

# Literacy Understanding of Sharia Capital Markets Among High School Students and Teachers: An Empirical Model of Determinant Factors

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## Muhammad Sholihin

Department of Islamic Economics, State Islamic Institute (IAIN) Curup, Rejang Lebong, Indonesia  
[sholihin@iaincurup.ac.id](mailto:sholihin@iaincurup.ac.id)

## Mega Ilhamiwati

Department of Islamic Economics, State Islamic Institute (IAIN) Curup, Rejang Lebong, Indonesia  
[mega83.teyze@iaincurup.ac.id](mailto:mega83.teyze@iaincurup.ac.id)

## Andriko

Department of Islamic Economics, State Islamic Institute (IAIN) Curup, Rejang Lebong, Indonesia  
[andriko@iaincurup.ac.id](mailto:andriko@iaincurup.ac.id)

## Eva Sulastri

Department of Islamic Economics, State Islamic Institute (IAIN) Curup, Rejang Lebong, Indonesia  
[evasulastri861@gmail.com](mailto:evasulastri861@gmail.com)

## Rio Ferdinand

Department of Islamic Economics, State Islamic Institute (IAIN) Curup, Rejang Lebong, Indonesia  
[rioferdinand24@gmail.com](mailto:rioferdinand24@gmail.com)

## ABSTRACT

This study aims to identify the factors that affect sharia capital market literacy among high school students and teachers. Using a quantitative approach, as many as 38 teachers and students in Curup City, were surveyed to analyze the influence of variables such as education level, investment experience, information sources, financial knowledge, family support, investment motivation, and religious understanding on sharia capital market literacy. The results of the study show that family support, ease of access to information, and religious understanding have a significant influence on sharia capital market literacy. The factors of education and investment experience did not show significant influence, suggesting that practical experience and knowledge were more important than formal theory. The implications of Islamic financial education policies and recommendations to improve financial literacy among students and teachers are discussed further.

*Keywords: Islamic Capital Market Literacy; Financial Literacy; High School Students; Empirical Research; Financial Education*

## 1. Introduction

The Islamic capital market is one of the important components in the Islamic financial system which is designed to provide investment products that are in accordance with sharia principles. Along with the growing global Islamic finance industry, literacy about Islamic

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Corresponding Author

Name: Muhammad Sholihin

Email: [sholihin@iaincurup.ac.id](mailto:sholihin@iaincurup.ac.id)

capital market instruments is also increasingly needed to encourage public participation in these ethical investment instruments (Ali & Kayed, 2019). According to the Financial Services Authority (OJK), the Islamic capital market in Indonesia has grown rapidly, but public participation is still low, mainly due to a lack of understanding of Islamic financial instruments such as Islamic stocks, sukuk, and Islamic mutual funds (OJK, 2019).

The National Survey on Financial Literacy and Inclusion (SNLIK) conducted by the OJK in 2019 revealed that Islamic financial literacy in Indonesia only reached 8.93%, much lower than conventional financial literacy which reached 38.03%. This low level of literacy can cause Indonesian people, especially the younger generation, to lack understanding of sharia-based financial instruments and fail to take advantage of the investment opportunities offered by the sharia capital market. This is especially relevant for high school students and teachers, who play an important role in shaping future generations who are aware of the importance of ethical and sharia-compliant financial literacy (Setiawan et al., 2021).

High school students are in a phase of transition from the world of education to the world of work and adult life. They will soon enter the labor market and be involved in more complex financial decisions, such as investment, credit, and risk management. Therefore, financial literacy education among high school students is essential to prepare them in making the right financial decisions. In addition, teachers also play an important role as educators and agents of change who can instill the values of Islamic financial literacy to students. Given the importance of sharia capital market literacy, this study seeks to understand the deterministic factors that affect sharia capital market literacy among high school students and teachers (Yusof & Hussein, 2019).

Financial literacy, especially the sharia capital market, is an important aspect to support the growth of the sharia economy in Indonesia. However, there is a gap in understanding the factors that affect sharia capital market literacy among high school students and teachers. This study seeks to answer the following questions: (1) How does the level of education affect sharia capital market literacy among high school students and teachers? (2) Does investment experience have a significant influence on sharia capital market literacy among students and teachers? (3) What is the role of information sources and ease of access to sharia capital market literacy? (4) To what extent does family support and investment motivation affect sharia capital market literacy? (5) How does religious understanding affect the level of sharia capital market literacy?

