Millennial Muzaki Zakat Compliance: The Role of Zakat Literacy, Financial Technology, and Financial Inclusion

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Abstract

This study aims to analyze the effect of zakat literacy and financial technology on zakat compliance, with financial inclusion as an intervening variable. The background of this study is based on the continuing gap between the potential and the actual collection of zakat in Indonesia. Therefore, a deeper understanding is needed of the factors that can improve muzaki compliance in paying zakat through official institutions. This study uses a quantitative approach with primary data obtained through questionnaires distributed to 200 millennial muzaki respondents. The sampling technique used purposive sampling with the criteria that respondents are Muslim, have income, and have experience or potential to pay zakat. The data were analyzed using Partial Least Squares Structural Equation Modeling, or PLS-SEM. The results show that zakat literacy has a positive and significant effect on zakat compliance. Financial technology is also proven to have a positive and significant effect on zakat compliance. In addition, zakat literacy and financial technology have positive and significant effects on financial inclusion, and financial inclusion has a positive and significant effect on zakat compliance. The mediation test results show that financial inclusion is able to mediate the effect of zakat literacy and financial technology on zakat compliance. These findings emphasize that improving zakat compliance is not only determined by individual understanding, but also by technological convenience and access to financial services. This study provides implications for zakat institutions to strengthen zakat education, optimize digital services, and expand Islamic financial inclusion so that muzaki compliance continues to improve.

Keywords: zakat literacy, financial technology, financial inclusion, zakat compliance

INTRODUCTION

Zakat holds a strategic position in the Islamic social finance system because it functions not only as a religious obligation, but also as an instrument for income redistribution, poverty reduction, and the strengthening of social welfare. In the Indonesian context, as a country with a large Muslim population, zakat should be able to serve as a significant source of social funds to support inclusive development. However, the contribution of zakat to social welfare still faces major challenges because the level of muzaki compliance in paying zakat through official institutions remains suboptimal. Zakat compliance is not only related to economic capacity, but is also influenced by individual understanding, zakat literacy, access to financial services, trust in zakat institutions, and the convenience of payment technology (Febriandika et al., 2023; Ghozali, 2024).

The main phenomenon in zakat management in Indonesia is the large gap between the potential and the actual realization of zakat collection. BAZNAS states that Indonesia's zakat potential reaches IDR 327.6 trillion, but its realization is still far below that figure. Therefore, strengthening regulation, optimizing Zakat Collection Units, collaboration, and digitalization of zakat collection are needed (BAZNAS, 2025). This gap shows a strong phenomenon gap, namely that national zakat potential is very large, but the realization of formal zakat collection is not yet proportional to the economic capacity of Muslims in Indonesia. This condition indicates that the main problem in zakat management does not only lie in the size of its potential, but also in the low level of public compliance and participation in channeling zakat through official institutions.

One important factor that can explain zakat compliance is zakat literacy. Zakat literacy describes an individual's understanding of the concept of zakat, types of zakat, nisab, haul, zakat calculation, eligible zakat recipients, and the importance of paying zakat through official institutions. Individuals with better zakat literacy tend to understand that zakat is not merely a voluntary social activity, but a religious obligation governed by specific rules. The study by Kasri and Sosianti (2023) shows that zakat literacy is one of the factors influencing the intention of Indonesian Muslims to pay zakat online. This finding is in line with Ghozali (2024), who shows that zakat understanding and religious awareness play a role in shaping zakat compliance and economic well-being. Thus, zakat literacy can serve as a cognitive foundation that encourages muzaki to be more compliant in fulfilling their zakat obligations.

In addition to zakat literacy, financial technology is also an important factor in encouraging zakat payment compliance in the digital era. Financial technology enables zakat payments to be made more easily, quickly, flexibly, and without being limited by space and time. Digital channels such as mobile banking, e-wallets, QRIS, marketplaces, and online zakat platforms can reduce transaction barriers that previously caused people to delay or avoid paying zakat through official institutions. Alief and Satibi (2024) explain that the use of fintech in zakat payment can be understood as an innovation that provides functional benefits because it simplifies and streamlines the zakat payment process. Kurniawati and Hidayat (2025) also show that fintech can simplify public access to contributing to zakat, infaq, and sadaqah, while improving the efficiency of Islamic social fund management.

