-assessment approach and objective measures approach (Kharchenko, 2011). Self-assessments approach is used to assess literacy ability to provide information about attitudes of respondents to financial decisions, financial knowledge and financial information. Jappelli (2010) used this approach by comparing literacy rates within 55 countries based on indicators of financial literacy. On the other hand, the objective measures approach employs the objective test to assess the knowledge of financial terms, financial concepts and financial capabilities numerically. According to OECD institutions (2005), the objective test approach is regarded to be better than self-assessment method in analysing the financial knowledge of respondents. Lusardi and Mitchell (2005) used this objective test approach to examine the understanding of respondents by using compound interest variables, inflation, risk diversification, important concepts for savings and investment activities.

Meanwhile, the research on financial literacy measurement based on division used by Atkinson and Messy (2012) in the form of financial knowledge consists of two groups. The first group of respondents' research answered questions related to general financial knowledge in personal financial recognition as in the last decade conducted by Avard et al. (2005); Jones and Stine (2005). The second group used financial knowledge as a proxy for financial literacy (Warwick and Mansfield, 2000; Joo et al., 2003; Atkinson and Messy, 2012). Atkinson and Messy (2012) used 8 core questions designed to measure knowledge, namely: division, time value of money, interest paid on a loan, calculation of interest plus principle, compound interest, risk and return, definition of inflation and diversification.

Researches which divide financial attitudes can be taken into consideration as psychological tendency expressed when evaluating recommended financial management with

levels of agreement and disagreement (Parrotta and Johnson, 1998). On the other hand, Rajna et al. (2011) who studied financial attitudes of Malaysian people found that as a whole, medical practitioners in Malaysia have a positive financial attitude, yet they still do not have financial practice.

Researches focused on the division of financial behaviour are an essential and most important element of financial literacy. Atkinson and Messy (2012) described four questions which enable people to provide more information and statements about the frequency of behaviour, including statements associated with purchase considerations, paying their obligations on time, analysis on financial records and long-term plans. Furthermore, Lusardi and Tufano (2009) developed an instrument to focus specifically on debt literacy.

Islamic Financial Review

Islamic financial activities are based on the underlying principle that money is not regarded as a productive asset of commodities/tradable goods. Instead, money benefits can be obtained once it is functioned either as a medium of exchange or through investment with taking into account the inherent risks. Khaled (2011) stated that the basic principles of Islamic finance refers to financial services performed according to Islamic law which can be summarized as follows: 1) prohibition of interest (riba); 2) risk sharing; 3) money as potential capital; 4) prohibition of speculative behaviour; 5) sanctity contract; 6) approved sharia activities; and 7) short-selling prohibition.

Interest in conventional loans or savings which earns fixed returns without any risk sharing is considered unfair and therefore prohibited in Islam. Meanwhile, with the prohibition of interest, the fund provider acts as an investor rather than a creditor. Providers of financial capital and entrepreneurs share both the business risk and profits. The money is treated as a potential capital, which means that it becomes actual capital once it collaborates with other resources to engage in productive activities. In fact, Islam recognizes the time value of money only if it acts as actual capital, but it does not when it is potential capital.

Similarly, in the prohibition of speculative behaviour, Islamic financial system does not encourage stockpiling and prohibit transactions that exhibit extreme uncertainty as well as gambling. In terms of agreement and contracts, Islam upholds contractual obligations and disclosure of information. In a sales contract, the product or service for trade must be clear for both parties. This is intended to reduce the risk of asymmetric information and moral hazard. Muslims can only benefit from activities that comply with sharia rules. They are not allowed to sell what they do not own, such as short-selling practices.

The prohibition against usury has been firmly stipulated in the holy *vs.* of the *Qur'an*. Chapra (1990) explained the prohibition of as gambling and liquor which are prescribed in *Qur'an* chap. 30 *vs.* 39; chap. 4 *vs.* 161; riba (usury) in Islam was gradually conveyed, in line with the readiness of society at that time, so were other prohibitions, such chap. 3 *vs.* 130-132; chap. 2 *vs.* 275-279. Even in some Hadiths, the Prophet SAW condemned all involved in usury, including those who take, who give and those who record. He stated that *"the sin of usury is comparable to that of zina (unlawful sexual relations) 36 times or equal to the man who marries his own mother"* (Chapra, 1990).

