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Impact of Islamic Financial Literacy on Saving and Investment Decision: The Individual Attitude Effect

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Abstract

This research offers several appealing features for an analysis of Islamic financial Literacy and personal financial management. Individual attitudes intention and behavior are added as the moderating variable on that association. This study explores therelationship between individual attitude intention and behavior and personal financial management from an empirical perspective. Specifically, by conducting a survey in Sarawak, this research analyses the influence of individual attitude intention and behavioron personal financial management at the individual level focusing on the demographic profiles and financial literacy level. Individual attitudes are classified into individual behavior and intention of the respondents toward Islamic financial literacy and management of the personal financing' openness to experience, Islamic financial knowledge exert relatively large influences on personal financial management in terms ofthe levels of Islamic financial literacy held by everyone. In contrast, openness to experience and agreeableness appear to be unimportant in influencing personal financial management. The findings also suggest that Individual attitude have different moderatingeffects with Islamic financial knowledge. while individual is found to have positive moderating effect with Islamic financial knowledge towards personal financial management, where the intention has also moderated effect at all.

Keywords: Islamic Financial Literacy, Personal Financial Management, Individual Attitude

Introduction

The increasing attention to the significant role of financial literacy is attributed to therising level of indebtedness among young people. According to (Idris et al., 2013) preferences for lavish lifestyles have led them to spend beyond limits to the point that theyare willing to be in debt. This is contrary to the teachings of Islam, which promotes moderation in spending and limits the use of debt only for genuine needs. A Hadithnarrated by Imam Ahmad, where the Prophet Muhammad (P.B.U.H) was reported to have said: "Be wary of debts; Indeed, it is sadness at night and a disgrace in the day," stresses thatbeing in debt not only leads to an increase in financial burden, but it can also cause an emotional burden. This explains why the concept of moderation in spending is highly encouraged in the Quran, as stated in chapter Al-Furqan verse 67, which means: "Those who, when they spend, are not extravagant and not niggardly, but hold a just (balance) between those (extremes)."

A recent (Sarpong-Kumankoma, 2023) study concluded that most individuals lack knowledge of basic finance concepts. Generally, the young, women, low-income earners, and the less educated perform worst on financial literacy measures. Also, financial literacy has a positive significant impact on the probability of saving for retirement. Another study by (Arora & Chakraborty, 2023) indicated that differences in financial literacy level can be attributed to various socioeconomic/demographic factors like age, gender, education levels, income, location of residence, sources of information, etc. Econometric analyses indicate that financial literacy influences investment decisions, mainly in businesses and traditional assets such as gold, property, etc. The effect of financial literacy on saving habits exhibits the idea that financial literacy can positively impact young people's saving practices, which is also endorsed by (Alshebami & Aldhyani, 2022) It has been observed that the contemporary young generation places less emphasis on saving habits and money management, negatively impacting their lives, making them far more reliant on their families and government financial support, and increasing their debt burden (Lusardi & de Bassa Scheresberg, 2013).

A few prior studies linked low-income populations to a low level of financial literacy and identified financial behaviour as a significant predictor of financial wellbeing (Rehman et al., 2021). Studies have also highlighted the relationship of lower financial literacy with lower earnings and savings and how these relationships adversely affect the population's health, well-being, and quality of life (Nugraha et al., 2023). Financial literacy is essential to shape the rational behaviours of young Malaysian working adults in saving, spending, and investing for financial prudence to reduce household debt and bankruptcy rates in Malaysia caused by financial distress (Rabbani, 2022) As a result, young Malaysian working adults who lack financial literacy tend to be involved in financial exclusion and cannot overcome financial problems as individuals, households, and consumers (Altaf et al., 2019) Many Malaysians still have trouble managing their finances in today's modern world, exposing them to the effects of a financial shock (Natkozi et al., 2022)The risk and accountability for one's financial decisions tend to increase as finances become more complex and diversified.

Adults must take on precautionary savings as part of their financial management. It is empirically found that bad financial management may cause poverty and low happiness, disrupting the financial system or even criminality (Shawtari et al., 2015) Previous research addresses financial literacy as the solution to tackle this bad personal financial management. Nevertheless, personal financial management is still at its infant stage in Sarawak. Muslims generally do not take ownership of their financial affairs (Asandimitra & Kautsar, 2017) Though they know the importance of personal financial management, many lack a thorough understanding of the significance of personal financial management and the numerous benefits of such planning.

