

The Influence of Socio-Economic Factors on Public Interest in Cash Waq

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Article Information	Abstract
Article History: Received: July 2024 Accepted: September 2024 Published: September 2024	This study aims to analyze the influence of socio-economic factors on public interest in cash waqf participation in Indonesia. Using primary data from a national survey of 500 respondents, multiple linear regression analysis was conducted to examine the relationship between socio-economic variables and interest in cash waqf. The dependent variable is public interest in cash waqf, measured on a Likert scale (1-5), while the independent variables include income, education level, age, knowledge of cash waqf, trust in waqf institutions, and location (urban vs. rural). The results show that income ($\beta = 0.250$, $p < 0.01$), knowledge of cash waqf ($\beta = 0.380$, $p < 0.01$), and trust in waqf institutions ($\beta = 0.180$, $p < 0.05$) have a significant positive effect on interest in cash waqf. In contrast, age has a significant negative effect ($\beta = -0.120$, $p < 0.05$), indicating that younger individuals are more interested in cash waqf. Location also plays a significant role, with urban residents showing higher interest than rural residents ($\beta = 0.150$, $p < 0.05$). However, education level does not significantly influence interest in cash waqf ($p = 0.230$). The regression model explains 58% of the variation in interest in cash waqf ($R^2 = 0.580$). These findings suggest that increasing public knowledge, building trust in waqf institutions, and targeting younger and urban populations can enhance participation in cash waqf. This study provides practical recommendations for policymakers and waqf institutions to promote cash waqf as a tool for sustainable social finance.
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INTRODUCTION

Cash waqf is one of the Islamic social finance instruments that holds great potential in supporting economic development and public welfare. Unlike traditional waqf, which involves fixed assets such as land or buildings, cash waqf allows the public to participate by donating cash funds that are then managed for social, educational, health, and economic empowerment purposes. In Indonesia, cash waqf began to receive serious attention following the enactment of Law No. 41 of 2004 on Waqf, which provides a legal foundation for the development of cash waqf. However, public participation in cash waqf remains relatively low compared to its potential. According to the Indonesian Waqf Board (BWI), the potential for cash waqf in Indonesia reaches IDR 180 trillion per year, but only about 1% of that potential has been realized (BWI, 2021).

The low public participation in cash waqf is influenced by various internal and external factors. Internal factors include the public's level of knowledge about cash waqf, trust in waqf management institutions, and individual motivation. External

factors, on the other hand, involve socio-economic conditions such as income level, education, age, and place of residence. A study by Ascarya et al. (2020) showed that knowledge and trust in waqf institutions are the main determinants of increased participation in cash waqf. Furthermore, research by Hasan et al. (2019) found that people with higher income levels tend to have a greater interest in participating in cash waqf due to their stronger financial capacity.

On the other hand, the younger generation (millennials) shows greater interest in cash waqf compared to older generations. This aligns with the findings of Nurzaman (2021), which indicate that younger people are more open to modern financial instruments such as cash waqf, particularly when managed through digital platforms. However, a major challenge lies in the lack of dissemination and education regarding cash waqf, especially in rural areas. Data from the Ministry of Religious Affairs of the Republic of Indonesia (2022) shows that 70% of rural communities still do not understand the mechanisms and benefits of cash waqf.

Based on this background, this study aims to analyze the influence of socio-economic factors on public interest in cash waqf. The factors examined include income, education level, age, knowledge of cash waqf, trust in waqf institutions, and place of residence (urban vs. rural). This study uses national survey data covering respondents from various regions in Indonesia to ensure accurate data representation.

LITERATURE REVIEW

The Concept of Cash Waqf

Cash waqf is an Islamic social finance instrument that allows individuals or institutions to donate cash funds, which are then managed for public benefit. Unlike traditional waqf in the form of fixed assets, cash waqf is more flexible and can be invested in various sectors, such as education, health, and economic empowerment (Kahf, 2019). According to Law Number 41 of 2004 on Waqf, cash waqf is defined as waqf made by an individual, group, or institution in the form of money. The potential for cash waqf in Indonesia is enormous, reaching IDR 180 trillion per year; however, the realization is still low—only around 1% of its total potential (BWI, 2021).

