

Aligning Financial Literacy Framework Accordance to Maqasid Shariah Principle for Malaysia's B40

Penyesuaian Kerangka Literasi Kewangan Selaras dengan Prinsip Maqasid Syariah bagi Golongan B40 di Malaysia

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ABSTRACT

The B40 group in Malaysia faces significant financial challenges, including limited access to formal banking, high debt levels, and low financial literacy. This study investigates the development of a financial literacy framework tailored for lower-income individuals by integrating Maqasid Shariah principles, which emphasise ethical financial practices, wealth preservation, and social justice, into financial education and accounting models. Utilising the Focus Group Discussion (FGD) method, we gathered in-depth insights from participants. A structured discussion with 10 informants in Kelantan allowed them to share their views, build on each other's thoughts, and present diverse perspectives, particularly beneficial for understanding attitudes, perceptions, and social dynamics. To identify the importance, challenges, and possible solutions regarding the financial difficulties faced by the B40 group, this study employed the Nominal Group Technique (NGT), facilitating idea generation, prioritisation, and decision-making. The findings indicate that creating financial programs that respect cultural values and enhancing access to Shariah-compliant financial products can significantly enhance financial inclusion and resilience among the B40 population. This framework seeks to encourage long-term economic stability and promote social equity, underlining the necessity for financial literacy initiatives that resonate with the ethical and cultural values of Malaysia's diverse communities.

Keywords: Financial literacy; B40; lowest income group; justice; Maqasid Shariah

ABSTRAK

Kumpulan B40 di Malaysia menghadapi cabaran kewangan yang ketara, termasuk akses terhad kepada perbankan formal, tahap hutang yang tinggi, dan literasi kewangan yang rendah. Kajian ini meneliti pembangunan kerangka literasi kewangan yang disesuaikan untuk golongan berpendapatan rendah dengan mengintegrasikan prinsip Maqasid Syariah yang menekankan amalan kewangan beretika, pemeliharaan harta, dan keadilan sosial ke dalam pendidikan kewangan dan model perakaunan. Dengan menggunakan kaedah Perbincangan Kumpulan Fokus (FGD), kajian ini memperoleh pandangan mendalam daripada peserta. Perbincangan berstruktur bersama 10 orang informan di Kelantan membolehkan mereka berkongsi pandangan, membina idea secara bersama, serta menentengahkan perspektif yang pelbagai—suatu pendekatan yang amat berguna dalam memahami sikap, persepsi dan dinamika sosial. Bagi mengenal pasti kepentingan, cabaran, dan penyelesaian berhubung kesukaran kewangan yang dihadapi kumpulan B40, kajian ini turut menggunakan Teknik Kumpulan Nominal (NGT) bagi merangsang penjaan idea, penentuan keutamaan dan pembuatan keputusan. Dapatan kajian menunjukkan bahawa pembangunan program kewangan yang menghormati nilai budaya serta peningkatan akses kepada produk kewangan patuh Syariah berpotensi besar dalam memperkukuh keterangkuman dan daya tahan kewangan dalam kalangan kumpulan B40. Kerangka ini bertujuan menyokong kestabilan ekonomi jangka panjang dan menggalakkan keadilan sosial, sekali gus menekankan keperluan inisiatif literasi kewangan yang sejajar dengan nilai etika dan budaya masyarakat majmuk di Malaysia.

Kata kunci: Literasi kewangan; B40; kumpulan berpendapatan rendah; keadilan; Maqasid Syariah

INTRODUCTION

The necessities of knowledge and financing are crucial among the B40 group, and it remains a significant issue discussed, according to Ramli et al. (2023). The difficulties, which include limited access to financial facilities, indebtedness and lack of expertise in financial fields, will contribute to the inconsistency of economic growth and, at the same time, will affect the improvement of living standards among the poorest household group in Malaysia. Financial literacy among B40, the lowest-earning household in Malaysia, became a critical factor influencing their financial well-being and socioeconomic status. Their potential vulnerability gets worse primarily by insufficient financial ability, excessive individual debts, and restrained visibility of financial services that are officially recognised, thereby more closely expanding the differences in socioeconomic status between B40 groups throughout higher-income categories (Munawar et al., 2023). However, demographic factors such as gender and education level undeniably influence the household income gap (Rahman, Othman & Zubairi, 2024). The results offer an alternative to understanding finances that is not merely significant but also aligned with its ethical standards, followed by justice for society standards (Salleh et al., 2024).

