

Financial Literacy Model of Abu Keumala Al-Aziziyah Boarding School Medan

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ABSTRACT

One of the intelligences that modern humans must have is financial intelligence, namely intelligence in managing personal assets, especially in managing personal financial assets. The respondents in this paper are students at Islamic boarding schools, where students are students who live far from their parents who are equipped with knowledge in managing finances and a certain amount of pocket money. Based on the results of the discussion, it can be explained as follows: a person's concept of financial literacy can be seen from his cognitive processes or the knowledge he has in managing finances, and in his attitude towards personal finances which will influence his financial behavior or decisions in managing finances. From the existing theory, it is adapted based on basic knowledge and financial attitudes for teenagers or those aged 13-18 years. The financial literacy model in Islamic boarding schools through values and sharing between people is able to maintain the life of an individual as a social creature who exists in a diverse community environment. This sense of solidarity and kinship will be very necessary to bring students into real life after they no longer live in Islamic boarding schools.

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1. INTRODUCTION

The importance of prioritizing needs is of course to avoid irrational consumption behavior (consumptive behavior) and must also pay attention to their financial capabilities, so that there are no expenses that are greater than income. Therefore, to make the right economic decisions in consumption and avoid a high (luxurious) lifestyle, of course, knowledge of financial literacy is needed. According to Danes and Hira and Chen and Volpe in (Sina and Nggili, 2011: 3) define

financial literacy as knowledge to manage finances. Good financial literacy will make a person consider decisions in using their money.

The focus of research in this idea is boarding school, where students are hereinafter referred to as santri. The school period or the time a student is in the boarding school to study is the first time for most students to manage finances independently without full supervision from parents (Sabri et al, 2010). Santri are in a very crucial period while studying and studying at the boarding school, because they must learn to be financially independent and responsible for the decisions they choose. They are transitioning from dependency to financial independence and must make plans that will affect their future well-being and success.

As with society in general, the needs of santri vary. So that diverse needs provide many changes. These changes can have both positive and negative effects. A positive influence can be seen in financial independence. Meanwhile, this negative influence is closely related to the selected consumption expenditure. Some santri sometimes force themselves to buy goods and services that are beyond their means. What is meant by being beyond their means is buying goods or services that exceed the pocket money sent by their parents.

This situation can also be seen among students at Pondok Pesantren Abu Keumala Al-Ziziyah Medan. Based on initial observations that have been made among the students of this boarding school, students are in a transitional period from dependence to financial independence and must make plans that will affect their welfare and success in the future. The transition period here means that students usually live together with their families without having to think about financial independence. Living separately from the family must make adaptations in the Islamic Boarding School where to study for the welfare and success in the future. Sometimes when they are at the beginning of the month (the beginning of receiving pocket money from parents), students easily spend their money. Meanwhile, if they are at the end of the month (the supply of pocket money is running low), the students must be dexterous in managing their financial patterns.

So in this study focuses on the financial literacy model of santri, which can be described among others: how is the concept of financial literacy? and how is the financial literacy model of Pondok Pesantren Abu Keumala Al-Aziziyah Medan? According to Chen & Volpe's research (in Sina and Nggili, 2011: 3), someone who has good financial literacy will be able to consider decisions in using money and utilizing his time well. Based on the background described above, the researcher is interested in analyzing the title "Financial Literacy Model of Abu Keumala Al-Aziziyah Islamic Boarding School in Medan".

2. METHOD

The method used in this service uses phenomenological research. The researchers aimed to understand and reveal the financial literacy model in the boarding school. This qualitative method with a phenomenological approach allows researchers to observe and analyze financial literacy practices among students naturally and accurately in their environment.

3. RESULTS AND DISCUSSION

a. Concept of Financial Literacy

Literacy comes from the word "litera or letter" which means it involves mastering writing systems and the conventions that accompany them. In another source, The New American

Webster Handy College Dictionary, literacy is defined as reading and knowledge. In addition, literacy is also related to learning. Literacy is defined as the ability of an individual to read, write, speak, calculate, and solve problems at the required level of proficiency, within individuals, families and communities (National Institute for literacy, in Remund, 2010).

