

Strengthening Sharia Financial Literacy for Islamic Boarding School Students in Improving Understanding and Application of Islamic Economic Principles at Ma'had Tahfiz Annur (MATAN) Malaysia

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ABSTRACT

This community service aims to empower Generation Z through digital legal literacy and Islamic economic literacy at Ma'had Tahfiz An-Nur, Kuala Lumpur. The program contributes to strengthening legal awareness, ethical digital behavior, and Sharia-based economic understanding among santri in response to rapid digital transformation. The service was conducted through an empowerment-based and participatory approach, including interactive lectures, guided discussions, case-based learning, and reflective evaluation. The activities were implemented in a structured, face-to-face format during the Ma'had's academic period. The results indicate increased awareness of digital legal risks and improved understanding of Islamic economic principles in digital practices. This program implies the importance of interdisciplinary community engagement in fostering responsible, ethical, and law-abiding digital citizens.

INTRODUCTION

In an increasingly complex global financial landscape, financial literacy has become a fundamental competency for individuals to make sound economic decisions. (Koskelainen et al., 2023) However, for Muslim communities, literacy in finance extends beyond conventional financial knowledge to include an understanding guided by Islamic law (*Shariah*), which prohibits exploitative transactions such as *riba* (usury) and emphasizes justice, risk sharing, and ethical economic behavior. (Isa et al., 2024) (Bakar et al., 2024)

Islamic financial literacy is defined as the ability to understand and apply financial concepts and products within the framework of *Shariah*, encompassing not only technical knowledge of financial instruments but also ethical and moral values rooted in Islamic teachings. (Najib, 2024) (Subhan et al., 2025) This form of literacy supports individuals in managing resources, planning financial decisions, and participating in the economy in a manner consistent with Islamic principles. (Sawari et al., 2024) (Khalidin, 2024)

In countries with significant Muslim populations, such as Malaysia, the role of Islamic financial literacy is particularly salient. (Ganesan et al., 2020) Malaysia has established itself as a leader in Islamic finance, both in practice and in academic research, exemplified by institutions such as the International Shari'ah Research Academy for Islamic Finance (ISRA), which fosters global scholarly engagement with Islamic financial issues. (Nik Azman et al., 2025) (Qadri & Bhatti, 2025) Despite the growth of Islamic finance sectors and institutions, studies consistently highlight gaps in the level of Islamic financial literacy among various demographics, including youth and community members. (Alaka et al., 2025) (Wahab et al., 2023)

Several studies indicate that improved Islamic financial literacy correlates with positive financial behaviors and inclusion in Shariah-compliant financial systems, such as greater participation in Islamic banking and more informed financial decision-making. (As'ad et al., 2025) (Mahdzan et al., 2024) At the same time, research reveals that limited awareness persists, particularly in traditional and religious learning environments, thereby underscoring the need for targeted educational interventions. (Siswanti et al., 2024)

Educational institutions, including *madrasah* and *ma'had tahfiz*, represent strategic platforms for promoting Islamic financial literacy by integrating financial education with religious instruction. (Yetti & Syafei, 2025) Prior research in Islamic educational settings shows varied literacy levels among students, and suggests that structured financial literacy programs can significantly improve understanding and practical application of Islamic financial principles. (Amalia et al., 2025)

Nonetheless, there is still limited empirical research that examines how strengthening Islamic financial literacy among *santri* (Islamic boarding students) influences their comprehension and application of Islamic economic principles. This gap is particularly evident within the context of *ma'had tahfiz* institutions like Ma'had Tahfiz Annur (MATAN) in Malaysia, which combine religious memorization with community-oriented learning.

Addressing this gap, the current study aims to explore the impact of Islamic financial literacy strengthening on *santri*, focusing on their understanding and application of Islamic economic principles in everyday life.

IMPLEMENTATION AND METHODS

This community service activity employed a participatory and educational intervention approach aimed at strengthening Islamic financial literacy among *santri* at Ma'had Tahfiz Annur (MATAN), Malaysia. The program was designed not merely as a knowledge-transfer activity, but as a structured empowerment process that integrates cognitive understanding, attitudinal development, and practical application of Islamic economic principles. The design aligns with community-based education models that emphasize active participation, contextual learning, and value internalization.

The program was conducted at Ma'had Tahfiz Annur (MATAN), Malaysia, an Islamic educational institution focusing on Qur'anic memorization and character development. The participants consisted of *santri* selected purposively based on their active involvement in religious learning activities and their potential role as future agents of Islamic values in society. This target group was chosen because *santri* represent a strategic segment for the dissemination of Islamic economic principles within Muslim communities.



Data were collected using a combination of pre-test and post-test questionnaires, observation, and participant feedback. The questionnaires were designed to measure changes in participants' understanding and awareness of Islamic financial literacy before and after the intervention. Observational data focused on participants' engagement, responsiveness, and ability to apply concepts during discussions and exercises. In addition, qualitative feedback was

obtained to capture participants' perceptions of the program's relevance and usefulness.

