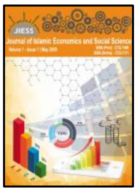

**Journal of Islamic Economics and Social Sciences (JIESS)**
Vol. 4 No. 2, November 2023; 112-122
E-ISSN : 2722-7111, P-ISSN: 2722-7499
https://publikasi.mercubuana.ac.id/index.php/jiess

# Sharia Investment Planning Influences: Islamic Financial Literacy, Religiosity, and Perceived Risk Among Y and Z Generations in the Idrisiyyah Order

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**Article Info:**

**Keywords:**
Financial Literacy;
Religiousity;
Perceived Risk;
Sharia Investment Planning;
SEM-PLS

**Article History:**
Received : 13-06-2023
Revised : 16-08-2023
Accepted : 16-11-2023

**Article DOI :**
10.22441/jiess.2023.v4i2.002

**Abstract**

Indonesia has demonstrated its capability to enhance economic activity through muamalah worship activities, as evidenced by its second-place ranking in the Islamic Finance Development Indicator globally. However, in West Java, the Islamic financial literacy index stands at only 18.06%, placing it in the sixth position and indicating low public literacy levels accompanied by a small investment index. Religion plays a crucial role in shaping individual financial decisions, with religiosity being a significant factor in Sharia investment planning among the public. Additionally, the perception of risk is equally important for potential investors. This study aims to analyze the impact of Islamic financial literacy, religiosity, and risk perception on Sharia investment planning among generations Y and Z of the Idrisiyyah Order. The theoretical framework is based on the Theory of Planned Behavior, supported by theories of Islamic financial literacy, religiosity (spiritual level theory), and risk perception. The research adopts a juridical-empirical approach with quantitative research methods and descriptive-analytical techniques, utilizing the SEM-PLS method for data analysis. The study involved 150 respondents from the Y and Z generations within the Idrisiyyah Order. The findings reveal a positive and significant influence of Islamic financial literacy, religiosity, and risk perception on Sharia investment planning among these generations. Higher levels of Islamic financial literacy lead to more informed and effective Sharia-compliant investment decisions. Strong religiosity influences individuals to engage in Sharia-compliant investments, aligning their financial practices with their religious beliefs and values. The perception of risk also significantly impacts Sharia investment planning, affecting individuals' willingness and approach to investing in Sharia-compliant financial products. The results suggest that financial institutions should play a pivotal role in enhancing Sharia investment planning by providing educational resources and opportunities to better understand risks associated with Sharia investments. This can empower potential investors to make more informed decisions and increase their confidence in participating in Sharia-compliant financial markets. In conclusion, this study underscores the importance of Islamic financial literacy, religiosity, and risk perception in influencing Sharia investment planning among the Y and Z generations of the Idrisiyyah Order. These findings offer valuable insights for policymakers, educators, and financial service providers aiming to promote Sharia-compliant investment practices.

**How to cite** :
Sya'diah, A., Hasan, M., & Al Hakim, S. (2023). Sharia Investment Planning Influences: Islamic Financial Literacy, Religiosity, and Perceived Risk Among Y and Z Generations in the Idrisiyyah Order. Journal of Islamic Economics and Social Science (JIESS), 4(2), 112-122. doi:http://dx.doi.org/10.22441/jiess.2023.v4i2.002

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E-ISSN: 2722-7111
P-ISSN: 2722-7499

## INTRODUCTION

Indonesia is a predominantly Muslim country and has economic potential as well as Sharia finance both locally and internationally, which is supported by Indonesia's position in 2020 ranking second in the world through the Islamic Finance Development Indicator (IFDI) index, which is an index that measures the development of the sharia financial industry. Even earlier in 2019, the Global Islamic Finance Report (GIFR) provided the value of Indonesia's Islamic Finance Country Index (IFCI) and was ranked first in developing Islamic finance. (Keuangan, 2021)

