
**THE INFLUENCE OF SHARIA CAPITAL AND FINANCIAL LITERACY ON
BUSINESS INCOME: SURVEY OF WAFAL FITRAH MICRO WAKAF BANK
CUSTOMERS**

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Abstract

This research uses quantitative methods. The population used is the Wafa Al Fitrah Micro Waqf Bank customers, totaling 80 people. The sampling technique used is a saturated sample or saturation sample, which uses the entire population. Data collection techniques used are using questionnaires and interviews. Data processing and analysis techniques in this study used the classical assumption test, multiple regression analysis and hypothesis testing. The results of this study indicate that simultaneously capital and Islamic financial literacy affect operating income with an F-count of 14.296 > F-table of 3.0178, with a significant value of 0.000. As for partially, capital has a positive effect on business income with a t-count value of 3.091 > t-table of 1.990 with a significant value of 0.003. Islamic financial literacy has no effect on income with a t-count value of 1.859 > t-table of 1.990 with a significant value of 0.67. It can be concluded that simultaneously capital and Islamic financial literacy have a significant effect on the operating income of Wafa Al-Fitrah Micro Waqf Bank customers, while partially capital has a significant effect on operating income and Islamic financial literacy has no significant effect on Wafa Al-Fitrah Micro Waqf Bank operating income.

Keywords: *Capital, Literacy Islamic Finance, Operating Income, Waqf Bank Micro.*

1. INTRODUCTION

Waqf is one of Indonesia's philanthropies that can generate economic benefits to Muslims directly or indirectly. Waqf can be a tool for distributing wealth and can provide educational, worship, health facilities to public facilities related to the interests and welfare of Muslims (Rahmah, 2019). One of the waqf fund development products is to develop waqf funds as productive waqf. One of its products is the Micro Waqf Bank which is engaged in MSME financing and MSME supervision. MSMEs in Indonesia have an important role in increasing the economy in Indonesia. In 2018, it was noted that MSMEs contributed to an increase in national gross domestic product by 60.34%, even in 2019 it increased by 4.66% with a projection of reaching 65% or around 2,394.5 trillion. (Jehan Maya Zayanie, 2021) . In 2016-2018 it has increased every year with the proportion of MSME loans reaching 17.5%. With this increase, it

can be anticipated and utilized by microfinance institutions to play a role in providing access to capital for MSMEs.

Even though they have experienced an increase in GDP, MSMEs cannot avoid problems. One of the problems experienced by MSMEs is the limited capital they have to develop their business. This is due to the relatively low level of financing at formal financial institutions so that financing for MSME business actors cannot be maximized. According to Kasmir (2011) Capital is the most important thing related to setting up and running a business. This is because capital is the foundation when starting a business. One source of capital that can be accessed by business actors is foreign capital or capital that comes from outside the company. According to Kasmir, capital is divided into two, namely own capital and loan capital. Own capital is capital that comes from the assets or funds of the business actors themselves. Meanwhile, loan capital is capital obtained from parties outside the company or can usually be accessed from bank or non-bank financial institutions. Loan capital has advantages compared to using personal capital. One of the advantages is the unlimited amount of capital. However, business actors expect capital loan assistance in an amount that is quite affordable with easy terms and procedures. This is due to their limitations in fulfilling collateral as a form of capital loan requirements.

One of the contracts that can help the process of financing MSME business actors is using the tabarru contract (*qard al-hasan*). This *qard al-hasan* contract is a financing whose orientation is not only for profit but the provision of assets to other people which can be billed or requested back in accordance with the amount of money lent without any additional or interest requested.

Institutions that provide capital loans with a *qard al-hasan* agreement are Micro Waqf Banks. Micro Waqf Bank is one of the institutions created by the government to support the people's economy by making Islamic boarding schools the basis of the people's economy. Micro Waqf Bank is a non-bank and non-profit Islamic microfinance institution. The establishment of Micro Waqf Banks was established with permission from the Financial Services Authority (OJK), as a provider and supervisor of access to capital found in formal financial institutions. Micro Waqf Banks are a means for people who have problems with lending funds to formal financial institutions (Micro Waqf Banks, 2019). Bearing in mind that one of the elements of society that has a strategic function in assisting to boost the community's economy is Islamic boarding schools. The government established micro waqf banks aiming to be one of the solutions in supporting the productive businesses of the lower middle class. Micro Waqf Banks provide business capital financing facilities with easy access, the purpose of financing is to

improve the people's economy, with the availability of funds for business actors to increase business, increase business productivity and be able to open new jobs and distribute income.

One of the Islamic boarding schools that has a Micro Waqf Bank institution is the Al-Fitrah Islamic Boarding School which is called Wafa Al-Fitrah Micro Waqf Bank. BWM Wafa Al-Fitrah already has an operational permit kep-31/kr.04/2018 and is a legal entity 007121/bh/m.kukm.2/i/2018. The Micro Waqf Bank was founded in 2019 until early 2021 and has experienced an increase and development in channeling funds to customers.

