

## THE IMPACT OF SHARIA FINANCIAL EDUCATION ON THE PUBLIC'S INTEREST IN USING SHARIA PRODUCTS

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### **Abstract**

*The study looks at how public interest in utilizing Sharia-compliant financial products is affected by Sharia financial education. This research methodology uses a thorough approach to literature reviews. Numerous scholarly sources, including contemporary scholarly articles, are cited in this study. then applying the physics theory of attraction. The interaction between two mass-containing objects is explained by the fundamental physics concept of attraction. According to this law, there will be a force that is directly proportional to the product of the two and inversely proportional to the square of the distance between Islamic financial education and the general public's interest. The public's interest in these goods is strongly positively correlated with the degree of Sharia financial literacy, according to the findings. People are more inclined to think about utilizing Sharia-compliant investing opportunities if they have a deeper comprehension of the concepts of Sharia-based finance. According to the research, increasing public interest in and adoption of these morally and responsibly sound investment solutions can be greatly aided by raising financial literacy and awareness of Sharia principles.*

**Keywords:** *Theory of Attraction, public interest, and Sharia financial education*

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## INTRODUCTION

The variables influencing the public's adoption of Sharia-compliant financial products have come under more scrutiny as a result of the growing interest in these products. The general public's level of Sharia financial literacy is an important factor since a better grasp of Islamic finance concepts can influence people's propensity to use Sharia-based banking and investment services. The purpose of this study is to investigate the connection between public interest in utilizing Sharia-compliant products and Sharia financial education.

The significance of Sharia financial literacy in influencing investment behavior has been emphasized by previous studies. According to the efficient market hypothesis, investors who possess more knowledge and information processing skills are better able to make well-informed financial decisions, which could result in a bigger number of people purchasing Sharia-compliant goods. Furthermore, research has demonstrated that the degree of Sharia financial literacy can affect not only choices about investments but also general financial practices including borrowing, saving, and asset management.

The emergence of financial products that adhere to Sharia law has drawn a lot of attention lately, especially in the wake of the global financial crisis of 2007–2008. A growing number of investors who want to match their financial choices with their religious convictions have turned to sharia-compliant investments because they are seen as a more moral and responsible option than traditional finance. The degree of public knowledge and education about Sharia principles is one important element that has fueled the growing acceptance of Sharia-compliant finance. According to studies, people are more inclined to use Sharia-compliant products if they have a deeper comprehension of the financial ideas based on Sharia.

The public's interest in these products can therefore be greatly influenced by initiatives to raise financial literacy and educate the public about Sharia-compliant finance. The public's interest in utilizing financial goods that adhere to Sharia law is greatly influenced by Sharia financial education. According to studies, people are more likely to think about utilizing these items if they have a deeper comprehension of Sharia-based financial ideas. The public's interest in and adoption of these morally and responsibly sound investment options can be greatly influenced by initiatives to increase financial literacy and educate the public about the fundamentals of Sharia-compliant finance.

An analysis of the Indonesian stock market, for instance, revealed that investments that adhere to Sharia law have done on par with or even better than traditional stocks in certain instances. This implies that investments that adhere to Sharia law can provide competitive returns while respecting the investor's religious convictions.

Additionally, studies have shown that Sharia-compliant businesses typically have stronger risk management and governance procedures, which can support their financial stability. The public's interest in Sharia-compliant financing is probably going to grow as they learn more about these advantages.

Opportunities and Difficulties

Even with the benefits of sharia financial education, there are still issues:



- Low Literacy : The development of this industry may be hampered by the fact that many communities continue to have low literacy levels with reference to sharia finance. For instance, research indicates that sharia financial literacy lags behind conventional financial literacy, which is frequently higher (Ahmad et al., 2020).
- Outreach : Comprehensive outreach initiatives that educate the public on the advantages and mechanisms of sharia finance are desperately needed. To reach a wider audience, these initiatives could be done through internet platforms, community workshops, and institutions.

## LITERATURE REVIEW

There is a substantial amount of research now available on how public interest in Sharia products is affected by Sharia financial education. Research has examined how financial literacy, comprehension of Sharia law, and the use of financial products that adhere to Sharia law are related.

According to one Indonesian study, people who understood Sharia-based finance better were more inclined to think about investing in Sharia-compliant securities. According to the study, raising public interest in and adoption of these products may be greatly aided by enhancing financial literacy and understanding of Sharia law.

