

WOMEN AND ISLAMIC FINANCIAL LITERACY

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ABSTRACT

This study aims to understand about Islamic financial literacy of women's groups. The measurement includes financial goals and concepts, efforts to achieve financial goals, preferences for financial institutions both in product and services, knowledge of Islamic financial literacy, and financial practices. This study used survey method and carried out in 64 female respondents with various professional backgrounds. This research found several findings. The main financial purposes are to fulfill basic need, children's education costs, and survive. The efforts to achieve financial goals are by working, saving, or reducing expenditure. When respondents have a surplus of money, they choose for saving, pay for the *hajj* or *umrah*, or support orphans and the poor. Saving and pension funds will be used to meet requirement in the elderly. Financial security if lack of money or loss of income was by take saving, find a new job, or open a business. Bank is the main choice in carrying out of financial transaction, the pension fund and health insurance. The preferred informal financial institution is social gathering or called as "*arisan*". Respondents prefer to choose Islamic financial institutions due to fit with religious values and give an inner peace, however not refuse to choose conventional financial institutions because it is guaranteed by the governance. The knowledge of Islamic finance is quite good (sufficient literate) with a correct answer score at 51% to 75%. While the financial practices that have been carried out are saving, transferring, and paying installments.

Keywords: Women; Islamic Financial Literacy; Islamic Banks; Financial Concepts

ABSTRAK

Penelitian ini bertujuan untuk memahami tentang literasi keuangan syariah kelompok perempuan. Pengukuran tersebut meliputi tujuan dan konsep keuangan, upaya pencapaian tujuan keuangan, preferensi lembaga keuangan baik dalam produk maupun layanan, pengetahuan literasi keuangan syariah, dan praktik keuangan. Penelitian ini menggunakan metode survei dan dilakukan pada 64 responden wanita dengan berbagai latar belakang profesi. Penelitian ini menemukan beberapa temuan. Tujuan keuangan utama adalah untuk memenuhi kebutuhan dasar, biaya pendidikan anak, dan kelangsungan hidup. Upaya untuk mencapai tujuan keuangan adalah dengan bekerja, menabung, atau mengurangi pengeluaran. Ketika responden memiliki kelebihan uang, mereka memilih untuk menabung, membayar haji atau umrah, atau menghidupi anak yatim dan fakir miskin. Dana tabungan dan pensiun akan digunakan untuk memenuhi kebutuhan lansia. Keamanan finansial jika kekurangan uang atau kehilangan pendapatan adalah dengan menabung, mencari pekerjaan baru, atau membuka usaha. Bank menjadi pilihan utama dalam melakukan transaksi keuangan, dana pensiun dan asuransi kesehatan. Bank informal yang disukai adalah arisan atau disebut dengan "arisan". Responden lebih memilih lembaga keuangan syariah karena sesuai dengan nilai-nilai agama dan memberikan ketenangan batin, namun tidak menolak memilih lembaga keuangan konvensional karena dijamin oleh pemerintah. Pengetahuan keuangan syariah cukup baik (cukup melek huruf) dengan skor jawaban benar sebesar 51% hingga 75%. Sedangkan praktik keuangan yang dilakukan adalah menabung, mentransfer, dan membayar cicilan.

Kata Kunci: Perempuan; Literasi Keuangan Syariah; Bank Syariah; Konsep Keuangan.

A. INTRODUCTION

Financial literacy is an activity that is related to how each individual has the ability to make informative judgments and effective actions by considering the use and management of money both today and future. The scope of financial literacy includes financial options, planning for future, important expenditure, and also longterm aspects such as insurance and pension funds.

The low level of financial literacy is a problem both in leading and developing countries because they fail to provide a powerful understanding about a healthy financial principles. The basic of financial and risk management need to be conducted to avoid financial stress.

The level of financial literacy variations are determined by several factors such as the level of education, income, gender, and financial goals, although it does not rule out the possibility that person with high level of education and income can also have a bad financial understanding. Women play an important role in managing the financial of family. Financial literacy and education should be purposed at this group so that they have adequate skills in managing resources and allocating fund.