The rise of the Islamic economy opens up many opportunities to carry out muamalah following the teachings of the Koran and sunnah in matters relating to fellow human beings, including economic affairs. The state has the authority to intervene in the economic activities of its people through the existence of an Islamic economic system built and written in the text of the argument.(Suntana, 2010) Carrying out economic activities also requires knowledge following predetermined conditions. However, the 2019 National Financial Literacy and Inclusion Survey (SNLIK) showed a financial literacy index of 38.03% and a financial inclusion index of 76.19%. This shows how low and does not take advantage of opportunities for the economic potential that exists in Indonesia. (OECD, 2016)

Financial literacy is a solution to dealing with failure to invest. However, in practice, this financial literacy is still in the conventional scope contrary to the principles of Islamic economics, one of which is the placement of literacy regarding interest rates in investment. Meanwhile, the reality is that every Muslim should have an understanding of Islamic finance because it is a sacred responsibility.(Mahadzir, 2010) Including mistakes in carrying out this recommended muamalah activity. Sound financial management and good financial literacy will also provide the expected standard of living; because financial management is appropriate and supported by sound financial literacy, the standard of living can increase. This applies to every income because no matter how high one's income level, finances will be difficult to achieve without proper management.(Awais et al., 2016)

In West Java, the Islamic financial literacy index reached 18.06% in 2019, placing 6th after Riau, Aceh, NTB and others. This shows that the literacy of the people of West Java is so low. From the 2020 Population Census results, Indonesia's population is dominated by Generation Z (27.94%) and Millennials (25.87%).

In addition to the rational attitude of financial literacy shown by the community in obtaining returns from an investment, on the other hand, Muslim investors also have a religious background because religion has always played an essential role in influencing individual financial decisions.(S. H. A. Rahim et al., 2016) Also, a person will always be bound by his religion in carrying out activities, one of which is related to finance. The research also provides and shows that religiosity factors contribute to influencing the intention to open a sharia gold investment account.(Amin, 2016)

Religion is also an influential aspect of consideration in determining investment decisions.(Hassan Al-Tamimi & Anood Bin Kalli, 2009) Regarding asset management, a Muslim will face sharia principles in managing assets when investing. Religion is a factor that will influence investment decisions.(Tahir & Brimble, 2011) Furthermore, Islam does affect investment behaviour, but this depends on the extent to which the level of individual religiosity. Religious Muslim investors are influenced by Islamic law when making financial choices.(Amin, 2016)

In addition to the religiosity factor, perception of risk also plays an essential role in deciding which investment to use. Investing in the capital market is almost the same as depositing in a bank, and it is just that investing in the capital market provides risk for potential investors. The greater the investment risk of a product a person faces, the greater the return on investment obtained.

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P-ISSN: 2722-7499

Someone who invests their funds in stocks will expect to get a return.(Jogiyanto, 2017) In practice, sometimes the level of profit obtained is not following one's expectations when starting an investment, and this fact becomes the basis for some investors, making risk the primary concern in determining their investment decisions. So that knowledge and understanding of risk is an essential elements that must be possessed by every fund owner, both those who are already investors and those who are still just potential investors.

To overcome the problem of fulfilling these assumptions, SEM was developed with a variant-based approach or Partial Least Square (SEM PLS) as an alternative. The inner model determines the relationship between a construct and other constructs. In contrast, the outer model determines the specification of the relationship between the construct and its indicators. PLS uses the bootstrapping method or random doubling. Therefore, the assumption of normality will be acceptable for PLS. Apart from being related to data normality, by doing bootstrapping, PLS does not require a minimum number of samples. Research that has a small sample can still use PLS.

Furthermore, according to the results of the 2020 Population Census, Indonesia's population is dominated by Generations Y and Z, which shows that the role of these two generations in improving Indonesia's economic welfare, especially the Sharia economy, is a bonus. Thus, based on the explanation of the phenomenon and the existence of research gaps, it is necessary to conduct research that examines the effect of Islamic financial literacy, religiosity and risk perception on investment. It will be used as an application using the Y and Z generations of the Idrisiyyah Congregation, Tasikmalaya, West Java.

