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Islamic Financial Literacy among Malaysian Lecturers: A Preliminary Study

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Abstract
Islamic financial literacy is increasingly recognized as a crucial component of financial well-being, particularly in countries with significant Muslim populations. However, there is limited research on the level of Islamic financial literacy within the academic community in Malaysia. This preliminary study seeks to fill that gap by assessing the Islamic financial literacy of university lecturers in Malaysia, with a focus on their knowledge of money basics, Islamic banking, Takaful, and Shariah-compliant investment. The study also investigates variations in literacy levels across different demographic groups, including gender, educational backgrounds, and fields of study. To achieve this objective, a self-developed questionnaire was designed to measure key components of Islamic financial literacy. Data were collected from a representative sample of university lecturers and analyzed using SPSS 23.0. Descriptive statistics and inferential analyses were employed to explore trends and significant differences within the data. The findings indicate that the overall level of Islamic financial literacy among the lecturers is moderate. Additionally, the analysis identified statistically significant differences in literacy levels based on gender, educational attainment, and field of study, with some groups outperforming others in specific aspects of Islamic finance. This study contributes to the growing body of knowledge on financial literacy in Malaysia and offers a robust methodology for measuring and analyzing Islamic financial literacy, which can be a valuable resource for other researchers exploring similar topics.
Keywords: Financial Literacy, Islamic Finance, Islamic Financial Literacy, Lecturers, Malaysia

Introduction

Background of the Study

Financial literacy refers to the knowledge and ability to comprehend financial principles and effectively manage financial resources (Huston, 2010). This competence is crucial for attaining personal economic stability and making well-informed financial decisions. Recent studies highlight that financial literacy extends beyond personal benefits, as it is also essential for broader societal outcomes such as enhancing financial inclusion and promoting national economic stability (Morgan & Trinh, 2019). Financial literacy encompasses a range of skills including budgeting, saving, investing, and borrowing (Remund, 2010). A critical component of financial literacy is the capacity to navigate the financial landscape, mitigate risks, and maintain economic well-being (Lusardi & Mitchell, 2014), which are crucial for managing both personal and societal financial challenges. As individuals enhance their financial literacy, they become better equipped to make sound financial choices, thereby contributing to their overall economic security and resilience. Moreover, increased financial literacy empowers individuals to participate more actively in the economy and access broader financial opportunities.

Within the broader context of financial literacy, Islamic financial literacy focuses specifically on principles and practices rooted in Shariah (Islamic law). Islamic financial literacy refers to the knowledge and understanding of financial concepts and products following Islamic principles (Hidajat & Hamdani, 2017). This form of literacy encompasses essential aspects including basic money or wealth management, debt management, financial protection such as Takaful, Shariah-compliant investments, retirement planning, and charitable giving (Abdullah & Razak, 2016; Lahsasna, 2016). Recent research highlights the importance of Islamic financial literacy in fostering financial well-being among Muslims by ensuring that financial decisions align with ethical and religious principles (Mahdzan et al., 2024). One of the key components of Islamic financial literacy is the emphasis on ethical financial practices, such as the prohibition of riba (*usury*), *gharar* (uncertainty), *maysir* (gambling), and hoarding, while emphasizing charitable acts like *zakat*, *sadaqah*, and *waqf*, and the duty to repay debts (ISRA, 2023). By understanding these principles, individuals are better equipped to manage their finances in ways that are not only financially sound but also compliant with their faith.

