Theme: Islamic Financial Literacy and Financial Planning for Indonesian Muslim Women: A Sharia Perspective

Islamic Financial Literacy and Financial Planning for Indonesian Muslim Women: A Sharia Perspective

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Abstract

Financial literacy can help Muslim women evaluate financial choices, but its practical relevance needs to be understood in relation to both personal needs and household responsibilities. This article examines the importance of Islamic financial literacy and discusses its application to personal and household financial planning in Indonesia. It uses a qualitative library-based approach through a focused narrative review of selected academic studies and relevant Qur'anic principles. The analysis distinguishes published evidence from normative interpretation and the authors' practical synthesis. The synthesis shows that Islamic financial literacy connects ethical understanding with planning skills across budgeting, saving, debt management, investment, and social expenditure. Personal financial security and family responsibilities need to be considered together when applying these principles. It argues that financial education should connect knowledge of Islamic principles with realistic planning tasks, access to reliable information, and communication within the household. Its contribution is a contextual synthesis connecting established principles with practical planning questions for financial education. Further empirical research is needed to examine how women negotiate personal and family goals under different economic circumstances.

Keywords: Islamic financial literacy; Muslim women; personal financial planning; household finance; Sharia principles

1. Introduction

Financial planning concerns decisions about present needs and future commitments. For women involved in household finance, these decisions may include everyday expenses, children's education, debt repayments, savings, and support for relatives. At the same time, women have personal financial needs, including healthcare, learning, future security, and goals that are not fully represented by household expenditure. An account of financial literacy that concentrates only on a woman's responsibilities to others may leave these needs insufficiently examined.

Financial literacy is relevant because financial decisions require an understanding of alternatives, costs, risks, and consequences. Lusardi and Mitchell (2014) examine its economic importance and its relationship with financial decision-making. Islamic financial literacy adds questions about the permissibility and ethical character of transactions. For Muslim women, planning therefore involves considering what a financial arrangement does, whether it meets a genuine need, and how it relates to Islamic principles. Religious motivation alone does not remove the need to understand the arrangement.

Existing research already connects these issues. Setyowati et al. (2018) examine Islamic financial literacy and personal financial planning in Indonesia. Amaroh and Istianah (2020) investigate women's financial goals and practices, while Wan Jusoh et al. (2022) discuss Muslim women's financial literacy and family finance from an Islamic perspective. Annisa (2021) further examines Islamic financial literacy within Indonesian Muslim families. Building on these studies, this article brings women's individual needs into the discussion of everyday household planning and connects each planning domain with explicit ethical and practical considerations.

The problem involves both understanding and the conditions for acting on it. Income, available services, and access to reliable information shape financial options. The OECD (2013) situates women's financial education within wider questions of financial opportunity and empowerment. In Indonesia, the practical issue is therefore how education can connect religious principles with decisions that women actually face while remaining responsive to their resources and responsibilities.

Two questions guide the discussion. First, why is Islamic financial literacy relevant to the personal and household financial planning of Indonesian Muslim women? Second, how can Sharia principles inform everyday planning practices while recognizing women's personal financial needs? The article addresses these questions through a focused narrative review and an interpretive synthesis. It develops practical discussion points for financial education, organized by planning domain.

Theoretical Basis

2.1 Islamic financial literacy and financial planning

Financial literacy and financial planning are related but distinguishable. Literacy concerns understanding and evaluating financial matters; planning concerns organizing resources and actions around goals. Knowing that saving is desirable does not establish how much a household can save. Understanding a contract does not guarantee access to an appropriate service. This distinction is important when interpreting studies that associate literacy with financial outcomes.

Setyowati et al. (2018) investigate literacy and personal financial planning through a survey in Solo. Their work provides an Indonesian empirical reference for the relationship between financial understanding and planning. Firdausi and Kasri (2022), studying university students, approach Islamic financial literacy through knowledge, attitudes, and behavior. Their multidimensional perspective is useful conceptually, although findings from students should not be treated as direct evidence about married women or households. Together, these studies encourage attention to

application as well as knowledge, without establishing that knowledge produces the same results in every setting.

An Islamic approach also extends beyond choosing a product described as Islamic. Ahmed and Salleh (2016) connect financial planning, literacy, inclusion, and Islamic social institutions in an inclusive conceptual framework. Their emphasis on the needs of lower-income households is relevant to the limits of advice that assumes people already have surplus income. Planning may involve obtaining support and protecting essential consumption as well as accumulating financial assets.