Finance is the study of how individuals, businesses, and organizations raise, allocate, and use monetary resources over time, and also calculate the risks involved in carrying out their projects. The term finance can mean: 1) the science of financial and other assets; 2) the management of those assets; and 3) calculating and managing project risks.

According to Garman & Fogue (2010: 4), financial literacy is the knowledge of facts, concepts, principles and technological tools that underlie the smart use of money. Meanwhile, financial literacy according to Huston (2010: 307-308) is defined as a component of human resources that can be used to improve financial well-being. Someone is said to be financially literate, when they have the knowledge and ability to apply that knowledge. Meanwhile, according to Remund (2010: 284) defines financial literacy as: "A measure of the extent to which a person understands key financial concepts, has the ability and confidence to manage personal finances appropriately, both short-term and long-term financial planning, and is aware of changes in economic conditions".

One of the intelligences that must be possessed by modern humans is financial intelligence, namely intelligence in managing personal assets, especially in managing personal financial assets. Gitman (in Khrisna, 2010) states that in general financial management is defined as the process of planning, analyzing and controlling financial activities. One form of application of financial management is personal finance management, which is the process of financial planning and control of individual or family units.

Financial literacy is related to a person's competence to manage finance. The definition of financial literacy according to Mason & Wilson (in Krisna et al, 2010) is a person's ability to obtain, understand, and evaluate relevant information for decision making by understanding the financial consequences. Meanwhile, according to Danes and Hira and Chen and Volpe (in Sina and Nggili, 2011: 3) define financial literacy as knowledge to manage finances. Good financial literacy will make a person consider decisions in using their money.

Financial literacy occurs when an individual possesses a set of skills and abilities that enable that person to utilize available resources to achieve goals. Financial intelligence is not about how much money we make, but about how much money we save and how far it works for us. So a person with high financial intelligence is someone who, when they get older, their money can buy them freedom, happiness, health, and life choices. Conversely, people who are not financially intelligent are those whose bills get bigger and bigger and they have to work harder to pay them. Similarly, people who make a lot of money, but their money does not make them happier.

Financial literacy (reflected by a person's cognitive knowledge and ability regarding finance. The ability in financial literacy can be interpreted as the ability to use their financial knowledge to make decisions. PISA (2010) explains the ability in financial literacy is a cognitive process used to describe students' ability to recognize and apply concepts relevant to finance. Remund (2010) states that the four most common things in financial literacy are understanding budgeting, savings, loans, and investments. Widayat (2010) explains that financial literacy can be measured, among others:

- a. Prepare/plan a budget of income to be received;

- b. Prepare/plan a budget of expenses to be incurred;
- c. Compliance with the expenditure budget plan;
- d. Understanding of the real value of money;
- e. Understanding the nominal value of money; and
- f. Understanding of inflation.

Australian Securities & Investment Commission (in Yunikawati, 2012: 3) that in exploring and knowing how much a person's financial literacy level can use knowledge benchmarks, which include:

- a. One's knowledge of the value of things and prioritization in life;
- a. Budgeting, saving and how to manage money;
- b. Credit management;
- c. The importance of insurance and protecting against risk;
- d. Fundamentals of investment;
- e. Retirement planning;
- f. Utilization of shopping and comparing products;
- g. Where to go for advice and guidance information, and additional support;
- h. How to recognize potential conflicts over utility (prioritization).

