

# Religiosity and Islamic Financial Literacy in Gen-Z's Islamic Bank Saving

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## ABSTRAK

*Tujuan penelitian ini adalah untuk mengetahui pengaruh religiusitas dan literasi keuangan syariah terhadap minat Gen Z berupa mahasiswa UMY dalam menabung di bank syariah. Pemilihan GenZ dikarenakan berada pada masa produktif sehingga memiliki potensi besar dalam mendorong pertumbuhan ekonomi nasional beberapa tahun kedepan. Populasi dalam penelitian ini adalah Mahasiswa UMY tingkat strata 1 yang termasuk dalam kategori Gen Z atau Gen Z, beragama Islam serta belum menabung di bank syariah. Metode penelitian menggunakan metode kuantitatif. Analisis data dilakukan dengan menggunakan alat bantu software SPSS versi 24. Hasil yang diperoleh dalam penelitian ini menunjukkan bahwa religiusitas berpengaruh positif dan signifikan terhadap minat Gen Z menabung di bank syariah dan literasi keuangan syariah berpengaruh positif dan signifikan terhadap minat Gen Z menabung di bank syariah. Kemudian religiusitas dan literasi keuangan syariah secara bersama-sama (simultan) berpengaruh terhadap minat Gen Z menabung di bank syariah. Penelitian ini berdampak pada dorongan peningkatan religiusitas dan literasi keuangan syariah untuk mendorong minat Gen-Z menabung di Bank Syariah*

*Kata Kunci: Religiusitas, Literasi Keuangan Syariah, Perilaku Konsumtif*

## ABSTRACT

*The purpose of this study is to determine the influence of religiosity and Islamic financial literacy on the interest of Gen Z in the form of UMY students in saving in Islamic banks. The election of GenZ is because it is in a productive period, so it has great potential to encourage national economic growth in the next few years. The population in this study is UMY students at strata 1 level who are included in the category of Gen Z or Gen Z, are Muslims, and have not saved in Islamic banks. The research method uses quantitative methods. Data analysis was carried out using SPSS version 24 software tools. The results obtained in this study show that religiosity has a positive and significant effect on Gen Z's interest in saving in Islamic banks, and Islamic financial literacy has a positive and significant effect on Gen Z's interest in saving in Islamic banks. Then, religiosity and Islamic financial literacy (simultaneously) affect Gen Z's interest in saving in Islamic banks. This research has an impact on encouraging the increase of religiosity and Islamic financial literacy to encourage Gen-Z's interest in saving in Islamic Banks.*

*Keywords: Religiosity, Sharia Financial Literacy, Gen Z, Consumer Behaviour.*

## INTRODUCTION

The Royal Islamic Strategic Centre (RISSC) in 2023 crowns Indonesia as one of the countries with the largest Muslim population in the world, which is 240.62 million people (1). In addition, according to the State of the Global Islamic Economic Report, 2023-2024, Indonesia ranks third in the world in Islamic economic and financial development. Indonesia is ranked in the top 10 in almost all fields: Islamic financial services, fashion, pharmaceuticals and

cosmetics, media and entertainment, and halal food and beverages (2). The potential of the Indonesian population, which is the majority of Muslims, can optimize the potential of the Islamic economy and finance, especially in Islamic banking. However, this potential has not been optimized, as seen from the low literacy and inclusion of Islamic finance in Indonesia.

The Central Statistics Agency (BPS) stated that 87.2% of Indonesia's population is Muslim (3). This condition should make people more

interested in Islamic banking products and services. However, many people still have not used Islamic banking as a means of daily transactions and prefer the products and services of conventional financial institutions whose transactions contain *riba*. *Riba* is prohibited in the Qur'an, surah Ali Imron verse 130 (4).

According to the Financial Services Authority (OJK), In 2023, Islamic banking will show its resilience and ability to grow well, as seen from the development of total assets, which reached Rp. 892.17 trillion or an increase of 11.21% (YoY). However, the increase in assets has not been able to optimize the expansion of the market share of Islamic banking, which has only reached 7.44%. Low market share This is due to several factors, namely the lack of financial education, especially Islamic financial literacy. (5).