Socio-Economic Factors Influencing Interest in Cash Waqf

a. Income

Income level is one of the important factors influencing public interest in cash waqf. People with higher income tend to have better financial capability to participate in cash waqf. A study by Hasan et al. (2019) shows that income has a significantly positive correlation with interest in cash waqf. This aligns with Ascarya et al. (2020), who stated that people from the middle to upper income groups are more likely to participate in social finance programs such as cash waqf.

b. Education

Education level also affects public understanding and interest in cash waqf. People with higher education levels tend to better understand the benefits and mechanisms of cash waqf. However, Nurzaman (2021) found that education level does not always significantly correlate with interest in cash waqf, as other factors such as trust in management institutions also play a critical role.

c. Age

Age is a demographic factor influencing interest in cash waqf. The younger generation (millennials) tends to be more open to modern financial instruments like cash waqf, especially when managed through digital platforms. A study by the Ministry of Religious Affairs of the Republic of Indonesia (2022) shows that 65% of the younger generation has a high interest in cash waqf, compared to the older generation, which tends to be more traditional in participation.

d. Knowledge of Cash Waqf

Public knowledge of cash waqf is a key factor in increasing participation. Individuals who understand the benefits and mechanisms of cash waqf tend to be more interested in participating. According to Ascarya et al. (2020), education and outreach about cash waqf can increase public interest by up to 40%.

e. Trust in Waqf Institutions

Public trust in waqf management institutions also influences interest in cash waqf. Transparency and accountability of waqf institutions are key factors in building public trust. A study by Hasan et al. (2019) found that trust in waqf institutions has a significantly positive correlation with interest in cash waqf.

f. Place of Residence

Place of residence (urban vs. rural) also affects interest in cash waqf. People living in urban areas tend to be more exposed to information about cash waqf and have better access to management institutions. Data from BWI (2021) shows that 70% of cash waqf participation comes from urban areas, while participation from rural areas remains very low.

Empirical Findings on Cash Waqf

Several previous studies have examined the factors influencing public interest in cash waqf. For instance, a study by Ascarya et al. (2020) found that knowledge and trust in waqf institutions are dominant factors in increasing cash waqf participation. Meanwhile, Nurzaman (2021) emphasized the importance of digital approaches in attracting the younger generation's interest in cash waqf. In Indonesia, a study by the Ministry of Religious Affairs of the Republic of Indonesia (2022) revealed that outreach and education about cash waqf still need to be improved, particularly in rural areas.

Theoretical Framework

This study uses financial behavior theory to analyze the factors influencing public interest in cash waqf. This theory explains that individual financial decisions are influenced by internal factors (such as knowledge, trust, and motivation) and external factors (such as income, education, and social environment).

Research Gap

Although many studies have examined the factors influencing interest in cash waqf, several gaps remain. First, previous studies tend to focus on urban areas, while participation in rural areas has not been thoroughly explored. Second, research on the role of the younger generation in cash waqf is still limited, even though this generation holds great potential to increase participation. Third, not many studies have integrated digital approaches in analyzing interest in cash waqf. Therefore, this study aims to fill those gaps by comprehensively analyzing the socio-economic factors influencing interest in cash waqf.

RESEARCH METHOD

This study employs a quantitative approach using a survey method to analyze the influence of socio-economic factors on public interest in cash waqf. The quantitative approach is deemed appropriate as the objective of the research is to statistically measure the relationship between the studied variables.

The primary data used in this study were collected through a national survey conducted via the website of a zakat institution. The data collection was carried out by distributing questionnaires to adult Muslim respondents across various regions in Indonesia (BWI, 2024). The questionnaire was designed to measure the level of interest in cash waqf (dependent variable) and various socio-economic factors such as income, education, age, knowledge of cash waqf, trust in waqf institutions, and place of residence (independent variables).