Problem Statement

Islamic finance is grounded in enduring principles derived from Shariah (Islamic law), which provides explicit guidance on financial conduct. Ideally, adherence to these principles would empower Muslims to manage their finances prudently and avoid financial hardships. Contrary to these expectations, recent data reveals otherwise. The Malaysian Department of Insolvency (MdI) reported a significant rise in bankruptcy cases from 2019 to 2023, with Muslims making up 58 percent of these filings (Malaysian Department of Insolvency, 2023). Moreover, the Credit Counselling and Debt Management Agency Malaysia (AKPK) registered 15,024 new participants in its Debt Management Programme (DMP) by June 2020, alongside 52,566 ongoing cases (Azman, 2020). These alarming statistics suggest a lack of understanding or application of Islamic finance principles among many Muslims, leading to financial challenges. To address this issue, educational efforts are crucial. While there is growing awareness and interest in Islamic financial products, research indicates that the depth of knowledge required for informed, Shariah-compliant financial decisions remains inadequate (Ezeh & Nkamnebe, 2022). Key concepts like the prohibition of interest, ethical investments, and risk-sharing must be better understood to align financial decisions with Islamic values. Despite the increased use of Islamic banking, Takaful, and Shariah-compliant investments, many Malaysians still lack sufficient knowledge (Financial Education Network, 2019), hindering Malaysia's aspiration to become a global leader in Islamic finance. Improving Islamic financial literacy is crucial for empowering individuals to manage their finances in accordance with Islamic values, thereby reducing financial stress, and fostering economic stability. Emphasizing the role of Muslim educators is particularly important, as they shape future generations. Enhancing their understanding of Islamic financial principles can lead to more effective educational strategies that promote responsible financial behaviour. Despite the growing importance of this field, only a few studies have focused on measuring Islamic financial literacy among educators. This study aims to fill this gap by examining the level of Islamic financial literacy among lecturers in Malaysia, contributing to a more comprehensive understanding of how well Islamic financial principles are understood and applied in academia.

Literature Review

Islamic Financial Literacy

Huston (2010), defines financial literacy as the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing. While there is a well-established understanding of financial literacy, the definition of Islamic financial literacy remains less universally agreed upon (Lahsasna, 2016). According to Nawi et al (2022), there is no universally accepted definition of Islamic financial literacy. Abdullah and Anderson (2015), and Abdullah et al (2017), derived their definition of Islamic financial literacy from Huston (2010), which involves knowledge acquired through education and personal experience of prominent concepts and products of Islamic finance. Likewise, Rahim et al. (2016) defined Islamic financial literacy while maintaining a strong connection to the concept of financial literacy by OECD (2011), which emphasizes a person's ability to use financial knowledge, skills, and attitudes in managing financial resources in line with Islamic teachings.

On the other hand, Abdullah and Razak (2016), and Lahsasna (2016), conceptualised Islamic financial literacy within the framework of specific Islamic obligations. These obligations encompass fundamental aspects such as basic money or wealth management, financial planning including Takaful, pension schemes, and Shariah-compliant investments, charitable contributions, including *waqf, sadaqah*, and *zakat*, as well as the law of inheritance (*faraid*) and will (*wasiyyah*). Therefore, in this study, the researcher defines Islamic financial literacy as the ability to understand and apply information specifically related to Islamic finance, drawing from Huston's (2010), well-established definition of financial literacy. This definition recognizes the unique characteristics and principles of Islamic finance, which differ from conventional finance due to the integration of Shariah (Islamic law).

Previous studies have commonly identified four main areas of financial literacy namely: (1) basic concepts of money, (2) borrowing, (3) financial protection, and (4) saving or investment (Huston, 2010). This study adopts these four areas as a foundational framework but modifies them to align with Shariah principles, thereby ensuring that the measurement of Islamic financial literacy reflects the ethical and religious considerations inherent in Islamic finance. These tailored areas of focus are crucial for accurately capturing the unique aspects of financial decision-making within the context of Islamic finance.

Basic concept of money in Islam

In Islam, the concept of money differs significantly from conventional economic theories as it is grounded in Shariah principles. While classical economics defines money as a medium of exchange, a unit of account, and a store of value (Meera, 2002), Islam views money as a trust from God, with humans acting as His stewards on Earth. This perspective requires money to be used responsibly and in line with Shariah guidelines. Money is seen as a tool for promoting socio-economic justice, benefiting the *ummah* (community), and supporting the welfare of society. Unlike conventional finance, where profit maximization is often prioritized, Islamic finance prohibits *riba* (interest), which means charging more than the original loaned amount is forbidden. Lending in Islam is seen as an act of charity, not an opportunity for profit (Alhabshi, 2012). Islamic teachings stress the importance of using money to promote fairness, reduce inequality, and uphold social responsibility in financial transactions (Khan & Bhatti, 2008).

