

Financial Literacy and Well-Being of Lampung MSMEs: Evidence from Islamic Financing Access

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Abstract

This study examines how Islamic financial attitude, knowledge, awareness, and financial confidence influence the financial well-being of Micro, Small, and Medium Enterprises (MSMEs) owners, while assessing the moderating role of access to Islamic financing. A quantitative survey of 308 MSME owners in Lampung Province, Indonesia, was analyzed using JASP to test direct and moderation effects. Findings reveal that Islamic financial attitude, knowledge, awareness, and financial confidence significantly enhance MSME owners' financial well-being. Access to Islamic financing further strengthens these relationships, highlighting its role in maximizing the benefits of Islamic financial engagement. Guided by the Theory of Planned Behavior, the study identifies key cognitive and behavioral determinants of financial well-being within the Islamic finance context and addresses a gap in the literature. Practical implications emphasize fostering positive financial attitudes, improving knowledge and awareness, strengthening financial confidence, and expanding access to Islamic financing to support sustainable MSME financial well-being.

Keywords: Islamic Financial Attitude, Islamic Financial Awareness, Islamic Financial Knowledge, Access to Islamic Financing, Financial Well-being

Literasi Keuangan dan Kesejahteraan UMKM Lampung: Bukti dari Akses Pembiayaan Syariah

Abstrak

Studi ini meneliti bagaimana sikap, pengetahuan, kesadaran, dan kepercayaan finansial Islami memengaruhi kesejahteraan finansial pemilik Usaha Mikro, Kecil, dan Menengah (UMKM), sekaligus menilai peran moderasi akses terhadap pembiayaan Islami. Survei kuantitatif terhadap 308 pemilik UMKM di Provinsi Lampung, Indonesia, dianalisis menggunakan JASP untuk menguji efek langsung dan moderasi. Hasil penelitian menunjukkan bahwa sikap, pengetahuan, kesadaran, dan kepercayaan finansial Islami secara signifikan meningkatkan kesejahteraan finansial pemilik UMKM. Akses terhadap pembiayaan Islami semakin memperkuat hubungan ini, menyoroti perannya dalam memaksimalkan manfaat keterlibatan finansial Islami. Dengan berpedoman pada Teori Perilaku Terencana, studi ini mengidentifikasi penentu kognitif dan perilaku utama kesejahteraan finansial dalam konteks keuangan Islami dan mengatasi kesenjangan dalam literatur. Implikasi praktis menekankan pentingnya menumbuhkan sikap finansial yang positif, meningkatkan pengetahuan dan kesadaran, memperkuat kepercayaan finansial, dan memperluas akses terhadap pembiayaan Islami untuk mendukung kesejahteraan finansial UMKM yang berkelanjutan.

Kata Kunci: Sikap Keuangan Syariah, Kesadaran Keuangan Syariah, Pengetahuan Keuangan Syariah, Akses terhadap Pembiayaan Syariah, Kesejahteraan Keuangan

History: Received: 11 December 2024 Revised: 11 June 2025 Accepted: 19 December 2025

Citation (APA 7th): Gumanti, M., & Pariyanti, E. (2026). Financial literacy and well-being of Lampung MSMEs: Evidence from Islamic financing access. *Jurnal Economia*, 22(2), 238–257. <https://doi.org/10.21831/economia.v22i1.84476>

INTRODUCTION

The Islamic financial landscape has experienced significant growth in recent years, driven by a rising global demand for ethical and Sharia-compliant financial practices (S. Ali & Talha, 2022; Ayllon & Michael, 2019). In Indonesia, the Sharia capital market accounted for the largest share (60.08%), followed by Islamic banking (33.77%) and Sharia non-bank financial institutions (6.15%), with all sectors showing notable year-on-year growth (OJK, 2023). In the 2022 Islamic financing Development Indicator, Indonesia was ranked third globally due to its dedication to Islamic financing. This growth also benefits micro, small, and medium-sized enterprises (MSMEs), as many entrepreneurs seek financial solutions aligned with their religious values while supporting business success (Nurein, 2023). MSMEs are key drivers of economic growth, employment, and poverty reduction (Abisuga-oyekunle, Patra, & Muchie, 2019; Nursini, 2020), yet often face barriers to accessing conventional financing due to high interest rates and strict requirements (Diomande, 2020). Islamic financial products, with their emphasis on ethical principles and risk-sharing, offer a more inclusive alternative, enhancing MSMEs' financial resilience and contributing to sustainable development (Saifurrahman & Kassim, 2024).