In some literature, it is stated that usury is not only banned in Islamic teachings, but also in Jewish teachings (Exodus 22:25, Deuteronomy 23:19, Leviticus 35:7, Luke 6:35), Christian teachings (Luke 6: 34-35, early Christian priest view/age of XII-XV, Christian scholars/XII-XV,

Christian reformist views/age of XVI-1836), as well as Greek teachings, such as Plato (427-347 BC) and Aristotle (384-322 BC) Hosein (1997).

In the Islamic financial system, the contract (*akad*) is important and foremost for business actors, business activities (*tijarah*) and social (*tabarru'*) objectives. Its implementation must necessarily be in accordance with the prevailing principles of Islamic finance. The principles of sharia finance itself should briefly refer to the principle of mutual willingness (*antaraddim minkum*), no party suffers nor makes suffering to other (*la tazhlimuna wa la tuzhlamuna*), business result comes together with the cost (*al kharaj bi al dhaman*) and profit comes along with the risk (*al ghunmu bi al ghurmi*). Based on this underlying principle, various Islamic financial instruments develop.

The Initial Understanding of Islamic Finance Literacy

Based on the literature review and comparing the concepts used can be interpreted that financial literacy is the knowledge of financial concepts and skills/abilities in evaluating (financial attitude) and valuation of financial instrument information for decision making and implemented (financial behaviour). The meaning has included both approaches, namely self-assessments approach and objective measures approach in measuring financial literacy. Referring to the concept of Islamic finance it can be formulated the initial understanding of Islamic financial literacy is the ability of a person from aspects of knowledge, attitudes and behaviour of Islamic finance in managing finances based on Islamic financial principles.

RESEARCH METHODS

Research and Analysis Design

The present study puts great emphasis on qualitative methods to reveal the constructs through literature review and in-depth interviews as well as coding process. Subsequently, validating instruments of Islamic financial literacy measurement was performed.

The research was designed into two stages, in which the first step was to generate the construction of Islamic financial literacy along with its dimensions and indicators using qualitative methods which were carried out according to the grounded theory design (Charmaz, 2006). The construction process was performed based on literature review of the concept and size of financial literacy over the past decade by revealing the existing limitations and reviewing Islamic finance literature (Cresswell, 2014). Based on the findings, it was established a preliminary understanding of Islamic financial literacy which was later supported by in-depth interview and coding process until the construction of Islamic financial literacy was determined. The second stage performed quantitative data collection with structured questionnaires elaborated through the instrumental dimensions and indicators of the constructs which had been found against the scientific community at the university. This empirical data were used to test the validity of the construct instrument so that the construct could be applied as a measurement of Islamic public financial literacy in general. Validity test was performed by using Confirmatory Factor Analysis (CFA) while reliability test used Composite Reliability (CR), with the aid of LISREL tool version 8.7.

Sampling and Data Collection

The sampling technique in the first stage of the qualitative method was carried out purposively and data collection was performed through documentation and in-depth interview in snowball and coding process. Meanwhile, in the second stage, the study used simple random sampling technique with a proportional allocation of all lecturers of faculty of economics available in every university in the Province of West Java registered in College Database (forlap.dikti.go.id/perguruan tinggi). The sample size was set minimum of 400 respondents obtained using power analysis techniques at 5% alpha value and 95% confident interval.

FINDINGS

Qualitative Methods

Qualitative methods were conducted to establish the initial understanding in order to construct the concept of Islamic financial literacy. This method was initiated with a review of the literature on the concept and size of financial literacy and Islamic financial literature as described earlier in the literature review. The initial understanding was supported by in-depth interviews carried out to some competent and relevant parties to dig deep their perspectives and points of view. The related parties consist of MUI (Indonesian Ulama Council) Bandung, i.e. 2 (two) informants from a chairman and a member of division of people economic empowerment), 3 (three) informants from Financial Services Authority (OJK) Indonesia, 2 (two) informants from academic lecturers of faculty of psychology and Islamic college, 1 informant from ulama as a chairman of IKADI Bandung, 5 (five) informants from Islamic finance practitioners of BMT chairman and head of usury crisis center (RCC) in Bandung.

Semi-structured interviews were held using 4 (four) sets of questions arranged according to the results of the literature review to assist researchers in guiding interviewees to express their perceptions on instruments of the Islamic financial literacy. Each interview lasted for about 30 to 65 min and was recorded using a digital audio recording device. Prior to the interview, each respondent was asked to fill in the form of statement/willingness to provide information for the use of research/academic purposes. Interview records were initially transcribed from audio to non-verbatim writing, which was later analysed using coding analysis. The transcription process results in forms of a written document containing a summary of the conversations related to the topic in the questions. Initial codes were then classified into groups of construction themes to generate code patterns to be more meaningful in data interpretation.

