



Young Muslims' Financial Behavior: Money Attitudes and Financial Literacy by Debt Status

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The increasing trend in household consumption debt in Indonesia, especially through digital lending platforms, has become a societal concern. From an Islamic perspective, debt is governed by ethical principles that emphasize fulfilling obligations responsibly and prudently. Achieving this requires self-discipline, supported by informed financial attitudes and knowledge. This study analyzes the effects of attitudes toward money and financial literacy, specifically debt and Islamic financial literacy, on the financial management behavior of young Muslim adults in Indonesia. It also examines differences in these effects between individuals with debt and those without. Data from 245 respondents were collected using structured questionnaires, analyzed through multiple linear regression, and further tested using the Chow Test to compare the two groups. Results indicate that attitudes toward money, debt, and Islamic financial literacy positively affect financial management behavior. However, in partial analysis, only Islamic financial literacy does not significantly impact financial management behavior. Additionally, comparisons between the two groups revealed no significant differences in financial management behavior between those with debt and those without, likely due to similar financial management tendencies across both groups.

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INTRODUCTION

Technological developments have accelerated in various fields, especially in the financial industry. Various transaction facilities are offered in a portable manner to meet consumer needs, including financing services. Based on data from [Otoritas Jasa Keuangan \(OJK\) \(2022\)](#), there has been an increase in the share of personal financing after COVID-19 pandemic of up to 250 thousand billion. This increase is in line with the rise in household debt in Indonesia, especially in the last five years with the highest amount recorded in December 2023 reaching USD 129,659.3 ([CEIC, 2023](#)).

According to OJK, West Java is recorded as the province with the highest use of online loan services in Indonesia, as well as having the highest level of bad debt in Indonesia, reaching IDR 617 billion. The rise in these loans is mostly carried out by the younger generation, namely the age group that is often associated with materialism, enticing credit card promotions, insufficient financial knowledge and self-control, and overly optimistic expectations about debt repayment capabilities ([Bapat, 2019](#)). Especially since the increasing popularity of the Buy Now, Pay Later (BNPL) phenomenon, the tendency for consumer behavior has become stronger among the younger generation. It can cause consumers to fall into a debt trap because they are encouraged to buy goods that they cannot afford, giving rise to a culture of materialism and consumerism ([Raj et al., 2024](#)). According to [Murta and Gama \(2021\)](#), financial literacy can prevent ongoing debt problems, so that significant long-term financial risks can be avoided for this age group.

From an Islamic perspective, the regulation of debt has been regulated in detail in the longest verse in the Qur'an, namely QS Al-Baqarah: 282, which is continued in the next verse. This verse emphasizes the importance of trustworthiness and financial records, which are important elements in financial management behavior. However, even though Indonesia has a Muslim-majority population and the government is aggressively encouraging an increase in the market share of the Islamic financial industry, public interest in Sharia-based services is still low. Meanwhile Indonesia has the largest number of Islamic financial institutions in the world ([Kementrian Keuangan RI, 2023](#)).

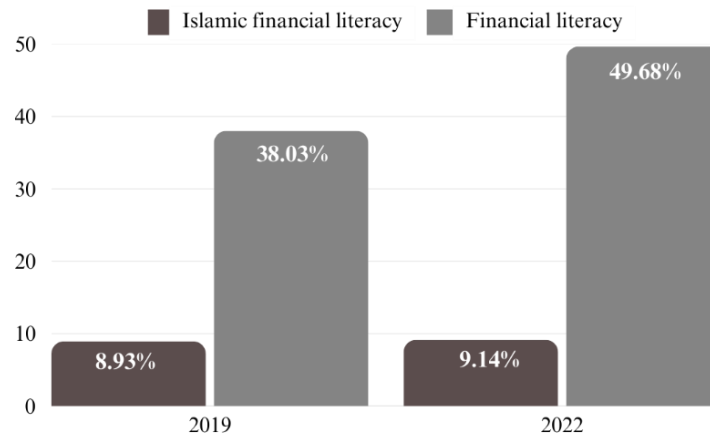
The low interest is thought to be due to the lack of public understanding regarding Sharia-based lending facilities and provisions. [OJK \(2022b\)](#) reported that

Sharia financial literacy in Indonesia was only 9.14% with a Sharia inclusion rate of 12.12% as of 2022. In general, the substance of Sharia finance is different from the conventional system, where the most crucial difference between the two is the prohibition of *usury* (interest), *gharar* (uncertainty), and *maysir* (betting). This principle applies not only in the context of debt but also in financial management in general. Disciplined financial management will shape wise behavior, whether taking out a loan or not.

