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FINANCIAL LITERACY: DIGITAL ISLAMIC FINANCE IN COMMUNITY ECONOMIC DEVELOPMENT

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ABSTRACT

In an era marked by unprecedented global connectivity facilitated by digital platforms, the potential of integrating Islamic finance principles with advanced digital tools to elevate financial literacy and stimulate economic development becomes increasingly salient. This scholarly inquiry investigates the pivotal role of Islamic finance, underpinned by cutting-edge digital technology, in equipping the populace with indispensable financial knowledge and competencies essential for making judicious financial decisions. Moreover, it underscores the substantial contribution of this confluence towards fostering sustainable economic growth anchored in Islamic ethical frameworks. Through a comprehensive analysis of the symbiotic relationship between financial literacy, Islamic finance, and digital technology, this research delineates the opportunities, challenges, and transformative impacts on cultivating a more informed society adept at ethical and sustainable financial management. This interdisciplinary study aspires to furnish profound insights and novel perspectives in advancing an inclusive and principled economy within the contemporary digital milieu

Keywords: Financial Literacy, Islamic Finance, Digital Technology, Islamic Ethical Frameworks

INTRODUCTION

Recent years, the integration of digital technology into various facets of public life has brought about significant transformations in how financial services are accessed and utilized. Islamic Finance, which places a strong emphasis on ethical practices aligned with Sharia principles, is consistent with the principles of responsible and sustainable financial management. This journal aims to investigate the potential synergies between financial literacy, Islamic finance, and digital technology, with a specific focus on their roles in driving economic development and empowerment.

In an era marked by increasing global connectivity facilitated by digital technology, the main focus in business is on realizing prosperity and societal well-being through economic development. Amidst the ongoing technological revolution, the paradigm of economic development is also undergoing a significant shift, posing challenges to policy stakeholders, business entities, and academia in the quest for innovative solutions to drive sustainable growth. In this context, both financial literacy and Islamic finance have emerged as crucial factors shaping the thought patterns and financial behavior of the public, contributing to an inclusive and ethical economy.

Financial literacy, being the cornerstone of knowledge and comprehension regarding financial matters, exerts a significant impact on the ability of individuals and communities to make informed financial decisions. In an increasingly complex world with a diverse array of financial instruments and investment products, financial literacy serves as a bridge between financial concerns and astute decision-making. Proficiency in budget management, investment strategies, risk management, and a sound grasp of financial terminology empower individuals to effectively manage their finances and take steps towards fostering sustainable economic growth.

On the contrary, Islamic finance has garnered increasing attention and is considered a viable alternative model in the development of an ethical and sustainable financial system. Grounded in Sharia law, Islamic finance principles underscore the importance of fair financial practices, risk-sharing, and the promotion of a balanced economy. It eschews practices such as usury (interest), excessive speculation, and investments in sectors deemed detrimental to society. In a broader context, these principles have the potential to foster financial inclusion, alleviate poverty, and promote economic stability.

Simultaneously, digital technology has brought about a significant shift in how individuals interact with information, services, and products. The fintech (financial technology) revolution has ushered in new avenues for accessing financial services and innovative products, encompassing various aspects of finance. The amalgamation of financial literacy, Islamic finance, and digital technology holds the potential to provide robust solutions to address contemporary financial challenges and realize the objectives of inclusive and sustainable economic development.

Nonetheless, despite its extraordinary potential, there are still several critical challenges that must be surmounted in the implementation of digital literacy in Islamic finance and finance. In terms of financial literacy, there exists a gap in public understanding of financial matters and limited access to financial education, which can impede the adoption of prudent financial behavior. Additionally, within the realm of Islamic finance, diverse interpretations of Sharia principles and a lack of understanding about Islamic financial products can hinder the growth of this sector.

This journal endeavors to investigate how digital literacy in Islamic finance and finance can contribute to the economic development of society. Through the analysis of the interplay between financial literacy, Islamic finance, and digital technology, this journal aims to identify opportunities, challenges, and the potential positive impacts in creating a more informed society regarding the significance of making wise, ethical, and sustainable financial decisions. This interdisciplinary approach is anticipated to provide profound perspectives and fresh insights in supporting the development of an inclusive and ethical economy in the current digital era.

