

**ANALYSIS OF THE LEVEL OF SHARIA FINANCIAL LITERACY IN THE
COMMUNITY IN MODAYAG II MODAYAG DISTRICT, EAST BOLAANG
MONGONDOW REGENCY**

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ABSTRACT

This research aims to analyze the level of sharia financial literacy of the community in Modayag II Village, Modayag District, East Bolaang Mongondow Regency. Using research qualitative case study method through in-depth interviews. This research found that people's sharia financial literacy level is in the category '*Sufficient-Literate*' (Quite Literate). People have an understanding of sharia principles such as prohibitions usury, gharar, and maysir. They also have a positive attitude towards sharia finance, which is considered a way to gain blessings and show religious commitment, such as through payments zakat. However, this research too provide explanation there is a gap between knowledge and practice until most people still use conventional financial services more often. This is due to constraints on access to sharia services at the village level, which is a major barrier. This research concludes that even though people's attitudes and intentions are positive, control of perceived behavior (in this case, accessibility) is the main inhibiting factor. Therefore, this research recommends strategies to strengthen education and expand access to sharia financial services at the village level to help people turn their intentions and knowledge into concrete actions

Keywords: Sharia Financial Literacy, Community Literacy, Sharia Financial Services

INTRODUCTION

Sharia financial literacy is very important in the modern era because it encourages the management of property according to Islamic principles, such as justice and prohibition usury. Sharia economics is different from conventional; it is based on monotheism and aim to achieve benefit general, prohibiting usury, *gharar* (uncertainty), and *maysir* (gambling) that has the potential to cause inequality, as occurs in conventional bank interest systems. Islamic teachings, including verses from the Koran (QS Al-Furqan: 67, QS Al-Isra: 26) and Hadith, explicitly encourage financial planning proportional and preparation for future risks.

Nationally, there are significant gap between sharia and conventional finance. OJK data (2025) shows that the Sharia Financial Literacy Index is still in the range 39.11%-43.42%, far below conventional (65.43%-66.45%). Regionally, literacy levels in North Sulawesi (Sulut) only 3.12%, lower than national. The research focus is on Modayag Dua Village, East Bolaang Mongondow Regency, North Sulawesi. Even though this village has economic potential (agriculture/plantation), the community not yet fully understood and apply sharia principles in finance.

This research aims to do in-depth and comprehensive analysis for identify the level of understanding modayag Dua community towards sharia financial literacy. The results are expected to be achieved fill in information gaps at local level and become the basis recommendations for local governments and financial institutions to optimize the development of the sharia economy in the region.

Literacy generally refers to the ability to read and write. More broadly, literacy is defined as knowledge or skills possessed in a particular field, including the ability to process information for life skills. Finances defined as the science and art of money management, which includes various processes, institutions, markets and instruments involved in money transfer. Sharia are Islamic laws established by Allah to regulate the lives of Muslims, including the relationship between humans and God, humans and humans, and humans and nature. Sharia Financial Literacy is an understanding of matters relating to money and its management in life based on Islamic laws established by Allah.

The grand theory used in this research is Financial Literacy Theory (*Financial Literacy Theory*). This theory suggests that financial literacy is not just knowing, but also includes knowledge, attitudes and behavior that influence decisions. This theory is directly used to discuss three main research indicators: Knowledge (*Knowledge*): Understanding of sharia financial concepts, such as usury, *gharar*, and *maysir*. Attitude (*Attitude*): Trust and positive views towards blessing in sharia finance. Behavior (*Behavior*): Real actions taken, such as saving at a sharia bank or using a sharia pawnshop.

RESEARCH METHODS

This research uses qualitative approach with case study method to explore and describe phenomena in depth sharia financial literacy in the community of Modayag II Village. The main focus is analyzing gap between people's theoretical understanding of

sharia financial principles and their actual daily financial practices. This method is expected to provide a comprehensive picture of the level of sharia financial literacy measured by aspects Knowledge (knowledge), Skills (skills), Attitude (attitude), Confidence (belief), and Behavior (behavior).

Data collected through primary data (Observation and Interviews with the public and key figures) and secondary data (official literature and documents). The main instruments are interview guidelines which is structured based on sharia financial literacy indicators (Knowledge, Attitudes, Beliefs and Behavior). Data analysis is carried out systematically through three stages: Data Reduction, Data Presentation, and Withdrawal of Conclusions (model Miles and Huberman).

In this research using methods qualitative research with approach case study because this method is best suited to achieve the main objectives of your research, namely dig deep and comprehensive specific phenomena gap between understanding and behavior of sharia financial literacy in the people of Modayag II Village

RESULTS AND DISCUSSION

The results of research in Modayag II Village show that there are significant gap between the affective aspect (attitude/belief) and the practical aspect (behavior/skills) of society towards sharia finance. The majority of respondents (100%) have Very Positive Attitude and High Confidence will be a blessing in managing money according to sharia. The majority (8 out of 12) also have levels Knowledge good regarding basic principles such as usury. This indicates strong religious intentions and awareness. However, this intention is not always directly proportional to the action. Just 3 of 12 respondents who indicated Sharia Active Behavior (using a Sharia Pawnshop or saving at BSI). The rest (9 respondents) still showed it Mixed/informal Behavior (saving at a conventional bank, borrowing from relatives/parents). This gap is compounded by low Skills practically, where 9 respondents are at the 'Basic' level (not using the service). This gap is strongly suspected to be caused by access limitations physical towards sharia financial institutions in the village.

