DETERMINANTS OF FINANCIAL LITERACY ON MICRO WAQF BANKS IN ACEH

Amrizal Hamsa[1]
Arroyyan Ramly[2*]
[1,2]STAIN Teungku Dirundeng Meulaboh, Aceh, Indonesia
Corresponding Email: *arroyyanramly@staindirundeng.ac.id*

ABSTRACT - In comparison to the conventional financial literacy index, the Islamic financial literacy index in Aceh remains relatively low at 18.64%. The presence of micro Waqf banks in Aceh is intended to be beneficial to both urban and rural communities. This study investigates the factors that influence the public's preference for Micro-Wakaf Bank in Aceh. To collect data, a questionnaire was administered to 100 respondents throughout Aceh. This study utilizes the variables literacy index, preference, religiosity, and business motivation. To investigate these variables, a quantitative approach with multiple regression analysis techniques is employed. The results indicate that preference, religiosity, and business motivation have positive and statistically significant effects on Islamic financial literacy. Despite 52 percent Islamic financial literacy for micro waqf banks and the role of micro-waqf banks in expanding micro-scale businesses, the public preference for micro waqf banks remains low compared to Islamic banks. Because the practical implications of this research will have an impact on micro-waqf banks, as literacy numbers increased, the public will be more likely to choose micro-waqf banks for their business ventures.
Keywords: *Preference, bussines Transactions, Micro Waqf Bank, Community.*

ABSTRAK – Determinan Literasi Keuangan terhadap Bank Wakaf Mikro di Aceh. *Indeks literasi keuangan Syariah di aceh masih tergolong rendah sekitar 18,64% dibandingkan dengan indeks literasi keuangan konvensional. Hadirnya bank wakaf mikro di Aceh berupaya untuk meningkatkan kesejahteraan masyarakat urban dan pedesaan. Tujuan penelitian ini untuk menganalisis faktor-faktor yang mempengaruhi minat masyarakat Aceh dalam memanfaatkan bank wakaf mikro terhadap pemodalan usaha. Penelitian ini mengunakan metode kuantitatif dengan teknik analisis regresi berganda. Data penelitian dikumpulkan melalui kuesioner terhadap 100 responden yang tersebar di seluruh Aceh. Variabel yang digunakan dalam penelitian ini ialah indeks literasi, preferensi, religiusitas dan motivasi usaha. Metode analisis data menggunakan analisis regresi linear berganda. Hasil penelitian ini menunjukkan bahwa variabel preferensi berpegaruh positif dan signifikan terhadap indeks literasi keuangan syariah. Preferensi public terhadap bank wakaf mikro masih rendah dibandingkan dengan bank syariah, namun literasi keuangan syariah terhadap bank wakaf mikro sebesar 52% dan membantu peningkatan bisnis berskala mikro di dalam masyarakat. Oleh karenanya, hasil kajian ini berimplikasi bagi bank wakaf mikro dalam kepercayaan publik, dimana semakin tinggi tingkat literasi, semakin besar minat publik dalam memilih lembaga bank wakaf mikro dalam pemodalan usaha mereka.*
Kata Kunci: *Preferensi, transaksi bisnis, bank wakaf mikro, masyarakat*

INTRODUCTION

Financial literacy is a measure of a person's capability, skill, knowledge of financial institutions, products, and services, as well as their ability to independently comprehend financial management (OJK, 2019). Financial literacy enables the public to be literate in financial institutions, particularly Islamic financial institutions, so that the public can comprehend the ease of access to dependable financial institutions (Faujiah, 2018). Preferences can be inferred from a person's interests in decision-making, which are influenced by their psychology, personality, social environment, and culture. Additionally, religion influences an individual's behavior when engaging in economic activities (Adisti, 2021). However, literacy and religiosity can also influence the community's preference for Islamic financial institutions, one of which is the micro waqf bank institution (BWM) (Munardi, et al., 2020).

The Micro Waqf Bank (BWM) is one of the Islamic microfinance institutions that focuses on empowering the poor (Tarigan, 2013) by providing revolving funds from waqf funds or third parties who become donors, and then distributing them to the community for micro business activities. Micro Waqf Bank is unique in regards to its operations. It can be deduced from the location, which is typically found in Islamic boarding schools, which are also Islamic educational institutions (Sulistiani, 2019). Customers of the micro-waqf bank are impoverished communities and those in the vicinity of boarding schools (pesantren) (Sulistiani, 2019). Despite the institution's enormous potential in Indonesia, the community has yet to fully comprehend micro waqf banks and has no interest in them (Rianti, 2019).

Based on the observation that micro Waqf banks are directly supported by the Indonesian government and have the potential to develop in the community, a deeper analysis of this issue is required. It can also have a positive effect on the economic performance of a government. Several previous studies on micro Waqf banks have not yet addressed the community's preferences for economic empowerment via micro Waqf bank institutions. Some of these works include Ahmad and Rahman (2018); Choudhury, Pratiwi, and Hoque (2019); Mahat, Jaaffar, and Rasool (2015); Mauluddin and Rahman (2018); and Sabirin (2016), which merely analyze the role of Waqf and Islamic philanthropy in society's welfare.

The province of Aceh has exclusive authority to implement Islamic law, including its economic aspects. According to Qanun No. 11/2018 on Islamic Financial Institutions, all financial institutions, including microfinance institutions, in Aceh must adhere to Sharia principles (sharia compliance). Despite this, there are still a significant number of Acehnese who engage with moneylenders who offer soft loans with high interest rates. With the enactment of this regulation, which is also in line with the operationalization of the Micro Waqf Bank (BWM), it is now possible for the poor community to conduct business without the influence of moneylenders.

Based on data from the Financial Services Authority, Sharia-compliant microfinance institutions in Aceh remain extremely limited. There are only two microfinance institutions in Aceh, meaning that people have few options for financing their business activities (OJK, 2020). It is still difficult for the general public to get access to appropriate financing on a micro scale, particularly when there are limited options available. People will opt for the more traditional form of credit offered by moneylenders, even though it comes with a higher interest rate (Aulia, Ibrahim, & Tarigan, 2020). This is an extremely pressing issue in today's society (Ibrahim, 2014). Therefore, the availability of a micro waqf bank presents another choice for individuals who run micro businesses and wish to gain access to low-volume financing in the range of two or three million rupiah.