This population segment faces difficulties, including high financial debts, low savings rates, and limitations on obtaining official financial services (Ramli et al., 2023). Regarding the study, the issues have worsened due to insufficient financial literacy, thereby limiting communities from keeping track of their financial resources and making prudent financial choices. Thus, it is essential to acquaint them with financial knowledge and perform the processes for decision-making, which may include saving, investment and the preparation of budgets integrated into financial literacy (Lusardi, 2019). For the B40 to encourage continuous financial security and overcome the constant process of being poor, they need financial empowerment.

In conclusion, the B40 group's particular specifications and hardships cannot be adequately addressed due to Malaysia's current awareness of the financial atmosphere. The lack of information regarding cultural effectiveness in its current initiatives and the limited visibility of organized financial institutions further increase this community's financial vulnerability.

LITERATURE REVIEW

Islamic finance refers to a financial system that operates following Shariah principles, which are Islamic laws. Past studies demonstrate that the method of Islamic finance concepts assists underserved populations in gaining greater financial self-sustainability. For example, Salleh et al. (2019) address the satisfaction of consumers and good service in Islamic banking, highlighting the pressing importance of matching financial services provided to the demands of consumers. Salleh et al. (2021) look for the levels of satisfaction Islamic credit card users have with their capability to make payments for their zakat as obligations and recognise how financial products tend to involve faith-related practices. These challenges in ensuring Islamic financial understanding in Malaysia are investigated by Abdullah et al. (2023), who underscore the crucial role of roles that bring together principles of religion with financial empowerment.

Meanwhile, Salleh et al. (2024) optimised consistent Islamic financial literacy for better Malaysian access to Islamic banking services. Because they are loaded with interest-bearing instruments for finance and are against the rules regarding Islamic law, most B40 communities would not be interested in employing them (Ahmed et al., 2022). This addresses a necessity for

understanding financial structures as standing in line and accepting the intended customer population's moral principles and the cultural context of interest.

However, *Maqasid Shariah* has more significant objectives of Islamic law that promote the protection of faith, life, intellect, ancestry, and wealth. These principles underscore Islamic finance, promoting equal opportunity, transparency, accountability, and ethical utilisation of resources. Hence, many sectors, including the medical industry, have applied the *maqasid shariah* principle to ensure consistency with Islamic law (Yusof, Rajamanickam & Halim, 2019). Thus, following several studies, embedding Maqasid Shariah directly into financial scenarios can boost their financial security by assisting effectively and sufficiently in the dissemination of resources and being conscious of society's economic activities. The primary concern on conserving wealth aligns with the B40's financial accessibility targets, which demonstrate appropriate financial planning, avoiding illegal activities, and securing people from unsecured loans.

EXISTING FINANCIAL LITERACY FRAMEWORK

Understanding financial concepts signifies knowledge. Nevertheless, financial literacy encompasses cognitive, affective, and psychomotor aspects that require development. It generally pertains to financial knowledge, attitudes, and behaviours (FEN, 2019). While this framework provides a solid foundation for assessing and improving financial literacy, critics argue that it often focuses on individual responsibility without adequately addressing structural barriers such as income inequality, lack of financial access, and systemic biases in financial systems.

In this regard, the financial industry also joins the effort to raise financial awareness among Malaysians by establishing and enhancing the financial education platform (Bongomin et al., 2018). For example, Bank Negara Malaysia (BNM), in collaboration with the Federation of Malaysian Consumers Association (FOMCA), helped increase financial awareness among Malaysian households by expanding the reach of discussion on financial issues with the publication of 'Ringgit' magazines. On top of that, financial literacy is closely correlated to other factors and variables, such as locus of control and compulsive buying (Mutlu & Ozer, 2021). This causes the dynamic reach of financial literacy to vary according to individual demographics, even though the framework is based on financial knowledge, attitude and behaviour.