Islamic banking products and principles

Islamic banking operates in accordance with Shariah principles, with a primary focus on promoting social justice and equitable economic growth. A fundamental principle is the prohibition of *riba* (interest), which forbids earning income from lending money at interest. Instead, Islamic banks generate income through profit-sharing, rental agreements, and fees derived from permissible Shariah-compliant activities (ISRA, 2023). Common contracts used include *Mudarabah* (profit-sharing), *Murabaha* (cost-plus financing), *Ijara* (leasing), and *Musharakah* (joint venture), which ensure the sharing of risk between the bank and its clients. Islamic banks are required to finance only Shariah-compliant businesses, which excludes industries such as gambling, alcohol, and speculation. In Malaysia, Islamic banking is highly regulated by Bank Negara Malaysia (BNM) under the Islamic Financial Services Act 2013 (IFSA), ensuring that all banking practices adhere to Shariah principles and providing governance through the Shariah Advisory Council (SAC) (Fatmawati et al., 2022). Malaysia has become a leading hub for Islamic finance due to these robust regulations and comprehensive frameworks supporting the sector's growth.

Takaful

Takaful, or Islamic insurance, is a cooperative system based on mutual assistance and solidarity, where participants contribute to a common pool to safeguard against defined risks. Unlike conventional insurance, which involves risk transfer and relies on interest-based investments, Takaful adheres to Shariah principles, prohibiting *riba* (interest), *gharar* (uncertainty), and *maysir* (gambling) (Alshammari et al., 2018). Participants share risks collectively, and any surplus in the pool after claims and administrative costs are either returned to the participants or reinvested in Shariah-compliant ventures (Hassan, 2020). The system is structured through contracts like *Tabarru'* (donation) and *Wakalah* (agency), with the Takaful operator managing the pool on behalf of the participants.

Shariah-Compliant Investment

Shariah-compliant investments, unlike conventional ones, adhere to Islamic principles, ensuring that investments are free from elements like *riba* (interest), *maysir* (gambling), *gharar* (uncertainty), while also avoiding industries associated with prohibited activities like pornography and non-halal products (ISRA, 2023; Hassan et al., 2019), reflecting a commitment to ethical conduct. Islamic finance also emphasizes risk-sharing, fairness, and ownership, linking investments with real economic sectors (Hussain et al., 2015). This risk-averse behavior helps protect investors from excessive losses, aligning with ethical and socially responsible investment strategies (Nihar & Modekurti, 2021).

Research Methodology

This study employed a descriptive research design, utilizing surveys to assess the level of Islamic financial literacy among lecturers. A purposive sampling method was implemeneted, to select respondents from various academic disciplines to ensure a diverse representation. The primary data collection instrument was a questionnaire designed to measure Islamic financial literacy, where respondents received one point for each correct response and zero points for incorrect answers. The total score was calculated by summing the points, providing a quantitative measure of each respondent's level of understanding.

To refine the research instruments and ensure their effectiveness, a pilot study was conducted with fifty respondents. This preliminary phase was crucial for testing the suitability of the methods and instruments, ultimately improving the reliability and validity of the final questionnaire. Feedback obtained during this phase informed necessary adjustments, ensuring the instruments were appropriate and effective for the main study.

Data collected from the surveys were analyzed using the Statistical Package for Social Sciences (SPSS) version 22.0. Chi-square tests were employed to examine significant differences between categorical variables such as religion, field of study, and educational levels. These analyses offered insights into the relationships between these variables and the level of Islamic financial literacy, contributing to a more nuanced understanding of the factors influencing financial knowledge among lecturers. This methodological approach was integral for achieving the objectives of the study and ensuring that the findings were both reliable and applicable to broader educational contexts.