Market share is the market share controlled by a company or the percentage of its sales to the total sales of all its most significant competitors at a given time and place. A market share of 7.44% is still categorized as very low for Islamic banking, which is in the middle of a Muslim-majority population. If the market share is still low, Indonesian people's interest in using Islamic banking products and services is still lacking (6). The many variants of Islamic banking products will ideally attract the interest of the Muslim community to transact in Islamic banking (7). One of the ways to encourage the development of Islamic banking is by increasing literacy (8,9). Literacy will increase

public interest (10–12) and marketability, boosting Islamic banking profits and assets (13).

The Central Statistics Agency (BPS) divides Indonesian people into six generations: Pra-Boomer (born before 1945), Baby Boomers those born between 1946 and 1964; Generation X was born between 1965 and 1980; Millennials were born between 1981 and 1996; Generation Z was born between 1997 and 2012; and Post Generation Z born in 2013 until now (2).

Universitas Muhammadiyah Yogyakarta (UMY) is one of the best private universities in Indonesia. It has achieved the best private university in Yogyakarta with "Excellent" accreditation that applies Islamic values to student activities. UMY has thousands of students who are categorized as Generation Z or Gen Z. Gen Z, at this time, is a productive age that has the potential to accelerate economic growth (2). The younger generation with good financial knowledge will increase their literacy (14) to avoid negative behaviour in financial management (15,16). Students are part of the community with better understanding and insight into Islamic finance and are known as agents of change. Students are required to set an example and are expected to be able to apply and disseminate knowledge to the community.

Universities with a significant or study program in Sharia Economics have knowledge and understanding of economics based on Islamic law, one of which is about Islamic banking. Learning Sharia economics is explained in detail

related to Sharia banking, which concerns the definition, legal basis, theories, and their application to daily life. It is hoped that students can master it well and be able to practice it in daily activities. In addition, students are expected to be able to educate the public from various backgrounds about Islamic banking products and services (17,18) so that it plays a significant role in the development of Sharia Banking in Indonesia (19,20).

As one of the countries with the largest Muslim population in the world, Indonesian society is known for its aspect of Religiosity. Religiosity is one of the characteristics that can encourage people's desire to make decisions (21,22), such as saving at Islamic financial institutions (23). This is reinforced by research (24) which revealed that Religiosity is essential in increasing interest in Islamic banking products and services (25).

Religiosity is a religious activity that occurs not only when a person performs ritual behavior (worship) but also when doing other activities motivated by supernatural influences. This refers to the invisible deeds that can be seen with the naked eye and the invisible activities that occur in a person's heart (4). Religiosity partially has a positive effect on interest in saving. The results of *t* calculation 4.498 and significant  $0.000 > 0.05$  (26). This is not in line with the findings (27). With the value of *p-value*, the regression coefficient is 0.138 (greater than 0.05), and the *t*-count value of 1.498 is greater than the *t*-table 1.990, so Religiosity does not have a significant effect on the interest in saving

in Islamic banks. The differences revealed by these two studies show that Religiosity and interest in saving in Islamic banking require further investigation.

The results of the National Survey on Financial Literacy and Inclusion (SNLIK) conducted by the OJK and BPS in 2024 show that Indonesia's Islamic financial literacy index is relatively low, namely only 39.11%, while conventional financial literacy has reached 65.08%. The Islamic financial inclusion index is 12.88%, while the conventional financial inclusion index is 73.55%(28). This data shows that the Islamic financial literacy index is lower than the conventional one. Many people do not comprehensively understand Islamic financial products and services. Increasing Islamic financial literacy can attract Gen Z's interest in saving at Islamic banks (2). In addition, from previous research, there is still a gap: Islamic financial literacy affects interest in saving at Islamic banks (2). However, some researchers say financial literacy does not affect interest in saving in Islamic banks (29). This suggests that there is a gap to conduct further research.