Previous research states that the attitudes and knowledge possessed by individuals are the main provisions in determining a person's behavior. Financial behavior can be greatly influenced by the attitudes and knowledge of individuals, specifically explained [Utkarsh and Pandey \(2024\)](#) in their research which found that attitudes towards money and financial literacy have a positive relationship with individual behavior around finance. Based on this view, this study highlights attitudes toward money, debt literacy, and Islamic financial literacy as the main variables in examining the financial management behavior of the younger generation, especially related to financial decision-making and the application of Islamic financial aspects.

Attitudes toward money, according to [Castro-González et al. \(2020\)](#), reflect a person's assessment, perception, and response to money and related problems. This attitude plays an important role because wrong perceptions can encourage unwise behavior. On the other hand, a lack of debt literacy risks leading individuals to detrimental financial decisions, such as taking loans that are difficult to repay ([Kurowski, 2021](#)). The complexity of funding options also adds to the challenge through information asymmetry, which can increase the risk in debt management ([Hidajat, 2021](#)). In addition, Islamic financial literacy helps individuals solve financial problems within the framework of Islamic principles, which emphasize benefit and justice.

However, the low levels of debt literacy and Islamic financial literacy indicate the need for in-depth studies on these two aspects in Indonesia, where financial literacy is still understood in a limited way in general concepts. [Hidajat \(2021\)](#) found that only 1.85% of Indonesians have adequate debt literacy, while according to [Lusardi and Tufano \(2015\)](#), even countries with good levels of financial literacy can show low debt literacy. In addition, the significant gap between general financial literacy and sharia financial literacy needs attention as a form of support for the developing sharia economy in Indonesia.



Source: OJK, 2022

Figure 1. Financial literacy index comparison (2019 and 2022)

Although consumer debt is not always caused by tertiary needs, low responsibility and awareness in personal financial management cannot be ignored. Therefore, better financial control is needed for individuals in their financial management through their financial attitudes and knowledge. This is especially important for the younger generation, who according to various studies and empirical data, are known to tend to have impulsive consumption behavior and significant levels of debt. Based on this background, this study aims to analyze the factors that influence the financial management behavior of the younger generation, as well as identify differences in behavior between individuals who have debt and those who do not.

LITERATURE REVIEW

The responsible use of money by individuals can be observed through their financial management habits, reflected in financial management behavior (Nusron et al., 2018). Bapat (2020) explains that financial management behavior encompasses areas such as cash flow, savings, credit, and investment management. According to Kholilah and Iramani (2013), financial management behavior is an individual's ability to manage daily financial resources. This behavior arises from a person's desire to meet their life needs in accordance with their income (Prihartono and Asandimitra, 2018) or through efforts to improve their financial well-being (Xiao, 2008).

Consequently, good financial management behavior positively affects physical health, mental well-being, and overall quality of life. In this study, financial management behavior is measured using four indicators adapted from the Cash Flow Management Scale by Godwin and Koonce (1992) and concepts from Dew

and Xiao (2011), namely financial recording that refers to the process of documenting and estimating finances related to income and expenses; balance adjustments, the strategy of adjusting the balance involves considering expenses, by either increasing income or limiting expenditures; balance monitoring, monitoring the balance alignment and evaluating assets and emergency funds for the present and future; and savings and investments measure the intention and habits of individuals in allocating their finances for the future.

Amid the growing consumer debt phenomenon, several factors can explain the underlying financial management behavior, including individual financial attitudes and knowledge. Wijaya et al. (2024) argue that financial behavior incorporates psychological and emotional dimensions influencing financial decisions. This perspective further explains how financial literacy, shaped by rational calculations and psychological factors, contributes to better financial behavior and enhances the financial well-being of Muslims by balancing economic goals with religious obligations.