The four sets of interview questions related to the definition of Islamic financial literacy, Islamic finance knowledge and Islamic financial attitudes as well as Islamic financial behaviour obtained various responses from the respondents. Samples of the interview results can be found in Appendix 1.

Based on the data/information obtained from interview sessions with the respondents, the coding process was carried out by extracting valuable and meaningful information from interview transcripts. The coding process began with the creation of descriptive code to provide the basic meaning and word or phrase category used by the informants in the interview transcripts. Furthermore, first-level codes were created to provide meaningful interpretation with words or phrases. The final stage in the coding process found code patterns to increase the inferential power or explanation of words or phrases derived from the first and descriptive level codes. The coding process is presented in Appendix 2 (Table 1).

Based on the coding process already performed, the formulation of Islamic financial literacy construct obtained in this study is the personal ability on the aspects of knowledge, attitude and behaviour in managing finance. It is conducted through selecting the source and use of funds and make appropriate decisions according to Islamic financial principles to achieve prosperous muamalah life. Islamic financial knowledge, Islamic financial attitude and Islamic financial behaviour with indicators are based on the Islamic financial system and principles which do not contain maysir, gharar and riba, shared risks, enforcement of money as a means of transactions and the motive of vigilance, maintain sanctity in contracts or agreement of transactions and conduct economic activities based on sharia rules.

The question instrument was derived from indicators of each dimension using two methods, i.e. multiple choices and rating scale. For the dimension of Islamic financial knowledge, respondents were expected to answer some of the draft questions on understanding of general concept of Islamic finance from the legal side, product, contract and mechanism of use consisting of 10 multiple choice questions. The answer options were added with choice of “do not know”, by which it was intended to avoid the possibility of the respondent giving bias responses. Furthermore, the dimensions of Islamic financial attitudes which consist of 9 rating scale items is focused on awareness and beliefs of respondents in finding sources of expenditure/financing and allocate/spend funds they own in halal, useful ways according to sharia principles. Meanwhile, the dimension of Islamic financial behaviour consisting of 7 items of rating scaled-statements takes into account the elements of behavioural planning and chooses the source and how to earn funds according to sharia rules and appropriate allocation.

The Instrument Validity Test

The validity test was performed by using Confirmatory Factor Analysis (CFA), a method used to test the quality of items by observing the loading factor on the dimension to measure the research variable.

Based on the results of CFA test for Islamic Financial Knowledge (IFK) dimension, out of 10 items, there were 3 (three) invalid items, i.e. item 4, 7 and 9; therefore, these items must be removed from the model. Afterwards, there were seven valid items, i.e. number 1, 2, 3, 5, 6, 8 and 10. Subsequently, the model was then modified with a set of covariance errors so that it fit with fit index of RMSEA $0.064 < 0.08$. It means that the data obtained from this respondent is suitable to depict the attribute/concept which the present study measures.

Furthermore, for the dimension of Islamic Financial Attitudes (IFA), based on CFA test results, out of 9 (nine) items, there were 2 (two) invalid items namely item 3 and 6; therefore, they must be removed from the model. Subsequently, 7 (seven) valid items were obtained, i.e. items 1, 2, 4, 5, 7 and 8. Furthermore, modifications were imposed to the model with covariant error sets so that the model became fit with the fit index of RMSEA $0.000 < 0.08$. While the CFA test result for IFB (Islamic Financial Behaviour) dimension, out of 7 (seven) items, there was 1 (one) invalid item, i.e. item 5 which must be removed from the model. After invalid item 5 removal, there were 6 (six) valid items, i.e. no. 1, 2, 3, 4, 6 and 7. Furthermore, the model was then modified so that it became fit with the fit index RMSEA $0.072 < 0.08$.

Reliability Test

The result of calculation using Construct Reliability (CR) formula obtained score $0.96 > 0.7$ and variance extracted (FL) formula obtained score $0.57 > 0.5$. Thus, based on the two formulations, Islamic financial literacy measurement tool is declared to be reliable.