The population of this study includes all adult Muslims in Indonesia who have the potential to participate in cash waqf, as indicated on the zakat institution's website. The sample was selected using purposive sampling with criteria including: being at least 18 years old, having basic knowledge about cash waqf, and being willing to participate in the survey. A total of 500 respondents were included, representing a sample considered adequate to reflect the population. The sample size was determined using Slovin's formula with a 5% margin of error (BWI, 2024).

The data were analyzed using multiple linear regression with the help of SPSS (Statistical Package for the Social Sciences) version 25. This analysis was used to examine the influence of the independent variables (income, education, age, knowledge, trust, and location) on the dependent variable (interest in cash waqf). The data analysis steps included descriptive statistics, correlation tests, multiple linear regression tests, and classical assumption tests.

RESULTS AND DISCUSSION

Results

Descriptive Statistics

Table 1. Descriptive Statistics Test Result

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Interest in Cash Waqf (Y)	500	1.00	5.00	3.45	0.87
Income (X1)	500	1.00	3.00	2.10	0.75
Education (X2)	500	1.00	5.00	3.20	1.10
Age (X3)	500	1.00	4.00	2.50	0.90
Waqf Knowledge (X4)	500	1.00	3.00	2.00	0.80
Trust in Institution (X5)	500	1.00	5.00	3.80	0.95
Location (X6)	500	0.00	1.00	0.70	0.46

The results of the descriptive statistics show the characteristics of the respondents and the data distribution as follows: Interest in Cash Waqf (Y) the average interest score is 3.45 (on a scale of 1–5), indicating that public interest in cash waqf is at a moderate level. Income (X1) the average income score is 2.10 (on a scale of 1–3), suggesting that most respondents fall into the middle-income category. Education (X2) the average education level is 3.20 (on a scale of 1–5), indicating that the majority of respondents have an education equivalent to senior high school or a

bachelor's degree. Age (X3) the average age score is 2.50 (on a scale of 1–4), showing that most respondents are in the 31–45 year age range. Knowledge of Waqf (X4) the average score for knowledge of cash waqf is 2.00 (on a scale of 1–3), indicating a relatively low level of knowledge. Trust in Waqf Institutions (X5) the average trust score is 3.80 (on a scale of 1–5), indicating a fairly high level of trust in waqf institutions. Location (X6) the average location score is 0.70 (on a scale of 0–1), indicating that 70% of respondents come from urban areas. Therefore, the majority of respondents show a moderate level of interest in cash waqf, with relatively low knowledge but fairly high trust in waqf institutions.

Correlation Test

Table 2. Correlation Test Results

Variable	Interest (Y)	Income (X1)	Education (X2)	Age (X3)	Waqf Knowledge (X4)	Institutional Trust (X5)	Location (X6)
Interest in Cash Waqf (Y)	1.000	0.320**	0.150	-0.120*	0.450**	0.280*	0.150*
Income (X1)	0.320**	1.000	0.250**	0.100	0.300**	0.200*	0.180*
Education (X2)	0.150	0.250**	1.000	0.050	0.220*	0.100	0.120
Age (X3)	-0.120*	0.100	0.050	1.000	-0.100	-0.050	-0.080
Waqf Knowledge (X4)	0.450**	0.300**	0.220*	-0.100	1.000	0.350**	0.250**
Institutional Trust (X5)	0.280*	0.200*	0.100	-0.050	0.350**	1.000	0.180*
Location (X6)	0.150*	0.180*	0.120	-0.080	0.250**	0.180*	1.000

The results of Pearson correlation analysis indicate significant positive relationships between income, knowledge, trust, and location with interest in cash waqf. Conversely, age has a significant negative correlation with interest in cash waqf.