Financial well-being is vital for MSME owners, influencing their ability to manage expenditures, maintain stability, and reduce financial stress (Leung, Mukerjee, & Thurikhttps, 2020). Beyond its economic importance, financial well-being also impacts social development, particularly in rural communities (Mohamed, Jaffar, & Faizal, 2023; Nurmalasari & Effendi, 2021). To enhance the financial well-being of MSME owners, collaboration among the government, financial institutions, and other stakeholders is essential (Badriyah & Seti, 2024; Hayati & Fatarib, 2022). Islamic Financial Attitude (IFA), based on Sharia principles, promotes ethical financial practices such as avoiding riba (usury) and supporting risk-sharing (Khalid, 2024). A positive IFA fosters behaviors that contribute to financial stability, debt avoidance, and community support (Khawaja, Qureshi, & Munshi, 2022; Nadia, et al, 2020), essential for overall financial well-being (Zafar & Sulaiman, 2020). Therefore, understanding the role of Islamic finance in supporting MSMEs' financial well-being is crucial for fostering long-term stability and growth in this sector.

Several factors are believed to influence financial well-being. Among them, Islamic Financial Attitude (IFA) is prominent, as it reflects ethical values rooted in Sharia principles such as the prohibition of usury (riba), risk-sharing, and asset-backed financing (Khalid, 2024). A positive Islamic financial attitude encourages ethical investments, risk-aversion, debt avoidance, and social support (Khawaja et al., 2022), which collectively contribute to financial stability and improved well-being (Zafar & Sulaiman, 2020).

Another essential factor is Islamic Financial Knowledge. Awareness and understanding of Islamic financial concepts have a proven effect on financial decision-making and well-being (S. Ali & Talha, 2022; Rohmania & Sholihah, 2023). This knowledge promotes responsible financial behavior, financial inclusion, and alignment with ethical financial practices, both at the individual and community levels (N. Hoque 2022; Marhaini and Ahmad 2020; Siddiqi, Jan, and Ullah 2019).

Despite the growing literature on Islamic financial literacy, gaps remain. Previous studies have yet to comprehensively explore the interaction between Islamic financial attitudes, knowledge, awareness, and financial beliefs in shaping financial well-being among MSME

owners. Furthermore, recent findings suggest inconsistent relationships between financial beliefs and financial well-being (Su-Jung Nam, 2023), highlighting the need for a deeper investigation into other influencing factors.

To address this gap, this study introduces Access to Islamic Financing as a moderating variable. Based on the Theory of Planned Behavior (TPB) (Ajzen, 1991), which includes attitudes, subjective norms, and perceived behavioral control as predictors of behavior, this study posits that access to Islamic financing influences how attitudes, knowledge, and beliefs affect financial well-being. Surprisingly, scholarly discourse has paid limited attention to this aspect (Mahmoud, et al., 2023), despite its practical significance.

Access to Islamic financing refers to the ability of individuals or enterprises to obtain financial services aligned with Islamic principles (Mahmoud, et al., 2023). In practice, this includes access to Islamic banks, microfinance institutions, and financing instruments such as Murabahah, Mudarabah, and Sukuk (Fianto, Gan, Hu, & Roudaki, 2017; Jouti, 2018). Adequate access facilitates better financial behavior, informed decisions, and improved financial health (Muslichah, Putra, Abdullah, & Usry, 2023; Razak & Asutay, 2022), making it a vital element for inclusion in the research model.

In summary, this study explores the relationships between Islamic Financial Attitude, Islamic Financial Knowledge, and Financial Well-Being of MSME owners, while examining Access to Islamic Financing as a moderating variable. By integrating these factors, the study aims to offer a more comprehensive understanding of financial behavior in an Islamic context and to provide practical insights into policy formulation and Islamic financial inclusion strategies.

Theoretical Framework and Hypothesis

Access to Islamic financing refers to the ability of individuals or businesses to obtain financial products aligned with Sharia principles (Mahmoud et al., 2023). In Islamic finance, such access is crucial in shaping financial attitudes, knowledge, and behavior (Harahap, Risfandy, & Futri, 2023), and positively influences financial well-being by promoting sound financial decisions (Razak & Asutay, 2022), supported by the role of Islamic financial education (Muslichah et al., 2023). As a moderating variable, access to Islamic financing helps reveal how attitudes, knowledge, and beliefs interact with financial well-being, offering deeper insights into behavior within Islamic financial contexts (Alshater, Saba, Supriani, & Raza, 2022). Islamic financial attitude reflects an individual's view of the Sharia-based financial system, emphasizing principles such as the prohibition of *riba*, justice, and profit-and-loss sharing (Mahmoud et al., 2023). This attitude shapes ethical financial choices, including halal investments and use of Sharia-compliant services (Tiran, 2023), and aligns with Islamic finance's focus on social responsibility (Franzoni & Allali, 2018). A range of products Islamic banking, *takaful*, *sukuk*, and Sharia-compliant investments support this system (F. Ahmad & Sharofiddin, 2025). Research shows that a positive Islamic financial attitude fosters healthy financial behavior and enhances financial well-being (Lelis, Muega, & Caballero, 2023).