Some experts studied about financial literacy based on gender differences. Lusardi & Mitchell(2014)observed that historically low level literacy had a greater impact on women than men. Women find it harder than men to succeed in managing finance and achieve financial independence. Women tend to be more anxious about their financial future and lack of confidence in managing finance. Kirbiš *et al.* (2017)examined the relationship between financial satisfaction and financial literacy based on gender differences. The result showed that male financial literacy scores are higher than female.

The result survey of financial literacy and financial inclusion in 2016 that conducted by Financial Services Authority of Indonesia showed that Indonesian citizen have a financial literacy index at 21.84% and a financial inclusion index at 59.74%. The highest financial literacy index was in Jakarta at 40%, and the lowest was in Papua provinces at 19.27%, while Central Java was at 33.51%. The most popular financial institutions are banks, insurance, and pawnshops. The capital market and pension funds had a low demand. Whereas, the index of Islamic financial literacy was at 8.11% and Islamic financial inclusion index at 11.06%. As many as 96.81% of the citizen stated that they have

not financial goals because they were still dominated by short term goals to fulfill basic needs and maintain life.

Setyawati & Suroso(2016)analyzed critical factors in socioeconomics variables that influence Islamic financial literacy. The study used a descriptive design with lectures as the respondents at educational institution in Java. The results showed that socioeconomics characteristic affect financial knowledge, financial behaviors, and financial attitudes. The level of financial knowledge was determined by the interaction of social and economic characteristics that consists of age, gender, level of education, residency, spending per month, and marital status.

Er & Mutlu(2017)developed a measurement to evaluate and compare Islamic financial literacy in D-8 countries. The study was conducted on 388 participants in Trabzon. According to World Bank, the level of financial inclusion due to religious reason is 7% in the world and 9.7% I D-8 countries. Islamic banks in Turkey show the most importance participation in increasing tendency of individuals with religious principles so that they have religious sensitivity that can increase financial inclusion. In the study it was concluded that the Islamic financial literacy index of the members of D-8 countries was at 58%.

Chapra & Bhutto(2013)examined 300 postgraduate students' perceptions of Islamic finance and using religious, knowledge, and service quality as independent variables. The results showed that the reliability of the questionnaire was at 88.6% and all independent variables had a significant positive relationship to the dependent variables. The conclusion is that Islamic finance was gaining popularity with the passage of time and had a great opportunity to grow and develop in Pakistan.

In general, women play an important role in managing family finance. Financial literacy as a knowledge base that can drive financial management be well directed both for short term and long term goals when the individual has retired from work

or has entered old age. Balance financial planning can realize the achievement of economic, social, and spiritual goals.

Islamic finance offers interest free system based on contracts agreed by several parties in financial transactions. Islamic financial products provide opportunities for entrepreneurs to build cooperation in terms of capital and skill. Women can also take part in national development through their participation in Islamic financial institutions. However, because the Islamic financial literacy index is in low level in Indonesia and women, so that this research will measure how the Islamic financial literacy of the public, ultimately for women as family financial managers.

This study is a survey research that conducted to understand public preferences on Islamic financial literacy. According to Sugiyono (2013), this research conducted using a questionnaire as a research tool both in large or small population. This study focuses on probe information and data from respondents in a number of key issues, including financial purposes, efforts to achieve financial goals, preference when have excess money, the way to prepare old age, financial resilience if lack of income, efforts when losing a job, preference for informal financial services, preference for types of financial institutions, reason for choosing a conventional financial institutions, reasons for choosing Islamic financial institutions, interest on financial product, knowledge of Islamic finance, the usual financial services. The respondents in this study are member of Primary Cooperative AnNisa' Muslimat NU in Kudus Regency. Total member is 245 and respondents were chosen is 90 by simple random sampling and based on their willingness in spend time to provide answer or fill the questionnaire. The answer is not about correct or incorrect but rather on the knowledge, preferences, and reason of each individual's actions. The respondents who returned the questionnaire were as follows:

B. DISCUSSION

1. Financial literacy

The decision to save funds or to consumption in a conventional macroeconomics approach requires rational consideration based on good information in the allocation of income (Lusardi & Mitchell, 2014). The level of consumption must be lower than individual income so that they can save or invest to support consumption when their income decreases or after they no longer work.