Furthermore, according to the most recent Central Bureau of Statistics data, the poverty depth index in Aceh increased by 0.08 percent in 2020 compared to 2019. In Aceh, the poor index was around 15.01 percent in 2019, and it was around 15.43 percent in 2020. As a result, the poverty rate has risen significantly since 2019. (BPS, 2019).

Typically, Islamic micro-waqf banks operate within Islamic boarding schools. Dayah, or Islamic boarding schools, have tremendous potential as taffaquh Islamiyah institutions in Aceh. The people of Aceh continue to have a great deal of trust in Pesantren and Dayah. Statistically, there are approximately 1,177 Islamic boarding schools in Aceh. Approximately 124,922 students attend 382 Islamic boarding schools that provide integrated education (Kemenag, 2021). Therefore, the potential for a Micro Waqf Bank to serve the poor in the vicinity of the pesantren is high.

Then, several previous studies have discovered a significant relationship between community preferences and religiosity, such as Adisti (2021) and Munardi, Ahmad Fauzul Hakim Hasibuan, and Ichsan (2020). Preference is the tendency of people's choices when selecting a product. For example, while religiosity is the individual's responsibility in the beliefs held that affect the individual, he will undoubtedly carry out his obligations in this case. Waqf and zakat, for example, are Islamic obligations that must be fulfilled by anyone who is aware of them (Ibrahim, & Ilyas, 2016: Ibrahim et al., 2015; Ibrahim, 2011). People will tend to transact at micro-waqf banks, regardless of their religiosity or preferences.

Furthermore, business motivation influences preference (Munardi, Hasibuan, & Ichsan (2020), Nanda, Ayumiati, and Wahyu (2019), Octavia (2020), because there are still people in Aceh who do not have access to microfinance. Literacy will also prevent problems with managing money and gaining access to financial institutions, which are both potential sources of stress. Initially, a number of studies presented evidence indicating that individuals' levels of financial literacy were increasing (Nanda et al. 2019). However, the author is curious as to whether or not increased financial literacy will result in a higher preference among the general public for micro-Waqf banks. As a result, the contribution of this study will be to answer the question of whether or not the factors of people's religiosity, level of business motivation, and level of financial literacy influence their preference for micro-waqf banks.

Because of this, the authors intend to confine the scope of this research to the preferences of the general public in Aceh regarding micro-Waqf banks. The potential for the development of Islamic microfinance institutions in Aceh, as well as an analysis of the number of people who are interested in selecting a micro-waqf bank, will both have implications on the level of community literacy as well as economic development in an area.

LITERATURE REVIEW

Waqf, which is one of the components of Islamic philanthropy, has emerged as the most important channel through which the Muslim community can advance their social standing. In Indonesia, the micro Waqf Bank instrument was established in 2017 and began operations in 2018 based on the Constitution Number 1/2013 concerning Microfinance Institutions. Its goal is to broaden the public's access to financial resources on a microscale and to promote financial

inclusion at the community level. The Micro Waqf Bank Institution is responsible for the distribution of the funds that were donated by members of the general public with the intention of providing waqf to the community.

To date, however, not all Islamic boarding schools in Indonesia, including those in Aceh, have established Micro Waqf Banks. In addition, the public's understanding of the micro waqf bank instrument's business model remains limited. The urgency of this study is therefore to increase public understanding and preference for Islamic microfinance institutions, as well as the role of micro waqf banks and boarding schools in achieving their goals.

Despite the fact that there are several articles on micro Waqf banks, this topic has yet to be thoroughly researched. The indicators that were utilized in this study focused on analyzing the preferences of the community as well as the literacy level of the community regarding the micro waqf bank instruments in Aceh. The contribution of the research is to increase public understanding, particularly in the poor community that requires sharia microfinance in order to increase its income and welfare, as well as to elevate the image of micro waqf banks (BWM) in Aceh as one of the models of Islamic financial institutions developed by the government. Specifically, the research focuses on the poor community that requires sharia microfinance in order to increase its income and welfare.

According to the Financial Services Authority (2019), financial literacy is a set of processes or activities designed to increase the knowledge, competence, and skills of consumers and the broader community so that they can better manage their finances. According to Mason and Wilson, financial literacy is a person's ability to obtain, comprehend, and evaluate pertinent information in order to make decisions based on an understanding of the financial ramifications of their actions. Conceptually, Islamic finance literacy is defined as "the ability to use financial knowledge, skills, and attitudes to manage financial resources in accordance with Islamic teachings" (Munardi, Fauzul, and Ichsan, 2020).

The analysis of preferences and literacy uses empirical data tested with regression by Noor and Sanrego (2011) and Yimga (2018) and then conducts a causal comparison analysis of individuals' preferences (Manan and Shafiai 2015). In this study, operational variables refer to earlier studies such as Noor and Sanrego (2011); Yimga (2018); Zayanie, Fitria, and Kamariah (2019) and Fauzia (2018); Husniyah (2018). (2019). The variables examined are the

transactional interest of the community, motivation, level of trust, religiosity, and education level. Transactional interest and motivation are indicators of people's preferences or tendencies to utilize Islamic microfinance institutions to operate their businesses. As indicators of public literacy regarding micro-waqf bank institutions, the variables of education level, level of trust, and religiosity are defined.

In this case, Rozzani et al. (2015) believe that the community should prefer microfinance institutions because access is easier and the community can propose lending funds in small amounts (Rozzani et al. 2015:804). Manan and Shafiai report that the global development of microfinance institutions has nearly reached 90% in terms of recruiting customers, who are mostly poor people from Asian countries (2015:83). Similarly, the literacy level of people who choose to transact with microfinance institutions is rising, according to Indrawati (2014) and Mahat et al. (2015), who conducted their research in Malaysian communities. They are aware of increasing economic empowerment through waqf microfinance institutions through small groups of people (Mahat et al. 2015:302).