From some of the above statements, it can be concluded that an individual's financial literacy can be seen from his cognitive process or the knowledge he has in managing finances, and in attitudes towards personal finance which will affect his financial behavior or his decisions in managing finances. From the existing theory, this is adjusted based on basic knowledge and financial attitudes for adolescents or within the age of 13-18 years.

b. Financial Literacy Model of Pondok Pesantren Abu Keumala AL-Aziziyah Medan

As we know that Islamic boarding schools are the basis of Islamic education in Indonesia with a very large number. According to the origin of the word, pesantren comes from the word "santri" which gets the prefix "pe" and the suffix "an" which indicates a place, so it means a place for santri. Sometimes pesantren is also considered as a combination of the word "santri" (good man) with the syllable "tra" (helpful) so that the word pesantren can be interpreted as a place of education for good people (Zarkasy, 1998: 106).

More clearly and in great detail Madjid (1997: 19-20) explores the origin of the word santri, he argues "Santri comes from the word "sastri" a word from Sanskrit, which means literate, connoted by the literary class for Javanese people due to their knowledge of religion through books written in Arabic. It is then assumed that santri means people who know about religion through Arabic books and or at least santri can read the Qur'an, thus leading to a more serious attitude in looking at religion. Also the word santri comes from the Javanese "cantrik" which means a person who always follows the teacher where the teacher goes to stay (a puppet term) of course with the aim of being able to Pesantren or better known as pondok pesantren can be interpreted as a place or complex of students to study or study religious knowledge to kiai or Koranic teachers, usually the complex is in the form of dormitories or small rooms with buildings that show their simplicity.

Pesantren or better known as boarding school can be interpreted as a place or complex of students to study or study religious knowledge to kiai or Koranic teachers, usually the complex is in the form of dormitories or small rooms with buildings that show their simplicity.

The definition of boarding school terminologically is quite a lot of experts. Some of these experts are:

- a. Dhofier (1994: 84) defines that boarding schools are traditional Islamic educational institutions to study, understand, live and practice Islamic teachings by emphasizing the importance of religious morals as a guide to daily behavior.
- b. Nasir (2005: 80) defines boarding schools as religious institutions that provide education and teaching as well as develop and spread Islamic religious knowledge.
- c. The Writing Team of the Ministry of Religious Affairs (2003: 3) in the book "Pesantren Learning Patterns" defines that boarding schools are between Kyai and Ustdaz as teachers and santri as students by taking place in mosques or in the courtyards of dormitories (huts) to study and discuss religious textbooks by past scholars. Thus, the most important elements for pesantren are the presence of Kyai, students, mosques, dormitories (pondok) and books (kitab kuning). Islamic education and teaching in which interaction occurs.

Dhofier (1994: 44) revealed that pesantren educational institutions have several basic elements that are characteristic of the pesantren itself, these elements include: a) huts or dormitories, b) teaching and learning places, usually in the form of mosques and can take other forms, c) santri, d) teaching religious books, the form is Arabic and classical books or better known as yellow books, and e) Kiai and ustadz.

Islamic boarding schools as traditional educational institutions, in general, do not have a detailed formulation of educational objectives, outlined in a complete and consistent well-planned educational system. However, in outline, the objectives of pesantren education can be assumed as follows:

- a. The general objective is to guide students (santri) to become human beings with Islamic personalities who are able to become Islamic preachers in the surrounding community through their knowledge and deeds.
- b. The specific purpose is to prepare santri to become people who are well versed in the religious knowledge taught by the Kyai concerned and practice it in the community (Arifin, 1991: 110-111).

To realize the above objectives, the pesantren organizes a kitab learning process known as kitab kuning (classical Islamic religious books). In using the yellow Islamic classic books in pesantren, there is no provision that must require certain books, usually this is adjusted to the education system used, some only use the recitation system, without a madrasah system, some have used a classical madrasah system. There are also pesantren that combine the recitation system and the madrasah system in a non-classical manner (Wahid, 1999: 147-148).

The implementation of this book teaching is carried out in stages, from the basic books which are short and simple books, then to the intermediate level and only after completion to the takhasus books, and in teaching methods such as sorogan, bandongan, memorization, mudzakaroh, and majlis ta'lim.