The purpose of this study is to find out if Religiosity has a positive and significant effect on Gen Z's interest in saving in Islamic banks, To find out whether Islamic financial literacy has a positive and significant impact on Gen Z's interest in saving in Islamic banks, To find out that Religiosity and Islamic financial literacy together (simultaneously) have a positive and significant effect on Gen Z's interest in saving in Islamic banks.

Theory of planned Behavior is a theory used to explain the relationship between attitudes and behaviors in humans and predict how individuals behave based on the background of each individual (30). Define theory of planned behavior as a valid theoretical model for understanding the effects of several variables, such as personal abilities and personality traits (31). Human behavior is proven through three types of considerations according to this theory, namely, behavioral beliefs related to possible consequences or other responses to behavior, beliefs from others and the motivation to agree to expectations based on normative beliefs, control beliefs regarding the emergence of other aspects that may be further transverse from behavior (32).

Religiosity is a religious activity that occurs not only when a person performs ritual behavior (worship) but also when doing other activities driven by supernatural influences. It relates to activities that are visible and visible to the eyes, as well as activities that are visible and occur in a person's heart (4). Religiosity refers to the characteristics of religion that a person holds firmly in his heart. Religiosity refers to adherence to a belief system and incorporating its principles into decision-making (26). five indicators can measure the level of Religiosity in a person, namely beliefs, religious practices, experiences, religious knowledge, and consequences (29).

Islamic financial literacy refers to a person's information, understanding, and knowledge of Islamic economics, finance, and banking, as

well as their ability to distinguish between the Islamic financial system and the conventional financial system and make the best financial decisions based on their literacy level (2). Islamic financial literacy is the understanding of Islamic finance, namely knowing Islamic financial products and services well and the difference between Islamic and conventional banks. It can also influence individual behavior in deciding matters related to the economy based on sharia principles (33). Islamic financial literacy has four indicators: knowledge, ability, attitude, and trust (33).

Interest is a sense of preference and interest in something or activity without anyone telling you to do it (4). Interest is the attitude of a person with a strong desire and willingness to achieve something to achieve a goal (2). Interest in saving is a desire that is driven to create satisfaction (utility) by attaching importance to the saving component, namely to increase the wealth inherited by the heirs, to be in case of future uncertainty, and for postponed consumption (24). Three factors underlie the emergence of interest: the motivation factor in the individual, the social motive factor, and the emotional factor (34).

Gale Born between 1997 and 2012, this generation has never known life without technology or the internet. The main characteristic of Gen Z is that they prefer quick gratification and rely heavily on the internet and technology as they grow up with technology. Therefore, to improve the reading culture in Gen Z, methods that align with Gen Z's daily

routine are applied, precisely an approach based on internet technology and social media marketing (2).

## METHODS

The researcher will use the quantitative method. The quantitative research method is based on the philosophy of positivism, which is used to study a specific population or sample by collecting data using research instruments and analyzing quantitative/ statistical data to test hypotheses that have been prepared (35). The type of research used by the researcher in this study is associative.

The data collection technique used in this study is a questionnaire. In this study, the scale used is the Likert Scale using the following six-point score scale: (1) strongly disagree, (2) disagree, (3) disagree, (4) moderate, (5) agree, (6) strongly agree.

The population in this study is UMY students at the strata 1 level, which totals 25,042 students. The samples in this study were obtained by as many as 107 using a non-probability sampling technique with purposive sampling.

The data analysis in this study begins with collecting and processing data obtained from the questionnaire using a Likert scale, which is then tested for validity, reliability, and normality. A classical assumption test was also carried out. After that, the data processing results were further analyzed to answer the research objectives using multiple linear regression analysis. The data analysis in this study was assisted by the SPSS version 24 program.