CONCLUSIONS AND FUTURE RESEARCH

The construct of financial literacy resulting from the analysis of qualitative methods generates three dimensional variables with several indicators. The dimension of Islamic financial knowledge has an indicator of understanding the general concept of Islamic finance from the law perspectives, product, contract and mechanism of its use. The dimension of Islamic financial attitudes is focused on awareness and confidence in finding sources of expenditure/financing and allocating/spending funds they own in halal, beneficial and sharia principles. Meanwhile, the dimension of Islamic financial behaviour takes into account the indicators of behavioural elements of planning and chooses the source and how to earn funds according to sharia and allocate it appropriately.

The constructs obtained through this qualitative method have shown that from the content point of view, the Islamic financial literacy construct is considered valid, yet it still needs to be empirically tested with quantitative data. Empirical test results with CFA show that out of 10 items on the dimensions of Islamic Financial Knowledge (IFK), only 7 (seven) items are valid. Furthermore, the dimensions of Islamic financial attitude contain 7 valid items out of 9 items tested. On the other hand, in the dimensions of Islamic financial behaviour, there are 6 valid items out of 7 items tested, whereas all dimensions are declared to be reliable and fit with RMSEA fit index.

This current research puts more emphasis on qualitative method, while quantitative survey results are used merely for instrument validity analysis. Therefore this Islamic financial literacy construct can be an agenda for quantitative research in the future. However, the results of this study can be used as parameters and are expected to be useful to measure the level of Islamic financial literacy in various fields.

APPENDIX

Appendix 1

Sample of interview transcript

....jadi kalau literasi keuangan Islam itu kita harus memahami tentang fiqih muamalahnya, karena disitu kan diatur bagaimana mendapatkan harta dan menggunakannya. Kalau dia sdh memahami bahwa hakikat harta itu untuk dikelola bukan hanya disimpan artinya ini akan menjadi kegiatan yang dinamis dan gak ada lagi orang yang kesusahan karena ekonomi berputar.....coba tanyakan kemana mereka menyimpan uang, kalau masih di konven berarti mereka tidak paham.....ketika mereka butuh rumah, kendaraan yang harus melibatkan orang lain kemana mereka datang.....inikan hanya dua hal itu, dari mana uang dan kemana dibelanjakan.....apakah mereka mengilmui atau mengkaji.... itu termasuk sikap, sadarkah mereka tentang itu?.....apakah ada impact dosa atau tidak.....secara komprehensif harus

kembali ke agamalah, itu literasi.....sholat masih sangat relevan, kalau mahdhah saja apalagi yang ghoiru mahdhah. (informan 11)

Translation:

...So, in the Islamic financial literacy, we have to understand the jurisprudence of its *muamalah*, because it regulates how to get income and use it. If he has understood that the nature of the wealth is to be managed not just to be saved, it means that it becomes productive and there is no longer a person who suffers because the economy grows.....ask where they save their money, if still in conventional (financial institution), it means they do not understand.....when they need a house, a vehicle, it needs other parties involvement, where they go..... it is merely two things, where does the money come from and where is it spent?.....do they learn and assess?....it refers to attitude. Do they realize it?.....Whether there is sin in it or not....Comprehensively, it must refer to the religion, that what is called literacy.....The prayer is still very relevant in case of mahdhah, moreover ghoiru mahdhah (informant 11).

...sekedar informasi bu...bahwa kuesioner (literasi keuangan) itu di draft berdasarkan referensi dari OECD dan World Bank, nah.....shariahnya dimodifikasi dari unsur knowledge, attitude dan behavior itu dan bahkan skill nya juga..jadi simulasi perhitungan produk/akad termasuk skill (informan 5)

Translation:

Just for your information, Madam, ...that the questionnaire (financial literacy) was arranged based on references from OECD and World Bank, well.....the sharia aspects are modified from the element of knowledge, attitude and behavior and even skill, too...So simulation on calculation of product/ contract includes skill (Informant 5).

...sumber masuknya halal, keluarnya sesuai dengan kepentingannya....menurut saya untuk sikap tanya saja sampai seberapa jauh dia bisa mengatur keuangannya, jangan pengeluaran aja yang diurus....sikap itu terkait dengan bagaimana dia merencanakan uangnya (informan 1).

Translation:

The source of income is halal; the spending is according to the purposes.... I think, regarding the attitude, just ask how far he can manage his financial matter, do not take care of only spending.... attitude is related to how he plans his money (informant 1).

