

The Influence of Sharia Financial Literacy on Interest in Saving in Sharia Banks.

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Abstract: The development of the Islamic financial industry in Indonesia shows a positive trend, but the low level of Islamic financial literacy is one of the factors hampering public interest in using Islamic banking services. The 2025 OJK National Survey on Financial Literacy and Inclusion (SNLIK) recorded that the level of Islamic financial literacy only reached 43.42%, far below conventional financial literacy. This condition indicates that public understanding of the basic principles of Islamic economics, contract mechanisms, profit-sharing systems, and the fundamental differences between Islamic and conventional banks is still uneven. Through a review of theory, previous literature, and emerging phenomena in society, this study examines the relationship between Islamic financial literacy and interest in saving in Islamic banks. The results of the literature review indicate that a good understanding of Islamic financial concepts can increase trust, strengthen positive perceptions, and encourage public preference for Sharia-based savings products. Thus, Islamic financial literacy plays a significant role in shaping interest in saving and is a strategic factor in strengthening the penetration of Islamic banking in Indonesia.

Keywords: Sharia Financial Literacy, Interest In Saving, Sharia Banks

1. Introduction

The development of the Islamic finance industry in Indonesia has shown an increasingly positive trend over the past decade. This is reflected in the increasing number of customers, innovations in Islamic banking products, and the government's commitment to strengthening the national Islamic economic ecosystem. However, the market share of Islamic banking is still relatively low compared to conventional banks. One factor often associated with the low penetration of Islamic financial services is the uneven level of Islamic financial literacy among the public. (Dian Sugarti, 2023)

Sharia financial literacy refers to an individual's understanding of the basic principles of Islamic economics, the mechanisms of sharia banking products, and the ability to manage finances in accordance with sharia values. This knowledge is important because the fundamental differences between Islamic and conventional banks, particularly in relation to the concepts of usury, profit-sharing systems, and financial contracts, require a more comprehensive understanding before making financial decisions. Without adequate literacy, people tend to be reluctant or hesitant to use Islamic banking services because they are considered more complex or unfamiliar.

The Islamic finance industry in Indonesia continues to grow, but the main challenge that still arises is the low level of Islamic financial literacy. Data from the OJK's 2025 National Survey of Financial Literacy and Inclusion (SNLIK) shows that Islamic financial literacy has only reached 43.42%, a figure that still lags far behind conventional financial literacy. This condition indicates that the public's understanding of the basic principles of Islamic finance, such as contracts, profit sharing mechanisms, and differences with the interest system, is still not optimal.

This low level of literacy has a direct impact on the public's interest in saving at Islamic banks. A lack of understanding leads some people to consider Islamic banks more complicated or not much different from conventional banks, thereby reducing their appeal. Therefore, increasing education and understanding of Islamic finance concepts is an important factor

in encouraging the public to have more confidence in and interest in using Islamic-based savings products.

This study seeks to analyze this relationship by examining the extent to which individuals' understanding of Islamic finance principles can influence their intention to save in Islamic banks. The findings of this study are expected to contribute to the literature on Islamic economics, as well as provide input for Islamic banks and stakeholders in designing more effective and targeted education strategies.

Formulation of the problem

How does Sharia Financial Literacy influence Interest in Saving at Sharia Banks?

2. Literature Review

Definition of Islamic Bank (Sharia Bank)

Islamic banking has a long history in the development of Indonesia's financial system, based on fundamental concepts and principles derived from Islamic law. According to Law No. 21 of 2008, Islamic banks are financial institutions that conduct their business activities based on Islamic principles established through fatwas issued by the Indonesian Ulema Council (MUI). These principles include justice and balance ('adl wa tawazun), benefit (maslahah), universality (alamiyah), and prohibition of practices that contain gharar, maysir, riba, zalim, and transactions involving haram objects. Unlike conventional banks that use an interest-based system, Islamic banks refer to Islamic contracts as the basis for their operations. In addition to their intermediary function, Islamic banks are also entrusted with performing a social function similar to that of baitul mal, which is to manage zakat, infaq, sadaqah, hibah, and other social funds, including the distribution of waqf funds to nazhir in accordance with the provisions of the waqf giver.