## RESULTS AND DISCUSSION

Analysis of research data based on validity tests and reliability tests as listed in Table 1:

**Table 1: Validity Test of Religiosity Variables (X1)**

Statement Items	Correlation	r standard	Information
X11	0.365	0.30	Valid
X12	0.314	0.30	Valid
X13	0.545	0.30	Valid
X14	0.820	0.30	Valid
X15	0.832	0.30	Valid
X16	0.363	0.30	Valid
X17	0.736	0.30	Valid
X18	0.785	0.30	Valid
X19	0.652	0.30	Valid
X110	0.841	0.30	Valid
X111	0.369	0.30	Valid
X112	0.852	0.30	Valid
X113	0.674	0.30	Valid

Source: Data Processing Results, 2024

The results of the research data analysis based on the validity test and reliability test are shown in Table 1, and all statement items have a

correlation value that is greater than ( $>$ ) the standard validity ( $r$  standard = 0.30). The correlation value ranges from 0.314 to 0.852,

indicating that all items meet the validity criteria. The significant correlation value of most items shows that the research instrument has a good potential for realism to measure

realism. Although there are items with low correlation, the overall instrument can be used for further analysis.

**Table 2: Validity Test of Sharia Financial Literacy Variables (X2)**

Statement Items	Correlation	r Standard	Information
X21	0.715	0.30	Valid
X22	0.724	0.30	Valid
X23	0.744	0.30	Valid
X24	0.729	0.30	Valid
X25	0.427	0.30	Valid
X26	0.823	0.30	Valid
X27	0.795	0.30	Valid
X28	0.815	0.30	Valid
X29	0.383	0.30	Valid
X210	0.710	0.30	Valid
X211	0.676	0.30	Valid
X212	0.702	0.30	Valid
X213	0.602	0.30	Valid
X214	0.724	0.30	Valid

Source: Data Processing Results, 2024

Table 2 shows that all statement items (X21 to X214) have correlation values above the validity standard ( $r$  standard = 0.30), ranging from 0.383 to 0.823. All items in this variable

are conditionally valid, because the correlation value of each is  $> 0.30$ . This shows that all items are valid and can measure the intended construct consistently.

**Table 3: Validity Test of Saving Interest Variable (Y)**

Statement Items	Correlation	Mr	Information
Y1	0.810	0.30	Valid
Y2	0.824	0.30	Valid
Y3	0.866	0.30	Valid
Y4	0.794	0.30	Valid
Y5	0.812	0.30	Valid
Y6	0.596	0.30	Valid
Y7	0.823	0.30	Valid
Y8	0.882	0.30	Valid
Y9	0.823	0.30	Valid

Source: Data Processing Results, 2024

The results of the Validity Test of Saving Interest Variable (Y) in Table 3 show that all statement items (Y1 to Y9) have correlation values that far exceed the standard validity limit ( $Mr = 0.30$ ), ranging from 0.596 to 0.882. The

dominant high correlation ( $> 0.80$ ) indicates that this scale is consistent and reliable for use in research. All items are declared valid and consistently measure saving interest (Saving Interest, Y).

**Table 4: Output Results of the Religiosity Reliability Test**

<i>Reliability Statistics</i>	
<b>Cronbach's Alpha</b>	<b>N of Items</b>
.884	13

Source: SPSS Output Results, 2024

The Output Results of the Religiosity Reliability Test in Table 4 show that all statement items (Y1 to Y9) have correlation values that far exceed the standard validity limit (Mr = 0.30), ranging from 0.596 to 0.882. The

dominant high correlation ( $> 0.80$ ) indicates that this scale is consistent and reliable for use in research. All items are declared valid and consistently measure savings interest (Saving Interest, Y).

**Table 5: Sharia Financial Literacy Reliability Test**

<i>Reliability Statistics</i>	
<b>Cronbach's Alpha</b>	<b>N of Items</b>
.915	18

Source: SPSS Output Results, 2024

The results of the Sharia Financial Literacy Reliability Test in Table 5 show a Cronbach Alpha value of 0.915, indicating that the instrument's reliability is very high (excellent reliability). The instrument consists of 18 items that collectively contribute to strong internal

consistency. An Alpha value  $>0.90$  indicates that the participant's response pattern is consistent between items. The instrument can measure the same construct with high precision, even if retested.