Financial well-being (FWB) refers to a state in which individuals feel economically secure, able to meet their needs, and free to make life decisions without financial stress (Brüggen, Högrove, Holmlund, Kabadayi, & Löfgren, 2017). A positive Islamic financial attitude contributes to FWB, as Sharia principles not only guide ethical and prudent financial

behavior but also provide peace of mind for individuals who base their lives on religious values. Practices such as zakat, long-term financial planning, and sustainable investing reflect the integration of spiritual values and financial well-being (Hamida, Nur, Muhajir, & Paulus, 2023; Indana & Pambekti, 2022). However, challenges such as limited access to Islamic financial products and varying interpretations of Sharia principles can hinder full adoption (Abubakar and Hadiza 2023). Thus, the relationship between Islamic financial attitude and FWB is multifaceted, involving ethical values, financial decision-making, and their psychological and social impacts on daily life (Rohmania & Sholihah, 2023; Widyastuti, 2021).

H1: Islamic Financial Attitude is positively associated with financial well-being.

Islamic Financial Knowledge (IFK) refers to the understanding of Islamic economic principles, Sharia-compliant financial practices, and financial instruments developed within the Sharia framework (Osman et al., 2023). IFK includes key concepts such as the prohibition of *riba* (interest), fairness in transactions, avoidance of speculative elements (*gharar*), and the emphasis on ethics and social responsibility in finance (Ahmad et al, 2020; M.Ali, Devi, Furqani, & Hamzah, 2020; Cwynar, 2020) It also covers Sharia-compliant financial instruments such as *mudharabah* (profit sharing), *musharakah* (partnership), *murabahah* (cost-plus financing), and *ijara* (leasing), as well as Islamic financial institutions like Islamic banks and *takaful* (Islamic insurance) (Ratnatović & Tuzlak, 2022). IFK plays an important role in helping individuals make ethical financial decisions, avoid prohibited activities, and promote responsible financial management practices such as budgeting, saving, and investing (Hamida et al., 2023; Mulyadi et al, 2023). Therefore, IFK shapes financial behavior that supports financial well-being while aligning with religious values. Based on this, the following hypothesis is proposed:

H2: Islamic Financial Knowledge is positively associated with Financial Well-being.

Islamic Financial Awareness with Financial well-being

Islamic Financial Awareness refers to understanding and appreciating Islamic finance principles, products, and practices (Hidayat & Rafiki, 2020). It emphasizes Shariah principles such as justice, transparency, risk-sharing, and ethical behavior (Din, et al, 2021). A key feature is the prohibition of interest (*riba*), replaced by profit-sharing and fee-based services (Azmi, Nur, & Ab, 2017). Islamic finance also promotes asset-backed financing to support real economic activities and prevent speculation. Awareness includes avoiding unethical investments and adhering to Islamic values (Norchaeva, 2024). Concepts like Mudarabah, Musharakah, and Wakalah highlight profit and loss sharing, while instruments such as Murabaha, Ijarah, Sukuk, and Takaful provide Shariah-compliant investment and risk management options (Bertillo & Bertillo, 2022). Regulatory oversight and education play a vital role in fostering awareness and ensuring compliance (Mustapha, 2021). Research shows awareness significantly influences the demand for Islamic banking and the industry's growth (Hossain & Abdullah, 2019).

Awareness of Islamic finance brings several benefits, including encouraging the adoption of Islamic banking (Harahap et al., 2023) and improving financial well-being (Dewi & Ferdian, 2021). Understanding Islamic finance principles helps individuals align their financial

decisions with their religious values, enhancing financial stability and security (Dinc, Çetin, & Jahangir, 2023). Key principles, such as the prohibition of *riba*, guide individuals toward interest-free transactions, preventing excessive debt (Dinc et al., 2021). Islamic finance also promotes better risk management by encouraging asset-backed activities and reducing exposure to speculation (Adams, Azubuiké, Sule, & Okon, 2025). The emphasis on social responsibility in Islamic finance fosters risk-sharing, philanthropy, and socially sustainable investments (Tok, et al, 2022). Awareness improves financial literacy, enabling individuals to make more informed decisions and strengthen their financial well-being (Ali et al., 2020). In conclusion, Islamic financial literacy, coupled with sound financial behaviors, enhances financial well-being and promotes economic stability.

Islamic Financial Awareness refers to the understanding and appreciation of Islamic finance principles, products, and practices, emphasizing Shariah values such as justice, transparency, risk-sharing, and ethical behavior (Din, et al, 2021). Central to this awareness is the prohibition of *riba* (interest), which is replaced by profit-sharing and fee-based services, along with the promotion of asset-backed financing to support real economic activities and avoid speculation (Azmi et al., 2017). Key instruments like *Mudarabah*, *Musharakah*, *Murabaha*, *Ijarah*, *Sukuk*, and *Takaful* offer Shariah-compliant alternatives for investment and risk management (Bertillo & Bertillo, 2022). This awareness guides individuals to avoid unethical investments, aligns financial decisions with Islamic values, and enhances financial stability by promoting responsible financial behaviors and better risk management (Adams et al., 2025; Dinc et al., 2021). It also fosters social responsibility through risk-sharing, philanthropy, and sustainable investing (Tok, et al, 2022). Greater awareness improves financial literacy, enabling individuals to make informed decisions and achieve stronger financial well-being (Ali et al., 2020). Based on this, the third hypothesis of this study is:

H3: Islamic Financial Awareness is positively related to Financial Well-being.