In terms of regulation and supervision, Islamic banks are under the authority of the Financial Services Authority (OJK), which ensures the implementation of prudential principles and governance in accordance with sharia operational characteristics. Compliance with sharia principles is a fundamental aspect

because it is the basis for the existence and superiority of Islamic banks themselves. Consistency with sharia principles is believed to be capable of creating financial system stability, fairness in contracts, and good governance. To ensure such compliance, the National Sharia Council (DSN-MUI) plays a central role through the issuance of fatwas regarding the sharia compliance of Islamic banking products. Regulations also stipulate that every Islamic banking product can only be offered after obtaining a fatwa from the DSN-MUI and a license from the OJK. At the operational level, every Islamic bank is required to have a Sharia Supervisory Board (DPS) whose duties include conducting sharia supervision and providing advice on the compliance of the bank's activities with sharia principles, including assisting in the product development process before it is submitted for a fatwa.

Sharia financial Literacy

According to Kusumadewi et al. (2019), financial literacy is understood as a person's level of knowledge about finance and their ability to manage it to achieve prosperity. In the context of sharia, financial literacy refers to an individual's ability to use financial knowledge, skills, and attitudes in accordance with Islamic principles. Sharia financial literacy provides many benefits, especially in the use of sharia financial services and financial services in general. The community and Islamic financial institutions are interdependent, so that the higher the level of literacy in the community, the greater the utilization of Islamic financial institutions' products and services.

However, Muslims still face various challenges related to Islamic financial literacy. Many have limited financial knowledge and do not fully understand Islamic finance terminology. In addition, they do not fully understand how to manage financial services based on Islamic principles (Zaman et al., 2017). To achieve good Islamic literacy, individuals need to have adequate information about interest rates, national economic conditions, personal financial management, and economic growth

rates. Another challenge is the difficulty in determining the type of financing that complies with sharia provisions (Ali et al., 2021). According to Remund (2010), sharia financial (2014): "at a general level, knowledge can be defined as the information stored within memory. The subset of total information relevant to consumers functioning in the marketplace is called consumer knowledge".

A person's knowledge of the consumption environment is stored in long-term memory, which is information material for every consumer. Hoyer and MacInnis (2018: 92) knowledge can be defined as information stored in memory. "The set of parts of the total information relevant to the consumer's function in the market is called consumer knowledge". The assumption is that more experience will be realized into broader knowledge.

Interest in saving

Interest is an individual's attraction and inclination towards an object or activity without coercion. In the context of finance, interest in saving arises when someone feels attracted to and has a desire to deposit funds in a financial institution. The level of religiosity also influences the choice of where to save; for example, more religious individuals tend to choose Islamic banks because of their riba-free principles. When someone has a strong interest in something, they will show a positive attitude and acceptance towards the object of their interest.

Factors that shape interest include internal drives, social motivation, and emotional aspects. Internal drives stem from personal needs and desires, while social motivation relates to the desire to be accepted or recognized by one's environment. Emotional factors reflect an individual's need to feel satisfied through the activities they engage in. Based on this, interest in saving can be understood as a person's attraction to a particular financial institution that encourages a tendency to save in order to achieve personal, social, and emotional goals.

Research Framework

Hypothesis

- Hypothesis 1: Sharia financial literacy (X1) has a positive and significant influence simultaneously and partially on Interest in saving in sharia banks(Y)

3. Research Type and Approach

Research Approach

This research uses a descriptive approach, which aims to provide an overview of the research object based on the available data. Referring to Sugiyono's opinion, a descriptive approach does not aim to conduct in-depth analysis to form generalized conclusions, but rather simply to describe the conditions or phenomena being studied factually based on findings in the field.