**Table 6: Reliability Test of Saving Interest**

<i>Reliability Statistics</i>	
<b>Cronbach's Alpha</b>	<b>N of Items</b>
.928	9

Source: SPSS Output Results, 2024

The results of the Reliability Test of Saving Interest in table 6 show that this value far exceeds the minimum threshold ( $> 0.70$ ), which indicates strong internal consistency. With an Alpha of 0.928, this instrument is reliable and can be used for decision making or advanced analysis without hesitation. This instrument consists of 9 items that collectively contribute to high reliability. This saving interest measurement instrument meets the reliability standards and is included in the excellent category (Alpha  $> 0.90$ ). The study can be continued with a very high level of confidence.

The results of the Linearity Test of Religiosity calculation in Table 7 show that the F value = 183.998 with p-value = 0.000 ( $p < 0.05$ ) indicates that there is a significant linear relationship between the Religiosity variable (X) and Savings Interest (Y). The Sum of Squares (Linearity) = 4350.889 is greater than the linearity deviation, indicating that the relationship pattern tends to be linear. The F value = 1.704 with p-value = 0.030 ( $p < 0.05$ ) shows a slight linearity deviation but is not strong enough to ignore the central linear relationship. Therefore, data transformation is

carried out. After data transformation for Religiosity, the following results were obtained.

**Table 7: Linearity Test of Religiosity**

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Mr.
Interest in Saving * Religiosity	Between Groups	(Combined)	5720.697	35	163.448	6.912	.000
		Linearity	4350.889	1	4350.889	183.998	.000
		Deviation from Linearity	1369.808	34	40.288	1.704	.030
	Within Groups		1678.892	71	23.646		
	Total		7399.589	106			

Source: Data Processing Results, 2024

**Table 8: Linearity Test Transform Religiosity (Rel\_Baru)**

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Mr.
Interest in Saving * Rel_Baru	Between Groups	(Combined)	4521.475	8	565.184	19.245	.000
		Linearity	4184.912	1	4184.912	142.497	.000
		Deviation from Linearity	336.563	7	48.080	1.637	.134
	Within Groups		2878.114	98	29.369		
	Total		7399.589	106			

Source: Data Processing Results, 2024

The calculation results of the Linearity Test Transform Religiosity (Rel\_Baru) in Table 8 show an F value of 142.497 with a p-value of 0.000 ( $p < 0.01$ ), indicating a very significant linear relationship between the transformation of the religiosity variable (Rel\_Baru) and interest in saving. The transformation of religiosity (Rel\_Baru) has a strong and pure linear effect on interest in saving without

significant deviations. Data transformation successfully improved the linearity of the relationship compared to previous results (Table 7). The deviation from linearity that was previously significant ( $p = 0.030$ ) is now not significant ( $p = 0.134$ ). Data transformation (New\_Rel) may have improved the distribution or hidden non-linear relationships.

**Table 9: Sharia Financial Literacy Linearity Test**

ANOVA Table							
		Sum of Squares	df	Mean Square	F	Mr.	
Interest in Saving * Islamic Financial Literacy	Between Groups	(Combined)	5558.874	33	168.451	6.681	.000
		Linearity	4833.467	1	4833.467	191.688	.000
		Deviation from Linearity	725.407	32	22.669	.899	.622
	Within Groups		1840.714	73	25.215		
	Total		7399.589	106			

Source: Data Processing Results, 2024

The results of the Sharia Financial Literacy Linearity Test calculation in Table 9 show that

$F = 191.688$  with a p-value = 0.000 ( $p < 0.01$ ) indicates a significant linear relationship



between Islamic financial literacy and interest in saving. The Sum of Squares (Linearity) = 4833.467 dominates the model (87% of the total variation explained), indicating a strong and consistent relationship pattern. Islamic financial literacy has a significant positive linear effect

on interest in saving. Every increase in Islamic financial literacy tends to be followed by a proportional increase in interest in saving. The results of the deviation test ( $p = 0.622$ ) indicate no need for a non-linear model or data transformation.