The purpose of this study is to identify the factors that affect sharia capital market literacy among high school students and teachers. More specifically, the objectives of this study include: (1) Assessing the impact of education level on Islamic capital market literacy; (2) Knowing the influence of investment experience on understanding the Islamic capital market; (3) Analyze how information sources and access to information affect Islamic capital market literacy. (4) Measuring the role of family, social, and motivational support in shaping the understanding of the sharia capital market; (5) Examining the role of religious understanding in improving sharia capital market literacy.

This research will provide important insights for financial education policy in Indonesia, especially in the field of Islamic finance. The results of this study are also expected to provide guidance for policymakers in formulating better financial education strategies at the secondary school level. Practically, this research can help schools and other educational institutions in designing a curriculum that is more relevant to Islamic financial literacy, so that students not only understand the concept of conventional finance but also the sharia aspect in accordance with Islamic values.

## **2. Sharia Capital Market Literacy**

Islamic capital market literacy refers to the ability of individuals to understand, analyze, and use information related to Islamic financial instruments. This literacy includes not only a technical understanding of financial products such as sharia stocks, sukuk, and sharia mutual funds, but also knowledge of the sharia principles underlying these instruments, such as the prohibition against *riba* (interest), *gharar* (uncertainty), and *maisir* (speculation) (Ali & Kayed, 2019). A good understanding of Islamic capital market literacy allows individuals to make investment decisions that are ethical and in accordance with their religious beliefs (Abdullah & Anderson, 2015).

According to Huston (2010), financial literacy in general can be defined as "the ability to use financial knowledge and skills to make effective decisions in a variety of financial contexts." In the context of sharia, financial literacy includes an understanding of financial

instruments that are in accordance with Islamic principles, so that they can help individuals avoid investments that are contrary to their religious values. Sharia capital market literacy is very important for Muslims who want to invest ethically and in accordance with Islamic teachings.

Previous research has identified several factors that affect financial literacy in general, which are also relevant in Islamic capital market literacy. In general, there are several factors that affect an individual's understanding of the Islamic capital market, and this can be described as follows:

*Education Level.* Formal education is often considered a major factor in improving financial literacy, including Islamic capital market literacy. Research by Lusardi and Mitchell (2014) shows that formal education can help individuals understand basic financial concepts, such as risk management, financial planning, and investment instruments. However, although formal education provides a strong theoretical foundation, studies show that a practical understanding of finance is often undertaught in schools, especially in the context of Islamic capital markets (Kumar & Suman, 2015).

*Investment Experience.* Hands-on experience in investing is one of the important factors that affect financial literacy. Research by van Rooij, Lusardi, and Alessie (2011) shows that individuals who have investment experience are better able to evaluate the risks and rewards of various financial instruments. This investment experience provides a deeper understanding of how the capital markets work, which can help individuals make more informed decisions when it comes to sharia investments.

*Resources and Accessibility.* Accessibility to relevant and quality information plays an important role in financial literacy. Individuals who have easier access to financial information, such as financial statements, market analysis, and sharia-based investment platforms, tend to have better literacy about the capital market (Robb & Woodyard, 2011). In the context of the sharia capital market, credible sources of information that are in accordance with sharia principles are very important, considering the complexity of sharia-based financial instruments (Setiawan et al., 2021).

*Financial Literacy.* Financial knowledge is a core component of Islamic capital market literacy. According to Lusardi and Mitchell (2014), knowledge of financial products, risk management, and investment strategies is very important in financial decision-making. Individuals with strong financial knowledge are better able to assess investment risks and manage their portfolios more wisely, thus improving their literacy about the Islamic capital market (Chen & Volpe, 2015).

*Family and Social Environment Support.* Social support from family, friends, and the community is also an important factor in financial literacy. Research by Guiso, Sapienza, and Zingales (2004) shows that individuals who get support from their social environment are more likely to engage in financial and investment learning. In the context of the sharia capital market, discussions with family and friends about sharia principles and investment can help individuals develop a better understanding of these concepts (Bandura, 1977).