Findings

Result of Descriptive Statistics

The socio-demographic data presented in Table 1 shows that the sample comprises 64% female and 36% male respondents. In terms of religious affiliation, the majority of respondents are Muslims (82%), followed by Buddhists (10%) and Hindus (8%). A significant portion of the respondents (72%) falls within the 30 to 49 age range, and 72% of the sample is married. Regarding educational qualifications, the largest group consists of Master's degree holders, followed by those with PhDs and Bachelor's degrees. This distribution reflects the typical academic requirements for lecturers in most universities, who are responsible for teaching both undergraduate and postgraduate students. Notably, the percentage of respondents without a financial education background is slightly higher than those with such a background. This intentional sampling was designed to facilitate a comparative analysis of how financial education impacts Islamic financial literacy levels. The inclusion of respondents with varying levels of financial education allows for a more comprehensive understanding of the factors influencing Islamic financial literacy, thereby contributing valuable insights to the study.

Table 1
Social-Demographic Profiles

Section	Demographic	Frequency (N=50)	Percentage (%)
Gender	Male	18	36%
	Female	32	64%
Age	<30	8	16%
	30-39	19	38%
	40-49	17	34%
	50 and above	6	12%
Religion	Muslim	41	82%
	Buddhist	5	10%
	Hindu	4	8%
Marital Status	Single	13	26%
	Married	36	72%
	Divorced	1	2%
Highest educational level	Bachelor’s Degree	3	6%
	Master’s Degree	26	52%
	PhD	21	42%
Field of Study	Finance	24	48%
	Non-Finance	26	52%

Financial Literacy Score

As depicted in Figure 1, the findings indicate that respondents scored highest on questions of basic money concepts, with a score of 78%. This suggests a solid understanding among respondents of fundamental financial principles such as *riba* (usury), the purpose of lending, and the balance between risk and reward. However, the results reveal a noticeable decline in confidence and understanding when it comes to the practical application of these principles by Islamic financial institutions. For example, respondents scored 69% on questions related to Islamic banking and 67% on Islamic investment, indicating a reluctance to fully acknowledge the Shariah compliance of these products and services. This hesitancy suggests a gap between theoretical knowledge and trust in the implementation of Islamic financial principles.

The most significant concern was observed in the area of Takaful, where respondents scored the lowest at 44%. This low score highlights a clear unfamiliarity with the Takaful concept, which may point to a broader issue of inadequate awareness and understanding of Islamic insurance mechanisms among the respondents. These findings underscore the need for more targeted educational initiatives to bridge the gap between basic financial literacy and the practical understanding of Islamic financial products and services.

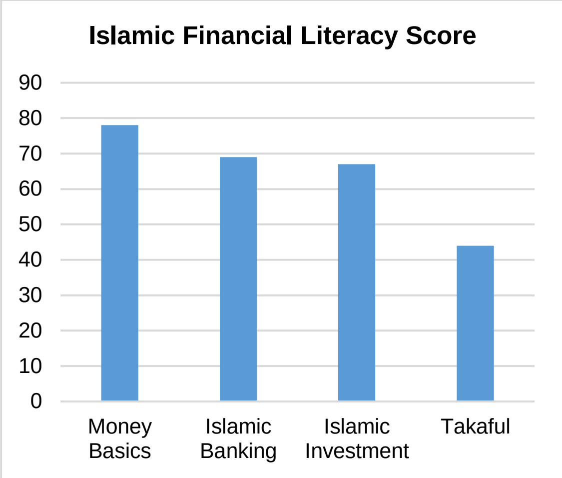

Figure 1: Islamic Financial Literacy Score

The mean Islamic financial literacy score of 64.5, as presented in Table 2, falls within the moderate range. This result aligns with findings from a study by Kimiyaghalam and Yap (2017), which reported that only 51.54% of Malaysians possessed basic financial knowledge, while advanced financial literacy levels declined by 37%. Furthermore, the results are consistent with prior studies that identified moderate levels of both general financial literacy (Ali et al., 2015) and Islamic financial literacy (Md Sapir et al., 2020) among Malaysians. The alignment of these findings indicates that the financial literacy of lecturers, much like that of the general population, remains within the low to moderate range. This highlights the pressing need for targeted educational programs aimed at enhancing financial literacy, particularly in Islamic finance. Addressing this gap is crucial for improving the financial decision-making skills of lecturers, who serve a key role in shaping the financial acumen of future generations.