Although a considerable amount of investigation on personal financial management and Islamic literacy gets priority in various literature in various countries with significant Muslim populations, including Malaysia, within limited capacity, the researcher fails to find comprehensive works featuring descriptive evidence on personal financial management among Muslims of Sarawak Malaysia on the context of Islamic sharia. Therefore, addressingthe lack of substantial evidence to connect Islamic literacy and individual attitudes and investment intentions in Sarawak has drawn the researcher's interest in examining the effect of Islamic literacy in this context.

The current literature (Dinc et al., 2021) does indicate the direct individual effects of financial literacy and financial attitude on financial management; still, there is a void existing in the extant literature about the moderating role of attitude in the relationship of Islamic financial literacy and financial management. In other words, the attitude interacts with financial literacy; would it significantly affect financial management? Understandably, a person's positive financial attitude when interacting with financial literacy may result in improved financial management. Therefore, the issues of Islamic financial literacy and personal financial management are analyzed using the behavioral approach to give an insightful perspective on individual attitudes and personal financial management in the context of Sarawak, Malaysia.

Research Objectives

Cases in Sarawak of individuals involved in personal loans are rising. That is why many people go bankrupt in Sarawak due to hiring purchase loans for vehicles and taking personal loans without proper management. (Kassim et al., 2019) stated that people should live within their means and avoid debt. The habit of saving is essential for emergencies and survival in life. That is, Sarawak people need to know more literacy about Islamic finance.

Hence, this study examines factors that influence saving behavior in Sarawak Muslims. The research objectives are a factual statement summarizing the research aims. The research objectives are expressed in two ways: general and specific. General objectives indicate the broad goals to be completed, while specific objectives are narrow in focus and systematically address various aspects of the problem (Ahmad et al., 2020)

The fundamental purpose of this study is to identify the financial behaviour of the people of Sarawak and primarily examine the effect of elements and Islamic financial literacy on personal financial management in the presence of individuals' attitudes among the people of Sarawak, Malaysia.

To examine the moderating effect of individual attitude and the relationship between Islamic financial knowledge and personal financial management.
To achieve the study's primary objective, the following specific objectives are constructed: for the public, individuals in Sarawak, Malaysia, to check the level of Islamic financial literacy on the personal financial management of the public.
To investigate the effect of Islamic financial literacy on personal financial management.
To examine the impact of understanding Islamic financial products on personal financial management.
To investigate the moderating effect of attitude in the relationship between Islamic financial literacy and personal financial management
To determine the moderating effect of attitude between understanding Islamic financial products and personal financial management.

Significance of Study

The significance of the study is explained as "the extent of the contribution made by the study to improve our understanding, to change a concept or to promote a new hypothesis in a particular field of research (Lusardi & Mitchell, 2008) study enables contribution in understanding and opportunities of actions in four domains: theoretical, policy formulation, the concern of practices, and social aspects that affect daily life. This study on individual attitude, Islamic literacy, and investment intention for the public in Sarawak, Malaysia. The study will contribute to knowledge development, policy formulation, and personal investment planning.

Scope of the Research

The scope of this study includes four constructs: Islamic financial literacy, understanding of Islamic financial products, individual attitude, and personal financial management. The inclusion of four variables in the study makes the study more parsimonious. It indicates only the inclusion of essential factors that contribute toward the personal financial management of a Sarawakian Muslim. Further survey scope includes only Sarawakian university students aware of Islamic financing modes.

As this study is conducted in the context of Sarawak, this study is expected to contribute to the body of knowledge by enhancing the present understanding of attitude, literacy, and personal investment intention dynamics. Furthermore, testing the relationship among these elements of attitude, Islamic financial literacy, and investment intentions possibly contributes to understanding underlying causes and effects within variables under observation for the context and population and, eventually, is likely to be helpful to the concept's investment optimization.

Literature Review

This study's central focus is to examine the effects of financial attitude and Islamicfinancial literacy on personal management practice. For an individual following Islam, the Sharia is the full-fledged direction covering every aspect of human life. Recent literature also highly acknowledges Sharia as an integrated part of decision-making throughout life. This chapter discusses the present literature on financial literacy, Islamic financial literacy, financial attitudes, and their effect on personal financial management practices. This chapter also focuses on the adequacy and unclarity of the related area, which directs the objective regarding the study's hypotheses in the context of Sarawak, Malaysia. This chapter also included relevant theoretical and literature evidence supporting this study's knowledge development.