Financial confidence refers to an individual's belief in their ability to manage finances effectively and make sound financial decisions, reflecting a sense of security, knowledge, and control over financial matters (Morris, et al, 2022). It influences behaviors such as saving, investing, and spending, and is linked to reduced stress and greater financial security (Porto & Xiao, 2022). Building financial confidence involves setting goals, creating spending plans, tracking progress, and choosing personalized budgeting methods (Pearson & Korankye, 2023). Although overconfidence may lead to riskier decisions, overall, financial confidence enhances financial well-being by promoting proactive financial management and self-efficacy (Lone & Bhat, 2022). Confident individuals are more likely to set and achieve financial goals, contributing to long-term financial stability (Apriansah, et al., 2022; Hashmi et al. 2021). Based on this, the following hypothesis is proposed:

H4: Financial Confidence is positively related to Financial Well-being.

Access to Islamic Financing refers to the ability of individuals and businesses to obtain financial products and services that comply with Islamic law (Shariah), such as *Murabaha*, *Mudarabah*, *Musharakah*, and *Sukuk* (Anwer, 2020; Biancone & Radwan, 2019). Islamic finance promotes ethical financial transactions based on principles of risk-sharing, profit and loss-sharing, and asset delivery (Franzoni & Allali, 2018). Access is typically provided through

Islamic banks and microfinance institutions (Wanke, Hassan, Azad, Rahman, & Akther, 2022).

This study proposes that access to Islamic financing plays a crucial role in moderating the relationship between Islamic financial attitude and individual financial well-being. Islamic financial attitude reflects beliefs and behaviors regarding Islamic finance, while financial well-being represents overall financial health. By offering financial solutions aligned with religious beliefs, access to Islamic financing helps individuals make decisions consistent with Islamic principles, fostering a sense of security and confidence (Fianto, Gan, & Hu, 2019). This, in turn, strengthens the relationship between positive financial attitudes and financial well-being, enhancing satisfaction and stability (Razak & Asutay, 2022). Therefore, it can be hypothesized: **H5a:** Access to Islamic Financing moderates the relationship between Islamic Financial Attitude and Financial well-being.

Access to Islamic financing can strengthen the relationship between Sharia financial knowledge and financial well-being. Through better access to financial products and services aligned with Islamic principles (Raimi, Abdur-Rauf, & Ashafa, 2024), individuals or communities can manage their finances following religious values and avoid financial practices contrary to Islamic teachings, such as *riba* (Mahmoud et al., 2023). Adequate access also expands the available choices, allowing them to select products that suit their financial needs and goals (Shaikh, 2021). With good Sharia financial knowledge, they can make better decisions in managing financial risks and achieve a balance between worldly life and preparation for the hereafter (Bakar et al., 2024). Thus, access to Islamic financing plays a crucial role in helping individuals or communities achieve better financial well-being in line with their religious principles. Based on existing references, it is hypothesized:

H5b: Access to Islamic Financing moderates the relationship between Islamic Financial Knowledge and Financial well-being

Access to Islamic financing serves as a crucial bridge between awareness of Islamic financial principles and actual financial well-being. Individuals with a strong understanding of Islamic finance are empowered to seek financial products and services that align with their religious beliefs (Bashir, Sultana, Y Dweikat, Anwar, & Kelantan, 2021). With readily available options for Sharia financing, these individuals can effectively utilize tailored financial solutions to meet various needs, whether for education, housing, or entrepreneurial ventures (Junaidi, Wicaksono, & Hamka, 2022; Rahayu, 2020). By aligning their financial decisions with their values, they can navigate their financial journey with confidence and peace of mind, reducing the stress often associated with conventional interest-based banking (ElMassah & Abou-El-Sood, 2022). Moreover, the collaborative nature of Islamic financing institutions fosters community support networks that promote financial education and collective investment initiatives (Thaidi, Rahman, & Salleh, 2023). Through the synergy of awareness, accessibility, and community involvement, Islamic financing not only facilitates financial inclusion but also cultivates a culture of responsible financial management (Tok & Yesuf, 2022), ultimately contributing to the well-being of individuals and communities as a whole. In conclusion, it can be hypothesized:

H5c: Access to Islamic Financing moderates the relationship between Islamic Financial Awareness and Financial well-being.

Access to Islamic financing plays a crucial role in moderating and strengthening the relationship between financial confidence and individual financial well-being. By enabling individuals to access financial products and services that adhere to Islamic principles, such as interest-free financing and profit-and-loss sharing, this access reinforces their financial confidence by creating alignment with religious values (Ghani, 2020) It provides a greater sense of security and self-assurance in managing finances according to Islam (Bashir et al., 2021). Moreover, the principles of Islamic financing also alleviate financial anxieties by sharing risks between financiers and clients, thus bolstering confidence and providing moral support (Zaaba & Hassan, 2019). Therefore, through this mechanism, access to Islamic financing helps strengthen the relationship between financial confidence and individual financial well-being by creating a supportive environment and offering financial solutions that align with their values and beliefs. Based on the existing justification, it can be hypothesized:

H5d: Access to Islamic Financing moderates the relationship between Financial confidence and financial well-being.