2.2 Women and the relationship between personal and household finance

Amaroh and Istianah (2020) examine financial goals, institutional preferences, and practices among 64 women. Their study includes concerns about basic needs, children's education, old age, and responses to income loss. Wan Jusoh et al. (2022) link Muslim women's literacy to family wealth management, wellbeing, and Sharia-compliant practices. Their conceptual discussion also recognizes women's own property. These contributions establish a basis for examining personal interests and household responsibilities together.

The analytical task is to bring those concerns into a usable discussion of planning. A household budget can include expenses benefiting everyone while still concealing whether each person has adequate provision for individual needs. Conversely, personal financial planning does not require ignoring family responsibilities. The relevant issue is how the two are identified, discussed, and recorded. Annisa (2021) identifies a family literacy cycle involving earning, managing resources, and growth. Her qualitative study of 62 Muslim housewives in Salatiga connects literacy with consumption, saving, debt, and giving. This provides a particularly close Indonesian reference for an integrated discussion. The present synthesis uses planning domains to examine the individual and shared needs addressed within such activities.

2.3 Sharia principles as interpretive guidance

Selected Qur'anic passages provide ethical reference points. Qur'an 25:67 emphasizes moderation in spending, while Qur'an 2:282 addresses the documentation of deferred obligations. Qur'an 4:32 recognizes a share for women in what they earn. These passages are used as normative anchors for reflection on expenditure, clarity, and recognition of women's financial interests. Qur'an 2:275 distinguishes permitted trade from riba, and Qur'an 5:90 addresses the prohibition of gambling. These passages provide a basis for examining both the purpose and the structure of financial activities. Their application to a contemporary arrangement requires an understanding of the actual contract and authoritative guidance.

The principle of responsibility is also expressed in the hadith narrated by Abdullah ibn 'Umar, in which the Prophet Muhammad (peace be upon him) describes each person as a guardian accountable for those entrusted to their care. The hadith identifies responsibilities within the household for both men and women (Sahih al-Bukhari, Hadith 7138). Applied to financial planning, this principle provides an ethical basis for managing family resources with care, making informed decisions, and discussing financial commitments. For Muslim women, financial literacy can support the fulfilment of these responsibilities alongside attention to their own financial needs and future security.

This responsibility can be reflected in everyday practices, such as recording household spending and setting aside accessible savings for unexpected needs. These practices help women apply Islamic ethical principles to financial decisions in ways that suit their personal and family circumstances.

3. Methods

This study uses qualitative library research with a focused narrative review and interpretive synthesis. A narrative approach is appropriate for connecting concepts and practical implications across a bounded topic; transparency about selection and interpretation remains necessary (Snyder, 2019). The material comprises academic research on Islamic financial literacy, women's financial practices, and Islamic financial planning, an OECD publication on women's financial education, and selected Qur'anic passages.

The literature search focused on academic publications available up to 2023, accessed through journal websites and university repositories. English and Indonesian search terms included *Islamic financial literacy*, *Muslim women*, *personal financial planning*, *household finance*, *literasi keuangan syariah*, *perempuan*, and *perencanaan keuangan keluarga*. Reference lists were examined to identify additional relevant studies. Sources were selected according to their relevance to the research questions, clear publication details, and substantive contributions to Islamic financial literacy and women's personal and household financial planning.

The review retained empirical studies, conceptual research, and institutional guidance that could illuminate the research questions. Indonesian research provided contextual evidence, while international scholarship informed the broader discussion of literacy and planning. Full texts were examined where accessible; where access was limited, interpretation was restricted to the verified publication record and abstract. This was a purposive review rather than an exhaustive database search, and the selection cannot establish the absence of other relevant work.

Analysis proceeded by comparing the purpose, population, approach, and relevant findings of selected studies; organizing their implications into planning domains; and relating those domains to the selected normative principles. Five domains structured the synthesis: budgeting, saving, debt management, investment, and social expenditure. Women's personal needs and household commitments were considered within each domain. Qur'anic passages were treated as normative references, distinct from empirical findings. The practical applications reported below are the authors' interpretive synthesis. No primary interview or observation data were collected for this article.