Since its launch in 2019, UNHCR's Zakat Program has recorded global collections of US$76 billion in 2018. This amount represents approximately $1.7 trillion in wealth held by high net worth individuals in the Middle East and separately, $2.5 trillion in assets held globally by the Islamic finance Industry. The top five Muslim countries collecting the highest amount of zakat are Turkey (US$ 4.7 billion), Saudi Arabia (US$ 4.0 billion), Bangladesh (US$ 1.4 billion), Malaysia (US$ 0.6 billion), and Egypt (US$0.3 billion). Zakat is considered an obligatory act of worship for Muslims based on the nisab calculation. In Indonesia, with a total population of 207,176,162 people, of which 16,528,513 are Muslims, based on data from BAZNAS (National Zakat Institute), the potential zakat collection in Indonesia as a whole is estimated to be 16 billion USD. However, the government has collected only around 540 million USD from this potential. This indicates that only about 4% of the total potential zakat has been collected, with 66 percent of the total collected amount being distributed nationally.

In the era of Industry 5.0, society must keep pace with rapid technological advancements. This holds particularly true for the evolving landscape of Islamic Finance within the realm of Financial Technology (FinTech). Financial institutions are actively engaging in creative endeavors to discover cutting-edge innovations that streamline transactions for the public.
As of mid-2022, Indonesia boasts a population of approximately 275.77 million. Notably, a significant portion of this demographic, roughly around 13 million households within the lower middle-class bracket, are already equipped with mobile phones, highlighting the

widespread accessibility of technology in the country. (Bappenas, 2018) Nearly half of Indonesia's population are active internet users, with approximately 40% of them dedicating more than three hours to online activities. Despite this substantial online presence, the adoption of financial technology remains relatively minimal. (Bank Indonesia, 2014)

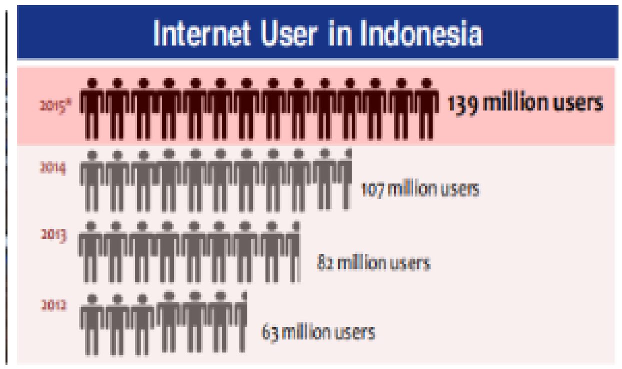

Figure 1. Internet Users in Indonesia
Source: Processed Data (2024)

Figure 2 illustrates the global data on the utilization of non-cash transactions for payments and checks. Notably, Indonesia registers at the lower end with zero recorded transactions. This pattern is further highlighted in Figure 2 of the Behavior section, which underscores the prevalent reliance on cash transactions within Indonesian society. In response to this, Bank Indonesia (BI) initiated the National Non-Cash Movement (GNTT) program on August 14, 2014. The primary objective of this program is to establish an efficient, secure, and seamless payment system. Fundamentally, the program seeks to enhance the efficiency and effectiveness of the national financial system in Indonesia. (BI, 2014)

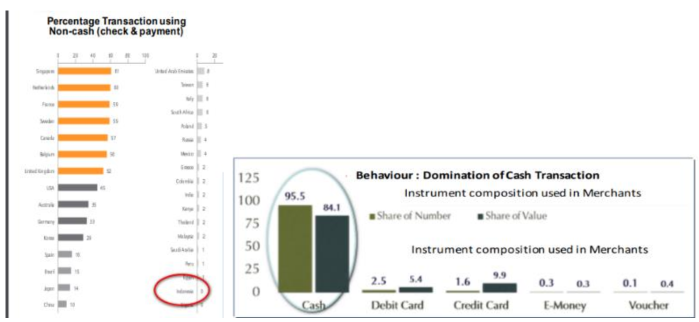

Figure 2. Percentage of non-cash transactions
Source: Processed Data (2024)

Non-cash (*cashless) payment providers* are increasingly growing along with the growth of smartphone users by 370.1 million cellphones. (Weare.social, 2022) . The ongoing endemic conditions are anticipated to further drive the increase in these numbers. The Covid-19 pandemic has been a pivotal factor in accelerating the cashless trend, and the public has come to appreciate the convenience it offers, thus sustaining the trend's momentum.