Moreover, according to other research by Octavia (2020) and Rianti (2019), the public still does not comprehend micro waqf banks (BWM), indicating that the public's knowledge of Islamic microfinance institutions is still limited. In light of this, the establishment of the Islamic Boarding School-based Micro Waqf Bank is applauded. Since there is only one BWM in Aceh, the problems caused by the presence of the Micro Waqf Bank instrument are not optimal. In order to analyze the preferences of micro waqf bank customers, it is necessary to engage in a broader and more effective socialization process. Yulianti (2015) conducted additional research on the influence of public interest on the decision to select Islamic banking products in Banda Aceh using indicators of community religiosity and the quality of banking services.

In contrast to previous research conducted by Nurhayati and Nurjamil (2019), research on the empowerment of the poor through Islamic boarding schools with access to micro-waqf banks revealed that the empowerment model implemented by BWM consisted of business capital financing using the Al-Qardh contract, which prioritizes education and assistance with business development and management. Next, Fitaloka (2019) investigates the application of micro waqf banks to the alleviation of poverty. The obtained results indicate that Sharia Microfinance Institutions (LKMS) empower the

productive poor by providing assistance and micro-financing without collateral using the cash of waqf funds in a system that does not accept deposits. A qualitative study by Aisyah, Islam, and Sunan (2019) found that the optimization of micro waqf banks as community empowerment is possible. The results of the study indicate that the institution's role as a social agent for the community consists of providing financing and business assistance to the community, and that the role of Islamic boarding schools is closely related to the empowerment of the community through the provision of assistance through weekly meetings known as HALMI.

Nanda et al. (2019) also investigates the level of Islamic financial literacy among Banda Aceh residents. This study employs a qualitative strategy with a low, medium, and high literacy level measurement model derived from the theory of Chen and Volpe (1998). According to the findings of this study, the level of Islamic financial literacy among the residents of Banda Aceh City is 71.99%, which falls within the moderate range (60%-79%).

The present study aims to analyze the level of literacy and the community's propensity to choose micro-Waqf banks as business partners by analyzing indicators of religiosity (Munardi et al., 2020), preference indicators (Adisti, 2021), business motivation (Ramly et al., 2020; Faujiah, 2018), and literacy (Nanda et al., 2019; Octavia, 2020; and Husniyah, 2019). Indicators of financial literacy, which refer to research by Nanda et al. (2019) employing the Chen and Volpe (1998) theory, are applied to the analysis of individuals' preferences. Islamic financial literacy refers to an individual's understanding of Islamic financial products and services. Consequently, the authors formulated the following hypothesis as the first premise of the study:

H_1: Community preferences have a positive and significant impact on the literacy of micro waqf banks in Aceh

H_2: Community religiosity has a positive and significant impact on micro waqf bank literacy in Aceh

H_3: Community business motivation has a positive and significant impact on micro waqf bank literacy in Aceh

METHODOLOGY

This study was carried out by applying a quantitative methodology and employing a survey method to collect the necessary data for analysis. The sample for this study consisted of 100 individuals from various districts in Aceh. Data analysis was carried out using descriptive statistics, as in previous studies by Iman and Mohammad (2017), Mahat et al. (2015), Widiarto and Emrouznejad (2015), and Noor and Sanrego (2015). (2011). It utilizes logistic models as well as multiple regression analysis.

The questionnaire instrument was distributed directly and online using the Google Form platform to collect data. Following the distribution of the questionnaire, the researcher conducted direct observations at micro waqf banks in Aceh, observing the activities of customer groups in conducting their business. The financial literacy index (Y) was used as the dependent variable in this study, while the independent variables were preference (X1), religiosity (X2), and business motivation (X3) (X3). The operational variables are then as follows:

Table 1. Operational Variabel

Variable	Definition	Reference	Indicator	Interval
Literacy (Y)	Cash waqf literacy is interpreted as basic knowledge related to Micro Waqf Banks and the operations of Sharia Microfinance Institutions	Adisti (2021), OJK, (2014), dan Octavia (2020)	Education Level, Knowledge and Faith	1-5 (likert)
Preferences (X1)	Preference is an individual's behavior in making choices that can be influenced by personality, psychology, social and culture and religious identity.	Setiadi (2013) dan Adisti (2021)	Religious identity, maslahah, individual psychology and culture	1-5 (likert)
Religiosity (X2)	Religiosity is belief in Allah and making Islam a guide for life.	Osman, (2016) dan Adisti (2021)	obedience	1-5 (likert)
Business Motivation (X3)	The willingness of the community and customers to take advantage of opportunities for entrepreneurship	Ramly et al. n.d.(2020)	Peluang, Kebutuhan modal, dan pengaruh orang luar	1-5 (likert)

(Source: Adisti, 2021)

In analyzing the data, the author constructs a regression model based on research by Adisti (2021; Nanda et al. (2019); Noor and Sanrego (2011);

Faujiah (2018); Husniyah (2019); Munardi, Hasibuan, and Ichsan (2020); Octavia (2020). Thus, the research framework is as displayed in Figure 1.
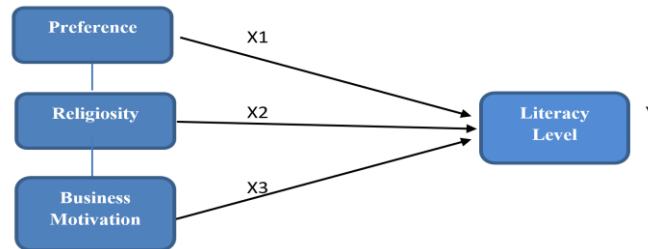

Figure 1. Research Framework

In order to assess the questionnaire instrument's validity and reliability, as well as the collected data's validity and reliability, researchers employ validity and reliability tests. The test employs two samples with a 5% level of significance. In addition, standard assumption tests such as normality, multicollinearity, and heteroscedasticity are conducted to determine if the constructed model is accurate and meets the requirements. Using the following formula, multiple regression analysis is performed to determine the relationship between the dependent variable and the independent variable (Munardi, Hasibuan, & Ichsan, 2020):

$$LogY = LogX1 + LogX2 + LogX3 + e \qquad\qquad (1)$$

  $LogY$ = *Literacy level*
  $LogX_1$ = *Preference*
  $LogX_2$ = *Religiosity*
  $LogX_3$ = *Business Motivation*
  a = constant b1, b2, b3 = Regression Coefficient

Since it was discovered that some data deviated from the validity test results, the author has transformed the data using logs. Some data points were omitted and transformed due to the presence of nonlinear variables between the dependent variable and the independent variable.