*Attitude to Investment Risk.* Attitude to risk is one of the important determinants in financial literacy and investment decisions. Grable and Joo (2001) found that individuals who have a positive attitude towards risk are more likely to engage in the capital market and learn how investing works. In the context of the Islamic capital market, an individual's attitude towards risk can affect their participation in riskier investment instruments, such as sharia stocks and sukuk.

*Religious Understanding.* Understanding the principles of Islam plays a key role in Islamic capital market literacy. Shariah-compliant investments must comply with Islamic rules, such as the prohibition of riba and excessive speculation. Therefore, individuals who have a deep understanding of their religious teachings tend to better understand the concept of sharia investment and are more selective in choosing financial instruments that are in accordance with their religious values (Abdullah & Anderson, 2015).

*Research related to Islamic Capital Market Literacy.* Research on Islamic capital market literacy is still relatively limited compared to conventional financial literacy. However, several studies have explored aspects of Islamic financial literacy. Yusof and Hussein (2019) found that Islamic finance education provided in a structured manner to students can significantly improve their Islamic financial literacy. In addition, research by Setiawan et al. (2021) shows that social media can be an important source of information for the younger generation in understanding Islamic finance, although the quality of the information obtained is often questionable.

### 3. Method

This study uses a quantitative approach with a survey method to collect primary data from high school students and teachers in Curup City, Indonesia. This approach was chosen because it allows researchers to measure the relationship between various variables that affect Islamic capital market literacy. The population of this study consists of teachers and high school students in Curup City, who are randomly selected to get proportional representation. The sample used in this study was 38 respondents. The selection of the sample was carried out by considering factors such as educational background, investment experience, and religious understanding.

The research instrument used is a structured questionnaire designed based on literature review and previous research. This questionnaire consists of several parts, including: Part 1: Demographic information (age, gender, education level, occupation). Part 2: Questions about Islamic capital market literacy, which includes an understanding of Islamic stocks, sukuk, Islamic mutual funds, and Islamic principles in investment. Part 3: Questions about independent variables such as education level, investment experience, sources of information, family support, investment motivation, and religious understanding.

Each question uses a 5-point Likert scale, in which respondents are asked to state their level of agreement with the given statement, with 1 for "strongly disagree" and 5 for "strongly agree." Data was collected through the distribution of questionnaires to respondents in selected schools. Before collecting data, the researcher gave an explanation to the respondents about the purpose of the research and how to fill out the questionnaire. The researcher also ensured that participation in this study was voluntary and the confidentiality of respondents' information was well maintained.

The data obtained were analyzed using descriptive and inferential statistical methods. Descriptive analysis is used to describe the characteristics of respondents, while inferential analysis is used to test the relationship between variables that affect Islamic capital market literacy. The multiple linear regression test is used to identify variables that have a significant influence on Islamic capital market literacy.

### 4. Result

#### 4.1. Responden Profile

The respondents who participated in this study are 40 persons. However, after filtering and cleaning the data, only 38 respondents were taken. For this reason, there were outliers due to incomplete data. Of these 38, 50% were teachers and 50% were high school students. The majority of respondents were male, with an age range between 17 and 35 years old. The average age of student respondents was 17 years old, while the average age of teachers was 35 years. Most of the respondents had no prior investment experience, and many of them reported that they obtained information about the Islamic capital market through social media or other digital information sources.

#### 4.2. Regression Analysis Results

The results of regression analysis show that several variables have a significant influence on sharia capital market literacy (Table 1). The following are the main findings of this study: First, religious understanding has a positive and significant influence on sharia capital market literacy ( $\beta = 0.346$ ,  $p < 0.01$ ). This shows that respondents who have a deeper understanding of sharia principles tend to have better literacy about the sharia capital market. Second, family and social support also showed a significant influence on sharia capital market literacy ( $\beta = 0.341$ ,  $p < 0.01$ ). Respondents who received support from family or friends were more likely to understand the basic concepts of the Islamic capital market. Third, the ease of access to information has a significant positive influence on sharia capital market literacy ( $\beta = 0.115$ ,  $p < 0.05$ ), which shows that the easier access to information, the higher the level of sharia capital market literacy among respondents.