Sufficient information about finance includes several aspects of knowledge of financial concepts, the ability to communicate financial concepts, skills in managing personal finance, skill in making the right financial decisions, and confidence to plan financial needs in the future (Abdullah *et al.*, 2017). The extent of financial literacy will affect the pattern of short term and long term financial planning. The ability to recognize the profile of financial products will improve the skills for financial planning, investment, and credit and financing budget.

Knowledge about finance includes activities related to the allocation of income both for consumption activities, working capital, saving, investment, and social religious spending. In overcoming the financial deficit, knowledge of credit or financing is needed. Decision making related to financial management requires systematic and measurable effort and treatment. The level of financial literacy in leading countries is recognized to be higher than in developing countries. The problem in developing countries is the existence of financial sector gap not only on affordability, but also on literacy.

Increasing financial literacy involve the role of financial planning in process of organizing, planning, achieving, and reviewing life goals through proper financial management. Before the 1970s, most activities related to financial planning in the United States were relatively simple as suggested by

accountants, lawyers, investment advisors, and bankers(Salleh, 2013). After the 1970, due to the volatility in the US economy characterized by high unemployment, stagflation, tax law change and double digit inflation, so that financial planning activity becomes involute. This situation makes financial planning continue to develop and the client's need for it also increases.

Financial planning is a process to determine how an individual meet life goals through the management of appropriate financial resources (Horrison, 2005). It starts with managing cash flow and using credit or financing mode. Cash flow management in this case does not reach the financial and numerical aspects, but also psychologically helps the individual to re-evaluate their financial situation mentally in relation with life goals. Financial difficulties are not caused by poor investment, changes in conditions, or not having enough income, but it was a result of the inability to control cash flow.

In order to maximize the benefit of budget, planned cash flow must be written down and compared to actual cash flow. Budgeting helps to ensure that the available cash flow is actually directed towards the main goals and priorities. If costs incurred exceed revenue, budgeting helps to identify the sources of excessive spending and determine the appropriate policy or action.

In the case of debt management, although debt plays an important role in the household to meet temporary cash flow, but it must be limited. In some cases, the availability of low cost credit facilities can encourage households to become burdened by debt to the point of causing financial difficulties. Therefore it is necessary to apply debt threshold to a maximum at 40% of total income and discipline in payments or installments. Financial planning for both personal and family can be conducted with a good understanding of financial literacy (Boonet *al.*, 2011). Good financial planning affects the ability of individuals to overcome their financial problems.

Low financial literacy will impact on several things, that are, first, arising losses from declining in economic conditions

and inflation mainly experienced by customer groups who are unable to take advantage of financial surplus. Second, access to credit that has no clear designation such the use of credit card for consumption needs. Third, lack of knowledge about investment in the capital and money market so that they could not gain opportunity income for both sectors.

Financial literacy is a strategic program for national development. This program aims to encourage the public to utilize financial products and services. Financial literacy at the micro level will be foundation of the economy at the macro level. According to the National Financial Inclusive Strategy, financial literacy is the level of public knowledge and awareness of formal financial institutions, products, and services. It also includes features, benefits and risks, costs, rights and obligations of these financial products and services. Furthermore SKNI categorize financial literacy into four level well literate, sufficient literate, less literate, and not literate.

Islam is a comprehensive, integrative, and holistic religion that govern entire aspects of life, large and small, personal and social, spiritual and materialistic, that connects worldly and hereafter(Arafah & Fathiy, 2013). Islam guides its disciples to live in the right corridor, avoid difficulties and suffering. Expenditure management is part of Islamic financial planning. This pillar refers to how individuals receive lawful (*halal*) and good (*thayyib*) prosperity and then spend it economically and save the excess as reserve when in difficulties situation.