Financial decision-making is intricate, interconnected, varied, and crucial for personal interest within the financial system. Three purposes must be considered in structuring financial planning: short-term, medium-term, and long-term (Farooqi et al., 2022). The framework should integrate a more holistic approach to enhance its effectiveness, considering socioeconomic factors, technological advancements, and behavioural insights to create more inclusive and impactful financial literacy programs.

FINANCIAL LITERACY AND MAQASID SHARIAH

Financial literacy and sustainability discuss well-being in terms of materialism, while the Maqasid Shariah framework was a directory to comprehensive well-being. The significant goals of Islamic law, which refer to Maqasid Shariah, obviously stress social fairness, wealth protection and financial and ethical behaviour. These principles deliver the best practices of financial literacy, particularly in the B40 group, to avoid any manipulation regarding the financing. The greater intention of Islamic law and the cornerstones of Maqasid Shariah is to deliver significant and helpful results in assessing approaches and understanding of finance in the overall picture of

Malaysia's B40. Maqasid Shariah emphasises equitable living conditions, financial stability (Hifz al-Mal), and sound financial policies, making it a valuable framework for understanding finance in line with the values of Malaysia's Muslim majority (Rosidi et al., 2022). By incorporating Maqasid Shariah concepts into financial literacy programs, initiatives can become more accessible and relevant, helping the B40 group make informed and effective financial decisions.

Additionally, integrating Shariah principles into financial literacy initiatives can offer faith-based insights into financial learning. It is also supported by Sarofim et al. (2020) and Salleh et al. (2021) that it is crucial to integrate religious beliefs in financial products and services and fulfil the customers' expectations of products and services offered. Moreover, Salleh et al. (2024) stressed the significant effect of improving Islamic financial literacy on financial institutions. Abdullah et al. (2023) also said that tackling financial literacy issues will deliver positive values, particularly in the B40 group. To fulfil the requirement of the B40 group, the study attempts to develop a financial literacy framework based on Maqasid Shariah. The primary purpose of this framework is to facilitate the B40 group by strengthening their financial management, improving savings, and providing guidelines for avoiding financial exploitation by consistently emphasising regulated financial ethics that align with religious beliefs.

Currently, efforts regarding financial literacy are often taking an approach that might not be attractive to the B40 population group. These educational initiatives tend to concentrate on concepts in finance, which do not accurately depict the hard truths that include several B40 households because they depend on a particular duration of financial strength and access to authorised banks and financial institutions. Meanwhile, they frequently skip over cultural norms and faith-based opinions that shape spending patterns, in particular for Malaysia's B40 population, which is significantly Muslim. In this respect, incurring interest categories is prohibited primarily by Islamic law; henceforth, the conventional understanding of finance initiatives might not deal with these conditions (Ingratubun, 2022). This complication may lead to reduced understanding of financial schemes, participation rates, and progress related to financial services and products influenced by community norms and principles.

Each of these tasks, particularly, urges a necessity to gain a greater incremental approach, providing concentration and delivering techniques that tackle financial advancement, commonly disregarding the cultural impact and norms of ethics that personally contribute to financial manners. The B40's reliance on unauthorised sources of financial services is one of the primary barriers troubling them. As stated in Birkenmaier et al. (2019), numerous people of family groups in this classification are classified as either unable to access banking or without banking services, which means they are equipped with limited or no access to official institutions of finance, for example, banks. Their dependence on alternative banking and financial services, which may include credit unions or unregulated finance schemes, usually provides extravagant rates of interest and discriminatory conduct, and the consequences are based on their disparities against regulated systems for finance. For this reason, these family groups have trouble navigating the use of debt traps and have restricted possibilities for saving or investing in the future. A frequently occurring financial information difficulty encourages this problem by preventing people from effectively overseeing their physical assets while achieving educated money choices (Jabbour Al Maalouf et al., 2023).

Even though there are many initiatives implemented by authorities to solve the financial literacy problems, particularly of the B40 group, they are still easily influenced to be involved in financial activities and funding that authorised institutions do not regulate. Thus, the best way to reduce these issues is to improve the awareness of finances and embed each person's faith and

cultural beliefs in the community, particularly among the B40 group. To address these gaps, targeted financial education programs are essential to empower the B40 group with the skills to manage their finances effectively, thereby improving their overall financial well-being and resilience.