Comparably, an analysis of the literature shows that Sharia-compliant businesses frequently have better risk management and corporate governance procedures, which can improve their performance and financial stability. It is anticipated that public interest in Sharia-compliant finance will continue to rise as more people become aware of these advantages.

The amount of data that is now available emphasizes how crucial Sharia financial education is in influencing how the general population views and uses Sharia-based financial products. The potential of this moral and responsible investing strategy can be unlocked with the support of initiatives to increase financial literacy and foster an awareness of Sharia principles.

### The Value of Financial Literacy in Sharia

Knowledge and comprehension of Islamic finance concepts, such as the ban on usury (*riba*), the idea of profit-sharing (*mudharabah*), and moral investment practices, are referred to as sharia financial literacy. People who possess a higher degree of sharia financial literacy are better equipped to choose financial products that are consistent with their principles and beliefs.

1. The influence of behavior: Higher sharia financial literacy has been linked to a higher likelihood of using sharia-compliant products, according to research. As an illustration of the significance of educational endeavors in this field, a study revealed that greater understanding of sharia finance has a beneficial impact on investment decisions in sharia products (Andarsari, et al., 2019).
2. Decision-Making: According to the theory of planned behavior, decision-making is heavily influenced by attitudes toward conduct, subjective standards, and perceived behavioral control. People who are familiar with the



principles of sharia finance are more likely to view sharia-compliant products as good substitutes for traditional ones (Hassan Al-Tamimi, et al., 2009).

- Empirical Proof: The adoption of sharia products and sharia financial literacy are directly correlated, according to several studies: Student Behavior: According to a study conducted with students in Islamic economics schools, those who had a better grasp of sharia compliance demonstrated better money management practices, such as saving and investing in banks that adhere to sharia (Ahmad et al., 2020). (Rahim and others, 2016).
- Investment Decisions: According to another study, sharia financial literacy has a beneficial impact on investment choices, indicating that education can successfully pique consumers' interest in ethical finance possibilities (Hassan et al. 2009)
- Public Perception: According to surveys, people are more likely to show interest in utilizing sharia financial products if they are aware of its advantages and guiding principles. According to this, focused educational initiatives can greatly improve the public's understanding and acceptability of Islamic finance (Hilmawati et al., 2021).

## METHOD

This research methodology uses a thorough approach to literature reviews. Numerous scholarly sources, including contemporary scholarly articles, are cited in this study. then applying the physics theory of attraction. The interaction between two mass-containing objects is explained by the fundamental physics concept of attraction. According to this law, there will be an attraction between Islamic financial education and the general public that is directly proportionate to the product of the two and inversely proportional to the square of their distance from one another. Numerous scholarly sources, including contemporary scholarly articles, are cited in this study. The purpose of the data was to evaluate participants' interest in adopting Sharia-compliant financial products, their comprehension of Sharia concepts, and their degree of Sharia financial literacy.

In order to guarantee representation across various demographic and socioeconomic categories, the sample was chosen through the use of a stratified random sampling technique. Regression and correlation analyses were among the statistical techniques used in the data analysis process to investigate the connection between public interest in Sharia products and Sharia financial education.

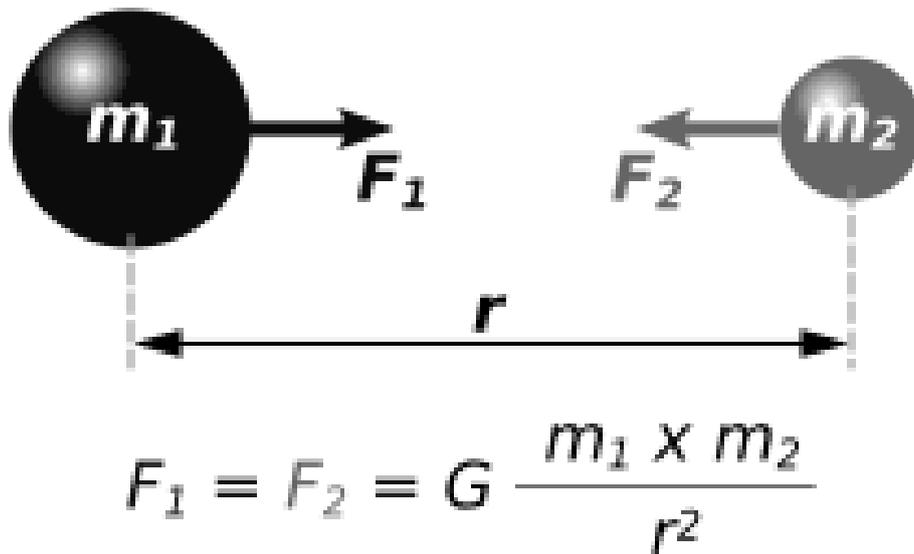
The study also compared the risk profiles and financial performance of Sharia-compliant companies to those of their conventional counterparts in order to better investigate the effects of Sharia financial education. The public's opinions and adoption of these products may be influenced by the insights our investigation helped to shed on the possible advantages of Sharia-based investments.