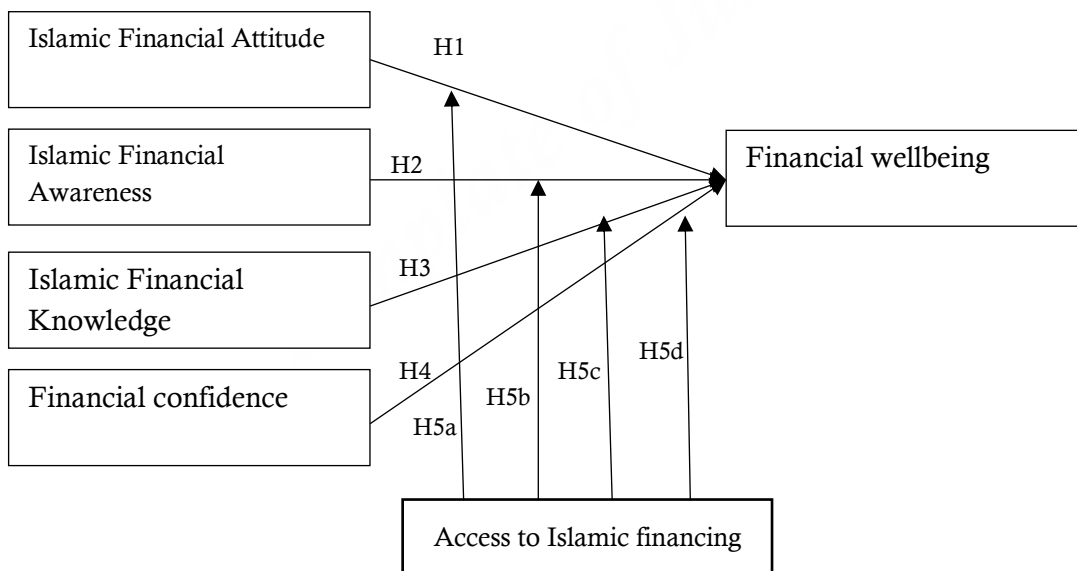


Figure 1. Research Framework

METHOD

Samples and Procedures

Financial well-being differs among individuals, especially among MSME owners with varying access to Islamic financial services. This study targeted SME owners who had received finance from Islamic financial institutions in Lampung, Indonesia, using a purposive sampling

technique to capture accurate perceptions. A total of 387 questionnaires were distributed through online and offline methods, with 321 returned and 308 deemed valid for analysis.

The questionnaire consisted of two sections: the first measured key variables Islamic Financial Attitude, Knowledge, Awareness, Financial Confidence, Access to Islamic Financing, and Financial Well-being while the second gathered demographic data such as education, occupation, age, and business tenure. A cover letter ensured participants that responses were voluntary, confidential, and used solely for academic purposes.

Measures

To test the research hypotheses, this study used measurement instruments adapted from prior validated studies. All questionnaire items were rated on a consistent 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). This scale was applied uniformly across all variables to ensure consistency and comparability of results. Islamic Financial Knowledge consisted of 7 items adapted from (Dinc et al., 2021). An example item is: "For me, investing in businesses where contract terms are unclear is not acceptable." Islamic Financial Attitude included 4 items from (Dinc et al., 2021). An example instrument is: "Loans should not be given to generate income." Islamic Financial Awareness was measured with 2 items from (Dinc et al., 2021). An example item is: "I do not mind inviting others to be my business partners." Financial Confidence comprised 3 items from (Xiao & Meng, 2024) rated on a scale from 1 to 7 (strongly disagree to strongly agree). An example item is: "I am adept at handling day-to-day financial matters, such as checking accounts, credit and debit cards, and tracking expenses." Financial well-being included 8 items from (Ashta, Spiegelman, & Sutan, 2020). An example item is: "How often do you worry about meeting your SME's routine monthly expenses?" Access to Islamic financing, AIF, served as the moderating variable, consisting of eight items adapted from (Wasiuzzaman, 2020). An example instrument is: "Financial services are readily available when needed/wanted."

Data Analysis

This study utilized descriptive statistics, correlation analysis, and structural equation modeling (SEM) using Jeffreys's Amazing Statistics Program (JASP). To address potential Common Method Bias (CMB), Harman's single-factor test was conducted, showing the first factor accounted for less than 40% of the total variance, indicating that CMB was not a concern. To summarize the data, descriptive statistics such as mean, standard deviation, minimum, and maximum were computed. Before hypothesis testing, reliability and validity were assessed. All constructs had Cronbach's alpha > 0.70, indicating strong internal consistency, and Average Variance Extracted (AVE) > 0.50, confirming acceptable convergent validity (Joseph F. Hair, Ringle, & Sarstedt, 2013). Model fit was evaluated using standard indices, including χ^2 , df, χ^2/df , NFI, CFI, TLI, and RMSEA, all of which indicated that the measurement and structural models demonstrated a satisfactory fit to the data.