4. Results And Discussion

4.1 The relevance of literacy to everyday financial decisions

The selected literature supports examining financial literacy in connection with financial goals and practices. It also shows why the discussion should go beyond identifying prohibited transactions. A woman may need to compare repayment commitments, understand access restrictions on savings, recognize investment uncertainty, or ask who bears a financial loss. These are planning questions that can be considered alongside religious concerns. Their importance does not depend on assuming that every woman has the same financial knowledge or resources.

For this article, literacy is practically relevant when it helps someone explain a choice and its consequences. An educational exercise might ask a learner to compare two financial arrangements, identify the costs and obligations, and describe why either would fit a stated goal. Whether the learner eventually adopts a product is a separate matter. Non-use can reflect affordability or access rather than ignorance, and product use alone does not demonstrate understanding.

This distinction also changes the interpretation of difficulties. If a household cannot save because essential costs absorb its income, additional knowledge may help with some decisions but cannot create resources by itself. Ahmed and Salleh's (2016) inclusive approach helps situate planning within a wider support environment. For Indonesian women, the practical implication proposed here is to

match educational advice to financial capacity and to recognize when access to assistance is more relevant than investment promotion.

4.2 Keeping personal financial needs visible

The personal and household dimensions can be considered together by explicitly identifying whose needs a plan addresses. A household may record school fees, rent, and food while leaving the woman's healthcare, learning expenses, or preparation for old age unspecified. For example, setting a shared education goal does not explain how the woman's own future needs are provided for. Explicitly identifying individual needs makes the plan more informative without requiring every household to adopt the same arrangement.

Recognition of women's financial interests is consistent with the normative discussion of Qur'an 4:32 and with the attention to personal property in Wan Jusoh et al. (2022). The practical recommendation is to name personal goals in the planning process and clarify how they relate to common commitments. How those goals are funded depends on available resources, agreed responsibilities, and the household's circumstances.

Communication is also relevant. A woman may administer spending without making all decisions about income, borrowing, or asset purchases. A planning discussion should therefore clarify responsibilities and access to information rather than equating management work with unrestricted authority. For education, a useful exercise is to map who receives income, who knows the obligations, and who participates in major decisions. Such an exercise helps distinguish practical management responsibilities from access to information and participation in decisions.

4.3 Applying principles across planning domains

The authors draw on the discussion to propose the following practical questions that can guide personal and household financial planning.

Domain	Personal and household considerations	Principle or concern	Practical question
Budgeting	Make individual needs and shared commitments visible.	Moderation and clarity of spending.	Which needs are covered, whose needs remain unrecorded, and can commitments be met?
Saving	Prepare for personal goals and household disruption.	Prudence and preservation of resources.	What purpose does the reserve serve, and how readily can it be accessed?
Debt	Identify the borrower, obligations, and effects on shared resources.	Clarity of deferred obligations and scrutiny of contract terms.	Who owes what, when is it due, and what happens if payment becomes difficult?
Investment	Connect the goal, time horizon, and ability to bear loss.	Understanding the activity, contract, and risks.	Can the investor explain the arrangement and afford its uncertainty?

Domain	Personal and household considerations	Principle or concern	Practical question
Social contributions	Distinguish personal giving from common commitments.	Clarity about obligatory and voluntary contributions.	Which obligations apply, and what voluntary commitments are realistically affordable?

Table 1. Authors' synthesis of planning considerations

4.4 Budgeting and saving

Moderation, reflected in Qur'an 25:67, provides an ethical orientation for expenditure. Its practical expression proposed here is to compare spending with actual needs and resources. Moderation should not become a reason to dismiss legitimate healthcare, rest, or educational needs as unnecessary. A realistic budget reflects the household's needs, financial circumstances, and responsibilities in light of Islamic principles.

Saving can then be organized by purpose. A reserve for disruption differs from money intended for a distant goal, especially in its need for accessibility. Women's personal purposes should be recorded alongside shared purposes where relevant. Defining the purpose before selecting an instrument helps connect accessibility, risk, and the time available. Where income is limited, planning may begin with a small accessible balance and a clear account of essential obligations.

4.5 Debt and investment

Qur'an 2:282 provides a clear reference point for documenting deferred obligations. In a planning discussion, this supports attention to the amount, parties, timing, and evidence of an obligation. The proposal is to maintain understandable records and evaluate whether repayment commitments fit available resources. The ethical and contractual character of financing must also be examined. Qur'an 2:275 makes the distinction between trade and riba relevant, while Qur'an 2:282 addresses obligations arising from deferred transactions. A debt record and an assessment of the contract answer different questions: one clarifies responsibility, while the other concerns the basis of the transaction.