METHODOLOGY

Adhering to Cresswell's (2014) methodology, the current study deploys qualitative analysis, which highlights inquiry into individuals or groups to acquire an in-depth review of their well-being. The process follows Kothari's 2009 recommendation to make observations of behaviours, views, and mindsets regarding the participants' situational factors. The question applies to getting participants' feedback on the struggles, problems, and barriers mentioned by Malaysia's B40.

The study implemented a focus group discussion (FGD) approach in gathering data, and ten participants within each of the three groups took part in partially structured interviews. The Nominal Group Technique (NGT) was carried out to assess the information gained. Van de Ven and Delbecq (1971) revealed that the NGT approaches could become worthwhile for gaining opinions on aspects highlighted in face-to-face discussions. In studies that need immediate responses, the NGT approach is sufficient and frequently utilised to analyse and facilitate the participants' ability to deliver their views in a given priority order (O'Neil & Jackson, 1983).

Using the snowball sampling technique, this study determines informants through convenient and purposive sampling rich in experience and information (Andrade, 2021). This is because snowballs aligned with purposive sampling implemented by the past study showed significant research outcomes and appropriate data collection for qualitative research (Lenaini, 2021). Thus, 10 participants have been selected according to Horton (1980), which suggests a sample size for the Nominal Group Technique between 7 and 10 participants. This ensures a balance between diverse opinions and manageable discussion dynamics, as NGT requires structured idea generation and ranking, making smaller groups more effective for facilitating active participation and consensus-building.

FINDINGS AND DISCUSSION

The results of this study reveal the significance of effectively utilising methods for financial literacy that are acceptable and compatible with cultural norms to solve the specific situations and financial problems that Malaysia's B40 group suffers. The suggested method conveys the particular financial requirements of this Muslim population while also following their standards of ethics and cultural identity by embedding Maqasid Shariah rules into financial empowerment. The B40 category could effectively navigate their financial environment because of this consideration of cultural differences strategy, which helps enlighten financial decisions. In conclusion, the study establishes that initiatives for financial education are developed to cope with the customs and beliefs of the B40 communities and may significantly increase their earnings, financial health and stability in the long term.

ISSUES AND CHALLENGES

With the objective of Malaysia's B40 category to effectively embrace financial management concepts and financial education, several challenges and obstacles need to be solved. The primary barrier is the limited access to authorised financial products and services. Due to many B40 communities being insecure about their finances or illiterate, they need to depend on informal systems of financing, which include rotating savings initiatives and monetary institutions. Due to their separation from official financial services, they have failed to participate actively in financial education programs, which extensively require using existing financial systems. Without official products and services, it is more complicated for individuals to effectively apply the financial understanding they obtained into action, thereby minimising the initiative's general impact and performance.

Thus, a significant concern is that many of Malaysia's B40 categories lack financial comprehension. Numerous B40 persons do not understand the fundamental ideas related to finances, which include interest that compounds, financial planning, and money management. As a result of this illiteracy, they bear possible risks that allow poor financial choices and commonly move to expensive financing alternatives that involve loans with very high interest to secure their immediate requirement. Their financial issues are often worsened by excessive spending on products, compounded by a lack of financial awareness. Education in financial literacy is essential; however, each program must be tailored to meet the specific needs and constraints faced by the B40 group. It would be beneficial to provide practical, useful information that consistently focuses on how to manage money. The process includes establishing a foundational understanding, which involves setting savings goals and making crucial funding and spending choices.

The next significant challenge is a continuous indebtedness crisis affecting many people in the B40 category. People who have earned outstanding debt, which is frequently a consequence of fraud, obtaining financing procedures, find it more challenging to preserve funds and make strategies for their financial future. High loan interest rates keep borrowers stuck in a debt cycle, making it difficult to improve their financial situation. Generally, payments on the debt require the highest priority over various financial initiatives, which include investment or saving money and, at the same time, will lead to an increase in poverty levels. Financial education initiatives emphasising indebtedness handling skills and pragmatic approaches for coping with money constraints are needed to handle these issues.