FINDING AND DISCUSSION

Sample description

The profiles of the participants demonstrate a diverse and inclusive range in terms of gender, age, educational background, and Length of business. This diversity is crucial for gaining

thorough insights into the viewpoints and actions of the surveyed group, thus enhancing our understanding of the study's goals in a more detailed manner.

Table 1. *Description of Respondents*

Demographics	Category	Total	%
Gender	Male	149	48.4%
	Female	159	51.6%
Age	18-25 years	71	23.1%
	26-35 years	111	36.0%
	36-45 years	82	26.6%
	> 45 years	44	14.3%
	Elementary-Junior School	15	4.9%
Level of education	SMA/SMK	142	46.1%
	Diploma	3	1.0%
	Bachelor/SI	112	36.4%
	Magister S2	35	11.4%
	P.hD	1	0.3%
Length of business	< 5 years	150	48.7%
	5 - 10 years	80	26.0%
	11 - 15 years	27	8.8%
	> 15 years	51	16.6%

The majority of respondents are female (51.6%) and in the productive age range, particularly 26-35 years (36.0%). Most have a high school (46.1%) or bachelor’s degree (36.4%). In terms of business experience, many are in the early stages of their business (48.7%) or have been operating for 5-10 years (26.0%).

The next stage in maintaining the integrity of the research findings involves stringent steps to assess the validity and reliability of the instruments used in the study. Here are the results of the validity and reliability of the research instruments:

Table 2. *Validity and reliability test*

Variable	Indicator	Standardized loading	AVE	CR
Islamic Financial Knowledge	IFK1	0.774	0.800	0.965
	IFK2	0.724		
	IFK3	0.903		
	IFK4	0.917		
	IFK5	0.888		
	IFK6	0.801		
	IFK7	0.789		
Islamic Financial Attitude	IFA1	0.845	0.845	0.957
	IFA2	0.866		
	IFA3	0.851		
	IFA4	0.897		
Islamic Financial Awareness	IFAW1	0.810	0.814	0.897
	IFAW2	0.868		
Financial Confidence	FC1	0.855	0.861	0.948
	FC2	0.862		
	FC3	0.910		

Variable	Indicator	Standardized loading	AVE	CR
Financial wellbeing	FW1	0.680	0.743	0.958
	FW2	0.704		
	FW3	0.822		
	FW4	0.817		
	FW5	0.934		
	FW6	0.737		
	FW7	0.727		
	FW8	0.857		
Access to Islamic financing	AIF1	0.860	0.888	0.984
	AIF2	0.871		
	AIF3	0.927		
	AIF4	0.893		
	AIF5	0.908		
	AIF6	0.919		
	AIF7	0.899		
	AIF8	0.909		

Table 2 demonstrates that the mean loading factor and variance extracted (AVE) values for each indicator surpass 0.50, aligning with the benchmarks set (Hair et al., 2011)). Similarly, the Cronbach's alpha coefficient exceeds 0.70 (Hair et al., 2011). These notably high figures for the loading factor, Cronbach's alpha, and AVE indicate strong internal consistency among the indicators utilized in the research, thereby validating the accuracy of the findings. This substantial agreement in measurements bolsters the study's conclusions, affirming its validity and reliability. Consequently, it can be inferred that all items in the questionnaire are both valid and reliable. Thus, all questionnaire items are deemed valid and reliable.

The adequacy of the model's fit is evaluated using several parameters, including chi-square (χ^2) and root-mean-square error of approximation (RMSEA), among others. Based on the information provided in Table 3, it is evident that the research model exhibits a good fit.

Table 3. Comparisons of the Measurement Model

No	Relevant Statistics	Cut-Off Value	Result	Interpretation
1	CMIN/DF	< 3	2.6	Good Fit
2	GFI/Goodness of Fit Index	> .90	.98	Good Fit
3	RMSEA/Root Mean Square Error of Approximation	<.06	.05	Middle Fit
4	TLI (Tucker lewis index)	\geq 0.90	.92	Good Fit
5	NFI/Normal Fit Index	> .90	.90	Good Fit
6	AGFI/Adjusted Goodness of Fit Index	> .90	.92	Good Fit

The model demonstrates a good overall fit. The values of CMIN/DF (2.6), GFI (0.98), AGFI (0.92), TLI (0.92), and NFI (0.90) all meet the criteria for a Good Fit. Although RMSEA (0.05) falls under the MiddleFit category, it is still within an acceptable range. Overall, the model is considered suitable for further analysis. The following section details the hypothesis testing. The subsequent findings, delineated in Table 4, encompass the scrutiny of both direct and indirect effects.