Islamic Financial Literacy

In the financial literacy study, some researchers have examined Islamic financial literacy (IFL), which focuses on the financial literacy of Muslim communities (Nahar, 2022) (Biancone & Radwan, 2016) Currently, there is no commonly accepted definition of Islamic Financial Literacy. However, (Rahim et al., 2016) proposed a conceptual definition of Islamic Financial Literacy by keeping a close relationship with the general definition of financial literacy.

The Indonesian Financial Services Authority (OJK) has developed an Islamic financial literacy strategy focusing on target groups such as students, college students, communities, and business actors (OECD INFE, 2011). The goal of enhancing financial literacy is to understand Islamic finance and, of course, to handle finances. Someone well-versed in financial literacy is more likely to manage their funds successfully (Fitriyani Pakpahan et al., 2020) and make sensible financial judgments Low IFL may affect financial behavior, such as savings, credit management, investments, and insurance (Nawi et al., 2022).

Role of Sharia in Financial Decision

Sharia principle fulfil Sharia values in every Sharia financial institution, which refers to the Al-Qur'an and Hadith as primary sources. Several things are prohibited in Sharia investment that investors must understand so as not to fall into the types of transactions that are prohibited in Sharia investment, such as selling goods whose substances are forbidden and goods that are haram because apart from the substance such as *tadlis, taghrir, ikhtikar* and *bai ' najasy, riba, gharar*, and so on (Ismatulloh, 2015) In the holy Al-Qur'an, Allah commands every Muslim to prepare for tomorrow better, which means that this investment concept has indeed been recommended in Islamic law, as stated in Al-Hasyr verse 18.
"O you who have believed, fear Allah. And let every soul look to what it has put forth for tomorrow - and fear Allah. Indeed, Allah is Aware of what you do." (Q.S. Al-Hashr/59:18).

Islamic Financial Literacy on Financial Management.

In previous research, (Hassan Al-Tamimi & Anood Bin Kalli, 2009) found a significant impact between financial literacy and investment decisions. Besides, (Okuryazarlık et al., 2016) also found that low financial literacy couldn't make students able to make investment decisions based on their finances. (Fazli Sabri & Farhana Zakaria, 2015) also found that financial literacy positively affects saving behavior. This means that financial literacy has a significant effect on financial services. (Saifurrahman & Kassim, 2021) stated that Islamic financial literacy is a person's skills, actions, capabilities, and competencies in managing financial resources under Islamic Sharia principles. Although the extant literature provides evidence for the effect of financial literacy on financial decisions, it does not provide explicit evidence of the impact of Islamic financial literacy on the financial management of a Muslim. Based on the above understanding, it can be said that Islamic financial literacy is a fundamental part of the life of the Muslim community. It is intended that financial management can be implemented based on sharia principles. Hence, it is hypothesized:
H1: There is a significant relationship between Islamic financial literacy and personal financial management.

Islamic Financial Products Understanding on Personal Financial Management

Islamic deposit and credit products offered by Islamic banks are very similar to those offered by conventional banks, except that Islamic financing principles apply to the underlying bank assets and liabilities. For Islamic deposit and credit products, no transaction that involves interest in any form can be undertaken, such as simple or compound, low or high, institutional, or individual. Customers are generally aware of various common Islamic deposit and credit products offered by banks, and there is a strong demand and preference for interest-free banking services from a segment of people who strongly desire to abide by the rules and principles set by Shariah law (Md M Hossain, 2020)

(Fitriyani Pakpahan et al., 2020) Based on a person is well-literate if he/she knows financial institutions, products, and services, as well as the features, benefits, risks, rights, and obligations of the financial products. A highly literate person may not make any financial decisions without adequate information. Muslim consumers value the products not contradictory to their religious faith; they have a positive influence of the Halal brand logo on their purchase intention z(Md Nawi et al., 2022). According to (Soesilowati, 2010) Muslims' religiosity determines their intention to consume Sharia-compliant products. Shariah-compliant products. According to (Nurjaya et al., 2020) religious reasons are the principal motivations for Muslims to choose products that adhere to Islamic objectives and values. Although literature offers evidence on the knowledge of Islamic banking financial products of a Muslim consumer, it is scant on to what extent the knowledge of Islamic financial products affects financial management decisions, including savings and investments. Therefore, the following hypothesis is set:
H2: There is a significant relationship between Islamic financial products knowledge and personal financial management.