## LITERATURE REVIEWS

### Theory of Planned Behavior

The theory of Planned Behavior developed by Icek Ajzen and Martin Fishbein, two professors in psychology, explains the predictions of whether a person is doing or not doing a behaviour. The theory of Planned Behavior is based on the assumption that states humans are rational beings and systematically use the available information. So that each individual thinks about the implications of their actions before they decide to do or not to do certain behaviours. (Nugroho, 2015) The antecedent construct of intention is used as a theoretical construct of planned behaviour, namely attitudes towards the behaviour, subjective norms, and our feelings about our ability to control everything that influences when we want to do that behaviour.(Mahyarni, 2013)

This belief can benefit the perpetrators through attitudes towards behaviour based on evaluation of the data obtained and strengthened so that the benefits arise from the treatment of the behaviour. The following are three components that influence different responses to individuals when evaluating attitude objects:

a. Cognitive, this dimension relates to individual thoughts or ratios associated with the resulting consequences of certain behaviours. The cognitive dimension also represents individual awareness and knowledge of an object.
b. Affective, the affective dimension describes one's evaluation and feelings or emotions towards the attitude object.
c. Conative, the conative dimension shows behavioural tendencies, intentions and commitments, and behaviours related to attitude objects

### Financial Literacy

According to the Indonesian National Strategy for Financial Literacy guidebook, financial literacy is a series of processes or activities to increase the knowledge, confidence and skills of consumers and the general public so that they can better manage their finances. (S. H. A. Rahim et al., 2016) According to Remund, the basic definition of financial literacy relates to a person's

E-ISSN: 2722-7111
P-ISSN: 2722-7499

ability to manage their funds, with a concept initially described as something other than financial literacy. However, this idea in 1990 in an American study showed five categories in financial literacy, namely: (1) knowledge of financial concepts, (2) the ability to communicate about financial concepts, (3) agility in managing personal finances, (4) the ability to make the right financial decisions, (5) the ability to plan future finances as needed.(Remund, 2010)

Islamic financial literacy refers to conventional financial literacy. It has been adjusted to the obligations and systems that must be fulfilled in Islamic finance and other terms of halal literacy, which shows the ability to distinguish between halal and haram based on sharia. Islamic financial literacy is also a person's ability to combine attitude awareness and financial knowledge in managing resources based on Islamic teachings and sharia. In addition, Islamic financial literacy is a religious obligation for every Muslim citizen because it impacts the realization of Al-Falah (success) in this world and the hereafter.(S. Rahim, 2016)

**Religiosity**

According to Glock & Stark, as quoted by Djamaluddin Ancok and Fuad Nashori, there are five kinds of religious dimensions, namely:

a. Dimensions of belief (ideology)
This dimension contains expectations in which religious people adhere to particular theological views, recognizing the truths of these doctrines.
b. Dimensions of worship or religious practice (ritualistic)
The visible feature of a Muslim's religiosity is his worship behaviour to Allah azza wa jalla. This dimension of worship can be seen from the extent to which a person's level of obedience in carrying out worship activities as ordered by his religion.
c. Practice dimension
One's social behaviour is the form of religiosity that should be immediately known. If someone always performs positive and constructive behaviour towards others motivated by religion, that is a form of their religion.
d. The dimension of Ihsan (Conscience)
After having high faith and carrying out religious teachings (both worship and charity) at an optimal level, the situation of Ihsan is reached. The ihsan dimension relates to how far a person feels close to and seen by God in everyday life.
e. Knowledge dimension
This aspect is related to one's knowledge and understanding of the teachings of his religion. Religious people should at least know the basics of faith, rites, scriptures and traditions.

**Perception of Risk**

Perceived risk is a measure of perceived usefulness and ease of use before purchasing a product or service based on the consumer's buying intentions. Perceived risk is part of the psychological factors that influence purchasing decisions. Two critical reasons customers do not buy products or services online are the security issues of online shopping and the privacy of personal information. The level of risk in shopping online depends on consumer perceptions in estimating the level of risk experienced when using the internet for shopping. Consumers' perceptions of this risk level vary from low to high, depending on individual consumer factors, products, situations and cultural factors.(Lui & Jamieson, 2003)

**Sharia Investment Planning**

Planning is selecting and connecting facts and making and using assumptions about the future to visualise and formulate proposed activities that are deemed necessary to achieve the desired results.(G.R.Terry, 2016) Investment planning is part of the investment decision process

E-ISSN: 2722-7111
P-ISSN: 2722-7499

by determining investment objectives and policies. (Eduardus Tandelilin, 2010) Investment planning is also a function of financial planning. In the Islamic view, financial planning is the process of planning a better life by planning and selecting and managing wealth and finances to achieve short, medium and long-term life goals in this world and hereafter. Islamic financial planning includes, among others, Islamic Income, Islamic Expenditure, Investment, Zakat, Alms, Charity and Waqf.