Understanding of Islamic financial instruments is an important part of Muslims' life. The increasing public awareness to consider Islamic financial services is driven by the belief in conformity with the principles of implementing religious values. Various Islamic financial products are considered relevant to the needs of some people who are consistent with their belief.

Islamic financial instruments include products, principles, and contracts that distinguish them from the counterpart. In the

funding and allocating funds in the Islamic financial system is based on the principles of interest free rate (non *riba*), does not contain obscurity (*gharar*), and uncertainty (*maysir*).

The purpose of the development of Islamic financial literacy is to provide knowledge and understanding of Islamic financial services institutions, products, and services offered. In addition, it is also to change individual behavior in Islamic financial management to create beneficial, prosperous, and blessed life. If in less literate level, it can be improved to well literate level so Islamic financial system will be developed dynamically in national development.

The achievement of financial literacy program is determined by many factors such as the availability and standardization of Islamic financial products, awareness, and the availability of human resources in the Islamic financial institutions. Public have options in Islamic financial products such as Islamic insurance (*takaful*), Islamic pawn (*rahn*), Islamic microfinance, Islamic mutual funds, and so forth.

The concept of Islamic financial institutions are not explicitly mentioned in the Qur'an, but the elements such as structure, management, function, as well as the rights and obligations explicitly explained (Muhamad, 2004). The Qur'an provides space for mankind to build an economic system according to Islamic principles both in establishing companies, banks, insurances, and other financial institutions.

Before Muhammad was appointed as a Prophet, in the *Jahiliyyah* community, He had political institution called *DarunNadwah*. The figures gather for deliberate to make decisions. When He was appointed as Prophet later, then an institution called *DarulArqam* was established.

BaitulMaal is the first economic management institution founded by Rasulullah as an institution for storing, receiving, and spending revenue to create prosperity for the people in

that era. Previously, state income such taxes were collected by a minister and used to meet the needs of the emperor and the king. *BaitulMaal* acts as a center for the management of public funds such as *zakah*, *ushr*, *waqf*, and so forth. It was distributed to those who entitled to receive. *BaitulMaal* at the age can be analogous as a central bank of a country that have function to balance income and expenditure of a wider country and help monetary circulation. The supervision system of the State financial system was carried out by *WilayatulHisab* to prevent regional leaders from arbitrary actions.

During the era of *KhulafaurRasyidin*, *BaitulMaal* became more established in the Caliph Umar bin Khattab leadership with an improved management system. The administrative system is organized and an organizational structure started to be formed with the election of managing boards. The *zakah* base and sources as State revenue was expanded. Caliph Umar acted directly in carrying out a system of market supervision and control to prevent detrimental behavior.

In the era of Caliph Usman and Ali, the policies of the caliph Umat continued with optimizing the function of *BaitulMaal* as an instrument in fiscal policy. State revenue was seriously managed to increase public prosperity. After the Caliphate period ended, *BaitulMaal* still remained but its function and role began to be reduced especially on State expenditure. During the leadership of Umar bin Abdul Azis, the welfare of society improved so it was difficult to find the recipients of *zakah*. Whereas *BaitulMaal* began not appeared when Ottoman dynasty collapse in Turkey due to defeat against colonialism. The movement of modern Islamic financial institutions began to be recognized in the end of 1940 and two decades later in Middle Eastern which were established as part of aspiration to have own bank, even though the idea of Islamic-based banks had existed in the early 7th century (Rammal & Zurbruegg, 2007).

2. Result and Discussion

The financial objectives in this study include several indicators, that are for survival, meeting basic need, children's educations expenses, paid for education insurance, paid for health insurance, preparing for retirement, developing business, providing emergency funds, social-religious expenses, and others.