RESULT AND DISCUSSION

Respondents

The survey locations in this study were selected based on regional categories, such as Aceh Barat, Aceh Jaya, Nagan Raya, Aceh Tengah, Banda Aceh City,

and Aceh Besar. Both paper forms and a Google Form were used to distribute the questionnaires for the survey. We have collected a total of 100 forms, 80 of which were completed using Google forms, and the remaining 20 were completed manually. Within the group of people who responded to the survey, there were 46% males and 64% females. Approximately 60% of the jobs that are listed on the questionnaire are positions in the public sector, and the rest 40% are in the private sector. The level of education also varies, but the vast majority of respondents (73%) have completed high school. In comparison, only 14% have a bachelor's degree and 13% have a low level of education.
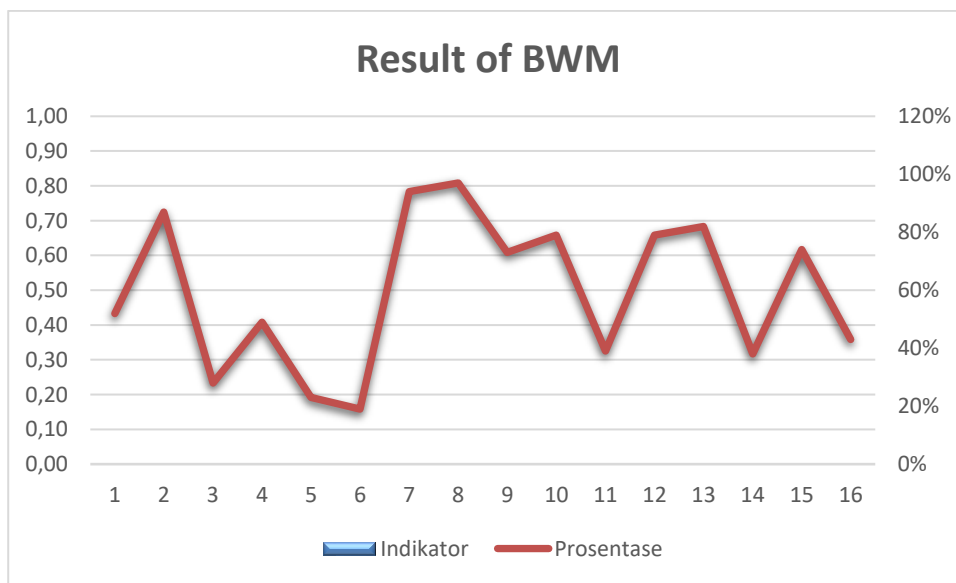

Figure 2. Result of BWM Survey
(Source: processed data)

The graph above depicts the percentage of micro waqf bank surveys based on literacy, preference, religiosity, education level, and business motivation indicators. The graph depicts the highest percentage on the graph, as shown by the religiosity indicator of 97% and 94%. The literacy indicator has a percentage value of 87%, and the business motivation indicator has a percentage value of 82%. However, the education level indicator yielded lower results by 19% and 23%, respectively. This is due to the variety of questionnaires distributed, which ensures that the filling is not overly dominated by one level of education. The religiosity indicator, on the other hand, receives a very high score. This demonstrates that the Acehnese community, which is predominantly Muslim, strongly supports the operation of Sharia-based microfinance institutions, including micro waqf banks. On the

other hand, the government has provided support through regulations issued in the last three years regarding the operation of Islamic financial institutions in Aceh, which are governed by Qanun Number 11/2018 concerning Islamic Financial Institutions.

Table 2. Matrix of Respondents' Answers

No	Variable	Questions	Percentage	Code
1		Do you know the Micro Waqf Bank (BWM)?	52 %	A
2	Literacy	Do you agree with the establishment of a Micro Waqf Bank in Aceh and helping microfinance to the community?	87%	A
3		I know of the existence of a micro waqf bank (BWM) from social media, radio, TV, and banners.	28%	N
4		We support the operation of micro waqf banks (BWM) in increasing small community businesses	94%	A
5	Religiosity	We agree that microfinance institutions should avoid usury, gharar, maysir and tadlis	97%	A
6		Public access in obtaining financing at the Micro Waqf Bank (BWM) is easy and fast.	73%	A
17		We choose business financing at the Micro Waqf Bank, because the institution is sharia-based	79 %	A
18	Business Motivation	We chose business financing at the Micro Waqf Bank, because you are close to the leaders or employees of BWM?	39%	DA
9		Micro Waqf Bank Assists Microfinance to small communities	79%	A
10		In my opinion, Micro Waqf Banks are very helpful for small communities in providing financing for business development	82 %	A
11		I prefer Islamic banking institutions over Micro Waqf Banks in business financing.	38%	N
12	Preference	I prefer credit financing at conventional banks over Micro Waqf Banks (BWM)	74%	DA
13		There are obstacles and obstacles for the community to access business financing from Micro Waqf Banks (BWM)	43%	N

(Source: BWM Survey Results Tabulation, processed, 2021)

Each indicator has three or four questions with varying percentage results. The survey results are coded, for example, A means Agree, which means that the respondent agrees with the question or statement on the item. The code N indicates that the majority of respondents answered neutral/undecided on the questionnaire's questions. The DA code indicates that the majority of respondents disagreed with the statement in the questionnaire questions.