The surge in cashless transactions presents an opportunity for entities to enhance convenience in various financial dealings. BAZNAS has been proactive in seizing this opportunity by introducing several innovations to facilitate the distribution of Zakat, Alms,

and Infaq for the Indonesian populace. Nevertheless, there remains a limited level of awareness among the public regarding the utilization of these opportunities.
Currently, the demand for cashless transactions primarily centers around online buying and selling activities. Consequently, there is a critical need for heightened awareness and extensive collaboration from all segments of society in adapting to these emerging practices. This collective effort is essential for driving substantial innovations that will significantly contribute to advancing national development. (BAZNAS, 2021) .
Indonesia, being the most populous Muslim-majority country globally, holds significant potential for the collection of zakat funds. Various studies indicate that this potential could amount to Rp. 230 Trillion. According to the BAZNAS Study Center in 2018, there was a 78% probability that zakat could play a role in reducing income disparities. Empirical research further suggests that zakat could expedite the country's progress in alleviating poverty among the mustahik (recipients of zakat) by as much as 3.68 years. (PUSKAS, 2019) . There are several factors contributing to the suboptimal collection of zakat funds: (1) Limited Understanding: A significant portion of Indonesian society possesses only partial knowledge of zakat. There remains a relatively low level of awareness regarding both zakat from wealth (mal) and professional zakat. (2) Low Awareness: Public awareness about the importance of fulfilling zakat obligations remains modest. (3) Trust Levels: Trust in institutions responsible for zakat management remains comparatively low. This lack of trust poses challenges for BAZNAS in obtaining accurate data that comprehensively reflects the actual status of zakat payments (Pertiwi, 2020).

Zakat literacy constitutes an integral component of religious literacy, encompassing the fundamental knowledge a person should possess about their faith. Within Islam, for instance, it is incumbent upon a Muslim to be well-versed in the rules governing prayer, fasting, zakat, alms, and other key aspects of their religion. Similarly, with regards to zakat, individuals desiring to fulfill this obligation should possess a basic understanding of its various forms and the proper procedures for its disbursement. In essence, zakat literacy emerges as a vital knowledge base that Muslims are encouraged to acquire. (Pertiwi, 2020)

The data sourced from OJK for the South Sulawesi region includes 12 Branch Offices (KC) of Sharia Commercial Banks and 9 Sharia Business Units, along with 36 Sub-Branch Offices (KCP) of Sharia Commercial Banks and 1 from a Sharia Business Unit. Additionally, there are 9 Cash Offices (KK) from a Sharia Commercial Bank and 1 from a Sharia Business Unit.
In 2018, data from the Central Statistics Agency indicated that the percentage of people living below the poverty line in rural residential areas of Indonesia stood at 13.20%. This underscores the pressing need for focused attention on rural areas. Despite the substantial presence of sharia financial institutions in South Sulawesi, there appears to be a discrepancy in effectively addressing the reality of achieving prosperity and equitable living conditions in rural areas, aligning with the guiding principles of sharia financial institutions which ought to emphasize noble objectives.

Insights garnered from an interview with an Economics lecturer in the province of South Sulawesi indicate that there remains a significant deficit in public trust towards sharia financial institutions. This lack of trust serves as a contributing factor to suboptimal fund collection. The situation is further elucidated by the ongoing activation stage of zakat institutions' management processes. (Samsul Rizal, 2022) .