Individual Attitude

Investor attitudes and intentions are the characteristics of Muslim investors, which is a predisposing factor within a person who has learned to respond consistently, whether he likes or dislikes evaluating particular objects (Septyanto & Nugraha, 2021) A positive attitude towards a behaviour occurs when individuals perceive that the consequences of the behaviour are positive. Conversely, if the consequences of the behaviour are perceived to be negative, a negative attitude will be attached to the individual. The intention is a sense of pleasure towards an object that makes a person try to obtain it through sacrifice, both in money and the other (Banytė et al., 2007) Intention can change someone's behaviour to reach what he wants. Therefore, someone intending to invest is likely to decide to invest because making efforts can make him successful, such as attending various educational, training, webinar, and seminar programs about investment. Then, the intention to invest can trigger investors/potential investors to invest.

The Moderating Effect of Attitude

(Ilyana et al., 2022; Kumar & Hati, 2021) Research on investment behaviour is somewhat limited, primarily discussing institutional rather than individual investor behaviour. For example, (Asker et al., 2014) compared private and public firms' investment behaviour and reactions to short-term pressures, and (de Haan & Kakes, 2011) analysed the investment strategies of Dutch institutional investors. In contrast, (Korkeamäki & Kumpulainen, 2019) investigated foreign institutional investors' behaviour in the Chinese stock market.

According to Masini and (Masini & Menichetti, 2013) several non-financial factors inform investment opportunities rationally. These non-financial factors may include the extent to which investors are influenced by the current social, economic, and political environment, the extent of investors' readiness to invest, as well as investors' knowledge of investment (Chel-Guerrero et al., 2018); (Marchant, 2006); (Arifin & Soleha, 2019). In addition, prior investment experience also plays a substantial role in influencing investment decisions (Ibrahim et al., 2021) However, the most important factor is investors' favourable opinion over time (Masini and Menichetti, 2012, 2013). Thus, investors' attitude is considered the most crucial factor in decisions on stock investment. Much of the previous literature has measured the influence of attitude on investment decision-making (Elliott & Speck, 2005); (Kebede & Kuar, 2015) Masini and Menichetti, 2012, 2013). For example, (Elliott & Speck, 2005) measured investors' attitudes toward energy-efficient investment decisions and found a significant relationship. (Kebede & Kuar, 2015), who researched India, also found a direct and significant relationship between attitude and investment decisions. The extant literature provides evidence for the effect of attitude on investment decisions, but the literature is scant on the interaction effect of attitude and financial literacy on financial management. Hence, the following hypothesis needs to be tested:

H3: Attitude positively moderates the relationship between Islamic financial literacy and Personal Financial Management
H4: Attitude positively moderates the relationship between understanding Islamic financial products and personal financial management.

Financial Socialization Theory

(Gudmunson & Danes, 2011) paper, explicitly presenting family financial socialization as a theory, has improved family financial socialization research and united it as a cohesive field (Eddleston & Kidwell, 2012) (Gudmunson & Danes, 2011) paper, explicitly presenting family financial socialization as a theory, has improved family financial socialization research and united it as a cohesive field. The primary tenet of (Gudmunson & Danes, 2011) theory is that what children learn (and do not learn) about money from their parents will be associated with their financial well-being concurrently and throughout the life course. Although financial socialization continues to occur after the age of 18 (Danes & Yang, 2014); (Gudmunson & Danes, 2011) family financial socialization that takes place during childhood and adolescence (birth to age 17) is crucial in laying a foundation for, and being directly associated with, financial outcomes (Gudmunson and Danes 2011; Serido et al., 2016) and will be the primary focus of this review.

This study demonstrates how cultural and religious factors significantly impact people's ability to make sound financial choices in underserved regions.
Some theoretical or conceptual frameworks must be introduced to understand the proposal's and the study's feasibility. In financial literacy and investment intentions studies, associations are made between financial attitude, religious literacy, and financial attitude. Financial attitude has been a strong predictorof investment decisions; on the other hand, financial literacy is vital to rational investment decisions and long-term financial stability. Lack of financial literacy causes individuals to avoid investment (Anindya & Hakim, 2021). Adequate financial literacy is necessary to make rational decisions (Alharbi, 2015). Financial literacy is directlyassociated with financial decisions (Alamad, 2019)