An additional issue is cultural significance. The B40 community in Malaysia, which is predominantly Muslim, could not be related to numerous financial awareness initiatives that are conducted based on Western-centric principles. For example, Islamic law forbids accruing interest on financial products and services, leading to a reluctance among people to engage with conventional financial services. Cultural disparities have weakened the successful functioning of financial empowerment programmes. By delivering appropriate initiatives of Shariah-compliant financial management based on the B40 population's cultural and faith-related beliefs, incorporating Maqasid Shariah principles into knowledge of finance approaches can help reduce this disparity. Overcoming such challenges with a strategy for financial understanding per Maqasid Shariah can provide the B40 category with a deep understanding of the tools required for handling their financial hardships.

A significant number of financial troubles, especially among the B40 categories, resulted from unstable and poor sources of income, which are additional significant challenges. Because of their financial instability, people in this category believe it is hard to make constant money savings

or develop a strategy for the coming years. People in this category notice it is not easy to preserve money for investments or save for emergency funds, which is a vital part of excellent funds management, as there is a lack of stability in financial gain. Due to their variable income, often derived from independent or temporary work, those in the B40 categories must prioritise immediate needs over long-term financial objectives. They are equipped with limited finances to prevent financial crises, and then they go further to be financially affected.

Besides that, the gap in digital communication has brought higher obstacles to the B40 communities, preventing them from having greater accessibility and knowledge about finances. Many people in this particular category find it challenging to participate in a digital financial plan or utilise digital financial products and services since they have restricted access to technology, such as devices or internet connection services. Due to regular limitations on internet availability and insufficient levels of digital literacy, the technological gap is particularly observed in more isolated geographical areas. As a result, people are missing out on electronic financial service choices that may facilitate their financial operations and significantly decrease their reliance on money. It is essential to fill the technological gap that keeps expanding as digital financial products and services acquire a central position in financial sustainability strategies. Providing B40 categories with educational programs in digital literacy and relatively affordable internet access may simplify their ability to utilise financial management apps, expense tools, and internet banking.

Besides that, the mental health consequences of being poor and the social stigma often pose significant limitations to understanding finances and behaviours within the B40 categories. Some individuals in this category might feel disregarded or too anxious to participate in financial education activities because they fear being judged or become overwhelmed by financial concepts. The constant pressure of unemployment and prejudice may lead people to completely neglect financial planning. Moreover, some individuals might not be prepared to engage with organized financial structures due to misconceptions about financial products or negative past experiences with financial organisations. The B40 can address their financial conditions by overcoming these emotional challenges through gaining beneficial knowledge about finances and receiving support from community efforts that promote an effective and non-prejudiced approach.

Meanwhile, the B40 category continues to face significant challenges due to a lack of control over adequate funding and investment decisions. Despite the crucial role of investing and conserving funds that could enhance financial knowledge, there are several valuable opportunities in doing so. Many individuals in the B40 group struggle to grow their funds over time because they lack understanding of micro-investment strategies and basic savings information. Furthermore, existing financial products may not meet their needs due to complicated processes or high minimum balance requirements. The disparities could potentially be addressed by developing accessible and easy-to-integrate financial products for the B40, including suitable lending options, micro-investment digital platforms, and low-fee savings accounts.

Finally, the complex problems that triggered the B40s' financial troubles include minimal government support and a lack of financial sustainability strategies. Although government bodies make efforts, which include public assistance and funds aimed at empowering people financially, these are often short-term solutions that fail to address the root causes of financial insecurity. To promote a safe and prosperous future for the B40, a comprehensive plan that effectively meets the needs of targeted groups should be implemented vigorously. It should encompass ongoing financial education, enhance social security systems, and improve access to financial products. Collaborations between the government, financial service providers, and non-governmental

organisations will also expand the scope and effectiveness of understanding financial strategies and provide B40 communities with abundant resources and guidance.

THEORETICAL FRAMEWORK OF FINANCIAL LITERACY BASED ON MAQASID SHARIAH

The most suitable theoretical framework for financial literacy grounded in the Maqasid Shariah concept is the principle of Maslahah (public good) and Maqasid al-Shariah (objectives of Shariah). These concepts emphasise welfare and social justice principles, aiming to achieve public interest and prevent harm, which aligns with Islamic law's primary objectives. In financial literacy, Maslahah guides towards preserving wealth and economic well-being, particularly for the B40 group, who require support to attain financial stability. Through this approach, financial literacy extends beyond individual financial management skills to the creation of a balanced and just society economically.