Table 2
Level of Islamic Financial Literacy

	N	Min	Max	Mean	Std. Deviation
Islamic financial literacy	50	36	95	64.5	17.1

Results of Islamic Financial Literacy Test
Differences in Islamic Financial Literacy on Money Basics
The findings on the differences in understanding of money basics across various demographic groups, including gender, educational level, and field of study, are presented in Table 3. Notably, there is a significant gender difference in the understanding of the purpose of lending in Islam. Female respondents demonstrated a strong grasp of this concept, with 94% answering correctly.

Additionally, the field of study significantly influenced respondents' understanding of key Islamic financial principles, particularly in areas such as risk and reward sharing in trade and investment, the use of money as a medium of exchange rather than as a commodity, and the importance of effort, initiative, and risk in earning profit. Respondents with a financial education background exhibited a solid understanding of the concept of risk and reward sharing in trading and investment activities (*al-ghurm bil ghunm*), with 83% answering correctly.

Furthermore, respondents from the finance field showed a strong awareness of the fundamental concept of money in Islam, recognizing it as merely a medium of exchange rather than a commodity, with 79% answering correctly. There was also a significant difference in the understanding of the role of effort, initiative, and risk in profit-making, with 88% of respondents from the finance field answering correctly.

Interestingly, a high level of understanding of the concept of *riba* and its prohibition in Islam was observed across most demographic groups, indicating a broad awareness of this key Islamic financial principle. These findings highlight the importance of tailored educational approaches to enhance Islamic financial literacy, particularly in areas where gaps in understanding persist across different groups.

Table 3
Results for Differences in Islamic Financial Literacy on Money Basics

No.	Item	Gender	Educational levels	Field of study
1	Interest charge on the loan is Riba	Male: 89% Female: 91%	Bachelor's Degree: 67% Master: 89% PhD: 95%	Finance: 92% Non-finance: 89%
	Chi-square test significance	p = 0.844	p = 0.283	p = 0.706
2	Paying and/or receiving interest is prohibited in Islam	Male: 89% Female: 88%	Bachelor's Degree: 67% Master: 89% PhD = 91%	Finance: 88% Non-finance: 89%
	Chi-square test significance	p = 0.885	p = 0.492	p = 0.917
3	Lending is solely for the purpose of helping, not for the profit	Male: 78% Female: 94%	Bachelor's Degree: 67% Master: 96% PhD: 81%	Finance: 88% Non-finance: 89%
	Chi-square test significance	**p = 0.095***	p = 0.141	p =0.917
4	Risks and rewards are shared through trade and investment	Male: 72% Female: 72%	Bachelor's Degree: 33% Master: 69% PhD: 81%	Finance: 83% Non-finance: 62%
	Chi-square test significance	p = 0.979	p = 0.206	**p = 0.086***
5	Money is not a commodity	Male: 72% Female: 63%	Bachelor's Degree: 100% Master: 54% PhD: 76%	Finance: 79% Non-finance: 54%
	Chi-square test significance	p = 0.486	p = 0.121	**p = 0.059***

6	Effort, initiative and risks have to be considered to earn profit	Male: 72% Female: 59%	Bachelor's Degree: 67% Master: 69% PhD: 57%	Finance: 88% Non-finance: 42%
	Chi-square test significance	p = 0.364	p = 0.688	**p = 0.001*** **

Differences in Islamic Financial Literacy on Islamic Banking

Financial literacy in the context of Islamic banking as depicted in Table 4 shows a significant difference in respondents' educational backgrounds. Notably, 81% of PhD holders correctly identified risk-sharing as the fundamental principle of Islamic banking, whereas respondents with lower levels of education demonstrated lower scores in this area. This suggests that a higher level of education may be linked to a better understanding of key Islamic banking principles. Moreover, the field of study also plays a critical role in understanding Islamic banking concepts. Respondents with a financial education background showed a stronger grasp, with 71% answering correctly, compared to only 46% of respondents from other fields of study. This highlights the importance of specialized financial education in developing a deeper understanding of Islamic banking principles. Interestingly, there were no significant differences between gender, educational background, and field of study regarding respondents' understanding of specific Islamic banking transactions. This includes knowledge of the elimination of *riba* in financial transactions, the use of profit and rental as sources of income for Islamic banks, the requirement for financing to be limited to Shariah-compliant businesses or goods, and the supervisory and governing roles of Bank Negara Malaysia and the Shariah Advisory Council. These findings emphasize the need for targeted educational initiatives to bridge knowledge gaps, particularly among those with lower educational levels or without a financial education background. By focusing on these areas, efforts can be made to improve overall Islamic financial literacy and ensure a more comprehensive understanding of Islamic banking principles among all groups.