However, some variables did not show a significant influence. For example, the level of education does not have a significant influence on sharia capital market literacy ( $\beta = 0.051$ ,  $p > 0.05$ ). In addition, investment experience actually has a negative influence on Islamic capital market literacy ( $\beta = -0.403$ ,  $p < 0.01$ ), which may indicate that negative experience or lack of in-depth understanding of investment can hinder financial literacy.

**Table 1.** Estimasi Multivariate Regression

VARIABLES	Level of understanding of the capital market	Understanding the capital market investment mechanism	The importance of capital market literacy
<b><i>Variable control</i></b>			
age	0.011 (0.075)	-0.220* (0.117)	0.012 (0.333)
education	0.051 (0.207)	-0.389* (0.218)	0.577 (0.661)
work	-0.921** (0.343)	0.552 (0.366)	-0.980 (1.187)
<b><i>Investment experience</i></b>			
Have invested	-0.403** (0.144)	-0.235 (0.202)	0.893 (0.673)
Investing experience level	0.010 (0.063)	-0.002 (0.064)	-0.103 (0.208)
<b><i>Resources</i></b>			
Resources	0.044 (0.051)	0.012 (0.052)	0.037 (0.154)
Easy access to information	0.115* (0.067)	0.021 (0.079)	0.315 (0.276)
<b><i>Financial literacy</i></b>			
Understanding financial concepts	0.299** (0.107)	0.026 (0.150)	0.069 (0.416)
Financial literacy	-0.128 (0.173)	0.077 (0.122)	-0.613 (0.661)
<b><i>Attitude towards investment</i></b>			
View of investment risks	0.156 (0.103)	0.314** (0.111)	0.097 (0.273)
Feeling profitable investing	-0.023 (0.204)	-0.246 (0.169)	0.239 (0.549)
<b><i>Family and environmental support</i></b>			
Family support, friends in learning stocks	0.341*** (0.114)	0.197** (0.093)	0.831*** (0.285)
The influence of the social environment on asking to invest	0.122 (0.123)	0.058 (0.107)	-0.829** (0.393)
<b><i>Motivation to invest</i></b>			
Motivation level to study capital market investment	-0.138 (0.097)	0.052 (0.081)	0.327 (0.259)
Things that motivate investing in the sharia capital market	0.119 (0.070)	-0.109 (0.084)	-0.218 (0.254)
<b><i>Religious understanding</i></b>			
Understanding of sharia principles related to Islamic finance	0.346*** (0.076)	0.061 (0.092)	0.058 (0.328)
The influence of understanding on investment decisions	-0.069 (0.093)	0.158 (0.106)	0.349 (0.345)
<b>Observations</b>	38	38	38

## 5. Discussion

### 5.1. The Role of Religious Understanding in Sharia Capital Market Literacy.

One of the main findings of this study is the significant influence of religious understanding on sharia capital market literacy. These findings support previous literature that emphasizes the importance of religious understanding in shaping Islamic financial literacy (Abdullah & Anderson, 2015). Respondents who have a better understanding of sharia principles, such as the prohibition of usury and the importance of halal investments, tend to have a better understanding of the sharia capital market. A more comprehensive religious education on Islamic finance can help individuals to make more informed investment decisions that are in line with Islamic values.

The increase in awareness of sharia investment in recent years shows the need for a deep understanding of the sharia capital market. One of the main findings in this study is the significant influence of religious understanding on sharia capital market literacy. This shows that religious understanding not only serves as an ethical foundation, but also as a key factor that affects an individual's ability to manage investments in accordance with sharia principles.

Previous literature, as revealed by Abdullah and Anderson (2015), underlines the importance of religious understanding in shaping Islamic financial literacy. In this context, sharia capital market literacy refers to the knowledge and skills needed to understand sharia-compliant investment instruments, as well as the ability to make wise investment decisions. A deep understanding of religion can provide a framework for individuals to evaluate investment opportunities and ensure that decisions are made in line with Islamic values.