Attitude is defined as an emotional evaluation of a person, object, or event that can lead to positive or negative outcomes. Attitudes toward money refer to feelings, evaluations, and perceptions about money or how individuals respond to financial challenges (Castro-González et al., 2020). These attitudes are shaped by life experiences and serve as references for managing and evaluating financial activities (Abdullah et al., 2019; Ong et al., 2021). This variable is measured using four indicators based on the Money Attitude Scale (MAS) developed by Yamauchi and Templer (1982), including power-prestige, retention-time, distrust, and anxiety.

Power-prestige refers to the tendency to view and use money to influence, impress, and demonstrate one's superiority. Retention-time is the behavior of

prioritizing financial planning and preparation for the future over immediate needs or the present moment. The dimension of distrust refers to doubts, suspicion, and even a lack of trust regarding situations and conditions involving money, while the dimension of anxiety explains how money can be both a source of anxiety and a means of protection against it.

In addition to attitudes, financial literacy plays a crucial role in the economic, financial, and social environment, enabling individuals to make sound financial decisions (Setiawati et al., 2018). Financial literacy is a key factor influencing financial management behavior (Bapat, 2019). Initially, financial literacy focused on understanding personal finances but has evolved into a more complex and specialized domain. Two critical branches relevant to financial management are debt literacy and Islamic financial literacy.

The concept of debt literacy originated from the measurement of financial literacy, which focuses on the discussion of debt and its instruments (Lusardi and Tufano, 2015). In other words, debt literacy is one component of financial literacy that measures the ability to make decisions related to debt and apply basic knowledge of compound interest in everyday life. The emergence of debt literacy as a distinct concept stems from research indicating that general financial literacy alone is insufficient to address debt-related issues, necessitating more focused investigations (Cwynar et al., 2019). Debt literacy measures individuals' ability to make informed debt-related decisions and apply basic debt calculation principles in daily life. A lack of debt literacy often results in poor borrowing decisions, where individuals take loans they cannot repay (Kurowski, 2021). Debt literacy measurement includes components such as compound interest, debt interest, and the time value of money (Lusardi & Tufano, 2015).

The Organisation for Economic Co-operation and Development (OECD) (2020) explains that financial literacy is a combination of awareness, knowledge, skills, attitudes, and behaviors necessary to make sound financial decisions, ultimately leading to individual financial well-being. Islamic financial literacy shares a similar definition, but all processes are based on and bound by Islamic law. Therefore, the final decisions made do not violate Sharia principles and remain beneficial, as explained by Farooq (2015), who stated that Sharia understanding offers greater resilience compared to conventional approaches.

Given Indonesia's low level of Islamic financial literacy, assessing debt from a sharia perspective is essential to support the country's Islamic economic

development. Islamic financial literacy reflects individuals' ability to use knowledge, skills, and attitudes to manage financial resources according to Islamic principles (Rahim et al., 2016). This study defines literacy includes understanding concepts such as *riba* or usury and Islamic financial contracts, including *murabahab*, *ijarah*, *istishna*, *qardhul hasan*, *mudharabah*, and *musyarakah*.

Siswanti and Halida (2020) found that financial knowledge and attitudes toward money significantly influence financial management behavior. Additionally, Galariotis and Monne (2023) reported that low debt literacy correlates with risky financial behavior, especially regarding debt. Individuals with low debt literacy are more likely to incur consumer debt without adequate economic consideration. Similarly, Wijaya et al. (2024) established that Islamic financial literacy positively influences financial management behavior in Muslim communities in Indonesia.

Based on these considerations, the following hypotheses are proposed:

- H₁: Attitude towards money (X₁) positively affect individual financial management behavior (Y).
- H₂: Debt literacy (X₂) positively affects individual financial management behavior (Y).
- H₃: Islamic financial literacy (X₃) positively affects individual financial management behavior (Y).
- H₄: There is a significant difference in the influence of attitudes toward money, debt literacy, and Islamic financial literacy on financial management behavior (Y) between debt and non-debt respondents.

METHODOLOGY

This study employs quantitative data collected from young respondents in West Java. Conducted in Bogor City from October to December 2023, the sample was selected using purposive sampling with criteria including domicile in West Java, Muslim identity, and age between 18-40 years. A total of 245 respondents participated, surpassing the minimum sample size of 180 based on Hair et al. (2019), which recommends 10 times the number of indicators used. Data were collected through validated and reliable questionnaires. Respondents were categorized into debt and non-debt groups for comparative analysis.

