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BALANCING FAITH AND FINANCES: ATTITUDES AND PRACTICES IN ISLAMIC FINANCIAL MANAGEMENT

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ABSTRACT

This study explores attitudes and practices in Islamic financial management among adolescents, examining the intersection of faith-based principles with contemporary financial behaviors. Grounded in Qur'anic teachings and the Sunnah, Islamic financial management emphasizes ethical conduct, moderation, and social responsibility. The research surveyed 40 adolescents using a structured questionnaire to assess their attitudes towards and practices in Islamic financial management. Participants rated their agreement with statements on a Likert scale, revealing strong positive attitudes towards integrating Islamic values into financial decisions. Results indicated high confidence among participants in managing finances to please Allah SWT, with significant correlations found between these attitudes and actual financial practices such as prioritizing charity, seeking lawful income, and maintaining ethical standards. The study highlights the influential role of religious beliefs in shaping financial behaviors, advocating for educational initiatives and community support systems to promote ethical financial practices within Islamic communities. By bridging traditional teachings with modern financial realities, the research contributes to understanding how Islamic principles guide financial decision-making among adolescents, fostering sustainable economic practices and community welfare. Future research could expand on these findings to explore longitudinal impacts and the effectiveness of interventions aimed at sustaining ethical financial behaviors grounded in Islamic ethics

KEYWORDS: *Islamic financial management, adolescents, attitudes, practices, ethical finance, religious principle.*

1.INTRODUCTION

As financial decisions wield substantial influence over individuals and communities, the integration of faith and financial management is becoming ever more essential. Islamic financial management, deeply rooted in the principles of the Qur'an and Sunnah (Iqbal, 1997; Salman, & Nawaz, 2018) offers a unique framework that balances spiritual and material well-being. This approach emphasizes ethical financial practices, moderation, and social responsibility, seeking the pleasure of Allah SWT through sound economic decisions.

Muslims are encouraged to view financial management not merely as a means of wealth accumulation but as an act of worship (Mansori et al., 2015). This perspective promotes the pursuit of lawful income, responsible spending, and a commitment to charity (zakat). These practices foster a sense of accountability and enhance community welfare, aligning personal financial goals with broader social and ethical considerations.

The principles of Islamic financial management also stress the importance of avoiding wastefulness and embracing moderation, ensuring that financial resources are used wisely and sustainably. By adhering to these guidelines, individuals can achieve a balanced lifestyle that reflects their spiritual values and financial aspirations.

This research aims to explore the attitudes and practices that shape Islamic financial management.

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1.1 Problem Statement

The intersection of faith and financial management presents both challenges and opportunities, especially for adolescents who are developing their economic behaviors within the context of cultural and religious influences. The increasing integration of Islamic principles into financial practices necessitates a thorough understanding of how these principles influence attitudes and behaviors related to money management.

The problem at hand revolves around elucidating the attitudes and practices of adolescents regarding Islamic financial management. While Islamic teachings emphasize ethical financial practices such as avoiding interest-based transactions (riba) and prioritizing charitable giving (zakat), the extent to which these principles are understood and adhered to among adolescents remains unclear. This gap in knowledge is critical given the potential impact on financial decision-making and economic stability within Islamic communities.

Furthermore, the dynamics of globalization and modernization introduce additional complexities. Adolescents are exposed to a range of financial practices and influences from both Islamic and secular contexts, creating a milieu where traditional teachings may compete with contemporary economic norms (Md. Sapir and Wan Ahmad, 2020). Understanding how adolescents navigate these influences and reconcile them with their religious beliefs is essential for fostering financial literacy and promoting sustainable economic practices within Islamic frameworks.

Moreover, demographic factors such as age, gender, and educational background are likely to influence attitudes towards Islamic financial management (Rakhmat et, al. 2022). Variations in understanding and adherence to financial principles may exist across different segments of the adolescent population, necessitating a nuanced examination of these factors in relation to financial behaviors. Additionally, the influence of family, peers, and community institutions in shaping financial attitudes among adolescents' merits exploration, as these social factors play pivotal roles in transmitting cultural and religious values (Sugianto et, al. 2022).

Addressing these complexities requires a comprehensive research approach that integrates qualitative insights with quantitative data analysis. By exploring the attitudes and practices of adolescents through structured surveys, this study aims to uncover patterns, and challenges in Islamic financial management. By elucidating these dynamics, this research seeks to bridge the gap between traditional teachings and modern financial realities, thereby fostering informed financial decision-making rooted in Islamic principles.

1.2 Objectives

Based on the research focus attitudes and practices in Islamic financial management, the following objectives are proposed:

i-To assess attitudes towards Islamic financial management

ii-To examine practices in Islamic financial management

iii-To determine the relationship between attitudes and practices in Islamic financial management:

2. METHODOLOGY

The methodology employed for the pilot study on Islamic financial management among adolescents demonstrates a thorough adherence to quantitative research principles. The study involved 40 adolescents selected through convenience sampling, allowing for quick access to a diverse demographic group that could provide preliminary insights into attitudes and practices in Islamic financial management. A structured questionnaire with Likert scale items was used to systematically gather data on participants' attitudes and behaviors. This approach facilitated quantitative analysis, enabling statistical examination of responses to assess trends and correlations between different constructs of financial management. Data collection was conducted in a self-administered format to ensure confidentiality and minimize social desirability bias, thereby enhancing the accuracy and reliability of the findings. The subsequent data analysis employed descriptive statistics to analyze descriptive mean and standard deviation values for attitude and practices in Islamic financial management, alongside Pearson correlation analysis to explore relationships. These methodological choices collectively support a robust exploration of how Islamic principles intersect with financial practices among adolescents, laying a foundation for deeper insights and future research in this important field.