Table 1. Waqf Bank Customer Data Micro

Year	Amount customers	Total financing
2019	379	446,000,000
2020	441	557,500,000
2021	516	708,500,000

Source: Bank Wakaf Mikro, processed.

From the table above it can be concluded that for three years micro waqf banks can finance and develop MSMEs up to Rp. 708,500,000, for 516 customers. This shows that the position of Wafa Al-Fitrah Micro Waqf Bank can be a vehicle for poverty alleviation and providing loan capital to the community.

At the beginning of its establishment, the micro waqf bank carried out socialization to the public to disseminate information to the public about the provision of sharia-based loan capital in the Wafa Al-Fitrah Micro Waqf Bank. This was done because based on data from the Financial Services Authority in 2016, it showed that the level of Islamic financial literacy in society was still low at 29.7%. (Financial Services Authority, 2019). Not only providing outreach to the public, Micro Waqf Banks also provide knowledge about Islamic financial management because many customers do not know about Islamic financial products.

Islamic financial literacy is an ability possessed by a person to apply financial understanding, skills and attitudes in managing finances in accordance with Islamic law. According to Sari (2021) Islamic financial literacy is that people who use Islamic financial products and services and the public can learn and utilize these service products. This Islamic financial literacy includes financial aspects, namely the management of their money and assets. With this financial literacy, it is hoped that customers will be able to manage their income, make the best decisions for business continuity and minimize financial risks that could occur in customers' businesses.

Operating income is income derived from the company's main business results. In the income statement concept, income is an increase in the value of assets or a decrease in the value

of debt within the company's period in which the company produces and sells goods or services that are included in the company's main activities. While the company's income includes net sales, cost of goods sold, operational costs, income and other costs and tax costs related to company operations (Mahmud M Habafi, 2018) .

2. RESEARCH METHOD

The type of research used in this research is quantitative research. Quantitative research is a research method based on the philosophy of positivism which views that reality, symptoms, phenomena can be observed and can be classified. Quantitative research is used to examine certain populations or samples, collect data using research instruments and test established hypotheses (Sugiyono, 2017).

The object of this research is capital and Islamic financial literacy of Micro Waqf Banks, and the subjects of the research are Wafa Al-Fitrah Micro Waqf Bank customers. The population in this study are Micro Waqf Bank customers for the 2022 period, namely 80 customers. The sample used uses saturation sampling, namely taking the entire research population to be used as a research sample (Fauzy, 2019).

The independent variables in this study are Capital and Islamic financial Literacy, while the dependent variable is business income. Data collection techniques used are using questionnaires and interviews. Data processing techniques and analysis using the classic assumption test, multiple regression analysis and hypothesis testing.

3. RESULTS AND DISCUSSION

a) Regression Result

Table 2. The results of testing the multiple regression model on capital variables (X1) and Islamic financial literacy (X2) which affect income (Y)

Model	Coefficients ^a		Standardized Coefficients Betas	t	Sig.
	Unstandardized Coefficients B	std. Error			
1 (Constant)	3,522	2,675		1.317	,192
Capital	,283	,091	,364	3,091	,003
literacy finance sharia	,122	.066	,219	1,859	,067

a. Dependent Variable: Business Income

Source: processed year 2023

Equality the resulting regression are:

$$\hat{Y} = 3.522 + 0.283X_1 + 0.122X_2 + e$$

Interpretation equality regression this as following:

1. Constant Value of 3.522; It means if variable free of Loan Capital and Literacy finance sharia in position mark zero (0) then mark variable Waqf Bank Customer Business Income Micro Wafa Al Fitrah of 3,522
2. Coefficient Value regression on the Capital variable of 0.283; It means if Capital experiences a 1 percent increase, then Waqf Bank Customer Business Income Micro wafa Al Fitrah (Y) will experience enhancement of 0.283.
3. Coefficient regression variable Literacy Islamic Finance of 0.122; It means If Literacy Sharia Finance experienced a 1 percent increase, then so Waqf Bank Customer Business Income Micro wafa Al Fitrah (Y) will experience enhancement of 0.122.

b) Normality Test

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test		
Unstandardized Residuals		
N		80
Normal Parameters ^{a,b}	Means	,0000000
	std. Deviation	1.74411888
Most Extreme Differences	absolute	,090
	Positive	,051
	Negative	-.090
Test Statistics		,090
Asymp. Sig. (2-tailed)		, ^{170c}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Based on One Sample Kolmogov test results on the normality test show that mark Asymp Sign of 0.170 or more of 0.05 which means the data is scattered normally distributed.