Most of the respondents in this study showed that those who have a better understanding of sharia principles, such as the prohibition of *riba* (interest) and the importance of halal investment, tend to understand the concept of the sharia capital market better. *Riba* is considered one of the prohibited practices in Islam, and understanding of this can affect the way individuals invest. For example, individuals who understand the prohibition of *riba* will be more careful in choosing investment products that do not contain elements of *riba*, so they are more likely to choose instruments that are in accordance with sharia.

More comprehensive religious education about Islamic finance also plays an important role in increasing Islamic capital market literacy. Through this education, individuals can learn about the basic principles of sharia economics, including the concepts of justice, transparency, and social responsibility. By understanding these principles, individuals not only become more financially intelligent, but also better able to integrate religious values into their investment decisions. For example, individuals who understand the importance of *zakat* will be more motivated to invest in instruments that not only provide financial benefits but also contribute to the well-being of society.

The relationship between religious understanding and sharia capital market literacy can also be seen from the perspective of decision-making. Individuals who have a good understanding of religious teachings tend to be more disciplined in evaluating the risks and benefits of an investment. They will consider whether the investment is in accordance with sharia principles and whether the investment can have a positive impact on society. Thus, religious understanding can serve as a filter that assists individuals in making wiser investment decisions.

In addition, religious communities and educational institutions also have an important role in strengthening Islamic capital market literacy. These institutions can provide the necessary training and resources to improve an individual's understanding of the Islamic capital market. For example, seminars, workshops, and courses on sharia investing can help individuals to better understand the existing investment instruments and how to manage them. With increased access to education and information, it is hoped that people will be more confident in investing in the Islamic capital market.

However, the challenges in improving Islamic capital market literacy also need to be considered. In some regions, there is still a gap in understanding Islamic finance, especially among people who are less exposed to information. Therefore, there needs to be a greater effort to educate the public about Islamic capital market literacy, starting from the basic to advanced levels. In addition, the use of technology and digital platforms can also be an effective tool to disseminate information about sharia investment. By utilizing social media, financial applications, and online education platforms, individuals can easily access relevant and reliable information about the Islamic capital market.

In conclusion, religious understanding has a very important role in sharia capital market literacy. The findings of this study support the view that a deep understanding of religion can improve an individual's ability to make investment decisions in accordance with sharia principles. Through comprehensive religious education, individuals can not only understand the basic concepts of Islamic finance, but can also integrate religious values into their investment decisions. Thus, efforts to improve Islamic capital market literacy must involve understanding religion as one of the main components, so that people can invest wisely and in accordance with Islamic values.

## **5.2. The Effect of Social Support on Sharia Capital Market Literacy**

The results of this study also show that family support and social environment have a significant influence on sharia capital market literacy. Social support, whether from family, friends, or the community, can provide motivation and guidance for individuals to learn more about sharia investing. These findings are consistent with social learning theory which states that individuals learn from their interactions with the people around them (Bandura, 1977).

In the world of sharia investment, social support plays a crucial role in increasing sharia capital market literacy. The results of this study show that family support and social

environment have a significant influence on sharia capital market literacy. Social support coming from family, friends, or the community can provide motivation and guidance for individuals to learn more about sharia investing. This is very important because knowledge about the Islamic capital market is not only obtained through formal education, but also through social interactions that occur in daily life.

This finding is consistent with the social learning theory put forward by Albert Bandura (1977). According to this theory, individuals learn from observation and interaction with the people around them. When a person is surrounded by individuals who have knowledge and experience in sharia investing, they are more likely to acquire relevant information and build the necessary skills to invest wisely. For example, an individual who has family members or friends who are active in the Islamic capital market is likely to receive guidance and advice that can help them understand the Islamic investment product, the risks involved, and the benefits that can be obtained.

Social support also plays a role in building individual confidence. When the people closest to you provide encouragement and positive information regarding sharia investment, individuals become more confident to take steps in investing. This confidence is very important, especially for those who are new to the Islamic capital market. Without social support, individuals may feel hesitant and less courageous to engage in investing, even though they have the interest and potential to learn more.

In addition, social support can create an environment conducive to learning. For example, a community that actively discusses topics related to sharia investment can be a good forum for individuals to exchange ideas and experiences. Group discussions, seminars, or workshops involving community members can help individuals to overcome any doubts and uncertainties they may have regarding sharia investments. Thus, social support can expand the network of information and resources that can be accessed by individuals.