Table 4
Results for Differences in Islamic Financial Literacy on Islamic Banking

No.	Item	Gender	Educational levels	Field of study
1	Islamic banks eliminate Riba in their financial transactions	Male: 72% Female: 84%	Bachelor's Degree: 67% Master: 77% PhD: 86%	Finance: 71% Non-finance: 89%
	Chi-square test significance	p = 0.302	p = 0.633	p = 0.119
2	Income earned by Islamic banks comes from profit and rent	Male: 56% Female: 66%	Bachelor's Degree: 100% Master: 58% PhD: 62%	Finance: 67% Non-finance: 58%
	Chi-square test significance	p = 0.481	p = 0.360	p = 0.514
3	Islamic banks only finance Shariah-compliant business/goods	Male: 78% Female: 56%	Bachelor's Degree: 67% Master: 58%	Finance: 67% Non-finance: 62%

			PhD: 71%	
	Chi-square test significance	p = 0.128	p = 0.618	p =0.706
4	Basic principle of Islamic banking is risk sharing	Male: 78% Female: 56%	Bachelor's Degree: 67% Master: 50% PhD: 81%	Finance: 75% Non-finance: 54%
	Chi-square test significance	p = 0.128	**p = 0.089***	p = 0.119
5	Islamic banks in Malaysia governed by BNM and SAC	Male: 89% Female: 91%	Bachelor's Degree: 67% Master: 92% PhD: 91%	Finance: 92% Non-finance: 89%
	Chi-square test significance	p = 0.844	p = 0.373	p = 0.706
6	Financing arrangement are based on profit sharing, trading, agency and services	Male: 56% Female: 59%	Bachelor's Degree: 33% Master: 62% PhD: 57%	Finance: 71% Non-finance: 46%
	Chi-square test significance	p = 0.793	p = 0.641	**p = 0.077***

Differences in Islamic Financial Literacy on Islamic Investment

Table 5 highlights notable differences in the understanding of Islamic investment principles among respondents based on their gender, educational levels, and field of study. Respondents with a financial education background demonstrated a significantly higher comprehension of key Islamic investment principles compared to those with a non-financial background. For instance, only 39% of non-financially educated respondents correctly answered that guaranteed return on investment is contradictory to Shariah. Similarly, only 35% of this group accurately responded that the presence of *gharar* (uncertainty) in investment is prohibited by Shariah. In contrast, respondents with higher educational qualifications exhibited a more nuanced understanding of Islamic investment principles. For example, those with postgraduate degrees, particularly PhD holders, were significantly more likely (86%) to recognize that the Shariah Advisory Council (SAC) under the Securities Commission (SC) plays a crucial role in overseeing and approving Shariah-compliant investment products. However, the findings indicate no significant differences in understanding between respondents of different genders or educational backgrounds when it comes to more specific concepts like the Mudharabah contract, a common Shariah-compliant investment structure. This suggests that while education level and specialization may influence certain aspects of Islamic financial literacy, these factors do not uniformly affect all areas of knowledge. The discrepancies in understanding, particularly for respondents with non-financial education, underscore the need for enhanced educational initiatives targeting these groups to improve literacy in Islamic investment principles. Improving awareness across various educational levels and fields of study can ensure more equitable access to Shariah-compliant investment opportunities, potentially increasing participation in the Islamic finance sector.