The study examines three independent variables: attitudes toward money (X₁), debt literacy (X₂), and Islamic financial literacy (X₃), with financial management behavior (Y) as the dependent variable. Each variable is measured using indicators derived from prior research and theoretical frameworks. Multiple

linear regression analysis was applied to test variable relationships, while the Chow Test was used for comparative analysis to identify differences between the two groups.

Multiple regression analysis measures the influence between variables based on the proposed hypotheses (Machali, 2017). Before performing multiple linear regression, classical assumption tests are conducted, including normality, multicollinearity, and heteroscedasticity tests.

The results of the normality test showed that the p-value for each variable was above 0.05, indicating that they passed the test. Meanwhile, in the multicollinearity test, the Variance Inflation Factor (VIF) for each variable was below 10, and the heteroscedasticity test result was 0.3813, which is greater than 0.05. This means that all classical assumption tests have been met.

The significance level used in this study is 5%.

The Chow Test is used to compare regression models between two respondent groups by assessing the equality of linear regression coefficients through calculating the F-statistic based on the Residual Sum of Squares (RSS) (Greene, 2018). Each group's model is tested separately before conducting a combined model test with an intercept variable, enabling the application of the Chow Test. The formula for the Chow Test is as follows:

$$F_{\text{count}} = \frac{RSS_{\text{combined}} - (RSS_1 + RSS_2) / k}{(RSS_1 + RSS_2) / (N_1 + N_2 - 2k)}$$

Explanation:

RSS_{combined}: Residual Sum of Squares for the combined model

RSS : Residual Sum of Squares for each group

K : Number of parameters in the model

N : Number of observations in each group

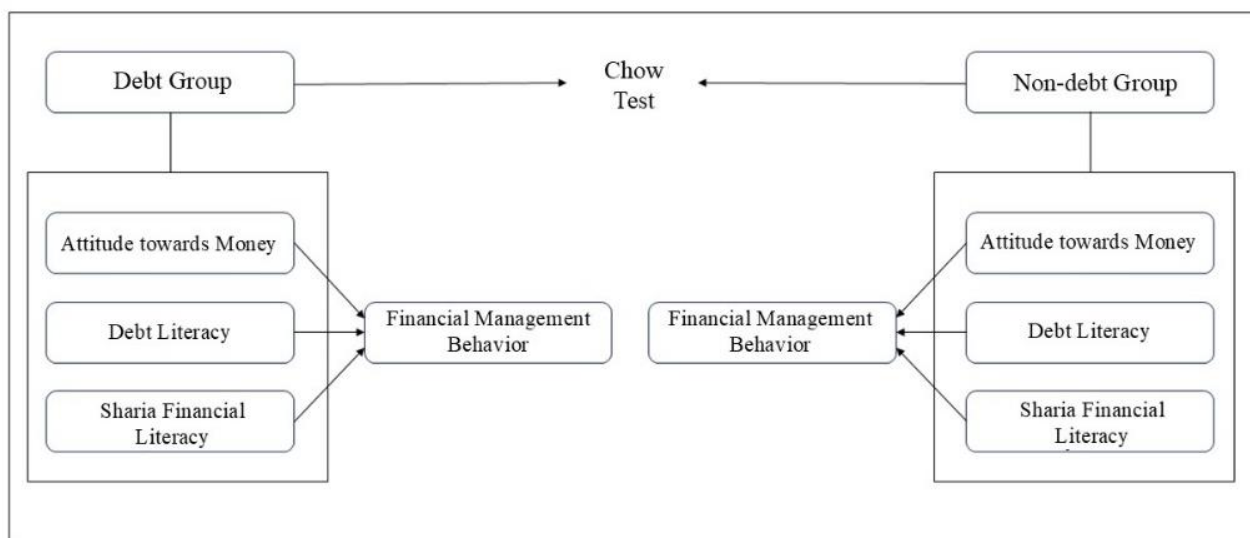


Figure 2. Research Model

RESULTS

West Java is the most populous province in Indonesia, with an estimated population of approximately 49 million people. Administratively, the province comprises 18 regencies and 9 cities, ranking among the top provinces with the highest number of administrative regions in Indonesia. West Java directly borders the nation's economic center, DKI Jakarta Province, as well as Banten Province and Central Java Province. Despite its relatively small land area, West Java is the second most densely populated province in Indonesia, with a population density of 1,379 people per square kilometer (Badan Pusat Statistik (BPS), 2022).