Figure 1

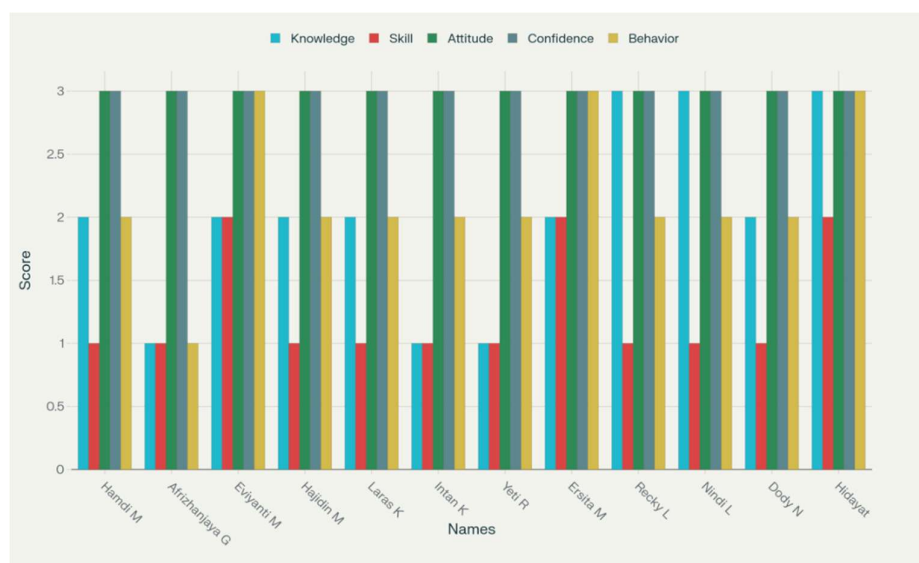


Figure 1. This diagram is a representation of a bar chart that displays the judgments of twelve individuals in five categories: Knowledge, Skills, Attitudes, Self-Confidence, and Behavior. The level or status of each individual in this category is visualized side by side for comparative analysis

Based on the results of in-depth interviews that have been conducted, it can be concluded that the level of sharia financial literacy of the people of Modayag II Village is in the 'Sufficient-Literate' or Quite Literate' category. The main findings of this study show that there is a significant gap between the knowledge aspects and the positive attitudes that people have with behavioral practices actual finances they run. Cognitively, most informants have demonstrated a general understanding of the basic principles of sharia finance, such as the prohibition of usury, gharar (obscurity), and maysir (gambling). They understand very well that sharia finance promotes the principles of profit sharing, fairness and blessings, which are very different from conventional systems.

On the affective and religious side, almost all people show a strong belief that managing finances according to sharia will bring blessings, which is reinforced by their high commitment to carrying out religious obligations, such as paying zakat through UPZ and donating. However, this high level of intention and awareness does not always manifest itself in concrete actions, resulting in behavioural inequalities. This is clear from the fact that many people still use conventional financial services to save and save funds, while sharia financial services have not been widely used, except for Sharia Pawnshops by a handful of informants.

This research found that accessibility is the main factor influencing low use of sharia financial services. Because sharia institutions are not yet directly available in villages, people tend to choose conventional services that are closer and easier to reach, in line with the findings of previous research by Yessi Nesneri et al. Besides access, research implies that the trust factor also strongly promotes real behaviour; if people are not fully convinced of sharia institutions, interest in using such services will not be realized, in line with the research implications of Sari et al. However, the great interest of the younger generation and highly educated people in switching to sharia services, as also supported by Khairatun Hisan et al., shows great potential for the development of sharia financial services in the future through education and expanded access.

Theoretically, the results of this interview can be analyzed using Ajzen's Theory of Planned Behavior, which explains that even though people have positive attitudes and supportive norms, their perceived behavioral control (perceived behavioral control) is low due to limited access. It is these limitations that prevent behavioral intentions from being fully realized. Apart from that, based on the OJK Financial Literacy Theory, the basic knowledge that has been formed needs to be improved in a more applicable direction, namely skills, so that people can make a real switch. Thus, this research functions as an authentic case study that underlines the urgency of preparing strategies to strengthen sharia financial education and expand service access to change positive attitudes in society into concrete actions consistent with Islamic economic principles.

CONCLUSION

Based on the results of an interview in Modayag II Village, the level of sharia financial literacy of the community is classified quite literate (Sufficient-Literate). They

understand basic principles such as prohibition of usury, gharar and maysir, and have positive attitude towards sharia finance. However, there are the gap between knowledge and practice, because most of them still use conventional services as a result limited access to sharia financial institutions. Therefore, it is necessary educational efforts and expansion of access to services sharia so that people can more easily switch and apply sharia financial principles in their daily lives.

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