3. FINDINGS

The methodology employed for the pilot study on Islamic financial management

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Table -1: Attitudes Towards Islamic Financial Management

No	Items	Mean	STD
1	I am confident that the purpose of managing finances is to seek the pleasure of Allah SWT.	4.45	.783
2	I believe that sincere efforts will result in blessed sustenance.	4.90	.304
3	I will strive to enhance my knowledge of Islamic financial management.	4.55	.639
4	I believe that the best financial planner for me is Allah SWT.	4.85	.427
5	I believe that managing finances based on Islamic principles is an act of	4.75	.494

Table 1 presents attitudes towards Islamic financial management among participants, as measured by responses to five statements. Participants rated their agreement with each statement on a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Overall, participants showed strong agreement with the statements related to Islamic principles of financial management. For instance, participants expressed high confidence that managing finances should seek the pleasure of Allah SWT (Mean = 4.45, STD = 0.783) and believed that sincere efforts lead to blessed sustenance (Mean = 4.90, STD = 0.304). Participants also indicated a strong intention to enhance their knowledge of Islamic financial management (Mean = 4.55, STD = 0.639) and considered Allah SWT as the best financial planner (Mean = 4.85, STD = 0.427). Furthermore, participants viewed managing finances based on Islamic principles as a significant act (Mean = 4.75, STD = 0.494). These findings suggest a positive attitude towards integrating Islamic values into financial practices among the study participants.

Table -2: Practices in Islamic Financial Management

No	Items	Mean	STD
1	I prioritize charity in my financial management.	4.25	.776
2	I must seek lawful income.	4.88	.404
3	I must be responsible and honest in the process of earning money.	4.80	.516
4	I believe in spending moderately and avoiding wastefulness.	4.45	.714
5	I pray for Allah to protect my finances.	4.88	.335

Table 2 presents participants' reported practices in Islamic financial management, based on their responses to five specific items. Participants rated their agreement with each statement on a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Participants demonstrated a positive attitude towards prioritizing charity in their financial management, with a mean score of 4.25 (STD = 0.776), indicating a strong inclination towards charitable giving as guided by Islamic principles. There was a high level of agreement among participants regarding the importance of seeking lawful income, as evidenced by a mean score of 4.88 (STD = 0.404). This suggests a strong adherence to Islamic teachings on earning income through legitimate means.

Participants also expressed a commitment to being responsible and honest in their financial dealings, with a mean score of 4.80 (STD = 0.516). This reflects adherence to ethical principles in financial transactions within an Islamic framework. The belief in spending moderately and avoiding wastefulness received a mean score of 4.45 (STD = 0.714). This indicates a conscientious approach to managing personal finances in line with Islamic teachings on moderation. Participants reported a high tendency to pray for Allah's protection over their finances, with a mean score of 4.88 (STD = 0.335). This highlights the spiritual aspect integrated into financial practices among the study participants.

In summary, the table illustrates strong adherence among participants to key practices in Islamic financial management, encompassing charity, lawful income-seeking, ethical responsibility, moderation in spending, and spiritual engagement through prayer. These findings underscore the influence of Islamic values on participants' financial behaviors and decision-making processes.

Table -3: The Relationship Between Attitudes and Practices in Islamic Financial Management

Correlations			
		Believe	Practice
Attitudes	Pearson Correlation	1	.619**
	Sig. (2-tailed)		.000
	N	40	40
Practices	Pearson Correlation	.619**	1
	Sig. (2-tailed)	.000	
	N	40	40

**. Correlation is significant at the 0.01 level (2-tailed).

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Table 3 presents the correlations between attitudes towards Islamic financial management and practices in Islamic financial management. The correlations are measured using Pearson correlation coefficients, which indicate the strength and direction of the relationship between the variables.

The Pearson correlation coefficient between attitudes and practices is .619. This correlation is statistically significant at the 0.01 level (2-tailed), with a p-value of .000. This indicates a strong positive relationship between participants' attitudes towards Islamic financial principles and their actual practices in financial management. In other words, participants who hold more positive attitudes towards Islamic financial management principles are more likely to demonstrate these principles in their financial practices. In summary, Table 3 provides empirical evidence that attitudes towards Islamic financial management are closely associated with actual financial practices among the participants.

4. CONCLUSIONS

This study investigated the attitudes and practices of adolescents towards Islamic financial management, aiming to bridge the gap between religious teachings and modern financial behaviors. Rooted in Qur'anic principles and the Sunnah, Islamic financial management emphasizes ethical conduct, moderation, and social responsibility in financial decision-making. The findings from the study revealed that adolescents hold strong positive attitudes towards these principles, evidenced by their high confidence in managing finances to please Allah SWT and their commitment to practices such as prioritizing charity, seeking lawful income, and maintaining ethical standards. These attitudes were strongly correlated with actual financial practices, indicating that beliefs in Islamic financial principles significantly influence how adolescents manage their finances. The study highlights the importance of integrating religious teachings into financial education and policy frameworks to promote ethical financial behaviors and enhance community welfare within Islamic contexts.

In conclusion, the research underscores the potential of Islamic financial principles to guide responsible financial behaviors among adolescents. By fostering positive attitudes and aligning financial practices with religious values, this study advocates for educational initiatives and community support systems that nurture financial literacy grounded in Islamic ethics. Future studies could explore longitudinal impacts and the effectiveness of interventions aimed at sustaining these principles in shaping sustainable financial practices among young adults.

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