The economic impact of zakat institutions on the development of South Sulawesi's populace has not shown significant results. A critical issue underlying this situation is the limited understanding of sharia financial institutions, as well as Zakat and Waqaf institutions, among the public. This research is motivated by the aim to address this challenge by leveraging online-based financial literacy education focused on Islamic finance. It is anticipated that this initiative will play a pivotal role in advancing the economic well-being of the people in South Sulawesi, while concurrently contributing to the realization of the Sustainable Development Goals (SDGs), particularly in the comprehensive endeavor to eradicate poverty in collaboration with the government and society at large.

Emphasizing the imperative of financial literacy within society is crucial. Equipping individuals with the appropriate knowledge and fostering their ability to adapt to digital finance holds promise in enhancing economic prosperity, while also promoting environmental sustainability through a reduction in carbon emissions. Hence, this research endeavors to make a meaningful contribution to the economic advancement of the populace by offering educational resources on Digital Financial Literacy and fostering greater public awareness regarding zakat payments.

LITERATURE REVIEW

Zakat, established during the Islamic rule of Prophet Muhammad (SAW), stands as a prominent fiscal instrument with a substantial role in economic income distribution within Islamic history. Effective management of zakat, overseen by experts and grounded in principles of accountability, holds the potential for a dual impact on Indonesia's economy. Arif's research emphasizes that this approach can significantly bolster government initiatives aimed at poverty alleviation. The palpable influence stemming from the dual effect of zakat underscores the need for optimizing its management to achieve even greater outcomes. (Al-Arif & Rianto, 2010) .

There is a pressing need to study zakat as a potential community fund, particularly as a means to address social issues such as poverty alleviation and reducing social inequality. Muslims generally hold high expectations for the effective administration of zakat. The government, in collaboration with religious scholars, practitioners, and academics, has taken significant strides towards implementing sound zakat management. The practical implementation of zakat necessitates role models and real-world application aligned with the economic progress of the community. (Daud, 2012) Individuals residing in regions with limited technological access often face restricted employment opportunities and have limited access to literacy resources, which fundamentally hinders their prospects for advancement. (Denkenberger et al., 2015)

In recent years, economic researchers have shown a growing interest in matters of financial literacy. The significance of financial literacy for individuals, households, and nations is evident. Economic well-being, across all strata, hinges on the financial decisions made by individuals. Understanding how enhanced financial decision-making can drive economic prosperity is especially pertinent for developing nations. Presently, numerous international aid initiatives incorporate financial education components as part of their endeavors to promote economic development. (Lopus et al., 2019). The research conducted by Lusardi & Mitchell et al. endeavors to evaluate the influence of financial literacy on economic behavior. This study delves into the extent of public knowledge and identifies demographic segments that exhibit lower levels of financial literacy. It scrutinizes the impact of financial literacy on economic decision-making, both within the United States and globally, in light of the prevalent lack of financial comprehension within society. This research represents a novel contribution to the realm of economic studies, aiming to address a critical knowledge gap in finance that has implications for policy-making. By enriching theoretical and empirical models, as well as informing public policy, Lusardi & Mitchell seek to underscore the pivotal role of financial literacy as a form of investment in human capital. The internalization of financial knowledge carries significant implications for

individual well-being, as well as for policies aimed at enhancing financial literacy levels across the broader population. (Lusardi & Mitchell, 2014)
During a public lecture at BAZNAS Jakarta, Professor Ataul Huq Pramanik expounded on the Dependency Syndrome prevalent among the impoverished population in Indonesia. This syndrome characterizes an excessive reliance on others, manifesting in behaviors like accumulating debt that eventually becomes habitual. Initially, these debts may be incurred for basic necessities, but they gradually transform into a lifestyle. This syndrome stands as a key factor contributing to entrenched poverty within this demographic.

Amil (zakat collectors and distributors) must broaden their perspectives to recognize every potential opportunity. This begins with personal development, including fostering self-confidence, which can enhance one's capabilities in accessing opportunities within society and tapping into market potentials.