Investment requires a different set of questions. A claim of Sharia compliance should not replace consideration of the underlying activity, contractual rights, liquidity, and possible loss. Literacy education can encourage investors to explain these features before committing money. Religious screening and financial evaluation serve complementary purposes: the first examines conformity with relevant principles, while the second considers suitability for the investor's goal and capacity.

One way to apply these considerations is through *syirkah*, particularly a *musyarakah* partnership in which two or more parties contribute capital to a business. Profits are shared according to an agreed ratio, while ordinary business losses are borne in proportion to each partner's capital contribution (Otoritas Jasa Keuangan, n.d.). For Muslim women considering this arrangement, financial literacy supports an understanding of the business activity, the partners' responsibilities, and the terms for sharing returns and bearing losses. These considerations help women assess whether participation suits their personal and family financial goals, available resources, and ability to bear risk.

4.6 Islamic Social Finance in Personal and Family Financial Planning

Islamic social finance provides a way to connect personal and family financial planning with social responsibility. Zakat, infaq, sadaqah, and waqf (ZISWAF) enable Muslim women to support people in need and contribute to community welfare as part of their financial goals. Incorporating these contributions into a financial plan helps translate religious commitments into regular, purposeful action.

Planning begins with identifying zakat obligations according to the applicable requirements and allocating resources for voluntary infaq, sadaqah, and waqf in line with financial capacity. These allocations can be reviewed alongside living expenses, savings, and future needs. Regular contributions, even in modest amounts, can make social giving a sustained part of personal and household financial practice.

Family communication supports this process by clarifying the source of funds, the intended beneficiaries, and shared commitments. Women's personal charitable goals can be included alongside contributions agreed upon by family members. This encourages thoughtful giving while supporting both family wellbeing and wider social benefit.

4.7 Academic Contribution and Implications for Education

The synthesis connects literacy with decisions rather than treating education as the transmission of product names. Its practical contribution is to keep two questions together across all five domains: what does this choice mean financially and ethically, and whose present or future needs does it address? This approach develops the existing literature through a concise interpretation suited to personal and household planning.

For financial education, the distinction between responsibility and opportunity matters. The OECD (2013) emphasizes education responsive to women's circumstances. A useful programme could begin with activities such as reviewing a simple budget, listing repayment obligations, identifying a personal goal, and comparing the conditions attached to financial offers. These activities can be adapted for women with earned income as well as those managing household transfers. Financial education should also explain how to seek reliable information when an arrangement cannot be understood from its promotional material.

An illustrative planning exercise can make the synthesis concrete. A participant identifies an upcoming household payment, one personal future need, and any existing repayment commitment. She then considers the amount and timing of each, the resources available, and the consequences of delay. The educator introduces the relevant ethical considerations and helps the participant formulate questions before making a decision. This approach offers a practical basis for financial education, with further evaluation helping to assess its usefulness in everyday financial decisions.

The approach also recognizes economic constraints. A participant with irregular income may need flexibility and access to assistance before long-term investment becomes feasible. Ahmed and Salleh (2016) provide a conceptual basis for connecting planning to inclusive support. In this setting, education can help distinguish an immediate resource shortage from a knowledge gap. That distinction avoids interpreting every inability to save as a failure to plan.

Several limitations qualify the synthesis. Source selection was purposive, some material was accessible only through abstracts or publication records, and the reviewed populations differ. The article does not estimate national literacy levels among Muslim women or demonstrate changes in behavior. Indonesia's geographical and socioeconomic diversity also limits the transferability of findings from individual local studies. Further research could examine how women apply these

planning considerations in different income and employment circumstances, including how personal goals are discussed within families.

5. Conclusion

Islamic financial literacy is relevant to personal and household planning because it can inform the evaluation of purposes, obligations, risks, and the ethical character of financial arrangements. The reviewed literature already connects women's financial knowledge, family finance, and Islamic principles. The present article builds on that work through a contextual synthesis rather than a claim of first integration.

The synthesis identifies practical considerations for budgeting, saving, debt, investment, and social expenditure. Across these domains, women's personal financial needs should remain visible alongside common household commitments. Financial education can use these considerations to connect ethical understanding with realistic planning tasks. Future empirical work can assess how such education supports informed decisions under different household conditions

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