Furthermore, the percentage of the results of the public literacy survey on micro waqf banks in Aceh scored 87%, indicating that all respondents support the establishment of micro waqf banks in Aceh. This is due to the Acehnese people's rapid support for the development of Islamic financial institutions. In terms of public understanding of Micro Waqf banks, it received a 52% score, indicating that there are still many people who are unaware of micro waqf banks, which is approximately 48%. They did, however, agree on the existence of a micro waqf bank in Aceh, as well as the purpose of the micro waqf bank in assisting people in need in Aceh.

Interestingly, based on the religiosity indicator, 94% answered the question regarding the operation of micro waqf banks (BWM) in supporting small community businesses, while 97% answered the question stating that BWM must avoid usury, gharar, and maisir. This indicates that the community trusts and supports the operation of micro waqf banks in Aceh, despite the fact that this institution only began operations at the beginning of 2019. This is due to the fact that the emotional factors of the Acehnese people are still quite strong. In terms of the motivation indicator, 79% of respondents answered that micro waqf banks assist small communities with microfinancing, and 79% said that the community chose micro waqf banks because their financing was based on Sharia. This indicates that the business motivation of 79% of the 100 respondents in Aceh has been influenced by Sharia-based financial institutions. The community also responded that micro waqf banks had assisted small communities with business development financing to the extent of 82%.

Nonetheless, the preference indicator or the tendency of people's choice of Islamic microfinance institutions is still low; this can be seen by comparing financing in Islamic banks to conventional bank credit. This is because the people of Aceh are unfamiliar with micro waqf banks. Consequently, 38% of respondents receive more information about Islamic banks, according to the survey results on this question. Around 43% of respondents answered the problem and obstacle question correctly. In addition, when comparing the preferences of the Acehnese people between Islamic financial institutions and conventional financial institutions, the results of this survey indicate that 74% prefer and choose Islamic financial institutions over conventional bank institutions for conducting transactions and other activities. The tabulation results of the survey of micro waqf banks in Aceh are depicted in the graph presented in the following section.

Instrument Test

Validity Test

In the validity test, the correlation coefficient value is greater than the r table value for n = 100 at the 0.05 level of significance, with a value of 0.197. Therefore, it can be concluded that X1 (Preference) variable results with a probability value greater than 0.197 are valid. Then, the variable X2 (religiosity) receives the value 0.725, which is greater than 0.197, and is therefore also declared valid. The final variable X3 (business motivation), with a probability value of 0.321 exceeding a significance value of 0.297, is also valid. Thus, all variables derived from the questions on the distributed survey are considered valid.

Table 3. Validity Test

Covariance Correlation t-statistic	Log Y	Log X1	LogX2	Log Y
Log Y	0.19475			
	1.00000			
Log X1	0.025603	0.064302		
	0.725008	1.000000		
	10.42079			
Log X2	1.020035	0.023493	0.031526	
	0.725008	0.522891	1.000000	
	13.60420	6.072692		
Log X3	0.019775	0.003695	-0.010261	0.193849
	0.321843	0.033161	-0.131258	1.000000
	3.365137	0.328460	-1.310726	

(Data Source: Processed by Eviews 12)

Reliability Test

In this study, the provisions for determining the degree of reliability are predicated on the following conditions:
   a.   Reliable if the value of Cronbach Alpha (α) > 0.60
   b.   Not reliable if the value of Cronbach Alpha (α) < 0.60

Table 4. Reliability Test of Instrument

Decision-making		
Set value	Cronbach Alpha's Value	Conclusion
0,60	0,792265991	**Reliable**

(Data Source: Processed, 2022)

The instrument reliability test is computed in Microsoft Excel. The results showed that all variables from all questionnaires distributed had a test value of 0.792 > Cronbach Alpha (α) > 0.60, indicating that all variables are considered reliable.

Classic Assumption Test

Normality Test

The conclusion of the normality test is derived from the Kolmogorov-Smirnov test. If sig < 0.05, the sample is not normally distributed; however, if sig > 0.05, the sample is normally distributed. As displays in Figure 2, the probability value is 0.057 > 0.05, meaning the data is normally distributed.
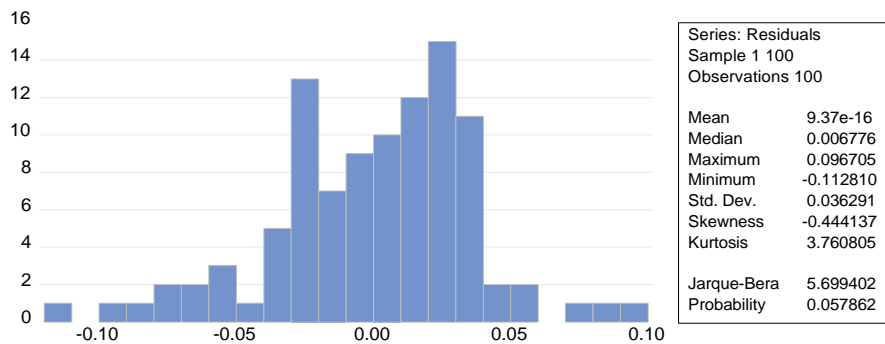

Series: Residuals	
Sample 1 100	
Observations	100
Mean	9.37e-16
Median	0.006776
Maximum	0.096705
Minimum	-0.112810
Std. Dev.	0.036291
Skewness	-0.444137
Kurtosis	3.760805
Jarque-Bera	5.699402
Probability	0.057862

Figure. 3 Normality Test

Multicollinearity Test

The coefficient of variance for the preference variable (X1) in the multicollinearity test is 1.396, which is less than 10.00, indicating that X1 does not exhibit multicollinearity.