**Table 10: Kolmogorov-Smirnov Normality Test**

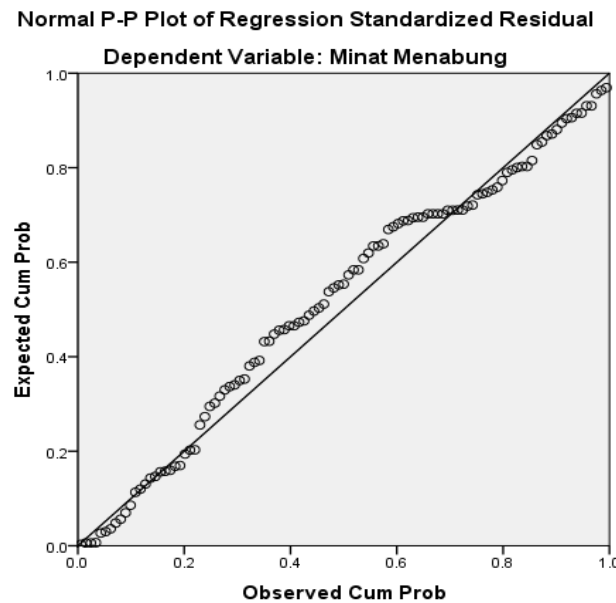
One-Sample Kolmogorov-Smirnov Test	
	Unstandardized Residual
N	107
Normal Parameters a,b	Mean
	0E-7
	Std. Deviation
	4.64450293
Most Extreme Differences	Absolute
	.091
	Positive
	Negative
	-.091
Kolmogorov-Smirnov Z	.943
Asymp. Sig. (2-tailed)	.336
a. Test distribution is Normal.	
b. Calculated from data.	

Source: Data Processing Results, 2024

The results of the Kolmogorov-Smirnov Normality Test in Table 10 show the KS-Z Value (Kolmogorov-Smirnov Z) = 0.943. Significance (Asymp. Sig. 2-tailed) = 0.336 ( $p > 0.05$ ). Because the  $p$  value  $> 0.05$ ,  $H_0$  (normally distributed data) is accepted. Mean Residual = 0 (approaching zero), which indicates no systematic bias in the model. Standard Residual Deviation = 4.64, which indicates a moderate residual distribution. The test results do not reject  $H_0$ , so the residual regression model meets the normality assumption. Implications: The regression analysis results (such as the t-

test or F) are statistically reliable. The following is a P-P Plot graph for the independent variables Religiosity (X1), Sharia Financial Literacy (X2), and the dependent variable Savings Interest (Y).

Figure 1 shows the results of the normal P-P Plot values of all independent and dependent variables spread around the diagonal line and follow the direction of the diagonal line or histogram graph. This shows that the data of all independent and dependent variables are normally distributed and the model has met the assumption of normality.