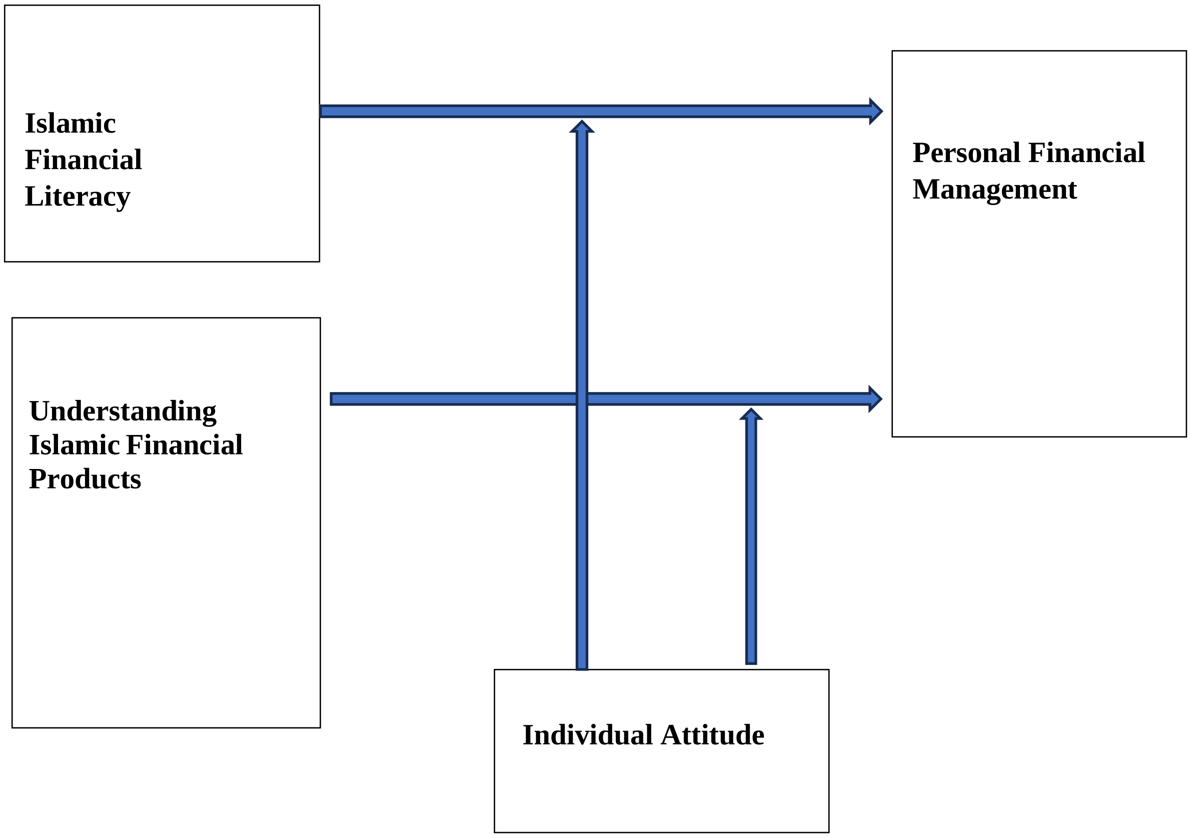

Figure 2.1 Conceptual Framework

Formation of Hypothesis

H1: There is a significant relationship between Islamic financial literacy andpersonal financial management.

H2: A significant relationship exists between understanding Islamic financial products and personal financial management.

H3: The relationship between Islamic financial literacy and personal financialmanagement is positively moderated by attitude.

H4: The relationship between understanding Islamic financial products and personal financial management is positively moderated by attitude.

Research Methodology

Quantitative methodology is chosen explicitly for this study because of its alignment with the methodology characteristics, priorities, and goals of this project, hypothesis validation, and second-order assessment scales. Researchers in performance monitoring publications (Dzurec & Laura Cox 1993) have previously adopted and suggested a quantifiable research method. Therefore, the empirical analysis methodology suits this report's goals and follows the rules and reviews of the earlier investigations.

Model specification

PFM = α + β1 (IFL)i + β2(UIFP)i β2(IA)i + β3(IA)i* (IFK) + Ɛ Equation 3.1

Where?

α=intercept

β =coefficients

PFM=Personal financial management
UIFP=Understanding Islamic Financial Products
IFL=Islamic financial Literacy IA=Individual attitude

Table 3.1
Questionnaire Instruments

Categories	**Number of Items**	**Citation**
Islamic financial Literacy	8 items	Albaity & Rahman (2019)
Understanding Islamic financial products	8 items	
Individual Attitude	16 items	Zaman.et al (2017)
Personal financial management	16 items	Rahim et al. (2016).

The questionnaire is mainly adapted from the recent literature, which is divided into sections: individual attitude, Islamic financial literacy, understating of Islamic financial products and personal financial Management.

In addition, a section is allotted to obtain contextual information about the participants. It is related to general background information such as the job title of the participants and their status such as age and gender, marital status, race, educational level, income, and occupation. This general information section related to demography is integrated with the pilot and full-scale study instruments.