## METHOD

This research uses a case study approach which is a method to find out precisely and realistically about what is happening at one time during people's lives.(Sugiyono, 2018) This research is included in causal associative research, which is a causal relationship, so there will be independent variables (variables that influence) and dependent (variables that are influenced). The research method used in this study is a quantitative approach. It aims to determine how Islamic financial literacy, religiosity, and risk perception influence Islamic investment planning in generations Y and Z of the Idrisiyyah Order.

In this study, the population used was Y and Z generations in the Idrisiyyah Order, which had a population of 15,000 people, and the population referred to in this study included 280 populations of Y and Z people in the Idrisiyyah Order. This study uses a purposive sampling technique with the following calculations:

$$n = N/(1+(Nxe^2)) \quad \text{(Slovin)} \tag{1}$$

Then the sample used is as much as:

$n = 240/(1+(240 \times 0{,}05^2))$

$n = 240/(1+(0{,}6))$

$n = 240/1{,}6 = 150$. Thus, the sample used amounted to 150 people. (2)

In this study, the questionnaire method was used as a research instrument which was carried out by collecting data by giving respondents a set of questions or statements to answer. This study uses descriptive statistical analysis and inferential statistics. Descriptive statistical analysis, namely statistics used to analyze data by describing or describing the data that has been collected as it is without intending to make general conclusions or generalizations. This study uses SEM (Structural Equation Modeling) analysis through PLS (Partial et al.). SEM (Structural Equation Modeling) is a set of statistical techniques that allow testing a series of complex relationships simultaneously. These complex relationships can be built between one or more dependent variables and one or more independent variables. Each dependent and independent variable can take the form of a factor or construct, which is built from several indicator variables.

## RESULTS AND DISCUSSION

### Analysis and Research Findings

The data in this study are primary data taken by distributing questionnaires to selected respondents. This questionnaire was distributed online to respondents who fit the research criteria, starting from 4 – 9 July 2022 and has collected 150 respondents. In this study, the population was members of the Y and Z congregations of the Idrisiyyah Congregation who were involved in the education division.

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Based on the research results from the distributed questionnaires, it shows that the age range is dominated by 18-30 years of age, 69% of 103 people, while 13-17 years of age is only 10% of 16 people, and 31-45 years of 21% a total of 31 people. The respondent's age shows the intended sample criteria, namely the Z and Y generations or the age range between 10-45 years. This study has categories of income ranges as follows figure 2.