Table 2: Financial Goals

No	Financial Goals	Rank									
		1	2	3	4	5	6	7	8	9	10
1	Survival	13	7	1	1	4	2	2	1	1	0
2	Basic Needs	32	12	4	1	0	2	0	0	0	0
3	Children Education Expenses	4	14	15	2	0	0	0	0	0	0
4	Education Insurance	1	0	1	3	1	6	1	2	2	0
5	Health Insurance	3	1	2	7	4	2	5	3	0	0
6	Prepare for Retirement	7	6	3	4	6	4	3	2	1	0
7	Develop Business	2	4	3	6	2	1	4	3	2	0
8	Emergency Funds	1	2	2	2	5	4	4	6	5	0
9	Social-Religious Expenditures	1	0	7	9	8	7	2	1	4	0
10	Others	0	0	0	0	0	0	1	0	0	0

Based on the survey, Table 2 shows the respondents' financial goals. A number of 32 (50%) select to meet basic needs as a first rank, 13 (20.31%) for maintain life or survive, 7 (10.95%) prepare for retirement, 4 (6.25%) paid for children education expenses, 3 (4.69%) paid for health insurance, and 2 (3.12%) for expand business, and the others do not have a specific financial goals. Respondents select rank two of 14 (21.88%) that financial objectives after meet basic need is for children's education expenses, likewise in rank three of 15 (23.44%) for children's education. The other highest response is on social religious expenditure.

Table 3: The Effort to Achieve Main Financial Goals

No	Effort	Rank						
		1	2	3	4	5	6	7
1	Work	36	2	3	1	0	0	0
2	Saving	14	19	7	5	0	0	0
3	Reduce Expenditure	4	12	10	5	1	0	0
4	Develop Business	7	8	7	5	2	1	0
5	Loan	2	0	1	1	5	9	0
6	Invest	2	2	3	3	9	4	0
7	Others	0	0	0	0	1	0	0

The efforts to achieve the main financial goals are through work where respondents answer as many as 36 (56.25%), saving at 14(21.88%) as the main priority, and 7(10,93%) for develop business as in the table 3. Respondents also places saving as an effort to achieve financial goals as the second priority with a response of 19 (29.69%), reducing expenditure with a choice by 12 (18.75%), and 10 (15.62%) as the third priority.

Table 4: Preferences When Hold More Income

No	Products or Alternatives	Rank							
		1	2	3	4	5	6	7	8
1	Saving	43	1	3	2	0	1	0	0
2	Property	2	6	1	6	2	4	3	0
3	Vehicle	1	1	3	6	4	0	4	1
4	Insurance	1	0	1	4	1	3	2	4
5	Deposit	0	7	2	6	5	0	2	2
6	Precious Metal	1	3	1	0	4	2	1	5
7	<i>Hajj/Umrroh</i>	11	12	6	2	2	2	0	1
8	Supporting Orphan and Elderly	5	10	13	3	3	1	1	0
9	Others	0	1	1	0	0	0	0	0

Financial planning as part of a financial concept which includes learning how one's preferences when hold more money or income. A number of 43 (67.19%) respondents choose saving as the first rank, 11 (17.19%) for *Hajj* or *Umrroh* costs, and as many as 12 (18.75%) also as the second option. Supporting orphans and the elderly is also one of the alternatives when they hold more income at 5(7.8%).

Table 5: Planning for Retirements

No	Alternatives	Rank								
		1	2	3	4	5	6	7	8	9
1	Saving/Deposit	12	10	4	3	1	0	0	0	0
2	Work	19	6	1	5	0	0	0	0	0
3	Business	8	12	3	0	1	0	1	1	0
4	Insurance	1	2	9	4	3	0	0	0	0
5	Sell Assets	2	5	4	2	2	1	2	2	0
6	Depend on Husband	6	0	1	3	4	4	1	1	0
7	Depend on Children/Family Members	2	0	1	0	2	1	4	4	0
8	Pension Fund	11	3	3	0	2	7	1	1	0
9	Others	3	0	1	0	0	0	0	0	0

