AN ANALYSIS OF SHARIA ECONOMICS FROM GENERATION Z'S PERSPECTIVE: LACK OF INTEREST OR LOW LITERACY?

Siti Nuryani[1], Dinda Matofani[2], Adi Cahyadi[3] and Raden Ai Lutfi Hidayat[4]

[1)2)3)] Student in the Economic Education Study Program, Pamulang University, South Tangerang City, Indonesia
[4)] Lecture in the the Economic Education Study Program, Pamulang University, South Tangerang City, Indonesia

Abstract

Generation Z is a group or generation that grew up in the digital era with wide access to information and economic innovation. However, their interest in the sharia economy is still relatively low, due to the lack of sharia financial literacy, the perception that the sharia economy is less relevant to modern lifestyles, and the lack of attractive promotions for the younger generation. This research aims to identify the main factors that cause Gen Z's low interest and understanding of the Islamic economy, as well as provide solutions that can increase the literacy and attractiveness of Islamic financial products among them. Through a qualitative and quantitative approach, this study will explore how the integration of the Islamic economy in digital platforms, social media, and modern investment trends will be the main focus in the strategy to increase Gen Z participation. government and educators to increase Gen Z's understanding and participation in the sharia economy.

Key words: *Sharia Economics, Financial Literacy, Financial Education, Digital Innovation, Sharia Investment.*

Introduction

The sharia economy is an economic system based on moral principles and Islamic law, including justice, transparency, and the prohibition of riba, gharar, and masyir. Instruments such as Islamic banking, Islamic insurance, halal mutual funds, and sukuk have grown rapidly, especially in Indonesia as the country with the largest Muslim population in the world. The development of the sharia economy in Indonesia is also influenced by government policies that support the development of this sector. Several initiatives have been carried out, such as the establishment of Islamic financial institutions, the development of Islamic financial products, and the improvement of Islamic financial literacy among the public. However, there is a gap between institutional growth and the level of community participation, especially the younger generation. To overcome this, greater efforts are needed to increase Gen Z's interest and understanding of the sharia economy. Generation Z, a group or generation born in the mid-1990s to early 2010s, is known to be very adaptive to digital technology. Characteristics such as the desire to get information quickly, *Multitasking*and *Visual Learning* making them potential clients for digital-based financial services. However, research shows that Islamic financial literacy among Gen Z is still low. In Jember, for example, Islamic financial literacy also influences investment decisions, while motivation is not always significant. A similar thing happened in Mandau, where low literacy encourages Gen Z's lack of interest in sharia investment. Other factors are *Social Capital* and digital literacy that strengthens understanding of sharia economics. A study in Yogyakarta said that digital literacy and *Social Capital* In addition, educational programs such as animations have shown effectiveness in increasing Gen Z's understanding of the Islamic economy. However, Islamic financial literacy has not become a major part of the formal curriculum and is not exposed in social media channels that are widely used by Gen Z, so it has not been able to encourage interest in Islamic financial products. In line with a study conducted in Mataram, it was stated that religiosity is the main key to saving decisions in Islamic banks, while individual digital literacy has less significant impact without the support of spiritual values. In general, from these studies, it can be concluded that Gen Z has great potential as a segment of the sharia economic market, but it is estimated that lack of literacy, limited access to information, and a digital approach that is not optimal are the main obstacles. By understanding this reality, it is important for stakeholders such as financial institutions, educators, and regulators to design education and promotion strategies that are in line with the digital and indigo characteristics of Gen Z. This research aims to provide insight into the challenges and opportunities faced by the sharia economy in Indonesia, as well as how the younger generation can play a role in the development of this sector.

Methods

This study uses a mixed approach (*mixed methods)* namely qualitative approaches and quantitative approaches as well as through techniques *Purposive Sampling*. A qualitative approach is used to delve deeper into the perceptions, views, and obstacles felt by Gen Z in understanding and participating in the sharia economy. Meanwhile, the quantitative approach was carried out through the distribution of questionnaires with the Likert Scale to 41 Gen Z respondents (aged 18-25 years) who came from students of the Economics Education Study Program at Pamulang University, South Tangerang, Indonesia. The questionnaire consists of several statement indicators related to literacy, interest, social media, and involvement in Islamic financial products. Qualitative data were analyzed thematically, while quantitative data was analyzed using descriptive statistics. This research also conducts a literature study from accredited national journals to strengthen the analysis and discussion presented.