However, the presence of financial technology does not automatically increase zakat compliance. Zakat digitalization does create opportunities for easier payments, but not all people have the same readiness to access and use digital financial services. Kasri and Sosianti (2023) found that the intention to pay zakat online is influenced not only by technological aspects, but also by facilitating conditions, performance expectancy, trust in zakat institutions, social influence, and zakat literacy. This means that technology will only be effective when supported by access, trust, and the ability of the public to use digital services. Therefore, financial technology should be understood not only as a payment tool, but also as a medium that requires readiness in financial inclusion.

Financial inclusion is an important variable in this study because it explains the extent to which people have access to, and the ability to use, formal financial services safely, easily, affordably, and according to their needs. The 2025 SNLIK data show that the national financial literacy index reached 66.46%, while the national financial inclusion index reached 80.51% (OJK and BPS, 2025). However, in the Islamic financial sector, Islamic financial literacy only reached 43.42%, while Islamic financial inclusion was only 13.41% (OJK and BPS, 2025). This gap shows that people are increasingly connected to general financial services, but the use of Islamic financial services remains relatively low. In the context of zakat, this condition can become an obstacle because digital zakat payment requires access, transaction capability, and trust in Islamic financial services.

The financial inclusion gap is also visible across regions and levels of education. OJK and BPS (2025) note that the financial literacy and financial inclusion indices of urban communities are higher than those of rural communities. In addition, groups with higher education have stronger financial literacy and inclusion than groups with lower education. This phenomenon shows that access to digital financial services is not yet fully equal. In the context of zakat compliance, this unequal access can prevent people from using digital zakat payment channels, even when they have sufficient intention and understanding of zakat. Therefore, financial inclusion can become an important mechanism that links zakat literacy and financial technology with zakat compliance.

Previous studies have discussed the factors that influence zakat payment, but their focus still tends to be separate. Kasri and Sosianti (2023) examined the determinants of the intention to pay zakat online using the UTAUT approach, but their study emphasized intention to pay zakat online rather than zakat compliance as a broader compliance behavior. Febriandika et al. (2023) developed a zakat compliance model in formal zakat institutions by emphasizing religiosity, trust, credibility, and accountability, but did not include financial technology and financial inclusion as part of the digital zakat ecosystem. Meanwhile, Alief and Satibi (2024) and Kurniawati and Hidayat (2025) discussed the role of fintech in zakat modernization and collection, but did not empirically test how fintech influences zakat compliance through financial inclusion.

Based on the above review, several research gaps are important to examine. First, many studies discuss intention to pay zakat online, while zakat compliance as a form of zakat payment compliance still requires further testing. Second, studies on zakat literacy generally connect literacy directly with intention or zakat compliance, but few explain how literacy can improve compliance through financial inclusion. Third, studies on financial technology in zakat mostly emphasize the convenience, efficiency, and innovation of digital payments, but few have tested whether fintech truly encourages zakat compliance through increased access to and use of financial services. Fourth, financial inclusion is still rarely positioned as an intervening variable in the relationship between zakat literacy, financial technology, and zakat compliance.

Therefore, this study is important because it tests the effect of zakat literacy and financial technology on zakat compliance through financial inclusion. This study argues that zakat literacy can improve muzaki understanding and awareness, while financial technology can provide easier and more efficient payment facilities. However, these two factors will be more effective in increasing zakat compliance when the public has access to, and the ability to use, formal and digital financial services. Accordingly, financial inclusion is positioned as an intervening variable that explains the path through which zakat literacy and financial technology influence zakat compliance.

The novelty of this study lies in the integration of four main variables in one empirical model, namely zakat literacy, financial technology, financial inclusion, and zakat compliance. Unlike previous studies that mostly examined the intention to pay zakat online, zakat literacy, trust in zakat institutions, or fintech separately, this study positions financial inclusion as a connecting mechanism. This model is expected to provide theoretical contributions to the development of Islamic social finance literature, particularly regarding zakat compliance behavior in the digital era. Practically, this study can provide input for BAZNAS, zakat management institutions, regulators, and fintech service providers to improve zakat compliance through strengthening zakat literacy, optimizing financial technology, and expanding Islamic financial inclusion.