In South Sulawesi, there are 7,200,938 residents, with 612,751 identifying as Muslims. This demographic presents a significant opportunity for the distribution of zakat funds. The effective management of zakat funds, spanning from the collection of data on muzakki (zakat payers) to mustahik (zakat recipients), necessitates the involvement of all segments of society to maximize the benefits derived from zakat management. (BAZNAS, 2021). KNKS in the Discussion Group Forum "Implementation of the Indonesian Sharia Economic and Financial Masterplan (MEKSI) 2019-2024" has formulated several strategies to strengthen zakat so that the potential of zakat can be optimized properly. The forecast for a slowing economy in 2020 is quite a complicated problem for Indonesian economic experts. It is hoped that the productivity of zakat distribution can help the economy of the poor. BAZNAS as the center of all zakat institutions in Indonesia, in collaboration with the Ministry of Religion and Indonesian economic experts, has shown great results as proven by Indonesia being selected as first place in the 2019 Global Islamic Finance Report (GIFR) with a score of 81.93 and overtaking the GCC countries. and Malaysia, which has dominated the top ranking since 2011. This success must receive support from the community so that the results of this success are felt by all generations, now and in the future.

Support from the community certainly cannot be separated from an adequate understanding of *Islamic Finance* . Inadequate knowledge can be seen from the lack of public interest in using the services of sharia financial institutions, the lack of public trust in sharia economic practices in Indonesia and the less than optimal collection and distribution of zakat. Various innovations have been carried out by Indonesian zakat institutions.

Mr. Dr. Irfan Syauqi Beik as Director of Distribution and Utilization of the National Amil Zakat Agency explained that the innovations that have been carried out by BAZNAS are very diverse, in the aggregation section, various innovations using technological developments have been tried. For example, BAZNAS has developed 5 programs to increase digital charity, namely: (i) BAZNAS program, where BAZNAS creates application innovations, namely muzaki corner; (ii) *commercial program* , where BAZNAS collaborates with existing online (e-commerce) outlets; (iii) *social media program* , where BAZNAS uses social media which is widely used by residents to educate the public; (iv) *innovative program* , which includes, among other things, establishing collaboration with *providers Cashless* ; and (v) *artificial intelligence program* , where BAZNAS uses big data which stores information on muzakki and potential muzakki, with support and collaboration with the Directorate General of Population and Civil Registration, the Ministry of Social Affairs, and other information facilitators. On the other hand, in the distribution section, many innovations have been used to improve the quality of distribution/distribution as well as the use of charities. To support sustainable development goals (SDGs), BAZNAS increases creative stakeholder partners so as to foster innovative partnerships.

Innovation will certainly continue, but society's readiness to accept this innovation still needs to be improved. Urban communities will easily accept changes, especially millennials and above, in contrast to rural communities who tend to use cell phones only for communication purposes. Millennials are able to follow trends that are currently popular on social media but are still within the scope of personal satisfaction, many are not yet fully able to use the sophistication of these communication tools for the benefit of the future. Intellectuals have been able to create applications that make it easier to donate, give alms, make sacrifices, give zakat, and so on. However, this platform has a low prestige value. People still don't feel the urgency of this application.

Financial Literacy and Its Significance

Financial Literacy is basis on which individuals make decision informed finance. This includes knowledge and understanding about concepts like budgeting, saving, investing , and management debt . Literacy level low finances-often contribute to disparities economic and inhibiting potency growth individual and community. Journal This highlighting importance promote Financial Literacy as method For increase well-being economy and reduce vulnerability finance.

Islamic Finance: Framework Ethical and Appropriate with Sharia

Islamic finance operates in compliant framework sharia principles, with emphasis on behavior ethical, division risks and responsibilities answer social. this part deepens core principles of Islamic finance and their suitability with digital platforms. This also discusses How Islamic finance can give approach alternative to finance conventional, contribute to the system more economic fair and inclusive .

Islamic Finance Supported by Digital Technology

The digital revolution has open opportunity new for access services and information finance. this part explain How digital technology has possible growth Islamic finance, making it more easily accessible and friendly user. Technology integration finance (fintech) and Islamic finance have produced innovation like digital wallets, peer - to-peer lending and matching crowdfunding platforms with sharia principles. Progress This potential For increase inclusion finance and giving access to underpopulation served to products finance ethical.