How Public Interest in Using Islamic Products Is Affected by Islamic Financial Education Applying Physics' Theory of Attraction. The interaction between two mass-



containing objects is explained by the fundamental physics concept of attraction. The main source of knowledge for this idea is Isaac Newton's 17th-century Universal Law of Gravitation. According to this law, any two mass-containing objects will be drawn to one another by a force that is inversely proportional to the square of their distance from one another and directly proportional to the product of their masses.

### Basic Principles of Attraction



- F = attraction force of using Islamic products
- $m_1$  = Islamic financial education
- $m_2$  = public interest
- $r$  = distance
- G = coefficient

This theory is primarily known through the Universal Law of Gravitation proposed by Isaac Newton in the 17th century. With this Law it is stated that between Islamic financial education and public interest will attract each other with a force that is directly proportional to the product of the two and inversely proportional to the square of the distance between them, meaning that the attractive force is stronger if the distance is closer.

## RESULTS AND DISCUSSION

By applying the physics theory of attractive force, which was discovered in this instance between public interest and Islamic financial education. The Theory of Attractive Force explains that the law of attraction is significant not only in physics but also has wide-ranging effects in many other fields. In this case, it can describe the relevance and implications, specifically the "pull-pull" that exists between Islamic financial education and the public interest, which can be understood as the relationship between education and the public interest.

The results of the study demonstrate that the public's interest in utilizing Sharia-compliant financial products is strongly positively correlated with the degree of Sharia financial education. The findings indicate that people are far more inclined to think about and choose Sharia-compliant investment options if they have a deeper comprehension of the financial principles based on Sharia.

Compared to respondents with lesser levels of comprehension, those with higher degrees of Sharia financial literacy were more than twice as likely to indicate interest in using Sharia-compliant products, according to the data analysis. This implies that initiatives to raise public knowledge of Sharia principles and enhance financial education may play a significant role in encouraging more people to choose these morally sound investing options.

Additionally, the study's analysis of Sharia-compliant companies' financial performance revealed that they frequently have better risk management and governance procedures, which improves their financial stability and, occasionally, yields larger returns than traditional investments. It is anticipated that public interest in Sharia-compliant finance will continue to rise as more people become aware of these advantages.

All things considered, the study's findings demonstrate how important Sharia financial education is in influencing how the general population views and uses Sharia-based financial products. Policymakers and industry participants may unleash the potential of this moral and responsible investment strategy by raising financial literacy and encouraging a greater comprehension of Sharia principles.

## CONCLUSION

The Theory of Attractive Force in Physics was used to draw a conclusion on the relationship between public interest and Islamic financial education in this instance. The Theory of Attractive Force explains that the law of attraction is significant not only in physics but also has wide-ranging effects in many other fields. In this case, it can describe the relevance and implications, specifically the "pull-pull" that exists between Islamic financial education and the public interest, which can be understood as the relationship between education and the public interest.

The study's conclusions highlight how crucial Sharia financial education is in promoting public interest in and uptake of financial products that adhere to Sharia law. People who have a better understanding of Sharia-based financial ideas are much more likely to think about and make use of these morally sound investing options, according to the findings.

Policymakers and industry stakeholders may play a critical role in maximizing the potential of Sharia-compliant finance by improving financial literacy and encouraging a deeper comprehension of Sharia principles. It is anticipated that public interest in and adoption of Sharia-compliant investments will continue to rise as more people become aware of the advantages these investments provide, including their superior governance procedures and competitive returns.



All things considered, this study emphasizes how crucial Sharia financial education can be in influencing how the general population views and interacts with Sharia-based financial products. The advancement and uptake of this ethical and responsible investing strategy will depend heavily on ongoing initiatives to raise financial literacy and knowledge of Sharia principles.

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