Table 5
Results for Differences in Islamic Financial Literacy on Islamic Investment

No.	Item	Gender	Educational levels	Field of study
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	Chi-square test significance	p = 0.793	p = 0.641	**p = 0.077***

Differences in Islamic Financial Literacy on Takaful

The analysis reveals that respondents' understanding of Islamic insurance, or Takaful, is notably weaker compared to other Islamic financial concepts, as indicated by the low percentage of correct answers in the questions tested. As presented in Table 6, there is no significant differences were found between respondents based on gender, educational level, or educational background in their overall comprehension of Takaful. However, a notable exception was observed in the understanding of Takaful contracts, where respondents' educational background revealed significant disparities. Specifically, individuals with a financial education were more likely to correctly identify that Takaful contracts are not contracts of sale but rather cooperative risk-sharing agreements. Despite this, the overall results suggest a weak understanding of Takaful's fundamental principles across the sample. A large portion of respondents, regardless of gender, education level, or field of study, were unable to correctly identify key elements of Takaful, such as the presence of *gharar* (uncertainty), which similarly exists in conventional insurance, and the absence of an insurer-insured relationship between the Takaful operator and participants. This gap in understanding has significant implications for the promotion and adoption of Takaful products, as a lack of clarity on these basic principles may hinder informed decision-making among potential consumers.

Table 6
Results for Differences in Islamic Financial Literacy on Takaful

No.	Item	Gender	Educational levels	Field of study
1	Takaful is based on Tabarru'	Male: 56% Female: 75%	Bachelor's Degree: 100% Master: 62% PhD: 71%	Finance: 75% Non-finance:62%
	Chi-square test significance	p = 0.157	p = 0.363	p = 0.308
2	Participants guarantee each other	Male: 67% Female: 59%	Bachelor's Degree: 67% Master: 50% PhD = 76%	Finance: 63% Non-finance:62%
	Chi-square test significance	p = 0.610	p = 0.182	p = 0.944
3	Takaful consists Gharar just like insurance	Male: 33% Female: 22%	Bachelor's Degree: 33% Master: 19% PhD: 33%	Finance: 21% Non-finance:31%
	Chi-square test significance	p = 0.375	p = 0.525	p =0.424
4	Takaful contract is a contract of sale	Male: 17% Female: 9%	Bachelor's Degree: 0% Master: 12% PhD: 14%	Finance: 21% Non-finance: 4%
	Chi-square test significance	p = 0.446	p = 0.772	**p = 0.065***
5	No insurer-insured relationship between Takaful operator-participants	Male: 28% Female: 28%	Bachelor's Degree: 0% Master: 39% PhD: 19%	Finance: 29% Non-finance:27%
	Chi-square test significance	p = 0.979	p = 0.239	p = 0.182

Conclusion

In conclusion, this study provides valuable insights into the level of Islamic financial literacy among lecturers in Malaysia, revealing a moderate understanding of key financial concepts such as money basics, Islamic banking, Takaful, and Shariah-compliant investment. The findings highlight important variations in financial literacy across gender, educational levels, and fields of study, indicating the need for targeted educational interventions. The moderate level of financial literacy highlights the importance of comprehensive professional development programs to address these gaps and enhance lecturers' proficiency in Islamic finance. Such improvements could lead to better quality Islamic finance education and a greater understanding of Shariah-compliant practices in the broader community. Future research should assess the effectiveness of these interventions and explore their impact on financial literacy.

Significance and Contributions of the Study

This research significantly contributes to understanding Islamic financial literacy by filling a gap in the existing literature concerning university lecturers in Malaysia. By focusing on a demographic that plays a pivotal role in shaping future generations, the study highlights the importance of financial education within the academic community, which has been underexplored in previous research. The findings show that lecturers have a moderate level of Islamic financial literacy, with important differences based on gender, education, and field of study. This insight deepens our understanding of how demographic factors affect financial knowledge, which is vital for enhancing financial well-being in Muslim-majority societies. Furthermore, the self-developed questionnaire and the methodological approach employed in this study provide a valuable framework for future research, facilitating the assessment of Islamic financial literacy in various settings. By contributing empirical data to this under-researched area, the study serves as a catalyst for further exploration and policy development aimed at improving financial literacy among educators, ultimately fostering a more financially literate society.

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