Tabel 5. Uji Multikolineritas

Variance Inflation Factor		
Variabel	Uncentered VIF	Centered VIF
C	256.9562	NA
LogX1	122.8205	1.396569
LogX2	300.9878	1.419489
LogX3	21.62508	1.032514

(Data Source: Proccesed by Eviews 12)

On the variable Religiosity (X2), the VIF value of 1.419 is less than 10.00, indicating that there is no multicollinearity. The business motivation variable (X3) is less than 10.00 with a VIF value of 1.032. In conclusion, the regression model has no multicollinearity.

Heteroscedasticity Test

The results of the test for heteroscedasticity, where the p value is indicated by the Prob value, are 0.4297 for chi square (2) in Obs*R-Squared. Since the p value is greater than 0.05, hypothesis 1 is accepted. It indicates that the regression model is homoscedastic, or that the assumption of non-heteroscedasticity holds true.

Table 6. Heteroscedasticity Test

Heteroskedasticity Test: Breusch-Pagan-Godfrey			
F-Statistic	0.909184	Prob. F(3,96)	0.4396
Obs*R-Squared	2.762705	Prob. Chi-Square(3)	0.4297
Scaled Explained SS	3.514656	Prob. Chi-Square(3)	0.3189

(Source: Data processed by Eviews 12)

Multiple Regression Results

According to the findings, the X1 (preference) variable has a positive regression coefficient of 0.198. This indicates that an increase in the value of people's preferences correlates positively with an increase in the literacy rate of a society. Because the p-value of 0.00 is less than = 0.05, it can be concluded that the preference variable does, in fact, have a positive and significant influence on Islamic financial literacy. Then, for the X2 variable, which is religiosity, it has a positive regression coefficient of 0.528, which indicates that an increase in the value of religiosity also results in an increase in people's literacy.

Table 7. Multiple Regression Test

Dependent Variable: LOG Y				
Method: Least Squares				
Variable	Coefficient	Std.Error	t-Statistic	Prob.
C	2.026257	0.058846	34.43346	0.0000
LogX1	0.198619	0.017211	11.54006	0.0000
LogX2	0.528587	0.024729	21.37483	0.0000
LogX3	0.126207	0.008505	12.83835	0.0000
R-Squared				
Adjusted R-Squared				
F-Statistic	445.9676			
Prob(F-Statistic)	0.000000			

(Data Source: Processed by Eviews 12)

The fact that the p-value of 0.00 is less than 0.05 indicates that the religiosity variable does, in fact, have a positive and significant effect on Islamic financial literacy. The X3 variable, which measures business motivation, has a positive regression coefficient of 0.126, which indicates that as the level of religiosity in a population rises, so does the average level of literacy in that population. The p-value of 0.00 is less than = 0.05, which indicates that the variable of business motivation has a positive and significant effect on Islamic financial literacy. This is because the p-value is less than = 0.05. The fact that the value of significance for the F test was 0.00 rather than = 0.05 indicates that all three independent variables, X1, X2, and X3, have a positive and statistically significant effect on the dependent variable simultaneously.

Discussion

The results indicate that the community's preference variable for micro waqf banks had a significant effect with a value less than 0.00 and greater than 0.05 alpha. This hypothesis is consistent with Octavia's (2020) finding that the public's preference for Islamic financial institutions has a significant impact. This indicates that individuals prefer microfinance over micro waqf banks, Islamic banks, and conventional banks. According to the results of the survey, 94 percent of respondents favor micro waqf banks for financing.

Furthermore, micro waqf banks cater to groups of mothers who are highly motivated to engage in entrepreneurship. This group of micro waqf bank customers has a predominantly low-income background and resides near the micro waqf bank's location or the Islamic boarding school where the micro waqf bank was founded. The economic situation of these housewives is extremely precarious, and they rely on microbusinesses to support their households. Compared to obtaining financing from banks whose terms they cannot meet. This group prefers to fund the Aceh Besar babul maghfirah micro waqf bank.

Next, the level of religiosity can impact the community's selection of micro waqf banks. Additionally, the results indicate that religiosity has an effect on the literacy of micro waqf banks. According to a theory, the greater a person's literacy, the greater their religiosity. In this instance, micro waqf bank clients are all Muslims; therefore, a Muslim with a high level of religiosity will choose financing from Islamic microfinance institutions, specifically micro waqf

banks. According to the results of this hypothesis test, religiosity has a positive and statistically significant impact on the financial literacy of micro waqf banks, with a probability value of 0.00 less than alpha 0.05. That is, the independent variable positively affects the dependent variable. Moreover, according to the results of the researcher's observations as to why the influence of religiosity is high on the community's attitude toward micro waqf banks, the figure of the Islamic boarding school leadership as a religious leader is also one of the reasons why people are interested in taking financing at micro waqf banks, as they believe that the figure of a ustad or teungku will not disappoint them with his honesty. Then, from an emotional standpoint, religion has a significant impact on the community's financing of micro waqf banks.

This implies that the religiosity indicator will increase individuals' preference for micro waqf banks. In their research, Rianti (2019) and Octavia (2020) found that the public's awareness of micro waqf banks is still low, despite the vast potential for the development of micro waqf banks in Aceh. The researcher discovered that the level of financial literacy in Aceh pertaining to Islamic financial institutions remained low at approximately 18.23%. The results of a survey, however, revealed that public awareness of micro waqf banks had increased by 52 percent. The assumption of the researcher's hypothesis test, which states that the level of preference and religiosity has a significant effect on micro waqf banks, also supports this conclusion. then this research is strengthened by previous research Munardi, Ahmad Fauzul Hakim Hasibuan, Ichsan, and Husniyah (2020), as well as Hasibuan, Ichsan, and Husniyah (2019), used indicators of financial literacy and religiosity on the use of banking products, and found that both variables had a positive and statistically significant effect on product use.

Financial literacy is significantly influenced by the variable of business motivation. Based on their participation in weekly halaqah activities (HALMI) organized by micro waqf banks, the author's analysis demonstrates that the business motivation of the people in the vicinity of the pesantren is extremely enthusiastic. Customers who are members of KUMPI attend Halaqah, and three business groups participate in twice-weekly activities. The objective is to provide micro waqf bank customers with knowledge and direction so long as they obtain financing from the Sharia microfinance institution. Among the current number of micro waqf bank customers, 185 individuals with diverse business backgrounds have recently joined (Husniyah 2019).