Furthermore, its proximity to DKI Jakarta positions West Java as a strategic region in terms of both economic and educational opportunities. Coupled with a promising productive environment and the presence of numerous higher education institutions, West Java attracts a significant number of migrants within the productive age group.

This study involved 245 respondents from the youth demographic, aged between 18 and 40 years. All respondents were Muslim and resided in West Java. The majority of respondents were from Bogor Regency, accounting for 28.57% or more than a quarter of the total respondents. A significant number of respondents also came from major cities in West Java, namely Bogor City, Bekasi City, Depok City, Bekasi Regency, and

Bandung City, with proportions of 26.94%, 12.24%, 9.8%, 4.49%, and 4.08%, respectively. Meanwhile, other respondents were from various regencies and cities in West Java Province, such as West Bandung, Kuningan, Cirebon, Sukabumi, Garut, Majalengka, Indramayu, Ciamis, Cianjur, Subang, and Sumedang, with smaller proportions. The characteristics of the respondents are presented in Table 1.

Based on the Table 1, the characteristics of the respondents in this study show that the majority were women, comprising 63.27% of the total 245 respondents. The difference between male and female respondents amounted to 65 individuals, with the number of male respondents totaling 90. The age groups in this study range from adolescence to young

adulthood, specifically between 18 and 40 years. Most respondents were under the age of 33, with 46.53% aged 26–33 years and 45.71% aged 18–25 years.

A significant number of young individuals in West Java are students, including both local residents and those from other regions. Consequently, 40.41% of respondents identified as students, making this the largest professional category in the study. This group was followed by formal workers, such as doctors, lecturers, and office employees, at 36.33%, and informal workers at 13.06%. Additionally, some students reported combining their studies with part-time work.

Table 1. The Characteristic of Respondents

Characteristics		Number (people)	Percentage (%)
Gender	Female	155	63.27
	Male	90	36.73
Age	18-25	112	45.71
	26-33	114	46.53
	34-40	19	7.76
Professional Status	Unemployed	11	4.49
	Student	99	40.41
	Informal worker	32	13.06
	Formal worker	89	36.33
	Entrepreneur	9	3.67
	Housewife	5	2.04
Debt Status	Has debt and not yet paid off	63	25.71
	Had debt and fully paid off	42	17.14
	Never had debt	140	57.14

Meanwhile, the proportion of respondents who reported having or having had debt was relatively balanced. The debt in question refers to consumer debt perceived as substantial by the respondents. A total of 105 respondents who reported having or having had debt can be categorized into three groups based on the purpose of the debt: 1) primary needs, such as daily necessities, housing, education costs, and healthcare; 2) secondary needs, which support productivity, such as transportation, furniture, electronics, and others; and 3) tertiary needs, which are not essential and often classified as desires, such as hobbies, entertainment, and lifestyle. Among these categories, it was found that 59.4% of respondents used debt for primary needs, while 29.32% used it for secondary needs, and 11.28% for tertiary needs. Therefore, it can be concluded that

the majority of young people prioritize taking on debt for urgent matters, such as daily necessities, housing, education costs, healthcare, and related items like transportation and electronics. In contrast, a smaller proportion reported taking on debt for tertiary or non-essential needs.

This data aligns with the research by [Novika et al. \(2022\)](#), which highlights that millennials, in particular, have developed their own understanding of self-capacity and make careful selections when choosing online lending platforms. The sense of responsibility and selection process is in line with this study, where awareness of taking on debt is based on necessity. However, on a broader scale, cases of credit entanglement still occur, underscoring the need for preventive actions and mitigation strategies.