The questionnaire comprises a five-point Linker ordinal scale designed to be identified by the respondents by their choice of indicating agreement. The areas are elaborated as the level of agreement with the questionnaire items based on their experience at the workplace (strongly disagree 1, disagree 2, neither disagree nor agree 3, agree 4, and strongly agree 5). (Albaity & Rahman, 2019) The demographic information is designed following a nominal scale. Considering proper understanding and appropriate responses, the questionnaire is delivered in English. At the same time, demographic inquiries featuring gender, educational qualifications, age, race, income, and occupation are presented at the end of the questionnaire.

Sampling technique for this study: In examining the impact of Islamic financial knowledge and individual attitude on the personal financial management of the public in Sarawak, this study adopts purposive sampling. Due to the absence of a sample frame, non-probability sampling is used for an entire listing of all university students in Sarawak, from which the sample is selected, as suggested by (Albaity & Rahman, 2019). Moreover, as noted by (M. C. Abdullah & Adebayo, 2015), purposive sampling is very effective for developing anything that is less familiar; besides, this study chooses purposive sampling because it enables to reach the individuals who can provide the most appropriate information to attain the study objective is to be observed and selected based on researcher judgment based on prior information rather than availability. Thus, for this study, in determining purposive sampling, the researcher considers that the sample represents the Kuching Sarawak population. In contrast, the researcher approaches those deemed to have and intend to share the information needed.

The data was collected via Google Forms, which were distributed among students of different universities in Sarawak, Malaysia. Three rounds of emails were shot with two reminders to those who did not fill in the form. Since purposive sampling is used as a sampling technique, care is taken to take on board only those respondents who were required for the research.

The examination of the measurement model is the first step toward PLS-SEM CB-SEM analysis. (Hair Jr. et al., 2017) suggested that the structural model analysis stage's advancement is only possible after the measurement model results prove plausible.

Results and Discussion

There are four stages in the data analysis: response rate, data screening, demographic variables tables, measurement model, and structural model.

There is hardly any consensus among researchers regarding ~~the~~ acceptable response rate(Baruch & Holtom, 2008) claimed that the response rate is between 50% and 80%. According to (She et al., 2023)(Clark, 2010) a response rate below 60% reduces the generalizability of results. For this study, 500 online questionnaires were sent to university students in Sarawak, Malaysia. With a response rate of almost 74.4%, 372 responses were achieved. Out of 372 cases, 290 were valid. Eighty-two cases were deleted from the data set, and they could not qualify as suitable candidates for the survey. Sixty-two cases were deleted due to straight-lining or inconsistent responses on the same construct. Finally, the process ended in a data set of 228 valid cases for data analysis.

Data Screening

In survey research, errors occur despite cautious study design, conduct, and execution of error-prevention tactics. Data screening aims to spot errors or curtail the impact of errors on the results (Van Rooij et al., 2009). Data screening steps are checking for descriptive statistics, multivariate normality, missing values, and common method variance.

Table: 4.1
Multivariate Normality

Sample Size: 228

Mardia's multivariate skewness and kurtosis

	b	z	p-value
Skewness	1125.115	42754.36516	0
Kurtosis	3492.170	22.87216	0

The violation of the normality assumption in the data set enabled the researcher to use the bootstrapping procedure to generate 500 subsamples as part of the re-sampling procedure. The bootstrapping process undertakes that the sample distribution is a rational demonstration of the intended population distribution. The bootstrapped samples facilitate the significance testing of the assessed beta coefficients in PLS-SEM (Henseler et al., 2009). The bootstrapping procedure creates a large, pre-specified number of bootstrapped samples by indiscriminately drawing cases with replacements from the original sample.

All the responses are collected online via Google Forms to avoid missing values. The survey was designed so that no respondent could proceed to the next section unless they completed the previous section. Such a procedure ensured the non-existence of missing values in the data set. The researcher used Google Forms to complete the survey.