The theoretical framework based on Maqasid al-Shariah consists of five key objectives: the preservation of religion (hifz al-din), life (hifz al-nafs), intellect (hifz al-aql), lineage (hifz al-nasl), and wealth (hifz al-mal). Selecting this concept in financial literacy is crucial as it provides a comprehensive and holistic framework for managing finances ethically and in accordance with Shariah. For instance, preserving wealth emphasises the obligation to manage resources prudently through knowledge of debt management, Shariah-compliant investment practices, and financial protection through takaful (Islamic insurance). These aspects align with financial literacy goals to help the B40 group avoid falling into the poverty trap (Rahman & Yaakob, 2021).

The concepts of Maslahah and Maqasid al-Shariah provide a moral and ethical justification for financial management. Individuals are responsible for managing their wealth wisely and ensuring it is used for the common good. In this context, financial literacy based on these principles can assist the B40 group in achieving financial stability and contributing to the overall development of society. For example, the practice of zakat (almsgiving) and sadaqah (charity) is an essential element of the Islamic financial framework, which emphasises social equity and should be integrated into financial education for the B40 group (Salleh & Hassan, 2020).

The justification for this concept also lies in its suitability for low-income groups such as the B40, who are often less exposed to formal financial education. By adopting the Maqasid al-Shariah approach, financial education can be simplified for this group, where each financial concept taught can be connected to the Islamic teachings they follow. This makes the educational process more relevant and acceptable than conventional approaches, which may be too technical or complicated for those with limited formal education to grasp (Mokhtar & Yusof, 2021). Hence, this concept forms a solid foundation for empowering the B40 group with practical and ethical financial knowledge.

Nevertheless, there remain challenges when trying to employ the view of Maqasid al-Shariah with financial education. The problem is an obligation to communicate specific financial services ideas in a way that is easy to comprehend. Moreover, numerous studies highlighted that knowledge regarding finances should address the issue of accessibility to official finance services. To make it easier to have visibility of Shariah-compliant financial information and services, the proposed structure for understanding finances should include the utilisation of digital mediums (Shamsudin & Ismail, 2020).

The most dominant conceptual fundamentals for strengthening advantageous and reputable financial literacy, specifically among the B40 group, are available through *Maslahah* and *Maqasid al-Shariah* concepts. The concepts emphasise the crucial role of justice in society, improving the overall well-being of the wider community and delivering accurate directions on how to keep control of financial stability. Financial literacy may be more helpful socially and help achieve financial stability in the community by placing knowledge of finance in accordance with *Shariah's* purposes and, at the same time, helping to improve the B40 group's financial sustainability. Below is Figure 1, which illustrates the theoretical framework of financial literacy based on the concept of *Maqasid Shariah* for the B40 group. Figure 1 highlights key elements such as *Hifz al-Din*, *Hifz al-Nafs*, *Hifz al-Aql*, *Hifz al-Nasl*, and *Hifz al-Mal*, all of which are closely related to Islamic financial principles and social well-being.