Figure 1. Age Category based on Questionnaire

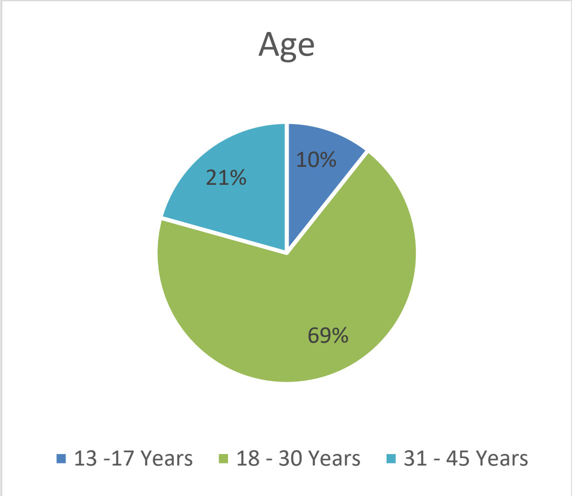
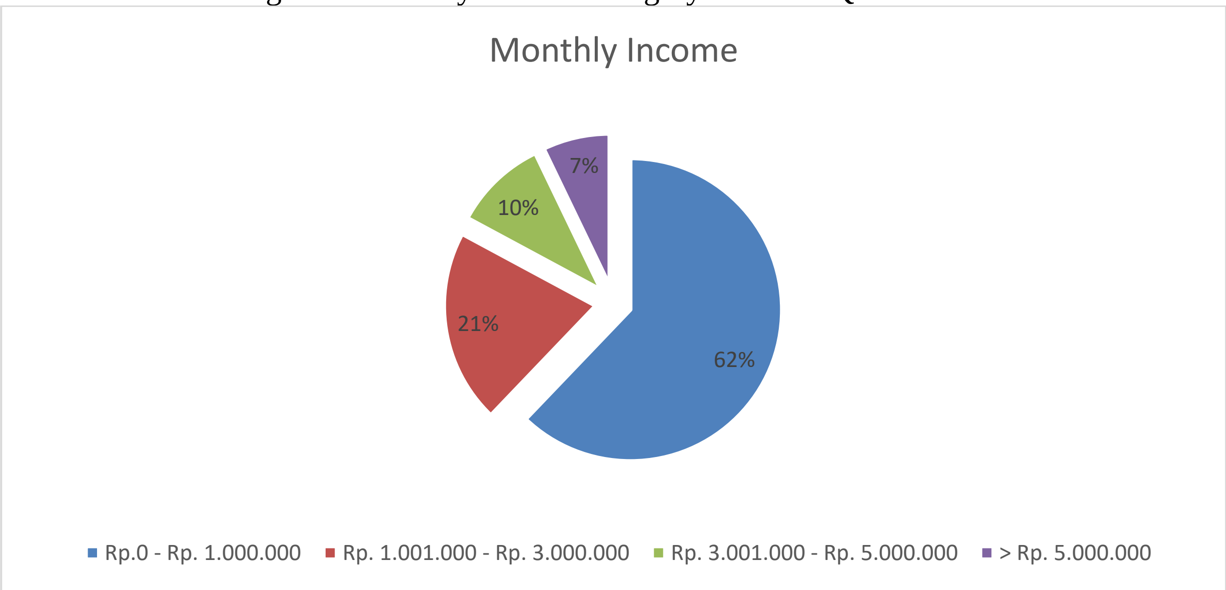



Figure 2. Monthly Income Category based on Questionnaire




Based on the results of this study, the income obtained from respondent data is based on the nominal range, 62% of 87 people get the range of Rp.0 – Rp.1,000,000 per month, and 21% of 29 people get the range of Rp. 1,0001,000 – Rp. 3,000,000 per month, as much as 10% for 14 people with a range of Rp. 3,001,000 – Rp. 5,000,000 is earned monthly, and 7% of as many as ten people are at more than Rp. 5,000,000 in income every month.

**Table 1. Data Validity Test**

| Variable | R counted | R table | N | Information |
|---|---|---|---|---|
| | | **Financial Literacy (X1)** | | |