Table: 4.2
Full collinearity Diagnostic Test

	RANDOM
Individual Attitude	1.023
Islamic Financial Literacy	1.131
Personal Financial Management	1.051
Understanding Islamic Financial Products	1.117

The reliability and validity of the empirical results (Baumgartner & Steenkamp, 2001) Both terms are used in the literature and often are employed interchangeably, yet they are conceptually different. Common method variance is a systematic error variance that stems from a common method used to measure the constructs of the study (Podsakoff et al., 2003); (Acharya & Richardson, 2009). When common method variance affects the relationship between the measured variables, common method bias is present (Jakobsen & Jensen, 2015; Klein et al., 2007). For reasons of simplicity, we will use the label common method bias (CMB). (Kock, 2015) introduced full collinearity diagnostics for detecting common method bias in the data set. In this diagnostic test, a random variable is introduced in the model, and all the constructs are linked to that random variable. After running the PLS algorithm, VIF values are checked, and if the VIF values of the inner model are less than 3.3, it means common method bias is not present in the data set. The same procedure is applied in this study; all the VIF values of the inner model were less than 3.3. Hence, common method bias was not a problem in this study. Table shows all the inner VIF values resulting from the full collinearity test.

Measurement Model for First-order Reflective Constructs.

The specified model in PLS is shown in Figure 4.1. As evident from the figure, all the constructs are reflective; constructs are the cause, and indicators are the effect. The direction of arrows manifests the reflective measurement of constructs, from constructs to indicators.

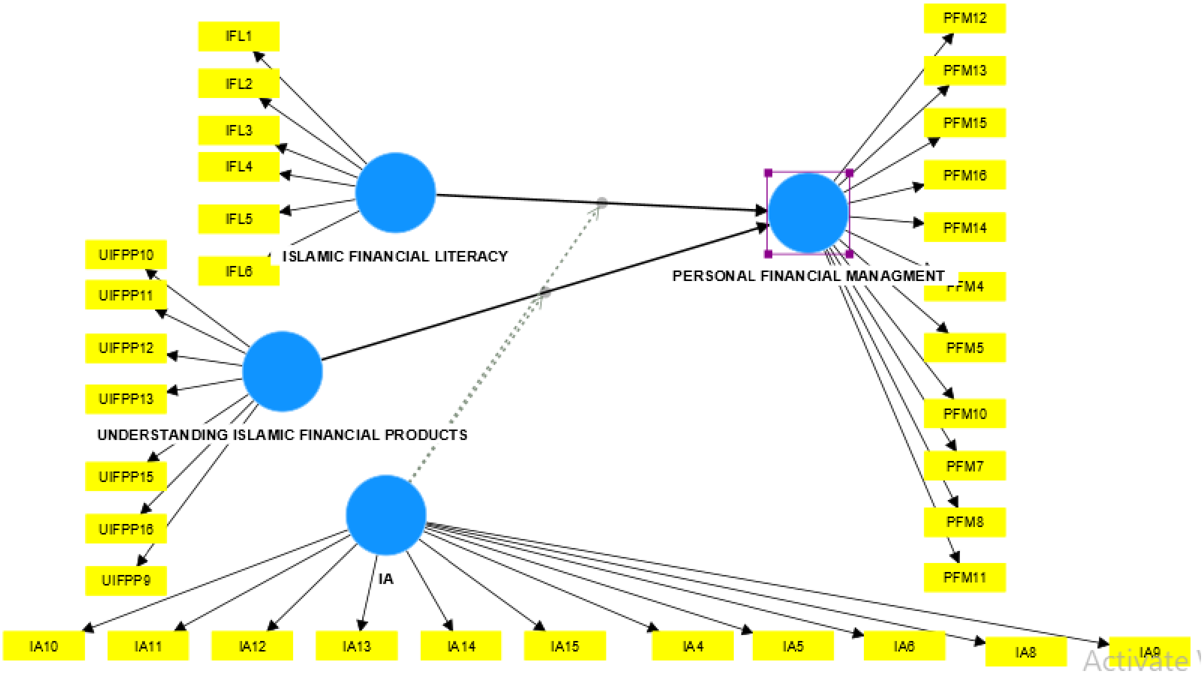

Figure 4.1 Specified Model in PLS-SEM

Direct and Moderating Effects

In this study, the model type is first-order reflective. Table 4.3 analyses the statistical significance of path coefficients via a bootstrapping procedure for direct effects in the model. The support for H1 is evident as t-values are higher than 1.65 (one-tail testing), and p-values are less than 0.05. Analysis of P values and t-statistics reveal that the statistical significance of H1 is supported. H1 exhibits the direct effect of Islamic financial learning on personal financial management. However, the data supports H2, which signifies the impact of understanding Islamic financial products on personal financial management. Hypothesis H3, which exhibits the moderating (interaction) effect of individual attitude in the relationship between Islamic financial knowledge and personal financial management, is also supported by the data. The fourth hypothesis, H4, shows the moderating effect of individual attitude on the relationship between understanding Islamic financial products and personal financial management.