The results of hypothesis testing indicate that all proposed relationships in the model are statistically significant at the 0.05 level. Specifically, Islamic Financial Attitude has a positive effect on financial well-being, with a path coefficient of 0.073 and a 95% confidence interval of [0.01, 0.14] ($p = 0.024$), indicating that although the effect is small, the relationship is reliable. Islamic Financial Knowledge also shows a significant positive influence on financial well-being ($\beta = 0.108$; 95% CI: [0.05, 0.17]; $p = 0.001$), while Islamic Financial Awareness demonstrates the strongest direct effect ($\beta = 0.426$; 95% CI: [0.30, 0.55]; $p = 0.002$), suggesting that awareness grounded in Islamic values is a major determinant of financial well-being in this context. Meanwhile, Financial Confidence also contributes significantly to financial well-being ($\beta = 0.247$; 95% CI: [0.18, 0.32]; $p = 0.001$), indicating the importance of individuals' confidence in managing financial matters.

Table 4. Hypothesis testing results: Direct and indirect effects

Hypothesis	Relationship	Path coefficient (Est.)	95% CI	p value	Conclusion
H1	Islamic Financial Attitude is positively related to financial well-being.	0.073	[0.01, 0.14]	0.024	Supported
H2	Islamic Financial Knowledge is positively related to financial well-being.	0.108	[0.05, 0.17]	0.001	Supported
H3	Islamic Financial Awareness is positively related to financial well-being.	0.426	[0.30, 0.55]	0.002	Supported
H4	Financial Confidence is positively related to financial well-being.	0.247	[0.18, 0.32]	0.001	Supported
H5a	Access to Islamic Financing moderates the relationship between Islamic Financial Attitude and financial well-being.	0.014	[0.005, 0.03]	0.004	Supported
H5b	Access to Islamic Financing moderates the relationship between Islamic Financial Knowledge and financial well-being.	0.021	[0.008, 0.04]	0.010	Supported
H5c	Access to Islamic Financing moderates the relationship between Islamic Financial Awareness and financial well-being.	0.084	[0.00, 0.17]	0.050	Supported
H5d	Access to Islamic Financing moderates the relationship between Financial Confidence and financial well-being.	0.047	[0.01, 0.09]	0.014	Supported

In addition to the direct effects, the moderating role of Access to Islamic Financing is also found to be statistically significant across all four core relationships. Although the moderation coefficients are relatively small, all show a positive direction. For example, the

moderating effect on the relationship between Islamic Financial Attitude and financial well-being yields a coefficient of 0.014 with a 95% CI of [0.005, 0.03] ($p = 0.004$), and between Islamic Financial Knowledge and financial well-being, the coefficient is 0.021 (95% CI: [0.008, 0.04]; $p = 0.010$). A stronger moderating effect is observed in the relationship between Islamic Financial Awareness and financial well-being ($\beta = 0.084$; 95% CI: [0.00, 0.17]; $p = 0.050$), as well as between Financial Confidence and financial well-being ($\beta = 0.047$; 95% CI: [0.01, 0.09]; $p = 0.014$), indicating that access to Islamic financing can enhance the impact of financial psychological factors on financial well-being.

Overall, the model explains 61% of the variance in financial well-being ($R^2 = 0.61$), reflecting a strong level of explanatory power. Therefore, it can be concluded that Islamic-based financial attitudes, knowledge, awareness, and confidence when moderated by access to Islamic financing have a significant and practically relevant influence on individuals' financial well-being.

Discussion

This study examines the determinants of financial well-being among MSME owners and the moderating role of access to Islamic financing. The complete discussion of the research findings is as follows:

The first hypothesis (H1) is supported, confirming that Islamic financial attitude is positively related to MSME owners' financial well-being. This supports the findings of (Khawaja et al., 2022), emphasizing that adherence to Sharia principles such as the avoidance of *riba*, *gharar*, and *maysir* (Srijani, 2023) contributes to ethical and spiritually guided business behavior. Beyond compliance, Islamic financial attitude facilitates *barakah* in business (Suraiya, 2022), improves risk management and strategic resilience (Rabbani et al., 2021), and enhances stakeholder trust (Fatwa & Moro, 2022). This finding is also consistent with the Theory of Planned Behavior (TPB), which posits that attitude toward behavior is a key predictor of an individual's intention to perform that behavior. In this context, a strong Islamic financial attitude influences MSME owners' intention to engage in financially responsible and Sharia-compliant actions, ultimately leading to improved financial well-being. This multifaceted influence suggests that Islamic financial attitude should be integrated into broader models of behavioral finance that encompass religiosity, ethics, and socio-economic contexts (Adi & Adawiyah, 2019). For practitioners, this underscores the need to promote Islamic financial education that not only teaches rules but also fosters ethical internalization of those values.