The simultaneous test results show that all variables have a positive and significant effect. It is clear from the Sig-F value of 0.00, which is less than = 0.05. It means that the regression model was correct, and it can be concluded that preference, religiosity, and business motivation all have a strong influence on public literacy toward micro waqf banks.

The findings show that the level of public understanding of financial institutions influences the public's preference for microfinance financing at micro waqf banks in Aceh. The knowledge is obtained through weekly customer meetings known as halaqah. Microfinance customers were given knowledge and information about financing and motivation to do business during the meeting. Because the patron of the traditional education leadership is a role model for the surrounding community, the growing sense of trust in the leadership of this pesantren has a greater impact on the community, they choose to join the micro empowerment group. This result suppots the studies of Adisti (2021), Munardi, Hasibuan, Ichsan (2020), Nanda at al., (2019), and Octavia (2020), which refers to a high level of literacy or public understanding, society tends to choose a microfinance institution or a product of corporate banking.

Furthermore, according to Adisti (2021) and Munardi, Hasibuan, and Ichsan (2020) research, religiosity is a determining factor in why people choose to transact with Islamic financial institutions. People prefer Islamic financial institutions for transactions because the majority of respondents are Muslims. The public's trust in Islamic financial institutions such as micro waqf banks and Islamic banks is growing. This is related to Faujiah (2018)'s study, which shows the findings related to business motivation after the establishment of micro waqf banks. It implies that the community's options for obtaining microfinance are becoming more diverse, as there are currently very few Islamic microfinance institutions in Aceh (OJK, 2020).

CONCLUSIONS

The hypothesis variable X1 (preference) results show that people's preferences influence the level of public literacy toward micro waqf banks. The next variable, X2, (religiosity), has a positive and significant impact on the literacy of micro waqf banks. This demonstrates that the level of religiosity of the community is very influential in choosing micro waqf banks in Aceh, even

though this is seen from an emotional standpoint, because the majority of Aceh people are devout Muslims.

The significance of the variable X3 (Business Motivation) indicates that the variable of business motivation influences the community's literacy of micro waqf banks. The presence of business motivation, the community will increase their literacy or understanding of micro waqf banks. Furthermore, the F test results have an effect on all variables X1, X2, and X3 simultaneously or together. When the literacy variable is jointly influenced, we can see the significance of the influence of the independent variables on the dependent variable. The independent variable contains almost all of the information required to predict the dependent variable.

This study has limitations due to the small number of variables. Perhaps future researchers should use a variety of variables, as well as a wider range of samples. Due to the scarcity of micro waqf banks in Aceh, this study was limited to a sample of customers from a single micro waqf bank.

Acknowledgment

REFERENCES

Adisti, Adila. (2021). "Preferensi Publik Terhadap Wakaf Uang Di Sumatera Barat Public Preference toward Cash Waqf in West Sumatera." 9(1):85–98. doi: 10.29244/jam.9.1.85-98.

Ahmad, Nur Aliza Binti, and Asmak Ab Rahman. (2018). " Empowering Society Through Waqf Bazars : A Case Study in Kelantan, Malaysia ." *New Developments in Islamic Economics* 83–98. doi: 10.1108/978-1-78756-283-720181006.

Aisyah, Siti, Universitas Islam, and Negeri Sunan. (2019). "Optimalisasi Peran Bank Wakaf Mikro Dalam Pemberdayaan Ekonomi Pelaku Usaha Sekitar Pesantren Di Jawa Timur." *Skripsi*, Universitas Islam Negeri Sunan Ampel Surabaya.

Aulia, R., Ibrahim, A., & Tarigan, I. R. R. (2020). Operasionalisasi Lembaga Keuangan Baru Dan Dampaknya Terhadap Pertumbuhan Usaha Mikro. *JIHBIZ: Global Journal of Islamic Banking and Finance., 2*(1), 57-81.

Choudhury, Masudul A., Ari Pratiwi, and Muhammad N. Hoque. (2019). "Waqf , Perpetual Charity , in a General System Theory of Tawhidi Metascience." 1–16. doi: 10.1002/tie.22039.

Faujiah, Ani. (2018). "Bank Wakaf Mikro Dan Pengaruhnya Terhadap Inklusi Keuangan Pelaku Usaha Kecil Dan Mikro (UKM)." (April):373–82.

Fauzia, Amelia. (2018). "Waqf Making and Commercial Cemeteries: Religious Circulation and Commodification of the Economy of Giving *." 676–701. doi: 10.1111/muwo.12269.

Fitaloka, Fillah. (2019). "Implementasi Konsep Pengentasan Kemiskinan Dalam Perspektif Islam Di Bank Wakaf Mikro Al Fitrah Wava Mandiri." Sripsi, UIN Sunan Ampel.

Husniyah, Prastika Zaiyatul. 2019. "Literasi Wakaf Pada Masyarakat Untuk Memunculkan Minat Berwakaf." *Program Studi Manajemen Zakat Dan Wakaf . Skripsi* UIN Sunan Ampel Surabaya.

Ibrahim, A. (2011). Maksimalisasi Zakat Sebagai Salah Satu Komponen Fiskal Dalam Sistem Ekonomi Islam. *Jurisprudensi: Jurnal Syariah, 3*(1), 1-20.

Ibrahim, A. (2014). Stagnasi Perwakafan di Aceh: Analisis Faktor Penyebab. *Media Syariah, 16*(2), 371-388.

Ibrahim, A., & Ilyas, F. (2016). Penggunaan Model "Angkat Bloe" dalam Wakaf Produktif: Justifikasi dan Hambatan. *Media Syariah: Wahana Hukum Islam dan Pranata Sosial, 18*(2).