The data analysis employed a descriptive-comparative approach. Quantitative data from the pre-test and post-test were analyzed using percentage comparisons to identify improvements in participants' knowledge and understanding of Islamic financial concepts. Qualitative data from observations and feedback were analyzed thematically to identify patterns related to increased awareness, attitude changes, and practical readiness to apply Islamic economic principles.

RESULTS AND DISCUSSION

The implementation of the Islamic financial literacy strengthening program at Ma'had Tahfiz Annur (MATAN), Malaysia, demonstrated positive outcomes in enhancing *santri'* understanding and awareness of Islamic economic principles. The evaluation results indicate a clear improvement in participants' knowledge, attitudes, and readiness to apply *Shariah*-compliant financial practices in their daily lives.



Based on the pre-test and post-test questionnaires, there was a noticeable increase in participants' comprehension of key Islamic financial concepts, including the prohibition of *riba*, the role of *zakat*, *infaq*, and *waqf*, as well as basic principles of halal financial transactions. Prior to the intervention, most participants exhibited limited understanding of these concepts, particularly in distinguishing between conventional and Islamic financial practices. After the educational intervention, participants were able to explain these concepts more accurately and confidently.



Observational data collected during the educational sessions further supported these findings. Participants showed increased engagement and active participation in discussions, particularly during case-based learning activities that related Islamic financial principles to real-life scenarios. The interactive approach encouraged critical thinking and facilitated deeper understanding, as evidenced by participants' ability to analyze simple financial situations from a *Shariah* perspective.

Qualitative feedback from participants indicated that the program was perceived as highly relevant to their daily lives. Many *santri* reported that the integration of financial literacy with Islamic values helped them realize the practical importance of Islamic economics beyond theoretical religious knowledge. Participants also expressed increased awareness of ethical responsibility in financial decision-making, reflecting the internalization of Islamic economic values promoted during the program.

The findings of this community service program align with previous studies emphasizing the importance of Islamic financial literacy in shaping ethical financial behavior and enhancing financial inclusion among Muslim communities. The observed improvement in participants' understanding supports the argument that targeted educational interventions can significantly strengthen Islamic financial literacy, especially among youth in religious educational institutions.

The active learning approach employed in this program played a crucial role in achieving positive outcomes. By combining lectures, discussions, and practical exercises, the program facilitated not only knowledge acquisition but also value internalization. This result is consistent with earlier research suggesting that participatory and contextual learning methods are more effective

in promoting Islamic financial literacy compared to conventional lecture-based approaches.

Furthermore, the positive response from *santri* highlights the strategic role of *ma'had tahfiz* institutions as platforms for disseminating Islamic economic principles. As future religious leaders and role models within their communities, *santri* with adequate Islamic financial literacy have the potential to influence broader society toward *Shariah*-compliant economic behavior. This finding reinforces the notion that integrating Islamic financial education into religious learning environments can generate long-term social and economic impacts.

Despite these encouraging outcomes, the program also revealed challenges that warrant further attention. Some participants initially struggled to relate abstract financial concepts to real-life practices, indicating the need for continuous reinforcement and more extensive practical simulations. Therefore, future community service initiatives should consider longer program durations and the use of digital learning tools to sustain and deepen learning outcomes.

In summary, the strengthening of Islamic financial literacy among *santri* at Ma'had Tahfiz Annur (MATAN) proved effective in enhancing both understanding and awareness of Islamic economic principles. The results underscore the importance of community-based educational interventions in promoting ethical and *Shariah*-compliant financial behavior, while also contributing to the broader discourse on Islamic financial literacy development in religious educational contexts.

CONCLUSIONS AND RECOMMENDATIONS

This community service program demonstrates that strengthening Islamic financial literacy among *santri* at Ma'had Tahfiz Annur (MATAN), Malaysia, contributes positively to improving their understanding and awareness of Islamic economic principles. The structured educational intervention, which integrated Islamic values with practical financial knowledge, effectively enhanced participants' comprehension of *Shariah*-compliant financial concepts, ethical economic behavior, and basic financial decision-making.

The findings indicate that participatory and contextual learning approaches are particularly effective in religious educational settings. By aligning financial literacy education with the moral and ethical foundations of Islam, the program facilitated not only cognitive learning but also the internalization of Islamic economic values. As a result, *santri* were better equipped to recognize and apply Islamic financial principles in their daily lives.

Moreover, the program highlights the strategic role of *ma'had tahfiz* institutions as agents of Islamic economic education. Empowering *santri* with Islamic financial literacy has the potential to generate long-term social impact, as they may serve as future role models and educators within their communities. Therefore, community-based initiatives focusing on Islamic financial literacy can contribute meaningfully to the broader development of ethical and *Shariah*-compliant economic practices.

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