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| | | | | |
|---|---|---|---|---|
| $X_{1.1}$ | 0.548 | 0,1593 | 150 | Valid |
| $X_{1.2}$ | 0.521 | 0,1593 | 150 | Valid |
| $X_{1.3}$ | 0.596 | 0,1593 | 150 | Valid |
| $X_{1.4}$ | 0.538 | 0,1593 | 150 | Valid |
| $X_{1.5}$ | 0.574 | 0,1593 | 150 | Valid |
| $X_{1.6}$ | 0.587 | 0,1593 | 150 | Valid |
| $X_{1.7}$ | 0.611 | 0,1593 | 150 | Valid |
| $X_{1.8}$ | 0.679 | 0,1593 | 150 | Valid |
| $X_{1.9}$ | 0.625 | 0,1593 | 150 | Valid |
| $X_{1.10}$ | 0.591 | 0,1593 | 150 | Valid |
| $X_{1.11}$ | 0.660 | 0,1593 | 150 | Valid |
| | | **Religiousity (X2)** | | |
| $X_{2.1}$ | 0,522 | 0,1593 | 150 | Valid |
| $X_{2.2}$ | 0.535 | 0,1593 | 150 | Valid |
| $X_{2.3}$ | 0.643 | 0,1593 | 150 | Valid |
| $X_{2.4}$ | 0.583 | 0,1593 | 150 | Valid |
| $X_{2.5}$ | 0.773 | 0,1593 | 150 | Valid |
| $X_{2.6}$ | 0.744 | 0,1593 | 150 | Valid |
| $X_{2.7}$ | 0.633 | 0,1593 | 150 | Valid |
| $X_{2.8}$ | 0.686 | 0,1593 | 150 | Valid |
| $X_{2.9}$ | 0.690 | 0,1593 | 150 | Valid |
| $X_{2.10}$ | 0.716 | 0,1593 | 150 | Valid |
| | | **Risk perception (X3)** | | |
| $X_{3.1}$ | 0.641 | 0,1593 | 150 | Valid |
| $X_{3.2}$ | 0.623 | 0,1593 | 150 | Valid |
| $X_{3.3}$ | 0.679 | 0,1593 | 150 | Valid |
| $X_{3.4}$ | 0.723 | 0,1593 | 150 | Valid |
| $X_{3.5}$ | 0.682 | 0,1593 | 150 | Valid |
| $X_{3.6}$ | 0.530 | 0,1593 | 150 | Valid |
| $X_{3.7}$ | 0.657 | 0,1593 | 150 | Valid |
| $X_{3.8}$ | 0.615 | 0,1593 | 150 | Valid |
| $X_{3.9}$ | 0.641 | 0,1593 | 150 | Valid |
| | | **Sharia Investment Planning (Y1)** | | |
| $Y_{1.1}$ | 0.538 | 0,1593 | 150 | Valid |
| $Y_{1.2}$ | 0.711 | 0,1593 | 150 | Valid |
| $Y_{1.3}$ | 0.712 | 0,1593 | 150 | Valid |
| $Y_{1.4}$ | 0.624 | 0,1593 | 150 | Valid |
| $Y_{1.5}$ | 0.636 | 0,1593 | 150 | Valid |
| $Y_{1.6}$ | 0.698 | 0,1593 | 150 | Valid |
| $Y_{1.7}$ | 0.720 | 0,1593 | 150 | Valid |
| $Y_{1.8}$ | 0.652 | 0,1593 | 150 | Valid |
| $Y_{1.9}$ | 0.619 | 0,1593 | 150 | Valid |
| $Y_{1.0}$ | 0.557 | 0,1593 | 150 | Valid |

 http://dx.doi.org/10.22441/jiess.2023.v4i2.002

E-ISSN: 2722-7111
P-ISSN: 2722-7499

In the research conducted, the researcher distributed questionnaires to obtain data from a sample of 150 respondents who were tested through SmartPLS 3.0. The data validity test results were obtained as follows table 1. Based on the research results in the table 1, the validity test results can be seen in two ways: by comparing the values of rCount and rTable. The validity test results showed that the 39 questions asked in the questionnaire had a validity of 0.1593, and the indicators of each variable exceeded the validity value, so the 39 questions were declared valid.

Reliability is a measuring tool for the consistency and stability of research instruments in measuring a concept or construct. The reliability coefficient indicates the level of reliability value; the high-reliability value is indicated by the xx value close to 1. Following the general agreement, reliability is considered satisfactory if ≥ 0.700. The reliability test will be carried out using Cronbach's alpha ($\alpha$) statistical test with the condition that the variables studied are declared reliable if Cronbach's alpha value is above 0.6.

**Table 2. Data Reliability Test**

| Variabel | Cronbach's Alpha | Keterangan |
|---|---|---|
| Literasi Keuangan Syariah (X1) | 0.817 | Reliabel |
| Religiusitas (X2) | 0.846 | Reliabel |
| Persepsi Resiko (X3) | 0.799 | Reliabel |
| Perencanaan Investasi Syariah (Y1) | 0.852 | Reliabel |

Sumber: Hasil olah data SmartPls

Based on the results of the research in the table 2, it is stated that the dimensions in the variables above are "reliable" because it is shown by Cronboabch's alpha value which is more than the general agreement value, which is ≥ 0.700 and close to number 1.