Another financial planning is how to meet the needs for retirement. A number of 19 (29.69%) respondents choose to continue working, 12 (18.75%) rely on savings or deposits, 11 (17.19%) on pension funds, 8 (12.5%) do business, 6 (9.37%) depend on husband. The others respondents are depend on children or family member, while insurance is in a small response

Table 6: Financial Survival When Lack of Income

No	Alternatives	Rank								
		1	2	3	4	5	6	7	8	9
1	Take Saving/Deposit	26	8	3	1	1	0	0	0	0
2	Borrow from Family/Colleagues	3	2	2	1	2	5	0	1	0
3	Sell Assets	2	3	2	6	3	2	0	1	0
4	Receive Money from Family/Friends	3	0	6	3	3	1	1	1	0
5	Search Extra Job	11	7	7	2	1	1	0	0	0
6	Scrimped	15	14	10	1	0	1	0	0	0
7	Take Loan	2	3	5	4	1	1	6	1	0
8	Borrow from <i>marisan</i>	2	0	0	1	2	1	2	4	0
9	Others	0	0	0	0	0	0	0	0	0

Financial management and literacy also aims to measure whether the individual already has good financial planning including when there is a lack of income. Based on the survey, as many as 26 (40.62%) respondents take savings, 15 (23.44%) scrimp money, 11 (17.9%) sought additional work, and the others

choose borrowed from family or friend, sell assets, or outside of those choices.

Table 7: Financial Survival When Loss of Job

No	Alternatives	Rank							
		1	2	3	4	5	6	7	8
1	Take Saving	18	4	12	1	0	0	0	0
2	Borrow from Family/Colleagues	2	3	1	4	5	2	0	0
3	Sell Assets	2	3	1	4	5	2	0	0
4	Receive Money from Family/ Friends	2	4	1	3	4	4	0	0
5	Search Side Job	17	8	7	0	2	1	0	0
6	Open New Business	17	15	2	3	0	1	0	0
7	Borrow to Informal Finance	0	0	0	0	0	0	5	0
8	Others	6	0	1	0	0	0	0	0

One important goal of financial literacy is to anticipate various possibilities, one of which is when a person loses their job. If the planning and management funds have been done, the person can still meet their needs even for short term. Based on the survey, 18 (28.12%) respondents choose to take saving as the first alternative, 17 (26.56%) choose to find a side job, and 19(26.56%) prefer to open business. The second highest alternative is to open business and other options are find another job, borrow money, or sell assets.

Table 8: Preferences on Financial Institution

No	Products/ Alternatives	Rank												
		1	2	3	4	5	6	7	8	9	10	11	12	13
1	Bank	27	3	1	0	0	0	1	0	0	0	1	0	0
2	Insurance	3	3	0	0	1	2	0	1	0	0	0	0	0
3	Leasing	3	0	0	0	0	1	0	2	0	1	1	0	0
4	Pawnshop	3	1	0	0	0	1	4	0	0	0	1	0	0
5	Cooperative	8	6	2	2	3	1	0	0	0	0	0	0	0
6	BMT	4	5	1	2	0	1	1	0	0	0	0	0	0
7	Capital Market	0	0	0	0	1	0	0	2	2	0	0	0	0
8	Pension Fund	5	0	2	2	0	0	0	0	1	2	0	0	0
9	Venture Capital	0	0	0	0	0	0	0	0	1	0	2	1	0

10	Securities Company	0	0	0	0	0	0	0	0	1	1	1	2	0
11	BPJS Employee Insurance	3	0	3	4	1	0	0	0	0	0	0	0	0
12	BPJS Health Insurance	5	9	6	2	2	0	0	0	0	0	0	0	0
13	Others	3	0	0	0	0	0	0	0	0	0	0	0	0

Respondents' preference toward financial institutions, product, and services was of 27 (42.19%) tend to choose banks as the first destination. The remaining of 8 (12.5%) choose cooperative institutions, 5 (7.8%) for pension funds and BPJS health insurance. While institutions such as pawnshop, leasing, capital market, securities companies, and venture capital are only selected in a small response.