Economic Empowerment through Financial Literacy and Islamic Finance

Empowering individual with Financial Literacy and knowledge about principles Islamic finance can produce development more economic _ strong and sustainable . this part test studies cases and stories success that shows How Islamic finance supported by digital technology has contribute to the reduction poverty , creation field work , and entrepreneurship in community . This also emphasizes importance education and training in build capacity individual For explore landscape finance while still honor Islamic values .

Challenges and Future Directions

Although benefit The potential is still there There is challenge in fully integrate Islamic finance supported by digital technology to in the development process economy . Issue like framework regulation , security cyber , and barriers culture need resolved . Journal This end with detailing strategies and recommendations potential for maker policies , institutions finance , and educators For promote use effective Islamic finance supported by deep digital technology reach development sustainable economy.

METHODS

Study This will do with approach qualitative and quantitative To use understand and analyze impact Financial Literacy and digital Islamic finance in development economy society. Research methods This will involve a number of stage, start from data collection up to analysis results. Study This will use approach a combination (mixed methods) between approach qualitative and quantitative. Approach qualitative will used For understand perceptions, attitudes, and views public related literacy digital Islamic finance and finance. Approach quantitative will used for collect quantitative statistical data related level Financial Literacy, usage product digital Islamic finance, and its impact to growth economy society.

RESULTS

Analysis Qualitative

Data from interviews and studies case will analyzed with approach analysis thematic. It's involving identification patterns, themes , and concepts important things that emerge from qualitative data. Analysis This will give understanding deep about perception and experience public related literacy digital Islamic finance and finance. Zakat polemics often arise due to a lack of public understanding and awareness about the purpose and management of zakat. Regency Baznas always tries to improve education and outreach programs to provide a better understanding of the importance of zakat in improving community welfare.It is important to work together with ulama and religious figures in resolving the zakat polemic. Building consensus in the interpretation of religious laws regarding zakat can help reduce controversy. District Baznas can establish partnerships with financial institutions and local businesses to facilitate zakat collection, either directly or indirectly. This can help expand the donor base and increase the amount of zakat funds collected.

The following are several Regency Baznas programs in an effort to improve welfare and alleviate poverty: (1) Orphan Assistance: Guaranteeing the Welfare of Orphans: Providing assistance to orphans is a form of social concern for the younger generation who have lost their parents. This helps create a safe and supportive environment for them to grow and develop healthily; (2) Free Ambulance: Access to emergency health services. Free ambulances are a crucial service in providing fast and appropriate access to emergency health services. This can save lives in urgent situations. (3) Educational Scholarships: Empowerment Through Education: Educational scholarships open the door to access for individuals who may be financially limited but have academic potential. This helps improve the quality of human resources in society. Several IAIN Parepare students received educational scholarship programs from BAZNAS both centrally and from Parepare City; (4) Funeral Cost Assistance: Easing financial burdens during times of grief. Funeral cost assistance provides financial assistance to grieving families, reducing the financial burden that arises from unexpected funeral costs; (5) Free Groceries: Tackling Hunger and Malnutrition. Free basic food helps provide basic food to those in need, especially in emergency situations or when someone is experiencing financial difficulties; (6) Treatment Assistance: Medical assistance is a crucial form of health service. This ensures that people, especially the underprivileged, can get necessary health care without experiencing heavy financial burdens. Each of the forms of assistance above plays an important role in creating a more just, healthy and empowered society. They also reflect the social commitment and human values that underlie efforts to help others. With this assistance, we can build a stronger foundation for mutual prosperity and progress.