Table 4.3
Statistical significance of Path Model Coefficients

	Beta	Standard Error	T statistics	P values	Decision
H1: IFL -> PFM	0.146	0.066	2.192	0.014	Supported
H2:UIFP -> PFM	0.196	0.064	3.069	0.001	Supported
H3:IA x IFL -> PFM	0.125	0.063	1.866	0.031	Supported
H4:IA x UIFP -> PFM	0.186	0.062	2.743	0.003	Supported

The study's results supported the hypothesis that Islamic financial literacy positively affects personal financial management. Such a result aligns with the investigations of (Sayyida et al., 2021). However, the study of (Sayyida et al., 2021) used covariance-based SEM for data analysis in the context of Indonesia and the endogenous variable of financial behavior. The study of (Baihaqqy et al., 2020) was conducted in the Indonesian context and used first-generation statistical software PLS with the dependent variable of investment decisions. However, this study is unique as it has used non-parametric, second-generation PLS-SEM for data analysis in the Malaysian context, and the endogenous variable is personal financial management.

This study has introduced the exogenous variable of understanding Islamic financial products, which draws a corollary from the study of (Biancone, P.P. ; Radwan, 2016; Hair et al., 2019)which checked the effect of Islamic financial education and literacy for Muslims to promote awareness of Islamic financial guidance. Another study by (Abdurahim et al., 2016) that explained the effect of financial knowledge on investment planning is similar to the current study. The major difference between (Amilahaq et al., 2022) and this study is the descriptive literature review versus quantitative research designs. Studies (M. F. Abdullah et al., 2022) introduce the moderators of marketing communication and financial consideration in the relationship between customer attitude and purchase intention of Islamic Financial products.

However, the existing literature is scant to the introduction of understanding of Islamic financial products as an exogenous variable. In short, those who aspire to achieve their financial goals must increase their financial knowledge (literacy) and understanding of Islamic financial products (Akhmad et al., 2018; Lajuni et al., 2020). These results imply that in the case of Sarawak, people with a good understanding of Islamic finance are better at planning their financial management.

Conclusion

The model reveals that some Islamic financial knowledge characteristics are significantly related to personal financial management. For example, Islamic financial literacy is positively related to Islamic financial knowledge. (Antara et al., 2016a) point out that Islamic financial Literacy is essential in assessing one’s financial preparedness, retirement, and personal financial management.

Furthermore, understanding Islamic financial products positively affects personal financial management. This is supported by numerous studies (Abdul Razak et al., 2015) in this study, proving that understanding Islamic financial products impacts Islamic financial management. In addition, the studies done by (Lusardi et al., 2014) demonstrate that individual attitude level is considerably associated with personal financial management. Previous results show the consistency with this study that understanding Islamic financial products is significantly related to the personal financial management of Sarawak. (Mouna & Anis, 2017)has further proved that the higher the understanding of Islamic financial products, the better the financial preparedness is in the context of Sarawak.

According to Sharia, getting Sarawak Muslims to feel they control their lives would be helpful. The government should be concerned about the role of Islamic financial knowledge factors as these will impact personal financial status. To understand these factors, the government may intervene in related programs such as inventing Islamic financial products to share specific Islamic financial responsibilities so that the government may ease the problem of these individuals who cannot fully understand Islamic financial products.

Industry and policymakers engaging in Islamic financial curricula and counselling interventions are essential in supporting and reinforcing positive financial attitudes about better personal financial management among Sarawakian Muslims. This research is an avenue for personal financial management advancement. It may contribute to the knowledge related to the individual financial management of Muslims in general and Sarawakian Muslims in particular. Nevertheless, the present study has several limitations. Overall, this study has shown that individual attitude is an important determinant of personal financial management.

Recommendation

This study can be regarded as an explanatory study for Islamic financial knowledge research in the context of the Sarawak Muslims. Not much research has been done investigating the relationship between these factors in the context of an emerging.

Islamic financial market (M. A. Abdullah et al., 2017) In addition, a similar study can also be extended to the entire Malaysia. The comparison can be made on the collected data to show if there are any differences among other states in Malaysia. Good personal financial management among citizens can affect the Islamic financial status of that state.

Furthermore, individual attitude is one of the major influencers on personal financial management. Hence, individual attitudes can be input as one of the variables in future research. Apart from that, future researchers can also consider changing the dependent variable from personal financial management to Islamic financial planning since Islamic financial planning topic has always been in the limelight among the public as Muslims, as well as non-Muslims, is one of the Islamic financial knowledge issues faced by most of the states in Malaysia.

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