Not only that, involvement in the community can also encourage individuals to be more active in developing Islamic capital market literacy. For example, when individuals see their friends or family members succeed in sharia investing, they will be more motivated to follow in the footsteps. Positive examples from those closest to them can serve as a model to emulate, so individuals feel compelled to learn more and get involved in sharia investing.

However, it is important to note that social support is not always positive. Sometimes, pressures from the social environment can also influence individual investment decisions. For example, individuals who feel pressured to follow investment trends that are not in accordance with sharia principles may make less wise decisions. Therefore, it is important for individuals to have a strong understanding of sharia principles in order to assess the social support they receive and make informed investment decisions.

In conclusion, social support has a significant influence on Islamic capital market literacy. Support from family, friends, and community not only provides motivation, but also creates an environment that supports learning. Through positive social interaction, individuals can improve their knowledge and skills in sharia investing. To maximize the benefits of social support, it is important for individuals to remain critical and selective in evaluating the information and advice received. Thus, they can take wise steps in investing in the Islamic capital market.

### **5.3. Access to Information as an Important Factor in Financial Literacy.**

This study found that the ease of access to information has a significant influence on sharia capital market literacy. Respondents who have easier access to relevant and quality information are more likely to have better literacy about the Islamic capital market. This result is in line with the research of Robb and Woodyard (2011) which shows that easy access to information is one of the main factors affecting financial literacy.

In today's digital era, access to information has become one of the important factors affecting Islamic capital market literacy. This study found that the ease of access to information has a significant influence on sharia capital market literacy. Respondents who have easier access to relevant and quality information tend to show better literacy regarding the Islamic capital market. This shows that proper and accurate information is essential for individuals who want to invest in instruments that are in accordance with sharia principles.

The results of this study are in line with the findings of Robb and Woodyard (2011), which show that easy access to information is one of the main factors affecting financial literacy. They argue that individuals who have access to quality information resources, such as articles, books, and online platforms, are better able to understand various financial products,

including Islamic investment instruments. Access to this information allows individuals to conduct research, compare options, and make better investment decisions.

In the context of the Islamic capital market, good access to information includes an understanding of various investment products, the regulations governing the Islamic capital market, and the underlying sharia principles. For example, information on the types of sharia stocks, sharia bonds (sukuk), and sharia mutual funds can help individuals understand investment options that suit their financial needs and goals. Without adequate access to this information, individuals may feel confused and hesitant to invest.

In addition, easy access to information also plays a role in reducing uncertainty which is often a barrier for individuals to invest. When individuals have access to clear and transparent information, they will be more confident in making investment decisions. This is especially important in the context of sharia investment, where a good understanding of sharia principles can help individuals avoid investment practices that are inconsistent with religious values.

The development of information technology has also had a positive impact on access to information. With the internet and digital platforms, individuals can easily find information about sharia investment with just a few clicks. Websites, financial apps, and social media provide a variety of information sources that allow individuals to keep updating their knowledge of the Islamic capital market. Therefore, the use of technology is very important in increasing Islamic capital market literacy.

However, while access to information is essential, not all individuals have the necessary skills to evaluate and analyze the information they receive. Therefore, adequate education and training are also needed to assist individuals in developing information analysis skills. Educational programs that teach how to find, evaluate, and use information effectively can help individuals become smarter in making investment decisions.

On the other hand, challenges in accessing information must also be acknowledged. Although a lot of information is available online, the quality and reliability of that information can vary. Therefore, it is important for individuals to have critical skills in assessing the information they receive. Inaccurate or misleading information can potentially harm individuals in making investment decisions. Therefore, information literacy is an important component that must be considered in the context of Islamic capital market literacy.

In conclusion, access to information plays a very important role in improving Islamic capital market literacy. This study emphasizes that the ease of access to relevant and quality information contributes significantly to individuals' understanding of sharia investment. Therefore, efforts to improve Islamic capital market literacy must include strategies to improve access to information, as well as education that supports information analysis skills. Thus, individuals will be better prepared to make wise investment decisions that are in accordance with sharia principles.