.....yang pertama orang harus paham ttg akidah dulu.....jadi akidahnya dulu diukur, sejauh mana keyakinan seseorang tentang apa yang akan digunakan sebagai instrumen untuk mengukur pemahaman/pengetahuan, sikap dan amalan (perilaku) dia.....pengetahuan merupakan petunjuk Islam tentang muamalah syariah itu seperti apa..... lalu yang kedua lihat keuangan syariah modern/kontemporer..... yang ketiga fikih aulawiyah/muazanat (perioritas), mempertimbangkan maslahat dengan mudharotnya. Kesadaran bahwa mereka punya kewajiban (berarti baru sebatas pengetahuan)..... kemudian butuh (paham, sadar dan mensikapi) dan nikmat (melakukan/perilaku) (informan 9).

Translation:

.....the first thing, one must understand the beliefs.....so, the aqidah is firstly evaluated, the extent to which one's beliefs about what will be used as an instrument to measure their

understanding/knowledge, attitude and practice (behavior).....Knowledge is an Islamic indicator about what muamalah sharia is like....then, the second one, look modern/contemporary Islamic finance.....the third one, fiqh aulawiyah/muazanat (priority), considering the advantages and disadvantages. The awareness that they have obligations (indicating it is still limited to knowledge).....then the need (understand, aware, and behave) and favors (do/behavior) (informant 9)

Appendix 2

Coding process

Table 1 CODING PROCESS ISLAMIC FINANCIAL LITERACY															
Coding and Research Question	1st Level/ Pattern Codes	Response	MUI		OJK			AL		Ulama	Islamic Finance Practitioners				
			1	2	3	4	5	6	7	8	9	10	11	12	13
IFL1 -What do you think about Islamic financial literacy and its scope? (question 1)	Understand sharia financial management	Managing wealth based on sharia	√	√	√	√	√	√	√	√	√	√	√	√	√
	Possess positive attitude toward Islamic finance	Certainty of halal and clear source	√	√	√		√	√		√	√	√	√	√	√
	Use Islamic finance	Planned and halal use	√		√	√	√	√	√	√	√		√	√	√
Definition of pattern codes: Cara mengelola keuangan secara syariah dari pengetahuan, sikap dan perilaku pada sumber dan penggunaan dana															
IFK2 -What aspects do you need to know as guidelines in implementing financial activities and related to Islamic financial institutions? (question 2)	Understand the fundamentals of sharia law related to finance	Knowing sharia finance from the law perspective	√	√	√	√	√	√	√	√	√	√	√	√	√
	Recognize Sharia financial products	Product		√		√	√	√	√	√	√	√	√	√	√
	Understand contract in sharia financial institution	Contract		√		√	√	√	√	√	√	√	√	√	√
	Know how to use it	System and mechanism		√		√	√	√	√	√	√	√	√	√	√
Definition of pattern codes: Understand islamic finance/sharia from the law perspective, product, contract and mechanism of its use															
IFA3 -What are personal attitudes one should possess to show awareness	Attitudes and compliance with Sharia rules related to financial management activities	Awareness and certainty in: halal source of income	√	√	√	√	√	√	√	√	√	√	√	√	√
		Awareness and certainty in: useful allocation of funds	√		√	√	√	√	√	√	√	√	√	√	

		Being provident	√	√	√	√		√		√		√	√	√	
		Awareness and certainty in: The principle of mutual trust	√	√	√		√	√	√	√		√		√	√
	Attitude toward Islamic financial institution	Awareness and certainty in: the decision to use sharia financial institutions	√	√	√	√	√	√	√	√	√	√	√	√	√
	Attitude towards product and service of Islamic financial institution	Awareness and certainty in: Halal and safe products and services		√		√	√	√	√	√	√	√		√	√
Definition of pattern codes: Awareness and certainty in finding sources of expenditure/financing and allocation/spending of fund in halal manner															
IFB4-What compliance/model should one perform to conduct Islamic financial management practices? (question 4)	Have a sound plan and financial goals	perform: Financial planning	√	√		√	√	√	√	√	√	√		√	√
	Selection of appropriate source of income and how to get them	Select suitable source of income	√	√	√		√	√	√	√	√	√	√	√	√
	Selective in funds allocation	Select the proper allocation of funds	√	√	√		√	√	√	√	√	√		√	√
Definition of pattern codes: Conduct planning, choosing proper sources of income that are in accordance with the rules and beliefs and allocate the fund correctly and appropriately															

Source: Interview and record review

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