Table 9: Preferences on Informal Finance

No	Type	Rank		
		1	2	3
1	ROSCA	37	0	0
2	Pawnshop (outside of PT. Pegadaian)	0	8	2
3	Retail Bank	0	2	6
4	No Choice	27	0	0

Informal financial services have become an important part of society lives to meet small-scale needs. Based on the survey, 37 (57.81%) of the respondents choose to social group or Revolving Savings and Credit Association (ROSCA) and in Indonesia is called as "*arisan*" as the first option, 8 (12.5%) choose pawnshop outside of the PT. Pegadaian, and 6 (9.37%) choose retail bank or called as "*bank titil*".

Table 10 Preferences on Types of Financial Institutions

No	Type	Rank			
		1	2	3	4
1	Conventional	3	4	4	0
2	Sharia	24	1	0	0

3	Conventional and Sharia	18	7	1	0
4	Not Both	4	0	0	4
5	No Choice	15	0	0	0

Survey for preference on types of financial institutions, 24 (37%) tend to choose Islamic financial institution, 18 (6.25%) for both the Islamic and conventional financial institutions, 4 (6.25%) do not choose both, 3 (4.69%) choose conventional financial institutions, and the others do not answer or no prefer as a first option.

Table 11: Reasons to Choose Conventional Institutions

No	Reason	Rank						
		1	2	3	4	5	6	7
1	Guaranteed by Government	23	6	1	0	0	2	0
2	Low Risk	5	10	1	1	2	1	0
3	Fixed Return	0	1	5	4	2	3	2
4	Fit The Need	5	0	6	2	3	2	2
5	Safe	12	7	5	4	4	0	0
6	Supervised by OJK	1	5	2	3	2	3	1
7	Credible	1	2	2	2	0	1	6
8	Others	17	0	0	0	0	0	0

A number of 23 (35.94%) choose conventional institutions because it is guaranteed by the government as the main reason, 12 (18.75%) affected by safe consideration, and 5 (7.8%) due to low risk. The others choose based on profitability offers, supervised and regulated by OJK, and credibility. Some respondents had no reason why choose conventional financial institutions.

Table 12: Reason to Choose Sharia' Institution

No	Reason	Rank						
		1	2	3	4	5	6	7
1	Guaranteed by Government	9	3	2	3	2	2	3
2	Fit With Religious Values	34	7	2	0	1	0	0
3	Feel Safe in Transaction	4	10	5	1	1	2	0
4	Free from Riba	8	11	8	2	0	0	1
5	Inspired by Religious Figures	4	0	5	3	1	3	1
6	Supervised by OJK	2	1	2	3	3	1	2
7	Credible	3	1	1	2	4	3	2
8	Others	0	0	0	0	0	0	0

The reason why respondents choose Islamic financial institution was studies. Based on the survey was 34 (53.12%) choose because fit with religious values, 9 (14.06%) guaranteed by government, 8 (12.5%) free from usury, and the others feel safe if choose Islamic financial institutions because follow Islamic values.

Table 13: Knowledge about Islamic Finance

No	Correct Answer	Total	Conclusion
1	0 - 25 %	18	Not Literate
2	26 - 50%	13	Less Literate
3	51 - 75%	20	Sufficient Literate
4	76-100%	13	Well Literate

Respondents was asked to fill with true (T) or false (F) of several statements representing the profile of the products and services of Islamic financial institutions. Knowledge about the level of understanding about Islamic financial institutions. In this study, from four categories obtained provisions with 100% divided by four quadrant. The first quadrant if the respondents answered correctly with a percentage of 0% to 25% as not literate level, The second quadrant if correct for range 25% to 50% as less literate level, the third quadrant if correct for 51%- 75% as sufficient literate level, and the fourth quadrant if correct for 76% - 100% as well literate level. Based on the survey showed that 18 (28.12%) respondents were not literate, 13 (20.31) were less literate, 20 (31.25%) were sufficient literate, and 13 (20.31%) as well literate.