#### **5.4. Challenges in Education and Investment Experience.**

Interestingly, this study found that the level of education did not have a significant influence on sharia capital market literacy. This shows that formal education alone is not enough to improve financial literacy, especially in the context of the Islamic capital market. Formal education in schools may focus more on theoretical aspects, while practical aspects of investment and capital markets are often overlooked (Kumar & Suman, 2015). In addition, investment experience also has a negative influence on Islamic capital market literacy. This may be due to negative experiences experienced by some individuals in investing without having an adequate understanding of the risks involved. Investment mistakes can lower an individual's confidence and hinder them from learning more about investing (Calvet et al., 2007).

Education and investment experience play an important role in shaping Islamic capital market literacy. However, the study found some interesting findings regarding both factors. First, the level of formal education does not have a significant influence on sharia capital market literacy. These findings show that formal education alone is not enough to improve financial literacy, especially in the context of the Islamic capital market. This is in line with the view that formal education in schools often focuses more on theoretical aspects than practical aspects regarding investment and capital markets, which are often overlooked (Kumar & Suman, 2015).

The inadequacy of formal education in teaching practical investment skills can be one of the main factors that hinder an individual's understanding of the Islamic capital market.



While students may gain theoretical knowledge of economic and financial principles, they are often not provided with the hands-on training necessary to apply that knowledge in the context of real investments. This creates a gap between theory and practice, where individuals may feel insecure when faced with complex investment decisions.

In addition, investment experience also has a negative influence on Islamic capital market literacy. In some cases, individuals who have experience investing without an adequate understanding of the risks involved may incur significant losses. These negative experiences can damage an individual's confidence and hinder them from learning more about investing. Calvet et al. (2007) explained that investment mistakes, such as investing in inappropriate instruments or making decisions based on emotions, can result in a decrease in confidence and trigger uncertainty in making investment decisions in the future.

These negative experiences can create a cycle in which individuals feel trapped in uncertainty and fear to reinvest. Therefore, it is important to provide adequate education and training regarding risk management and prudent investment strategies. This education should include practical aspects that equip individuals with the necessary skills to face the challenges of investing. For example, courses that teach risk analysis, portfolio diversification, and an understanding of sharia investment products can help individuals become better prepared to make informed investment decisions.

In addition, experiential learning approaches, such as investment simulations or case studies, can be an effective way to improve an individual's understanding of the Islamic capital market. By participating in investment simulations, individuals can learn to make decisions in a safer environment, without the risk of losing real money. This experience can help build confidence and strengthen their understanding of the dynamics of the Islamic capital market.

Another challenge in investment education is the lack of access to relevant and quality resources. Although information regarding the Islamic capital market is increasingly available, not all individuals have the necessary skills to evaluate and utilize such information. Therefore, education should include training on how to search for and analyze information, so that individuals can make more informed decisions.

In conclusion, challenges in education and investment experience have a significant impact on Islamic capital market literacy. The finding that formal education levels have no effect and that investment experiences can have a negative effect point to the need for a more holistic approach to financial education. Educational programs should focus on developing practical skills and a deep understanding of investing, as well as providing support to overcome negative experiences that individuals may experience. Thus, it is hoped that sharia capital market literacy can increase and people can invest more confidently and wisely.

## **6. Conclusion**

This study has identified several important factors that affect sharia capital market literacy among high school students and teachers in Curup City. Factors such as religious understanding, social support, and ease of access to information have a significant influence on Islamic capital market literacy. On the contrary, the level of formal education and investment experience did not show a significant influence, which shows that practical knowledge and appropriate sources of information are more important in shaping Islamic capital market literacy. The implications of these findings include the importance of more applicable financial education, religious-based financial education programs, and increased access to financial information that is more accessible to the wider community.

This study also has some limitations, such as a small sample size and limited to one geographical area. Follow-up studies with a larger sample size and wider scope will help to provide a more comprehensive picture of Islamic capital market literacy in Indonesia. Further research also needs to examine the role of technology in improving Islamic financial literacy, especially through the use of digital platforms and sharia-based applications.

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## **8. Conflict of interest**

The author(s) declare no conflict of interest.

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