**Figure 1: Graphic Normal P-P Plot**

Source: Data Processing Results, 2024

**Table 11: Coefficients of Multicollinearity Test**

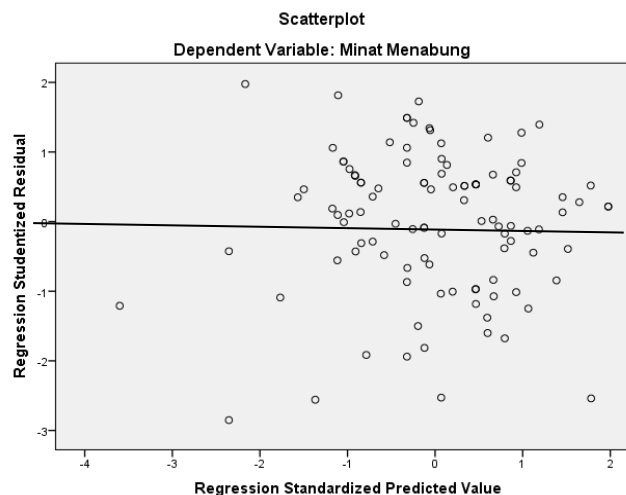
Model	Coefficients					
	Unstandardized Coefficients		Standardized Coefficients	t	Mr.	Collinearity Statistics
	B	Std. Error	Beta			Tolerance BRIG HT
(Constant)	1.115	3.000		.372	.711	
1 Rel Baru	1.388	.389	.311	3.566	.001	.392 2.554
Sharia Financial Literacy	.453	.070	.566	6.497	.000	.392 2.554

a. Dependent Variable: Minat Menabung

Source: Data Processing Results, 2024

The results of the Coefficients of Multicollinearity Test in Table 11 show that the value of the two independent variables (Rel\_Baru and Sharia Financial Literacy) is 0.392. The Tolerance value  $> 0.10$  indicates that there is no serious multicollinearity problem. The VIF value = 2.554 for both variables (because  $VIF = 1/Tolerance$ ). Because  $VIF < 5$ , it is concluded that there is no high multicollinearity between the independent

variables. Both variables (religiosity and sharia financial literacy) can be maintained in the regression model because they are not strongly interdependent. Sharia Financial Literacy has a more dominant influence (Beta = 0.566) on savings interest compared to Religiosity (Beta = 0.311). The program to improve Sharia financial literacy is more effective in encouraging savings interest. Religious values remain relevant as a supporting factor.



**Figure 2: Heteroscedasticity Graph**

Source: Data Processing Results, 2024

The results of the Heteroscedasticity Graph test in Figure 2 show that the distribution plot between SRESID and ZPRED that is formed does not have a particular pattern or distribution above and below zero on the Y-axis and to the right and left of the X-axis.

The results of data analysis through the multiple regression method regarding the influence of Islamic Financial Literacy and Religiosity on Gen Z's Interest in Saving in Islamic banks, the following research results were obtained:

### **The Influence of Religiosity on Gen Z's Interest in Saving at Sharia Banks**

The results of data processing showed that the Religiosity variable (X1) had a significant influence on the Saving Interest (Y) variable of 133.8% with a correlation rate of 0.752; this shows that Religiosity has a significant influence on Gen Z's Interest in Saving in Islamic banks. The relationship between the variables of Religiosity (X1) and Saving Interest (Y) is strong and unidirectional; this explains that Gen Z Religiosity directly

influences the rise and fall of Gen Z Interest in Saving in Islamic banks.

This hypothesis is supported by questionnaire data that has the highest correlation value on the Religiosity variable, namely "If I save in an Islamic bank, it is a form of my compliance with Islam," and on the Saving Interest variable, namely "I am interested in using Islamic banks because it is easy to access." If UMY students feel that their savings are a form of religiosity compliance, they will be more encouraged to choose an Islamic bank if they find it easy to access. Because the sample criteria in this study are for those who have not saved in Islamic banks, it can be said that UMY students still have low Religiosity. This is by research conducted by (34) Which states that H1 is accepted and H0 is rejected; this shows that religiosity has a positive and significant effect on Gen Z Interest in Saving in Islamic banks. The findings from the results of his research have a Religiosity coefficient value of 0.629, meaning that an increase of 1 unit resulted in an increase of 62.9% in the opportunity to increase

Interest in Saving and the result of a significant value of 0.000, which is less than 0.05. So, this research is in line with previous research.