c) Multicollinearity test

Table 4. Multicollinearity Test

Model	Coefficients ^a				Collinearity Statistics		
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	tolerance	VIF
	B	std. Error	Betas				
1 (Constant)	3,522	2,675		1.317	,192		
capital	,283	,091	,364	3,091	,003	,682	1,467
literacy finance sharia	,122	,066	,219	1,859	,067	,682	1,467

a. Dependent Variable: Business Income

The results of the Multicollinearity Test show that the VIF tolerance value for all Islamic Capital and Financial Literacy variables is greater than the specified limit value, which is equal to 0.01. Whereas For mark *VIF* seen that all variable free own mark Less *VIF* of 10. It is can concluded that no happen a multicollinearity in variable this study

d) Heteroscedasticity Test

Table 5. Heteroscedasticity Test

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
	B	std. Error	Betas		
1 (Constant)	1,978	1,463		1,352	,180
capital	,010	.050	,028	,205	,838
literacy finance sharia	-.027	.036	-,104	-,757	,452

a. Dependent Variable: abs_ABS

From the results Testing with using the Glacier Test So looked that when variable No happen heteroscedasticity Because Sig results. >0.05 . Condition for the glacier test is If Sig >0.05 then No happen symptom Heteroscedasticity. And vice versa if Sig <0.05 then happen symptom heteroscedasticity.

e) t-Test

Table 6. T-Test

Model	Coefficients ^a					Collinearity Statistics	
	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.	tolerance	VIF
	B	std. Error	Betas				
1 (Constant)	3,522	2,675		1.317	,192		
capital	,283	,091	,364	3,091	,003	,682	1,467
literacy finance sharia	,122	.066	,219	1,859	,067	,682	1,467

a. Dependent Variable: Business Income

Based on the results of the t table calculation, namely $\alpha = 5\%/2$ and $df (80-3-1 = 76)$. the result of the t-table is 1.990. In the table above it can be seen that the results of the hypothesis test are as follows:

1. Hypothesis Test Variable Loan capital (X_1)

The results of the t test show that the t-count value is 3.091 greater than the t-table of 1.990, thus the loan capital affects the business income of the customers of Wafa Al-fitrah Micro Waqf Bank.

2. Hypothesis Variable Literacy Islamic Finance (X₂)

The results of the t test show that the t-count value is 1.859 smaller than the t-table of 1.990, thus Islamic Financial Literacy has no effect on the business income of Micro Wakaf Bank Wafa Al-Fitrah customers.

f) F test

Table 7. F-Test

ANOVA ^a					
Model	Sum of Squares	Df	MeanSquare	F	Sig.
1 Regression	89,236	2	44,618	14,296	,000 ^b
residual	240,314	77	3,121		
Total	329,550	79			

a. Dependent Variable: Business Income

b. Predictors: (Constant), literacy finance sharia, capital

The F-table values for these 2 variables are the F-table formulas, namely 95% a = 5% df1 (3-1=2) and df2 (n-k-1, 80-3-1 = 76). Then the result for the F-table is 3.0178. While the F-count value shows a value of 14.296, which means that the t-count value is greater than the t-table, it can be concluded that together the variables Capital and Islamic financial literacy affect the business income of Wafa Al-Fitrah Micro Waqf Bank customers.

g) Discussion Results

The results of this study indicate that capital has a positive and significant influence on the business income of Wafa Al-Fitrah Micro Waqf Bank customers, which means that if the customer adds or is able to obtain greater loan capital and makes additional products, the customer's business income will grow significantly. The results of this study are in accordance with the conditions in the field, namely that many respondents stated that with this loan capital they received a significant increase in income. This is in accordance with the theory of cashmere which states that the existence of loan capital distributed to companies or MSME business actors will motivate them to continue to provide innovation for their business activities. This research is also in accordance with previous research (Farhan, 2020) which states that with an increase in loan capital, it will be followed by an increase in the income of business actors.

The results of this study indicate that Islamic financial literacy has no significant effect on the operating income of Wafa Al-Fitrah Micro Waqf Bank customers. This implies that the customer's knowledge of Islamic finance has no effect on their income. This is due to their lack

of knowledge about Islamic financial management and making the right decisions to get maximum income. As for previous research on (Djuwita & Yusuf, 2018) states that there are several factors in Islamic financial literacy, namely financial knowledge, financial behavior, financial attitude. Of these three factors, only financial behavior can affect business activities. This is caused by business actors not knowing the products of Islamic financial institutions.

4. CONCLUSION

- a. There is a positive and significant effect of capital on the business income of Wafa Al-Fitrah Micro Waqf Bank customers. This is evidenced by the t-count value of 3.091 which is greater than the t-table of 1.990. With a significant value of $0.003 < 0.05$ and the regression coefficient has a positive value of 0.283.
- b. There is a negative and insignificant effect of Islamic financial literacy on the business income of Wafa Al-Fitrah Micro Waqf Bank customers. This is evidenced by the t-count value of 1.859 which is smaller than the t-table of 1.990. With a significant value of $0.067 > 0.05$ and the regression coefficient has a positive value of 0.122.
- c. There is an influence of loan capital and Islamic financial literacy on the business income of Wafa Al-Fitrah Micro Waqf Bank customers. Evidenced by the F-table value of 3.0178. While the F-count value shows a value of 14.296, and a significant value of $0.000 < 0.5$.

5. REFERENCES

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