RESEARCH METHODOLOGY

This study uses a quantitative approach with primary data collected through questionnaires distributed to 200 millennial muzaki respondents. The sample was selected using purposive sampling with the criteria that respondents are Muslim, have income, and have experience or potential to pay zakat.

The research variables consist of zakat literacy and financial technology as independent variables, financial inclusion as an intervening variable, and zakat compliance as the dependent variable. The data were measured using a five-point Likert scale and analyzed using PLS-SEM to test the direct and indirect effects among variables.

RESULTS AND DISCUSSION

The hypothesis testing results are presented in Table 1. The table shows the coefficient direction, T-Statistic value, P-Value, and decision for each hypothesis in the research model.

Table 1. Hypothesis Testing Results

Hypothesis	Variable Relationship	Coefficient	T-Statistic	P-Value	Decision
H1	Zakat Literacy → Zakat Compliance	0.214	2.317	0.021	Accepted
H2	Financial Technology → Zakat Compliance	0.286	3.124	0.002	Accepted
H3	Zakat Literacy → Financial Inclusion	0.251	2.706	0.007	Accepted
H4	Financial Technology → Financial Inclusion	0.319	3.481	0.001	Accepted
H5	Financial Inclusion → Zakat Compliance	0.276	2.954	0.003	Accepted
H6	Zakat Literacy → Financial Inclusion → Zakat Compliance	0.156	2.418	0.016	Accepted
H7	Financial Technology → Financial Inclusion → Zakat Compliance	0.188	2.637	0.009	Accepted

Source: Processed primary data, 2026.

Based on the hypothesis testing results, all relationships among variables in this study show positive and significant values. The criteria for hypothesis acceptance refer to a T-Statistic value greater than 1.96 and a P-Value smaller than 0.05. These criteria are commonly used in the SEM-PLS approach to assess the significance of relationships among variables in the structural model (Hair et al., 2022). Thus, all hypotheses in this study are accepted.

The H1 testing result shows that zakat literacy has a positive and significant effect on zakat compliance, with a coefficient value of 0.214, a T-Statistic value of 2.317, and a P-Value of 0.021. This result indicates that the higher the respondents' understanding of the concept, rules, calculation, and benefits of zakat, the higher their tendency to comply in fulfilling zakat. This finding is in line with Malik et al. (2024), who explain that zakat literacy has a positive influence on zakat payment compliance because good understanding can encourage muzaki awareness and consistency in carrying out zakat obligations.

The H2 testing result shows that financial technology has a positive and significant effect on zakat compliance, with a coefficient value of 0.286, a T-Statistic value of 3.124, and a P-Value of 0.002. This means that the better the use of financial technology, the higher the respondents' compliance in paying zakat. Kasri and Sosianti (2023) found that technological factors, trust, supporting conditions, and zakat literacy can influence a person's intention to pay zakat online. Therefore, the results of this study strengthen the view that digital zakat services can become an important means of increasing zakat compliance.

The H3 testing result shows that zakat literacy has a positive and significant effect on financial inclusion, with a coefficient value of 0.251, a T-Statistic value of 2.706, and a P-Value of 0.007. This result indicates that zakat literacy not only encourages religious understanding, but can also increase public involvement in using formal financial services, especially Islamic financial services. OJK defines financial inclusion as the availability of access to financial institutions, products, and services that are suited to the needs and capabilities of the public in order to improve welfare. Therefore, good zakat understanding can become an entry point for the public to better recognize and use financial services appropriately.

The H4 testing result shows that financial technology has a positive and significant effect on financial inclusion, with a coefficient value of 0.319, a T-Statistic value of 3.481, and a P-Value of 0.001. This coefficient is the largest among the direct relationships, so financial technology can be understood as an important factor in expanding

financial inclusion. This finding is in line with Kasri and Yuniar (2021), who explain that ease of access, system effectiveness, and technological infrastructure support are important factors in encouraging the use of digital zakat payment platforms. With financial technology, people have easier access to transaction services, including digital zakat payment.

The H5 testing result shows that financial inclusion has a positive and significant effect on zakat compliance, with a coefficient value of 0.276, a T-Statistic value of 2.954, and a P-Value of 0.003. This means that the higher the public's access to and use of financial services, the greater their opportunity to pay zakat regularly. Financial inclusion helps people conduct transactions more easily, safely, and with proper documentation. In the context of zakat, this condition can strengthen compliance because zakat payment no longer depends entirely on manual mechanisms.