Santri in the world of pesantren are grouped into two types, namely:

- a. Santri mukim are students who live in the hut provided by the pesantren while studying, usually they live in a complex in the form of rooms. One room is usually filled with more than 3 people, sometimes even up to 10 more people.

- b. Santri kalong are students who live outside the pesantren complex, either in their own homes or in the homes of residents around the pesantren location, usually they come to the pesantren when there are recitations or other pesantren activities (Editorial Board, 1993: 105).

As an educational institution, Islamic boarding schools organize formal and non-formal education that specifically teaches religion which is very strongly influenced by the thoughts of scholars (Kyai). The curriculum achieved in boarding schools is centered on the deepening of religious sciences through the study of classical books and the attitude of religious life. So if we talk about the pesantren curriculum. What happens in the pesantren from morning to night is the pesantren education curriculum. To see the pesantren education curriculum, the author first refers to the classification of pesantren to facilitate the classification of pesantren. Rahim (2000: 248) argues that traditional pesantren (salaf) are pesantren whose teaching still uses the sorogan, wetonan or bandongan system without classes and age limits. Regarding the forms of education in pesantren, it is now very varied which can be classified into at least 5 types, namely, among others:

- a. Pesantren that organize formal education by applying the national curriculum.
- b. Pesantren that organize religious education in the form of madrasah and teach general sciences although they do not apply the national curriculum.
- c. Pesantren that only teach religious sciences in the form of madrasah diniyah.
- d. Pesantren that are only a place of recitation (majelis ta'lim).
- e. Pesantren for boarding public school students and university students (Azizi, 2002: viii).

The students who study in one pesantren usually have a strong sense of solidarity and kinship both between students and students and between students and Kyai. The social situation that develops among the santri fosters its own social system, in pesantren they learn to live in society, organize, lead and be led, and are also required to be able to obey and emulate the life of the Kyai, in addition to being willing to carry out any tasks given by the Kyai, this is very possible because they live and live in a complex.

In their daily lives they live in religious nuances, because they are full of religious practices, such as fasting, night prayers and the like, nuances of independence because they have to wash and cook their own food, nuances of simplicity because they have to dress and sleep with what they have. As well as the nuances of high discipline, because of the application of rules that must be upheld at all times, if anyone violates it will be subject to punishment, or better known as ta'zirat such as being shaved, cleaning the bathroom and others.

Basically, santri are students who need learning specifically santri study with deepening in the field of religion. However, in general, santri must also be able to manage and organize life skills, which include financial skills. This is inseparable from the learning that has been obtained both from the family environment and the boarding school environment as a place for students to study. It can be explained fundamentally that students who are equipped with very thick religious knowledge, but to maintain and organize a lifestyle must also pay attention to intelligence in financial matters.

One of the intelligences that must be possessed by modern humans is financial intelligence, namely intelligence in managing personal assets, especially in managing personal financial

assets. The respondents in this paper are santri in boarding schools, where santri are students who live apart from their parents who are equipped with knowledge in managing finances and a certain amount of pocket money.

Financial literacy occurs when an individual possesses a set of skills and abilities that enable that person to utilize available resources to achieve goals. Financial intelligence is not about how much money we make, but about how much money we save and how far it works for us. So a person with high financial intelligence is someone who, when they get older, their money can buy them freedom, happiness, health, and life choices. Conversely, people who are not financially intelligent are those whose bills get bigger and bigger and they have to work harder to pay them.

Similarly, santri who receive a lot of money from their parents, but their money does not make them happier. It can be explained that with a lot of money from parents, the tendency that occurs is difficulty in managing their finances. Sometimes with the pocket money given, the santri only use it for things that are not useful (the tendency to buy food and clothing needs). The findings also prove that sometimes the students, when at the beginning of getting a large amount of pocket money, often make purchases with frequent intensity, on the other hand, if at the end of the shipment (end of the month) tend to reduce their purchases. But what is expected in financial literacy is that students are still able to manage their finances (regardless of the beginning or end of the month of pocket money), even though they are far from parental supervision. Thus, financial literacy or an important understanding of the knowledge of managing finances here is needed.