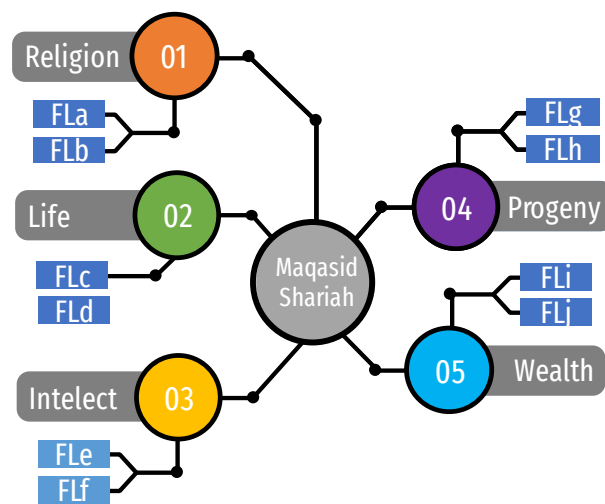


FIGURE1. Framework

TABLE 1. Benefits of Financial Literacy Based on *Maqasid Shariah*

Maqasid Shariah	Item	Benefits of Financial Literacy Based on Maqasid Shariah
Religion (01)	FLa	Managing finances in the context of <i>Shariah</i> compliance.
	FLb	Financial preparation for performing the pilgrimage (<i>Hajj</i>).
Life (02)	FLc	Ensuring sufficient financial resources for life's continuity.
	FLd	Having savings to face potential risks or disasters.
Intellect (03)	FLe	Holistic financial education as a guarantee for the future.
	FLf	A sound mind for making accurate financial decisions.
Progeny (04)	FLg	Awareness of <i>takaful</i> (Islamic insurance) protection for the family.
	FLg	Financial planning for the well-being of family life.
Wealth (05)	FLi	<i>Shariah</i> -compliant debt management.
	FLj	Spending without wastefulness or exceeding limits.

CONCLUSION

To sum up, in addressing the financial challenges, Malaysia's B40 category needs to adopt a holistic strategy that integrates the visibility of formal financial services, approaches to managing debt, and socially acceptable financial literacy activities. Financial educational initiatives can interact more effectively and efficiently by initially emphasising Maqasid Shari, which aligns with the religious and cultural principles of the B40 community. By strengthening community-based financial cooperatives and fostering access to Sharia-compliant financial services and products, better options for unlicensed financial structures that typically serve individuals with limited incomes will be provided.

Additionally, supporting people in escaping the cycle of high-interest debt requires a focus on debt management education and guidance. Effective community involvement that employs a planned and informed approach to financial knowledge will ensure that the proposed solutions are feasible and acceptable. For Malaysia's B40 category, concentrating these strategies into action will foster much greater economic resilience and long-term stability while enhancing financial awareness and participation. Addressing the financial challenges faced by Malaysia's B40 category necessitates an intensive, culturally accepted practice that aligns with their needs and core beliefs. These strategies can significantly improve debt assistance, raising the visibility of established financial institutions in harmony with culturally and spiritually appropriate financial knowledge. To make financial education programs more engaging and beneficial for the B40, initiatives should incorporate Maqasid Shariah, which aligns with the Islamic beliefs held by a significant part of this group. Consequently, the community is encouraged to rely on qualified financial products and services as alternatives to informally recognized, sometimes illicit options.

Strengthening community-based financial cooperatives is crucial for providing more accessible and trustworthy financial options for the B40 population. These cooperatives can facilitate access to Shariah-compliant savings, loans, and investment offerings, presenting a safer alternative to unlicensed financial services that often exploit vulnerable individuals. Through community-centred financial solutions, B40 households can begin to cultivate trust in formal financial institutions and promote financial empowerment at the grassroots level. Moreover, addressing the persistent cycle of debt that affects many B40 families necessitates dedicated programs in debt management education. By offering clear, practical guidance on managing existing debts and avoiding high-interest loans, these programs assist individuals in regaining financial control. Emphasising practical debt reduction and budgeting strategies can prevent the harmful cycle of borrowing and repayment that frequently traps individuals in poverty. As part of a comprehensive financial literacy program, debt management training empowers B40 individuals to set achievable financial goals, including saving and investing, rather than solely concentrating on immediate debt obligations.

To promote sustainable financial literacy, it is necessary to encourage persistent community engagement in addressing debt. Community organizations and leaders can play a role in fostering regular participation in educational and financial initiatives. Participants can support one another on their paths to financial sustainability by applying this inclusive strategy, which maintains an understanding of finances and results in a common community objective. In conclusion, guiding the B40 group with expertise and knowledge of financial strategies, Shariah-compliant financial instruments, and easily accessible debt management options can lay the groundwork for long-term financial stability. By implementing this strategy in practice, Malaysia can assist the B40 category in achieving ongoing financial sustainability, reducing insecurity, and

enhancing financial security. The B40 category has the potential to enhance Malaysia's financial landscape by moving from financial instability to financial prosperity through dedicated effort.

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