### **The Effect of Sharia Financial Literacy on Gen Z's Interest in Saving at Sharia Banks**

The results of data processing were obtained that the Sharia Financial Literacy variable (X2) had a significant influence on the Saving Interest (Y) variable of 45.3% with a correlation value of 0.808; this shows that Sharia Financial Literacy has a considerable influence on Saving Interest. The relationship between the variables of Sharia Financial Literacy (X2) and Saving Interest (Y) is very strong and unidirectional; this explains that Gen Z Sharia Financial Literacy directly influences the rise and fall of Gen Z Interest in Saving in Islamic banks. This hypothesis is supported by questionnaire data that has the highest correlation value on the Sharia Financial Literacy variable, namely "I can use Islamic bank products (savings) in financial planning for the future," and on the Saving Interest variable, namely "I am interested in using Islamic banks because it is easy to access." If UMY students can use Islamic bank products in financial planning for the future, it shows a high level of Islamic financial literacy. They understand these products and how to use them to achieve long-term financial goals. With high Islamic financial literacy, UMY students understand the benefits of saving in Islamic banks and are motivated to do so because they know how to optimize the product. This means that UMY students who already understand and are confident in the

benefits of Islamic bank products are more likely to take advantage of it if the service is easily accessible. This is by research conducted by (2) which states that H2 is accepted and H0 is rejected; this shows that Sharia Financial Literacy has a positive and significant effect on Gen Z Interest in Saving in Islamic banks. The findings from the results of his research have a value of the Sharia Financial Literacy coefficient of 0.949, meaning that an increase of 1 unit increased 94.9% opportunity to increase Saving Interest and a significant result of 0.043, which is less than 0.05. So, this research is in line with previous research.

### **The Influence of Sharia Financial Religiosity and Literacy on Gen Z's Interest in Saving at Sharia Banks**

The results of data processing showed that the influence of Religiosity (X1) and Sharia Financial Literacy (X2) on Saving Interest (Y) was 69.1%, with a correlation value of 0.831. The relationship between independent variables and dependent variables is very strong and unidirectional; this explains that the rise and fall of Gen Z's Interest in Saving in Islamic banks is directly influenced by Gen Z Sharia Financial Literacy and Religiosity, meaning that Sharia Financial Literacy together (simultaneously) has a significant effect on Saving Interest. From the results of the analysis obtained, it is explained that the two variables of Religiosity and the variable of Sharia Financial Literacy together have a positive and significant effect on Gen Z Interest in Saving in Islamic banks. Thus, it shows that increasing Religiosity and

Islamic financial literacy will significantly increase Gen Z's Interest in saving at Islamic banks. Strong Religiosity encourages Gen Z to choose a bank that is by their religious values. At the same time, good Islamic financial literacy makes them better understand and believe in the benefits of Islamic financial products. Combining the two simultaneously strengthens the Interest in Islamic banks' savings. This means that if Gen Z's Islamic Financial Literacy and Religiosity increase, Gen Z's Interest in saving at Islamic banks will also increase. However, it can also be influenced by other variables not explained in this study. This is by research conducted by (24) which states that H3 is accepted and H0 is rejected; this shows that Religiosity and Islamic Financial Literacy together (simultaneously) have a positive and significant effect on Gen Z's Interest in Saving in Islamic banks. The findings from his research results have a sig value of 0.000, which is smaller than 0.05. So, this research is in line with previous research.

## CONCLUSION

This study shows that the hypotheses H1, H2, and H3 are accepted so that it can be concluded that religiosity and Islamic financial literacy partially and simultaneously have a positive and significant effect on Gen Z's interest in saving in Islamic banks, with a strong and unidirectional relationship. The suggestion from the results of this study is that Islamic banks and campuses need to improve education on the values of religiosity and Islamic financial

literacy to Gen Z, especially UMY students, to strengthen interest in saving in Islamic banks. This research has an impact on encouraging the increase of religiosity and Islamic financial literacy to encourage Gen-Z's interest in saving in Islamic Banks. However, this study has limitations in the scope of the population of UMY students and only uses two independent variables. Therefore, further research is recommended to expand the population and add other variables such as social, environmental, or Islamic financial inclusion influences.

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