Abu Keumala Al-Aziziyah Islamic Boarding School in Medan provides a different nuance by following developments in financial intelligence that must be possessed by its students. However, knowledge about religion remains the focus of learning at the boarding school. The santri tend to have a very high level of obedience and obedience to the advice given by the Kyai (teacher), or it can be said that *sami'na wa atho'na* is highly upheld. In the sense that *Insyallah*, the students will obey and obey the orders and advice given by the Kyai or teachers who provide their learning. Respondents who have been used as random informants explained that this is indeed the learning provided at the boarding school. The students on average will obey orders or invitations that come from the Kyai (teachers), this will have an impact when the students have graduated and do not live in the boarding school environment, they are able to apply the learning they have obtained while studying at the boarding school.

In this paper, it presents an understanding of the financial field in boarding schools is also very important as learning. When the students live in the boarding school environment, they already know that the pocket money arrangement from parents is not only to meet their own needs, but there is a learning model provided, namely simplicity and sharing among others. This is quite interesting to be explored further so that it can see the financial literacy model applied in the boarding school environment. The meaning of simplicity, which refers to the financial understanding of pocket money from parents, is a mandate that must be used as well as possible in accordance with the needs that must be met while at the boarding school. For example, buying food, drinks, snacks, and clothing according to what is needed while at the boarding school. Because when the students are in the boarding school, it is not just for fun, but to study knowledge, learn religion, and equip for life. This is also seen when eating, the students are also very upholding simplicity by eating together. Not looking at students who come from parents with more or less financial ability. Keep in mind that simplicity does not mean not being able to

afford it, but it is an attitude of living according to one's ability (not greater expenses with income), and spending according to what is needed according to a priority scale and not consumptive.

The meaning of sharing with each other, which is a teaching that is in accordance with the Qur'an and Hadith. Along with the teachings of the Qur'an and Hadith that must always be forged in various activities. For example, when sending pocket money from the parents of one of the students with a large enough amount or when getting food supplies from parents, the students are expected to be able to share with each other. This meaning is very capable of encouraging hand in hand between students who have parents with more and less financial ability. Sharing will also provide the value of blessings for the sustenance they get, an Islamic teaching that must continue to be nurtured and applied. In addition, sharing also helps to feel the conditions if you are in a position of financial ability below the average. What is no less important is that sharing with others will not reduce the value or amount of wealth that a person has, but will actually increase.

In accordance with this statement which explains that students who study in one pesantren usually have a strong sense of solidarity and kinship both between students and students and between students and Kyai. The social situation that develops among students fosters its own social system, in pesantren they learn to live in society, organize, lead and be led, and are also required to be able to obey and emulate the life of the Kyai, in addition to being willing to carry out any tasks given by the Kyai, this is very possible because they live and live in a complex.

It can be concluded that a good level of financial literacy is able to instill religious values that must be implicitly applied in the joints of community life. Where the financial literacy model in Islamic boarding schools through the value of simplicity and sharing among others is able to maintain the life of an individual as a social being that exists in the diversity of the community environment. This sense of solidarity and kinship will be needed to bring students into real life after they no longer live in boarding schools.

4. CONCLUSION

The concept of financial literacy of an individual can be seen from his cognitive process or the knowledge he has in managing finances, and in attitudes towards personal finance which will affect his financial behavior or his decisions in managing finances. From the existing theory, this is adjusted based on basic knowledge and financial attitudes for adolescents or within the age of 13-18 years. The financial literacy model of Abu Keumala Al-Aziziyah Islamic Boarding School in Medan is largely seen on a good level of financial literacy that is able to instill religious values which must be implicitly applied in the joints of community life. Where the financial literacy model in Islamic boarding schools through the value of simplicity and sharing among others is able to maintain the life of an individual as a social being that exists in the diversity of the community environment. This sense of solidarity and kinship will be needed to bring students into real life after they no longer live in boarding schools.

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