Testing the existing hypotheses in SmartPLS 3.0 uses bootstrapping in applications obtained from the output path coefficients to see the results of the values of each indicator in the study.

Ho: There is no direct effect between the Islamic Financial Literacy variable on Islamic Investment PlanningH1: Terdapat pengaruh langsung antara variabel Literasi Keuangan Syariah terhadap Perencanaan Investasi Syariah
Ho: There is no direct influence between the Religiosity variable on Islamic Investment Planning
H1: There is a direct influence between the Religiosity variable on Islamic Investment Planning
Ho: There is no direct influence between the risk perception variable on Islamic investment planning
H1: There is a direct influence between the risk perception variable on Islamic investment planning

**Discussion**

Based on the first hypothesis testing, it is known that the proposed H1 is acceptable. The output path coefficients show that the Islamic Financial Literacy construct influences the Islamic Investment Planning construct. The t statistical value for the Islamic Financial Literacy construct against the Islamic Investment Planning construct is above 1.593, 3.612, and the p-value is less than 0.05, 0.000. So that the influence exerted by the Islamic Financial Literacy construct on the Islamic Investment Planning construct is proven to be significant.

The results of this study follow previous studies that Islamic financial literacy affects Islamic investment planning; this is because the higher the level of one's financial literacy, the higher the desire and plan to make Islamic investments. According to research that has been conducted by Dini and Hendry (2020), it gives the result that Islamic financial literacy has a positive and significant influence on one's investment plans. This has been reinforced by research

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P-ISSN: 2722-7499

conducted by Asep and Dikdik (2019), who stated financial literacy's positive and significant effect on Sharia investment planning. The results of this study are also in line with the results of this study in line with the research of P. Alleyne and T. Broome (2011), Perminas Pengan (2012), N. Yulianti and M. Silvy (2013), Doriana Cucinelli et al. (2016) where the results show that the better the knowledge of Islamic finance, the higher the attitude that will affect investment planning.

So, these findings it has shown that the influence of Islamic financial literacy on Islamic investment has been proven and has supported a Theory of Blanned Behavior or this theory of planned behaviour in explaining the relationship between Islamic financial literacy and investment planning. In the context of Islamic economics, the importance of wealth according to Islam can be seen from the fact that Allah SWT sent down a surah in the Koran, which contains financial regulations, how to use them, recommendations for muamalah by writing them, and the need for two witnesses is also explained in the Koran regarding the importance of people knowledgeable in asset management.

Based on the second hypothesis testing, it is known that the proposed H1 is acceptable. The output path coefficients show that the Religiosity construct influences the Sharia Investment Planning construct. The t statistical value for the Reliability construct against the Islamic Investment Planning construct is above 1.967, 3.992, and the p-value is less than 0.05, 0.000. So, the influence of the religiosity construct on the Sharia Investment Planning construct is proven to be significant.

These results prove that religiosity has been able to encourage the desires or plans of generations Y and Z in the Idrisiyyah order in terms of investment. However, the research differs from the research conducted by Jamaludin (2013), who found that religiosity does not significantly affect individual investment selection decisions. However, Jamaludin's research is specifically on pension fund investments. In addition, this research was also not supported by Siti Mar'atur Rosyidah, who stated that religiosity, as measured by the principle of Sharia transactions, does not affect decision-making. Nevertheless, various studies support it, namely research by Imran Tahir and Mark Brimble (2011), Hanudin Amin (2016), and Anton Priyo Nugroho et al. (2017), which state that religiosity influences Sharia investment planning.

When viewed from other factors, which in this case are following the theory of planned behaviour theory, where there are subjective norms that also influence a person's attitude in giving his behaviour planning, this can be seen from the background of the respondents who are educators or people who are in the educational environment of Islamic boarding schools, which reinforces that the Y and Z generations in the Idrisiyyah Order will pay attention to Sharia aspects in carrying out Sharia investment so that religiosity becomes accepted and influential. In Sharia investment planning in the Idrisiyyah Order in generations Y and Z.