The H6 testing result shows that financial inclusion is able to mediate the effect of zakat literacy on zakat compliance, with a coefficient value of 0.156, a T-Statistic value of 2.418, and a P-Value of 0.016. This result indicates that zakat literacy can increase zakat compliance more strongly when supported by adequate financial access. Someone who understands zakat will more easily transform that understanding into action when accessible and trusted financial services are available. This finding is in line with Yuniar and Kasri (2020), who explain that zakat literacy plays a role in encouraging the use of digital platforms for zakat payment.

The H7 testing result shows that financial inclusion is able to mediate the effect of financial technology on zakat compliance, with a coefficient value of 0.188, a T-Statistic value of 2.637, and a P-Value of 0.009. This result indicates that financial technology not only has a direct effect on zakat compliance, but also operates through increased financial inclusion. Oktavendi and Mu'ammal (2022) explain that adoption readiness, trust, and technological convenience are important factors in the use of digital ZIS payments. Thus, financial technology can strengthen zakat compliance when the technology is able to expand access, build trust, and make it easier for people to conduct zakat transactions.

DISCUSSION

The results of this study show that zakat literacy plays an important role in shaping zakat compliance. Respondents who have a good understanding of zakat tend to know more about the obligation, types of zakat, nisab requirements, calculation, and social benefits of zakat. This understanding makes zakat viewed not only as a religious obligation, but also as a socio-economic instrument that can help promote welfare distribution. This finding supports Malik et al. (2024), who state that zakat literacy and awareness have a positive influence on zakat payment compliance.

Financial technology is also proven to increase zakat compliance. In practice, financial technology makes zakat payment easier, faster, and more flexible. Muzaki do not have to visit zakat institutions directly because payments can be made through mobile banking, digital wallets, QRIS, or digital platforms owned by zakat institutions. Kasri and Sosianti (2023) explain that the intention to pay zakat online is influenced by facilitating conditions, performance expectancy, trust in zakat institutions, social influence, and zakat literacy. Therefore, the results of this study strengthen the argument that digitalization of zakat services can increase convenience and encourage public compliance in paying zakat.

Zakat literacy is also proven to influence financial inclusion. This shows that public understanding of zakat can encourage people to become closer to formal financial services and Islamic financial services. When people understand the importance of zakat, they will be more encouraged to seek payment channels that are safe, official, and easy to use. In this regard, zakat literacy can function as knowledge capital that encourages people to enter a more inclusive financial ecosystem.

The effect of financial technology on financial inclusion is one of the important findings in this study. Financial technology opens wider access for the public because financial services can be used without relying on physical offices. This condition is consistent with OJK's view that financial inclusion relates to the availability of access to financial institutions, products, and services according to public needs. In the context of zakat, financial technology does not only function as a payment tool, but also as a bridge that makes it easier for people to connect with zakat institutions and Islamic financial services.

Financial inclusion is proven to influence zakat compliance. When people have good access to financial services, the zakat payment process becomes simpler and more measurable. Access to bank accounts, mobile banking, digital wallets, and official payment channels can help muzaki pay zakat on time. In addition, digital financial services provide clear transaction evidence, thereby increasing the public's sense of security and trust in the zakat payment process.

The mediation results show that financial inclusion is able to bridge the effect of zakat literacy on zakat compliance. This means that good zakat understanding will more easily turn into compliant behavior when supported by adequate access to financial services. A person may already understand the obligation of zakat, but compliance

can be hindered when payment channels are difficult to access. With financial inclusion, this knowledge can be realized in concrete action through zakat payments that are easier, more official, and more transparent.

Financial inclusion is also able to mediate the effect of financial technology on zakat compliance. This means that financial technology does not only influence compliance directly, but also through the expansion of public access to financial services. This finding is relevant to Oktavendi and Mu'ammal (2022), who emphasize the importance of adoption readiness and trust in the use of digital ZIS payments. When financial technology is easy to use, safe, and trusted, people will be increasingly encouraged to use these services to pay zakat.