Table 1. Questionnaire Statement Indicator (Likert Scale)

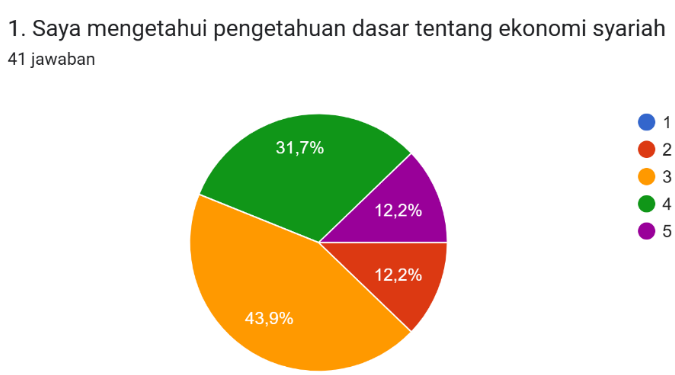
Indicators	Statement	Scale (1-5)
Literacy	I know the basic knowledge of sharia economics	1 – 5
Interest	I am interested in learning more about sharia economics	**1 – 5**
Social Media	I have seen sharia economic content on social media	**1 – 5**
Relevance	I feel that sharia economics is relevant to the needs of the younger generation	**1 – 5**
Participation	I have used sharia-based financial products	**1 – 5**

Source: Authors, 2025.

Based on the results of the questionnaire that will be distributed, each respondent is asked to read each statement carefully and give an answer that best suits their personal views. They don't have to feel right or wrong, as the answers reflect each individual's perceptions and experiences. The assessment scale starts from **1 (Strongly Disagree)** to **5 (Strongly Agree),** and each answer will be processed quantitatively to determine the average score and the respondents' tendency towards the Islamic economy. A high score indicates a good understanding and interest in sharia economics, while a low score indicates the opposite. The data from this questionnaire will then be classified to find out the perception patterns of the majority of Gen Z. The recapitulation table of the results of the questionnaire will be presented in the form of an average score per indicator, and compared between groups with a background in Islamic economic education and those who do not, the aim is to see differences in literacy and interest levels based on educational background or experience.

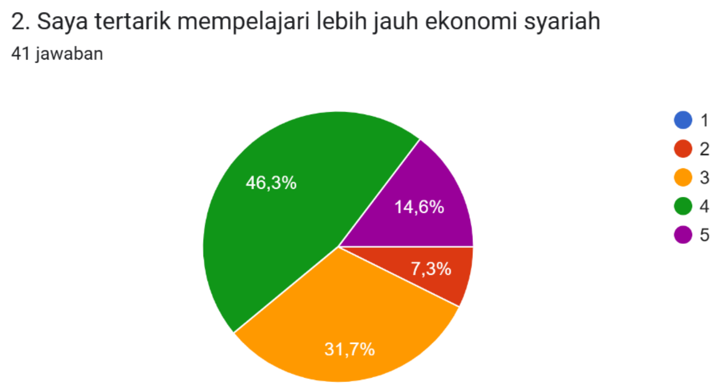
Results and Discussion

The results of the questionnaire that have been distributed to the respondents are the main basis for this discussion, with the aim of obtaining a deeper picture of the level of sharia economic literacy among Generation Z. The data obtained is expected to be able to reveal the extent of respondents' understanding of sharia economic principles and their potential involvement in supporting an economic system based on Islamic values. Based on the results of a questionnaire related to basic knowledge of Islamic economics filled out by 41 respondents, the following picture was obtained:



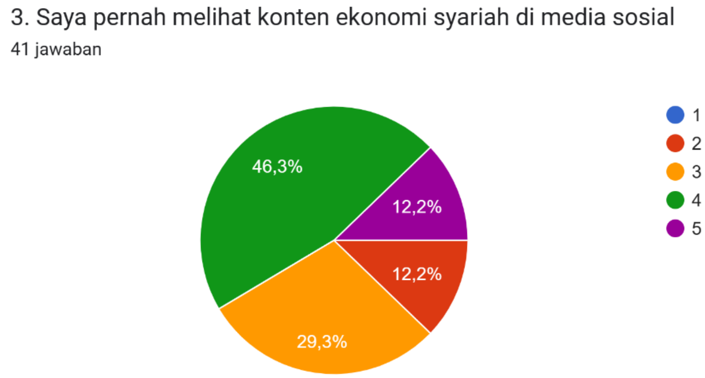
Graph 1. Literacy Indicators

None of the respondents claimed to have knowledge at level 1 (very unknowing). Most respondents (43.9%) rated themselves at level 3, or knew enough, while 31.7% were at level 4 (know well). Only 12.2% consider themselves to have a good understanding of sharia economics (level 5). This distribution shows that although Gen Z is starting to get acquainted with sharia economics, most are still at the stage of conceptual understanding and have not been fully engaged practically. These findings strengthen the suspicion that low literacy is one of the main inhibiting factors in increasing the interest and involvement of the younger generation in the sharia economic system. Therefore, there is a need for a more inclusive and applicable educational approach to increase knowledge while encouraging real participation.



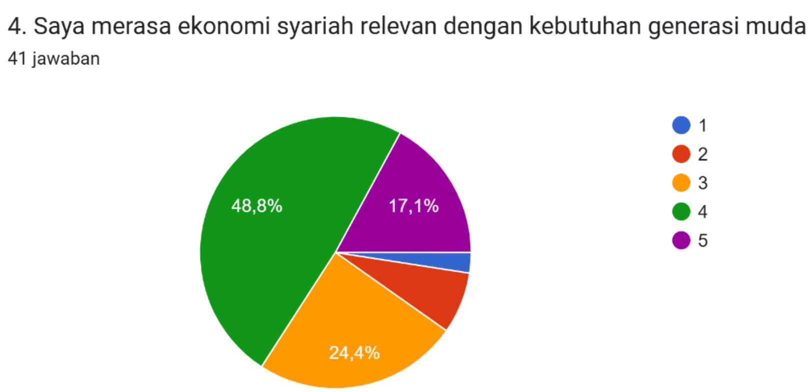
Graph 2. Indicators Of Interest

The results of the questionnaire submitted to 41 respondents regarding their interest in learning more about sharia economics showed a fairly positive trend, although it has not reached the very high category. Most respondents (46.3%) showed a fairly high interest by choosing level 4, followed by 31.7% of respondents who were at level 3, namely moderate interest. Only 14.6% of respondents stated that they were very interested (level 5), while the other 7.3% showed low interest (level 2). Interestingly, none of the respondents chose level 1, which means no one expressed any interest at all. This data reflects that interest in the sharia economy among Gen Z has begun to take shape, but the majority are still in the early curiosity stage and are not yet fully motivated to delve into it seriously. Therefore, an educational approach that touches more of their daily context is needed so that this interest can grow into active participation and a deeper understanding of Islamic economic values.



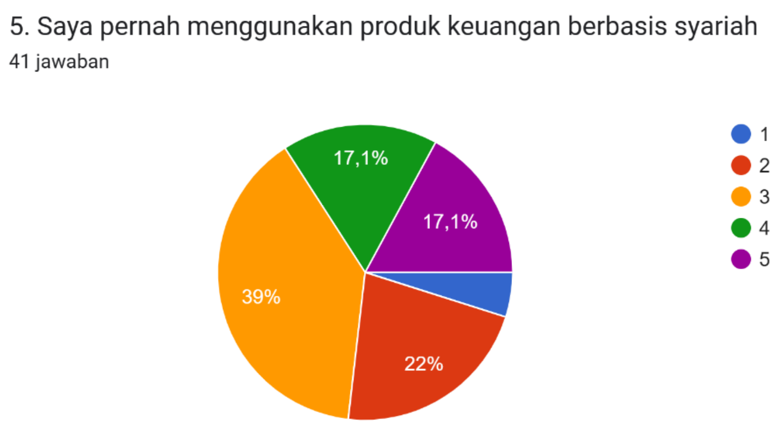
Graph 3. Social Media Indicators

Data from 41 respondents showed that most Gen Z had been exposed to sharia economic content on social media, albeit with varying intensities. As many as 46.3% of respondents were at a level indicating that they saw the content quite often, while 29.3% of respondents showed a moderate level of exposure. The rest, which is 24.4%, is spread at low to very low levels, which indicates that some Gen Z still do not have much contact with sharia economic issues on digital platforms. These findings affirm the importance of optimizing social media as a strategic channel in the dissemination of sharia economic education. Improving the quality and appeal of content can be key to expanding reach and fostering greater interest among younger generations.