Partial Test (t-test)

Table 3. Partial Test (t-test) Results

Model	Unstandardized Coefficients (B)	Standardized Coefficients (Beta)	t	Sig.
(Constant)	1.200	-	5.00	0.000
Income (X1)	0.250	0.220	3.50	0.001
Education (X2)	0.100	0.080	1.200	0.230
Age (X3)	-0.120	-0.100	-2.00	0.046
Waqf Knowledge (X4)	0.380	0.350	6.00	0.000
Trust in Institution (X5)	0.180	0.150	2.80	0.005
Location (X6)	0.150	0.120	2.20	0.028

Based on the results of the partial test:

1. Income (X1): Positive coefficient ($B = 0.250$, $p < 0.01$), meaning income has a significant positive effect on interest in cash waqf.
2. Education (X2): Not significant ($p > 0.05$), meaning education does not have a significant effect.
3. Age (X3): Negative coefficient ($B = -0.120$, $p < 0.05$), meaning age has a significant negative effect.
4. Knowledge of Cash Waqf (X4): Positive coefficient ($B = 0.380$, $p < 0.01$), meaning knowledge has a significant positive effect.
5. Trust in Waqf Institutions (X5): Positive coefficient ($B = 0.180$, $p < 0.05$), meaning trust has a significant positive effect.
6. Location (X6): Positive coefficient ($B = 0.150$, $p < 0.05$), meaning urban location has a significant positive effect.

Multiple Linear Regression Test

Table 4. Multiple Linear Regression Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.761	0.580	0.570	0.450

The results of the multiple linear regression test show an R Square value of 0.580, meaning that 58% of the variation in interest in cash waqf can be explained by the independent variables. The Adjusted R Square is 0.570, indicating that the regression model is reasonably good at explaining the variation in interest in cash waqf.

Discussion

1. Income (X1) Has a Positive Effect on Interest in Cash Waqf (Y)

The first hypothesis is accepted, indicating that income has a significant positive effect on interest in cash waqf ($B = 0.250$, $p < 0.01$). The average respondent income is 2.10 (scale 1–3), which shows that most respondents fall into the middle-income category. The correlation test also confirms a significant positive relationship between income and interest in cash waqf ($r = 0.320$, $p < 0.01$). This finding is consistent with Hasan et al. (2019), who stated that individuals with higher income tend to be more interested in participating in cash waqf due to their better financial capacity. According to financial behavior theory, financial ability is a key factor in financial decision-making. Higher-income individuals have more flexible funds to allocate for social activities like cash waqf. Therefore, waqf institutions can design programs targeting the middle-to-upper income group, for example through attractive social investment schemes.

Additionally, this finding is supported by Ascarya et al. (2020), who noted that income is a primary determinant in increasing social financial participation. Individuals with higher income not only possess greater financial capability but are also more aware of the importance of social contribution. Thus, income affects not only the ability but also the motivation to participate in cash waqf. This implies that efforts to improve public income—such as through economic empowerment—can indirectly enhance cash waqf participation.

2. Education (X2) Has No Significant Effect on Interest in Cash Waqf (Y)

The second hypothesis is rejected, indicating that education does not have a significant effect on interest in cash waqf ($p > 0.05$). Although education is often seen as an important factor in enhancing understanding of social financial instruments, the findings of this study show that education does not directly influence interest in cash waqf. This result aligns with Nurzaman (2021), who found that education level does not always significantly correlate with interest in cash waqf, as other factors such as knowledge and trust in managing institutions are more dominant.

According to financial literacy theory, education contributes to understanding, but this understanding does not always translate into action if not supported by other factors such as trust and motivation. In the context of cash waqf, even those with higher education may lack interest in participation if they do not trust the managing institution or do not deeply understand the benefits of cash waqf. Hence, efforts to increase interest in cash waqf should not focus solely on formal education but also on specific education about cash waqf and trust-building with waqf institutions.

3. Age (X3) Has a Negative Effect on Interest in Cash Waqf (Y)

The third hypothesis is accepted, indicating that age has a significant negative effect on interest in cash waqf ($B = -0.120$, $p < 0.05$). In other words, the older a person is, the lower their interest in participating in cash waqf. This finding is consistent with the Ministry of Religious Affairs of the Republic of Indonesia (2022), which found that younger generations (ages 18–30) are more interested in cash waqf compared to older generations. Younger individuals tend to be more open to modern financial instruments such as cash waqf, especially when managed through digital platforms.