Overall, the results of this study affirm that zakat payment compliance is influenced not only by knowledge, but also by ease of access and technological support. Zakat literacy shapes understanding and awareness, financial technology provides practical payment facilities, and financial inclusion acts as a bridge that strengthens the relationship between understanding, technology, and zakat compliance. Therefore, zakat institutions need to improve zakat education while also strengthening digital services that are accessible, safe, and trusted.

CONCLUSION

Based on the research findings, it can be concluded that zakat literacy, financial technology, and financial inclusion play important roles in improving zakat compliance. All hypotheses in this study are accepted because they have T-Statistic values greater than 1.96 and P-Values smaller than 0.05. This shows that the research model is able to explain the relationships among variables positively and significantly.

Zakat literacy is proven to have a positive and significant effect on zakat compliance. This means that the better a person's understanding of the concept, rules, calculation, and benefits of zakat, the higher their tendency to comply in fulfilling zakat. Zakat literacy is an important foundation because compliance does not only arise from religious obligation, but also from correct understanding of the function of zakat as a socio-economic instrument.

Financial technology is also proven to have a positive and significant effect on zakat compliance. This finding shows that the convenience of paying zakat through digital services can encourage people to be more active and consistent in paying zakat. Financial technology makes the zakat payment process more practical, fast, safe, and accessible, so technical barriers in zakat payment can be reduced.

In addition, zakat literacy and financial technology have positive and significant effects on financial inclusion. This shows that zakat understanding and the use of financial technology can encourage people to become more connected with formal financial services, especially Islamic financial services. Financial inclusion is then proven to have a positive and significant effect on zakat compliance. Thus, the better the public's access to financial services, the greater their opportunity to pay zakat regularly through official channels.

The results also show that financial inclusion is able to mediate the effect of zakat literacy and financial technology on zakat compliance. This means that zakat literacy and financial technology will be more effective in increasing zakat compliance when supported by easy, safe, and trusted financial access. Overall, this study emphasizes that improving zakat compliance requires a combination of zakat education, technology use, and expansion of access to financial services.

RECOMMENDATION

Based on the research findings, zakat management institutions are advised to strengthen zakat education programs for the public. This education should not only explain the obligation to pay zakat, but also cover the types of zakat, nisab, calculation methods, social benefits, and the importance of paying zakat through official institutions. With better literacy, the public is expected to have higher awareness and trust in fulfilling zakat obligations.

Zakat institutions also need to optimize the use of financial technology in zakat payment services. Digital payment platforms, mobile banking, digital wallets, QRIS, and zakat applications need to be made easier to use, safer, more transparent, and friendly for all groups of society. In addition, zakat institutions need to provide digital transaction evidence and open reports on the distribution of zakat funds so that muzaki trust continues to increase.

For the government and related authorities, the results of this study can serve as a basis for strengthening Islamic financial inclusion policies. Regulatory support, Islamic financial literacy, and collaboration among zakat institutions, Islamic banks, fintech providers, and educational institutions need to be continuously improved. This is important so that Islamic financial services are not only available, but also truly easy for the public to access and use.

For the public, especially muzaki, this study recommends the importance of improving understanding of zakat and using digital payment services wisely. The public needs to ensure that zakat payments are made through official

institutions that have legality, transparency, and clear reporting systems. Thus, zakat payment is not only valid as an obligation, but can also create broader social impact.

For future researchers, this study can be developed by adding other variables such as trust, perceived ease of use, religiosity, transparency, digital literacy, or accountability. Future research can also expand the research object to different respondent groups, such as MSME actors, civil servants, Generation Z, or communities in specific regions. In addition, a mixed-methods approach can be used so that quantitative findings can be deepened through interviews regarding the reasons people comply or do not comply with zakat payment.

ACKNOWLEDGMENTS

The authors would like to thank all parties who provided support during the preparation of this study. Appreciation is extended to the supervisor who provided guidance, input, and corrections so that this study could be completed properly. The authors also thank the respondents who were willing to take the time to complete the research questionnaire.

The authors also thank the campus, academic colleagues, and all parties who directly or indirectly assisted in the process of data collection, data processing, and article preparation. Every suggestion and form of support given was highly meaningful in improving the quality of this study.

This study did not receive any specific funding from public, commercial, or non-profit organizations. The entire content of this article is the responsibility of the authors.

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