Ibrahim, A., Khalidin, B., Ahmadsyah, I., & Fithriady. (2015). Prospek Pemanfaatan Tanah Wakaf di Aceh: Suatu Analisis untuk Sektor Pendidikan. *Human Falah: Jurnal Ekonomi dan Bisnis Islam, 2*(2), 38-58.

Iman, Abdul Hamid Mar, and Mohammad Tahir Sabit Haji Mohammad. (2017). "Waqf as a Framework for Entrepreneurship." *Humanomics* 33(4):419–40. doi: 10.1108/H-01-2017-0015.

Indrawati, Nur Khusniyah. (2014). "Management by Inspiration: Implementation of Transformational Leadership on Business at Pondok Pesantren*) Sunan Drajat." *Procedia - Social and Behavioral Sciences*

115(Iicies 2013):79–90. doi: 10.1016/j.sbspro.2014.02.417.

Mahat, Mohd Amran, Mohd Yassir Jaaffar, and Mohamed Saladin Abdul Rasool. (2015). "Potential of Micro-Waqf as an Inclusive Strategy for Development of a Nation." *Procedia Economics and Finance* 31(15):294–302. doi: 10.1016/s2212-5671(15)01193-4.

Manan, Siti Khadijah Ab, and Muhammad Hakimi Bin Mohd Shafiai. (2015). "Risk Management of Islamic Microfinance (IMF) Product by Financial Institutions in Malaysia." *Procedia Economics and Finance* 31(15):83–90. doi: 10.1016/s2212-5671(15)01134-x.

Mauluddin, Muhammad Ikhwan, and Asmak Ab Rahman. (2018). " Cash Waqf From the Perspective of Majelis Ulama Indonesia (MUI) and the Scholars of Aceh: An Analysis ." *New Developments in Islamic Economics* 49–66. doi: 10.1108/978-1-78756-283-720181004.

Munardi, Ahmad Fauzul Hakim Hasibuan, Ichsan. (2020). "Analisis Dampak Tingkat Literasi Keuangan Syariah , Produk Keuangan Syariah." *J-EBIS (Jurnal Ekonomi Dan Bisnis Islam)* 5(2):109–26.

Nanda, Teuku Syifa Fadrizha, Ayumiati, and Rahmaton Wahyu. (2019). "Tingkat Literasi Keuangan Syariah: Studi Pada Masyarakat Kota Banda Aceh." *JIHBIZ: Global Journal of Islamic Banking and Finance* 1(2):141–52.

Noor, Fahd, and Yulizar Djamaludin Sanrego. 2011. "Preferensi Masyarakat Pesantren Terhadap Bank Syariah (Studi Kasus DKI Jakarta)." *TAZKIA Islamic Business and Finance Review* 65–79.

Nurhayati, Siti, and Nurjamil. (2019). "Model Pemberdayaan Ekonomi Masyarakat Miskin Melalui Akses Pembiayaan Bank Wakaf Mikro Berbasis Pesantren (Studi Kasus LKM Syariah Ranah Indah Darussalam Ciamis)." *Jurnal Ilmiah Ekonomi Dan Keuangan Syariah* I(1):45–56.

Octavia, Anggraini. (2020). *Pengaruh Literasi Keuangan Syariah Dan Pemasaran Terhadap Pengambilan Keputusan Nasabah Melakukan Pembiayaan Mikro Di Bank Wakaf Mikro Mawaridussalam.*Fakultas Ekonomi dan Bisnis Islam. Universitas Islam Negeri Sumatera Utara.

OJK. (2019). "Survei Nasional Literasi and Inklusi Keuangan." *Survey Report* 1–26.

Otoritas Jasa Keuangan. (2020). "Statistik Pembiayaan Mikro." 1–132.

Ramly, Arroyan, Muslim A. Djalil, and Mirna Indriani. n.d. (2020)."Supporting Factors In Forming Islamic Village-Owned Enterprise (I-Bumdes) In Nagan Raya District."Islam Universalia, Vol 1 No 3

Rianti, Ina. (2019). "Analisis Potensi Pembentukan Bank Wakaf Mikro Di Banda Aceh Sebagai Salah Satu Instrumen Pemberdayaan Umat " *Skripsi*.Fakultas Ekonomi dan Bisnis Islam UIN Ar-Raniry Banda Aceh.

Rozzani, Nabilah, Rashidah Abdul Rahman, Intan Salwani Mohamed, and Sharifah Norzehan Syed Yusuf. (2015). "Development of Community Currency for Islamic Microfinance." *Procedia Economics and Finance* 31(15):803–12. doi: 10.1016/s2212-5671(15)01170-3.

Sabirin. (2016.) "Pemberdayaan Berbasis Syariah Untuk Perempuan Di Pedesaan Melalui Model Pemberdayaan Grassroots Microfinance Shariah." *RAHEEMA:Jurnal Studi Gender Dan Anak*, Vol 3 No 2.148–58.

Sulistiani, Lis Siska dkk. (2019). "Peran Dan Legalitas Bank Wakaf Mikro Dalam Pengentasan Kemiskinan Berbasis Pesantren Di Indonesia." *Jurnal Bimas Islam* 12(1):2.

Tarigan, Pitiadani Br. (2013). "Kontribusi Bank Wakaf Mikro Terhadap Pemberdayaan Usaha Mikri Di Lingkungan Pesantren." *Journal of Chemical Information and Modeling* 53(9):1689–99. doi: 10.1017/CBO9781107415324.004.

Widiarto, Indra, and Ali Emrouznejad. (2015). "SC." *Socio-Economic Planning Sciences*. doi: 10.1016/j.seps.2014.12.001.

Yimga, Jules. (2018). "Microfinance Expansion and Its Effects on Cost Efficiency." *Quarterly Review of Economics and Finance*. doi: 10.1016/j.qref.2018.03.006.

Zayanie, Jehan Maya, Ahsana Fitria, and Rosidatul Kamariah. (2019). "Bank Wakaf Mikro and Creative Economics in Pesantren Buntet." *Shirkah: Journal of Economics and Business* 4(2). doi: 10.22515/shirkah.v4i2.269.