The Influence of Attitudes toward Money, Debt Literacy, and Islamic Financial Literacy on Financial Management Behavior

The results of the multiple linear regression analysis revealed critical insights into the influence of attitudes toward money, debt literacy, and Islamic financial literacy on financial management behavior among the younger generation. This analysis assessed both the simultaneous and partial effects of the independent variables on the dependent variable, offering a comprehensive view of how these factors interact. In the Table 2, the simultaneous test yielded an F_{count} value of 4.70, surpassing the F_{table} value of 2.64, with a significance of 0.0033 (<0.05), indicating that attitudes toward money, debt literacy, and Islamic financial literacy significantly influence financial management behavior in the younger generation.

The partial test results provided a more detailed perspective on each variable's individual contribution. First, attitudes toward money showed a positive and significant effect on financial management behavior, as evidenced by a t-value of 2.07 and a significance level of 0.039. This finding suggests that individuals with a positive outlook on money are more likely to exhibit sound financial management practices, consistent with [Chandra and Pamungkas \(2023\)](#), who emphasized the role of money attitudes in promoting disciplined financial behavior. Similarly, debt literacy demonstrated a positive and significant influence, with a t-value of 2.15 and a significance level of 0.033. This suggests that

individuals who possess higher levels of debt literacy are better equipped to manage their finances effectively. The findings align with [Galariotis and Monne \(2023\)](#), who found that individuals with limited debt literacy often struggle with financial management, leading to negative financial outcomes.

In contrast, Islamic financial literacy did not exhibit a significant impact on financial management behavior, as indicated by a t-value of 0.42 and a significance level of 0.676. This result aligns with [Ajie \(2018\)](#), who similarly observed no individual effect of Islamic financial literacy on financial behavior. One possible explanation is that mere theoretical knowledge of Islamic financial principles may not translate into practical financial behavior unless reinforced by strong religious commitment. This interpretation is supported by [Wijaya et al. \(2024\)](#), who highlighted the critical role of religiosity in applying Islamic financial principles in daily financial decisions.

The literacy analysis further supported these findings. Approximately 37.55% of respondents were classified as literate, while 39.18% were highly literate in debt literacy. Although most respondents demonstrated a reasonable understanding of debt-related concepts, many struggled with numerically intensive items, indicating gaps in applied financial knowledge. Conversely, Islamic financial literacy levels were notably lower, with 57.14% of respondents exhibiting low literacy in this area.

Table 2. Multiple Linear Regression Test Results

Y	Coefficient	t-value	P-value	F-value	Prob > F
X ₁	0.1871306	2.07	0.039	4.70	0.0033
X ₂	0.5223153	2.15	0.033		
X ₃	0.0863611	0.42	0.676		
Cons	2.621886	9.81	0.000		

This limited understanding of Islamic financial concepts likely contributed to the insignificant effect observed in the partial regression analysis. [Gunawan et al. \(2021\)](#) also reported similar patterns, where low Islamic financial literacy coexisted with positive financial management behavior in predominantly Islamic environments. This suggests that practical financial behavior may be driven more by contextual and environmental factors than by theoretical knowledge alone.

The findings emphasize the multifaceted nature of financial management behavior, where cognitive, educational, and cultural factors converge. The significant roles of attitudes toward money and debt literacy highlight the need for targeted financial education programs that foster both conceptual understanding and practical application. In contrast, the limited impact of Islamic financial literacy suggests a need for integrative financial education that combines theoretical knowledge with practical financial decision-making rooted in religious and cultural contexts.

Therefore, the hypothesis testing results indicate that H_1 and H_2 are accepted, while H_3 is rejected.

Comparison of Debt and Non-debt Individuals

Based on the questionnaire analysis, most respondents took on debt to cover basic needs such as daily expenses, housing, education, and healthcare. The main reasons for borrowing were the ease of transactions, such as installment payments and paylater systems with various promotions, along with

suboptimal personal financial management. To examine the differences in the influence of attitudes toward money, debt literacy, and Islamic financial literacy on financial management behavior between the debt and non-debt groups, a comparative regression analysis was performed. The results, shown in Table 3, were obtained using the Chow test after running regressions for each group and combining the intercept variables to assess significant differences between the two groups.