Based on the third hypothesis test, it is known that the proposed H1 is rejected because the output path coefficients show that the statistical t-value for the religiosity construct against the Islamic Investment Planning construct is above 1.593, which is 4.571. The p-value is less than 0.05, which is 0.000, so the influence exerted by Perceived Risk on the construct of Islamic Investment Planning is proven significant.

This research has been supported and is in line with research conducted by Bakhri (2018), which suggests that the basis for someone to invest in return and risk, both of which are to be obtained and avoided. Understanding the suitable investment can strengthen purchase intention so that understanding investment can minimize risk and provide a sense of security; then, student interest in investing will also increase. However, students' interest in investing decreases with a lack of understanding of risk. In addition, this research is also in line with Ngamaliyatul's research (2020) that perceptions of risk positively and significantly influence investment in the Islamic capital market.

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However, further research is different from this research stated by Purboyo et al. (2019), which states that the risk perception variable does not significantly affect students' interest in investing in Islamic stocks. With the same research method using SEM and the same number of respondents, namely 150 people, this study gave a CR value of 0.485, below 0.5. According to his research, this happens because students still need more knowledge and understanding about Islamic stocks.

When viewed from the statistical analysis results, risk perception has the highest influence value among Islamic financial literacy and religiosity variables. This shows that Y and Z generations in the Idrisiyyah Order have more concern about risk in their investment planning. This shows that these generations are careful in investing and choose to see risks and returns that follow Islamic law when making a Sharia investment.

Furthermore, Islamic financial literacy is in second place with a value of 3.612 in its analysis, after risk perception. This shows that Y and Z generations in the Idrisiyyah Order make knowledge of this investment significant after passing the risk perception. This basic knowledge of finance has been obtained from sitting in Islamic boarding schools to lectures. However, it does not rule out that there will be deficiencies. This research positively influences Y and Z generations in the Idrisiyyah Order.

The last thing that influences risk perception, as well as Islamic financial literacy, is religiosity. The researcher looked at the profile of the Idrisiyyah Order, which studied its religious methods with a manhaj under the guidance of a murshid, indicating that the religiosity factor does influence one's determination in sharia investment planning, and this study provides the third influence value among other variables.

## CONCLUSION

Based on the research conducted and analyzed using SmartPLS 3.0 software, focusing on the effects of Islamic financial literacy, religiosity, and perceived risk on Sharia investment planning among 150 respondents from the Y and Z generations within the Idrisiyyah Congregation, several key conclusions can be drawn. Firstly, the study reveals a direct influence of Islamic financial literacy, religiosity, and risk perception on Sharia investment planning. Islamic financial literacy significantly affects how individuals plan their investments in compliance with Sharia principles. This suggests that a higher level of financial knowledge and understanding of Islamic finance principles leads to more informed and effective Sharia-compliant investment decisions. Secondly, religiosity also plays a crucial role in shaping investment behaviors. Individuals with a stronger religious inclination are more likely to engage in Sharia-compliant investments, reflecting their desire to align financial practices with their religious beliefs and values. Thirdly, the perception of risk is a significant factor influencing Sharia investment planning. The way individuals perceive and manage risk impacts their willingness and approach to investing in Sharia-compliant financial products. This highlights the importance of addressing risk perceptions to encourage more widespread participation in Sharia investments. The findings suggest that financial institutions have a vital role to play in enhancing Sharia investment planning. By providing educational resources and learning opportunities, either through direct means or online platforms, financial institutions can help individuals better understand the risks associated with Sharia investments. This, in turn, can empower potential investors to make more informed decisions, thereby increasing their confidence and participation in Sharia-compliant financial markets.In conclusion, the research underscores the importance of Islamic financial literacy, religiosity, and risk perception in influencing Sharia investment planning among the Y and Z generations of the Idrisiyyah Congregation. Financial institutions are encouraged to facilitate education and risk management understanding to foster a more robust and confident Sharia

E-ISSN: 2722-7111
P-ISSN: 2722-7499

investment environment. These insights are valuable for policymakers, educators, and financial service providers aiming to promote Sharia-compliant investment practices.

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