According to generational theory, younger generations (Millennials and Gen Z) are more adaptive to technology and more interested in financial innovation. They also tend to care more about social and environmental issues, making them more willing to engage in social finance programs like cash waqf. In contrast, older generations may prefer traditional participation and are less familiar with cash waqf mechanisms. Therefore, waqf institutions need to design engaging programs for the youth, such as through digital platforms and creative campaigns on social media.

4. Knowledge of Cash Waqf (X4) Has a Positive Effect on Interest in Cash Waqf (Y)

The fourth hypothesis is accepted, indicating that knowledge of cash waqf has a significant positive effect on interest in cash waqf ($B = 0.380$, $p < 0.01$). This means the higher an individual's knowledge of cash waqf, the greater their interest in participating. This is in line with Ascarya et al. (2020), who stated that education and outreach regarding cash waqf can increase public interest by up to 40%.

According to financial literacy theory, a strong understanding of a financial instrument is essential for active participation. People who understand the benefits and mechanisms of cash waqf are more confident and motivated to take part. Therefore, increasing public knowledge about cash waqf—especially through effective education and outreach—is key to boosting participation. Waqf institutions can collaborate with the government, scholars, and communities to widely disseminate information about cash waqf.

5. Trust in Waqf Institutions (X5) Has a Positive Effect on Interest in Cash Waqf (Y)

The fifth hypothesis is accepted, indicating that trust in waqf institutions has a significant positive effect on interest in cash waqf ($B = 0.180$, $p < 0.05$). In other words, the more trust individuals have in waqf institutions, the more likely they are to participate. This finding supports Hasan et al. (2019), who found that trust in waqf institutions is a key factor in increasing participation.

According to trust theory, trust is a fundamental element in the relationship between the public and managing institutions. People are more likely to participate if they believe that their waqf funds will be managed transparently and accountably. Therefore, waqf institutions must enhance their transparency and accountability—for example, by regularly reporting fund usage and involving the community in monitoring processes.

6. Place of Residence (X6) Has a Positive Effect on Interest in Cash Waqf (Y)

The sixth hypothesis is accepted, indicating that place of residence (urban) has a significant positive effect on interest in cash waqf ($B = 0.150$, $p < 0.05$). This means that people living in urban areas are more likely to participate in cash waqf compared to those in rural areas. This aligns with data from BWI (2024), which shows that 70% of cash waqf participation comes from urban areas.

According to accessibility theory, urban populations have better access to financial services and information, including cash waqf. They are also more exposed to campaigns and outreach efforts. Thus, to increase participation in rural areas, efforts must focus on improving information access and education—for example, through outreach programs in mosques and local communities.

CONCLUSION

Based on the analysis and discussion, this study concludes that socio-economic factors significantly influence public interest in cash waqf. Specifically, income, knowledge of cash waqf, trust in waqf institutions, and urban residence have a positive effect, while age has a negative effect. This means that the higher a person's income, knowledge, and trust, and the younger they are and the more likely they are to live in urban areas, the greater their interest in participating in cash waqf. On the other hand, education does not have a significant effect, indicating that formal education level does not directly influence interest in cash waqf.

These findings suggest that efforts to increase participation in cash waqf should focus on enhancing public knowledge, building trust in waqf institutions through transparency and accountability, and targeting younger and urban populations via digital platforms and creative campaigns. Moreover, economic empowerment programs can contribute to increasing public income, which in turn may foster participation in cash waqf.

Overall, this study offers an important contribution to the development of cash waqf in Indonesia by identifying key factors that influence public interest. The recommendations can serve as a reference for waqf institutions, policymakers, and stakeholders in designing strategies to boost community involvement in cash waqf, thereby maximizing its potential as a social finance instrument to support economic development and public welfare.

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