Factors _ inhibitor digitalization of zakat

(1) Low Level of Technological Literacy: Some people may not have adequate access or knowledge regarding digital technology. This can be an obstacle in using the online zakat

program. Therefore, education and training programs are needed to increase technological literacy among people who are less skilled in using technology; (2) Data Security and Privacy: Some people may worry about the security of their personal data when using online zakat platforms. They may want to ensure that their personal information will not be misused or accessed by unauthorized parties. Therefore, it is important to ensure that a robust data security and privacy system is implemented; (3) Internet Access Limitations: In some areas or communities, internet access may be unstable or limited. This can be an obstacle in using online zakat programs. Solutions to this problem may include expanding internet access or providing alternatives for accessing zakat programs, such as through physical centers; (4) Distrust of Technology: Some people may have a distrust of technology or may feel more comfortable with conventional ways of paying zakat. To overcome this, it is important to build trust and provide education about the benefits and safety of online zakat programs; (5) Difficulty Navigating and Using the Platform: Online zakat platforms that are complex or difficult to navigate can be a barrier for some people. It is important to design the platform with a simple and user-friendly interface to ensure that everyone can easily use the service. Limited Access for Vulnerable Groups: Groups who may be underprivileged or vulnerable such as the elderly or people with disabilities may experience difficulties in using online zakat programs. In this case, special strategies need to be implemented to ensure that they can also take advantage of this program.

Analysis Quantitative:

From the research results, it can be seen that the majority of respondents (90%) believe that online zakat can play an important role in reducing poverty rates in Indonesia. Only a small portion of respondents (2%) disagree. This significant percentage reflects the high level of confidence in the potential of online zakat as an instrument for poverty alleviation. Additionally, the majority of respondents (54%) consider it a possibility worth considering. This shows that most respondents are willing to open themselves to the positive potential of online zakat, but may still need further information or proof of its effectiveness. There is high confidence in the potential of online zakat in alleviating poverty in Indonsia. This shows that people consider online zakat to be a relevant and useful tool in overcoming the problem of poverty; (2) The public needs to get more complete and detailed information regarding the potential of online zakat. Adequate educational and outreach campaigns may be needed to clarify its benefits and effectiveness; (3) The very small negative response (2%) may be an interesting area for further study. Whether they have specific doubts or concerns regarding online zakat needs to be identified to understand different perspectives

Other data shows that the majority of respondents (90%) believe that the digital zakat program plays an important role in improving the economic conditions of society. Only a small portion of respondents (10%) disagree. This high percentage reflects a strong level of confidence in the benefits of the digital zakat program for improving people's economic welfare. (1) This data indicated that public own level high trust _ towards the digital zakat program as solution effective in increase condition economy society . This thing can become footing important For development and implementation of more digital zakat programs continue ; (2) Involvement technology in activity social and religious (such as zakat) possible become accepted trend _ with well by society . This thing indicated that There is opportunity big For utilise technology as means For strengthen zakat activities; (3) Need notice view a minority (10%) do not agree . Explore the reason behind view This can give outlook valuable in designing and implementing more digital zakat programs effective and inclusive.

CONCLUSION

Level of Knowledge and Understanding about Zakat: The majority of respondents already have basic knowledge about zakat, but their in-depth understanding of the concept of zakat in Islam still needs to be improved. Only a few respondents felt they had a high or very high understanding of zakat. Potential Use of Digital Zakat: There is a good level of awareness regarding digital zakat, but its implementation and utilization is still relatively low. Only a small portion of respondents actively use online zakat platforms. Opinion on the Impact of Zakat on Poverty: The majority of respondents recognize the potential of zakat in reducing poverty in Indonesia. However, a small number of respondents have a skeptical view or doubt the effectiveness of zakat in overcoming the problem of poverty. Confidence in the Digital Zakat Program: The majority of respondents believe that the digital zakat program plays an important role in improving the economic conditions of society. This reflects a high level of confidence in the potential of technology to improve zakat distribution. The Importance of Education and Campaigns: There is an urgent need to increase education and outreach campaigns regarding zakat and the use of technology in zakat distribution. This can help strengthen public understanding and trust in the zakat program. Role of Transparency and Accountability: Transparency and accountability in the management of zakat funds are very important to build public trust. Ensuring that zakat funds are used effectively and according to purpose can help strengthen community participation. In an ever digital landscape change , literacy Islamic finance and finance are the pillars of development an inclusive , ethical and sustainable economy . Journal This underline potency transformation from combined education Financial Literacy with tools Islamic finance supported by digital technology , with emphasize empowerment individual and community while still hold Islamic values . As society develops Keep going increasing , integration elements This can open road towards a brighter future _ fair and prosperous.

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