Table 3. Chow Test Comparison Results

Test	Y	T	P-value	F-value	Prob > F
Intercept	X ₁	1.67	0.096	3.05	0.0043
	X ₂	1.03	0.302		
	X ₃	-0.76	0.449		
Chow-test				1.77	0.135

Based on the above comparison, the Chow test showed that the F-value (1.77) was smaller than the F-table value, with a significance level of 0.135, which is greater than 0.05. This indicates that there is no significant difference in the influence of attitudes toward money, debt literacy, and Islamic financial literacy on financial management behavior between the debt and non-debt groups so that H_4 is rejected. The absence of this difference suggests that the independent variables have a similar impact on financial management behavior. In other words, both the debt and non-debt groups exhibit similar financial management patterns, regardless of their debt status.

Looking at the average values of the independent variables, there is only a slight difference between the debt and non-debt groups, as shown in Table 4. This reinforces the idea of a similar pattern between the two groups, with no significant differences. Therefore, it

can be concluded that debt decisions are not primarily driven by attitudes toward money, debt literacy, or Islamic financial literacy. Moreover, while Islamic financial principles should theoretically affect financial management and decision-making, the low level of Islamic financial literacy and the lack of support for Islamic financial inclusion mean that both groups do not experience this impact.

This is in line with [Fernandes et al. \(2014\)](#), who explained that financial literacy interventions have only a small effect on financial behavior, including debt management. More specific actions, combined with other strategies, are needed to be more effective, even though debt-related decisions may differ. Similarly, [de Almeida et al. \(2021\)](#) stated that the financial behavior exhibited by debt groups with extreme differences did not show significant differences.

Table 4. Comparison of The Average Values of Independent Variables between Groups

No.	Independent Variable	Debt Group	Non-debt Group
1	Attitude towards Money	2.79	2.75
2	Debt Literacy	0.53	0.54
3	Islamic Financial Literacy	0.53	0.55

CONCLUSION

The findings of this study indicate that attitudes toward money, debt literacy, and Islamic financial literacy collectively influence financial management behavior among the younger generation. However,

when examined individually, only attitudes toward money and debt literacy show significant effects, while Islamic financial literacy does not. This lack of significance may stem from the generally low levels of Islamic financial literacy observed among respondents, which weakens its influence unless reinforced by other

supporting factors such as religiosity and practical financial experience. Limited internalization of Islamic financial principles may explain why knowledge alone does not translate into effective financial management behavior.

Additionally, comparisons between respondents with and without debt revealed no significant differences in how attitudes toward money, debt literacy, and Islamic financial literacy affect their financial management behavior. Both groups demonstrated similar levels of financial awareness and decision-making patterns, suggesting that the presence of debt alone does not alter the underlying financial behavior shaped by these variables. This uniformity points to a broader issue of insufficient application of Islamic financial principles, regardless of one's debt status.

Based on these findings, several recommendations emerge. First, financial education programs should be intensified, focusing on practical applications of debt management and fostering positive attitudes toward money. These programs should integrate real-world scenarios to enhance financial literacy, especially regarding debt and savings management. Second, Islamic financial literacy programs should move beyond theoretical instruction by incorporating experiential learning that emphasizes religious values alongside practical financial skills. Collaborative efforts between educational institutions, financial service providers, and religious organizations could facilitate this integration. Promoting the practical implementation of Islamic financial principles through community engagement and religious teachings may strengthen their influence on financial behavior.

Lastly, policymakers should design targeted financial literacy campaigns that address specific demographic needs. Given the low Islamic financial literacy levels observed, customized interventions that align with cultural and religious contexts are crucial. Encouraging the practice of financial management grounded in Islamic principles could be supported through incentives for adopting Sharia-compliant financial products. Overall, enhancing both conventional and Islamic financial literacy while fostering positive financial attitudes is essential to improving financial management behavior among the younger generation. A holistic approach that blends education, religious teachings, and financial practice can create more financially responsible individuals equipped to navigate modern economic challenges.

Regarding the limitations of this study, one notable constraint is the reliance on self-reported survey responses. This may introduce response bias, particularly in the financial literacy variable, where the questions might not accurately reflect the respondents' actual level of understanding. Furthermore, the use of Islamic financial institutions does not necessarily indicate comprehension of religious principles or the broader Sharia framework. As a result, this study does not distinguish between individuals who engage with Islamic financial services purely for formal reasons and those who do so based on genuine adherence, which remains beyond the scope of this research.

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