Graph 4. Relevance Indicators

The results of the questionnaire related to the statement "I feel that sharia economics is relevant to the needs of the younger generation" showed a positive trend among respondents. As many as 17.4% of respondents said they strongly agreed and 48.8% said they agreed, so that the majority, namely 66.2%, showed an affirmative attitude towards the relevance of the sharia economy. However, there are still 24.4% who are neutral, indicating that there is doubt or lack of a deep understanding of the application of sharia economics in the context of their lives. Meanwhile, the group that expressed disagreement and strongly disagreed was relatively small, with a total of 9.7%. These findings reflect that although the sharia economy has begun to be understood as a potential system, it is necessary to strengthen perception and understanding through contextual and grounded education, so that Islamic values in the economic field feel closer and relevant to the daily lives of the younger generation.



Graph 5. Participation Indicators

The data obtained shows that the level of involvement of Gen Z in the use of Islamic financial products is still relatively low. The results of the questionnaire regarding the statement "I have used sharia-based financial products" show that most Gen Z has not been actively involved in Islamic finance practices. As many as 39% of respondents were at level 2, which indicates that they rarely or almost never use Islamic financial products. Meanwhile, 22% stated that they had used it occasionally (level 3), and 17.1% of respondents were at level 4 and level 5, respectively, which means that they have used the product quite often or very often. Meanwhile, 4.9% of respondents stated that they had never (level 1). These findings reflect that although there is a growing level of literacy and interest, the practical application of the Islamic economy in the form of the use of financial products is still relatively limited. Factors such as access to services, preference for conventional products, and lack of financial literacy based on Islamic values can be the cause of this low engagement. Therefore, an educational strategy that emphasizes the practical benefits and ease of access to Islamic financial products is needed to encourage increased use among the younger generation.

Conclusion

Based on the results of this study, it can be concluded that the level of literacy and interest of Gen Z in the sharia economy is still in a position that has enough potential to continue to be developed. The majority of respondents already have a basic understanding of the concept of sharia economics, but it is still limited to the conceptual level. The interest in learning more is also quite high, although it has not been fully supported by involvement in real practices such as the use of Islamic finance products. Social media has proven to play an important role as a channel for disseminating information, with most respondents claiming to have seen sharia economic content, although the intensity is not yet massive. The view on the relevance of sharia economics to the needs of the younger generation tends to be positive, but there is still a group that is neutral and unsure of its applicability. This is also reflected in the low direct use of Islamic financial products among respondents. In general, this study shows that the sharia economy has not been fully part of the financial awareness and practice of Gen Z. Therefore, an educational approach that is communicative, contextual, and integrated with media that is familiar to them is needed, so that the understanding, interest, and participation in the sharia economy is strengthened and sustainable. The suggestions in this study include: (1) Islamic financial institutions and regulators such as OJK and BI need to develop Islamic financial literacy programs that are more adaptive to the characteristics of Gen Z, using a digital approach and *Visual Learning*; (2) Higher education institutions can integrate sharia economics modules into general economics courses; (3) Muslim influencers and content creators should be involved in sharia economic literacy campaigns that are packaged in an attractive and contemporary manner; (4) It is necessary to develop gamification-based applications for sharia investment simulations that are easily accessible to students and students; and (5) Collaboration between Islamic finance industry players and the youth community needs to be intensified in the form of events, webinars, competitions, or training to create fun and meaningful learning experiences. If these efforts are carried out consistently and in a structured manner, Gen Z's literacy and interest in the sharia economy will not only increase, but also be able to give birth to a generation that is spiritually and financially empowered and makes a real contribution to the development of the national economy based on Islamic values.

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