Table 14: Usual Financial Services

No	Financial Services	Rank			
		1	2	3	4
1	Saving	44	2	0	0
2	Transfer	5	18	0	0
3	Pay Installments	5	5	11	0
4	Others:	10	0	0	0

While the usual financial services are shown in table 14 where as many as 44 (68.75%) visiting financial institutions for saving activities as the highest first choice, 18 (28.12%) doing transfer as the second highest choice, and 11 (17.19%) respondents for pay installments as the third highest choice.

Money has three main functions as a medium of exchange (transactions), a store of value, and a means of precaution. In an economic perspective, money has been placed to meet the needs of its owner. For humans as social beings, money can also have a social function where distributed to help unable people. Meanwhile, as religious beings, money can be made to fulfill one's religious needs.

Indonesia is known as a collective society where the lives of each individual will merge with social life. Community social activities also require special funds, for example, to contribute to certain events or traditions in the community. Likewise as a religious community, religious activities also involve an element of funds in them such as for charitable activities in the context of the construction of mosques, *hajj*, *umrah*, donations for orphans, alms, endowments, and other religious activities. For those who have a great income, all social, economic and religious needs can be easily met, but for those with limited income, discipline in management is needed.

This research is also in line with the findings of Sharma & Kota (2019) that women have a greater interest in financial management related to precious metal investment, savings, pension funds, and insurance. While male group prefer investment in the form of real estate, shares, bonds, and derivatives. Baluja (2016) explained the importance of financial literacy for women to make them more independent and empowered. Haque & Zulfiqar (2016) in this research also found the importance of financial literacy for economic empowerment of working women.

The Qur'an places great emphasis on what to do with assets and finance. Religious expenditures such as zakat for example have been clearly mentioned in the At Taubah verse 60, and performing the hajj in Al Imron verse 97. The conditions for performing the hajj for a Muslim do not only require physical readiness but the main thing is his financial ability.

Islam also encourages Muslims to give *shadaqah* and even endowments. Even Islam provides guidance on how to manage income, consumption, savings, wealth, investment and other aspects related to finance. The world is facing various complex economic problems in various countries so that each individual needs to have the right financial concept.

The entire effort to increase women's economic productivity is closely related realize the economic improvement. The quality of women human resources contains insight, knowledge, skill, and work ethic. Women also need to increase access for capital, information, technology, and market. With this strategic step, it is expected that women can develop their potential and contribute to gender equality in economic growth. Moonet *al.* (2014) described that Chinese economy is growing rapidly but the gap the rich and poor is larger so that students in university started learn to increasing opportunity in financial activities to make improvement in social economic condition. Mahadiet *al.* (2019) argued that financial literacy is a basis of economic well-being so that The Central Bank of Malaysia made collaboration with the Ministry of Education to inculcate basic financial management from an early age. Muhammadet *al.* (2018) found the evidence that women have improved their welfare through empowerment programs.

C. CONCLUSIONS

Financial literacy is an amalgamation of product understanding and good financial concepts by consumers and investors as well as one's ability and confidence to make choices based on information, and to take other effective actions in order to improve its financial well-being. Financial literacy is very important because of the increasing complexity of financial products and services and their accessibility. Because of the increasing complexity, individuals will take on more and more responsibility for financial decisions, including increasing financial technology competition that offers convenience, speed, and accuracy of service.

Financial literacy will succeed if someone has a concept, objectives, and good financial planning. Increasing financial literacy can involve financial planning which includes the process of organizing, planning, achieving, and reviewing its financial goals.

For the banking world, this research can be used as a reference that the actual sharia financial literacy of the community is still low. Therefore it is necessary to further optimize the function of socialization and education about the products of Islamic financial institutions and their advantages and benefits for the lives of Muslims. When people choose to consume halal and good products, so does the choice of financial instruments also should choose the right according to the values of their religion.

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