Research Type

This research is descriptive qualitative, which emphasizes understanding the meaning, process, and context of a phenomenon. This study uses a phenomenological method to explore and understand the community's experiences in internalizing Islamic financial literacy and how these experiences influence their interest in Islamic banking services.

Data Source

Primary Data

Primary data in this study were obtained directly through observation and research into phenomena related to Islamic financial literacy and savings interest. Information was collected from various sources, such as articles, journals, and relevant documents that support the research focus.

4. Results and discussions

Based on various previous studies, Islamic financial literacy has been proven to be a crucial factor driving increased public interest

Secondary Data

Secondary data was collected through a literature review, which involved reviewing literature relevant to the research topic. These data sources included theories, expert opinions, and official documents that served as the scientific basis for the research analysis.

Data Collection Techniques

Document Study

The document study technique was used by collecting various types of documents—whether written, images, or other archival materials—that helped clarify the phenomenon being studied without requiring direct interaction with the research subjects.

Literature Review

Most of the information was obtained through a review of various library materials such as books, scientific journals, articles, and other written works related to Islamic financial literacy and savings interest. All of these references served as the primary basis for compiling this research

Data Analysis Techniques

Data analysis was conducted using descriptive qualitative analysis, where the collected data was organized into narrative form. The analysis process involved three main stages:

1. Data reduction, which involves sorting and simplifying important information.
2. Data presentation, which involves a systematically organized narrative description.
3. Drawing conclusions, which is based on the interpretation of the presented data.

in saving in Islamic banks. Field observations indicate that many individuals do not fully understand the basic concepts of Islamic finance, such as the prohibition of usury (riba), the principle of profit-sharing, and Islamic contracts. As literacy levels increase, people tend to feel more confident in the halal (permissible) status of Islamic banking

products and show a greater preference for saving in institutions that adhere to Islamic principles. Several studies, such as those conducted by Putri et al. (2019), Romdhoni & Ratnasari (2018), and Batubara et al. (2020), found that understanding Islamic values not only fosters trust but also strengthens positive perceptions of Islamic banks as a choice that aligns with their beliefs and financial needs.

This phenomenon also aligns with the development of the Islamic banking industry in Indonesia, which continues to promote public education about Islamic finance through

5. Conclusion

Based on theoretical studies, previous research findings, and emerging societal trends, it can be concluded that Islamic financial literacy plays a crucial role in shaping public interest in saving in Islamic banks. A sound understanding of basic Islamic financial concepts, such as the prohibition of usury (riba), profit-sharing systems, and contract principles, can increase public trust and confidence in the halal (permissible) and security of Islamic banking products.

The low level of Islamic financial literacy in Indonesia, as demonstrated in a national survey by the Financial Services Authority (OJK), is a major factor hindering interest in saving in Islamic banks. When the public does not understand the fundamental differences between Islamic banks and conventional banks, this creates the perception that Islamic products are complicated or lack added value. Therefore, improving the quality of public education regarding Islamic finance is a strategic step to strengthen public preference in choosing Islamic financial institutions.

Overall, the literature review indicates that the higher a person's level of Islamic financial literacy, the greater their tendency to be interested in and intend to save in Islamic banks. Thus, increasing Islamic financial literacy can be a key factor in expanding Islamic banking penetration, strengthening

outreach, digital media, and national literacy programs. Previous studies have shown that when individuals understand the benefits, mechanisms, and uniqueness of Sharia products, particularly regarding fund security, profit-sharing systems, and compliance with religious principles, their interest in saving tends to increase significantly. Thus, the literature review confirms that Sharia financial literacy plays a central role in shaping interest in saving, as a good understanding fosters positive attitudes, trust, and motivation to choose Sharia banks over conventional banks.

public trust, and supporting the growth of the Islamic financial industry in Indonesia.

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