The second hypothesis (H2) is also supported, indicating that Islamic financial knowledge has a significant positive influence on financial well-being. MSME owners equipped with knowledge of Islamic financial contracts such as *Mudharabah*, *Musyarakah*, and *Murabahah* (Srijani, 2023) are more capable of making Sharia-compliant and informed financial decisions. This reflects the theoretical value of financial literacy in behavioral finance but adds a religious dimension. Furthermore, Islamic financial knowledge contributes to social equity and environmental responsibility (Santoso, 2020), suggesting that future theoretical models should recognize this knowledge as a multidimensional construct. Practically, this calls for accessible financial literacy programs, especially tailored for rural SMEs with limited access to formal training.

The third hypothesis (H3) confirms the importance of Islamic financial awareness in improving MSME owners' financial well-being. Awareness shapes not only behavior but also attitudes toward Islamic finance institutions, enhancing both trust and utilization. As (Nambuswa, 2017) notes, aligning financial decisions with Islamic values reinforces financial integrity. Theologically, (Dewi & Ferdian, 2021) argue that Islamic financial awareness reminds individuals of their purpose in life, thus embedding financial behavior within a broader ethical and spiritual worldview. This insight should be developed in future models that incorporate *taqwa*-driven behavior in Islamic financial contexts. For practitioners, campaigns and outreach programs are needed to raise awareness in underbanked and rural areas where access remains limited.

The fourth hypothesis (H4) demonstrates that financial confidence significantly enhances financial well-being, echoing general financial behavior theory (Porto & Xiao, 2022). However, within the Islamic finance context, financial confidence should not be understood merely as self-efficacy, but as *amanah*-driven decision-making. This nuanced confidence helps SME owners navigate financial options while adhering to Sharia principles. To prevent overconfidence, as cautioned by (Porto & Xiao, 2022), financial institutions should provide balanced guidance and advisory services.

The fifth and sixth hypotheses (H5a and H5b) highlight the moderating role of access to Islamic financing. When MSME owners can easily access Sharia-compliant products, the positive influence of Islamic financial attitudes and knowledge on financial well-being is amplified. Conversely, limited access is a common problem in Indonesia's rural and underdeveloped regions (Saifurrahman & Kassim, 2024) constraining these benefits. Theoretical models of Islamic financial behavior must thus incorporate structural-environmental moderators like accessibility. Practically, Islamic financial institutions and regulators must prioritize *financial inclusion*, expanding outreach through branchless banking, digital platforms, and mobile Sharia banking tailored to the needs of micro-businesses and rural populations.

Further, hypotheses H5c and H5d reinforce the importance of access to Islamic finance in promoting justice, trust, and empowerment in financial behavior (Bashir et al., 2021; Nugraheni & Muhammad, 2023). Access plays a crucial role in building confidence in the Islamic financial system and in fostering ethical and sustainable business practices. It creates pathways for MSMEs to fulfill both their economic and religious obligations, a dual aim often overlooked in conventional frameworks. Practitioners are encouraged to develop flexible, localized Islamic financing schemes that accommodate the needs and realities of informal and micro-enterprise actors in Indonesia.

Theoretical and Practical Implications

This study makes a clear academic contribution by extending the Theory of Planned Behavior (TPB) into the domain of Islamic finance, specifically among MSMEs in Indonesia, a context that remains underexplored in current literature. By incorporating Islamic financial attitude, knowledge, awareness, financial confidence, access to Islamic financing, and financial well-being into the TPB framework, the research demonstrates the theory's flexibility in explaining financial behavior shaped by cultural and religious values. These findings enrich the theoretical understanding of financial decision-making in Islamic contexts and provide a solid foundation

for future studies that aim to bridge behavioral finance with Islamic ethical and normative principles.

Practically, this study offers actionable recommendations for various stakeholders. MSME owners are encouraged to enhance their financial well-being by applying Islamic financial principles such as avoiding *riba*, investing in halal ventures, and fulfilling social obligations through *zakat* and *infaq*. Sharia-compliant financial products, such as profit-sharing and interest-free loans, can support sustainable business growth. Islamic financial institutions are advised to develop inclusive and educational financial services tailored to the needs of Muslim entrepreneurs, especially in underserved areas. Policymakers can facilitate partnerships between MSMEs, Islamic banks, and educational institutions while offering incentives for adopting Sharia principles. Support institutions like training centers and cooperatives are also urged to embed Islamic financial education into their programs and expand digital access to Sharia-compliant tools.

Limitations and suggestions for further research

This study presents several limitations that should be addressed in future research. The generalizability of the findings may be limited due to potential sample bias and geographic concentration, highlighting the need for more diverse populations. The cross-sectional design also restricts causal interpretation between Islamic financial attitudes, knowledge, and MSMEs' financial well-being, suggesting that longitudinal studies are necessary to capture changes over time. Additionally, the measurement instruments may not fully reflect the complexity of Islamic financial behavior and MSMEs' financial well-being, suggesting a need for refined measurement tools. Contextual elements such as cultural norms and regulatory environments were not examined in depth, leaving room for future studies to explore how these factors interact with financial attitudes and behaviors. Incorporating qualitative methods could further enrich understanding by capturing MSME owners' lived experiences. Addressing these limitations will enhance the robustness of future research and support the development of more targeted and effective policy and financial interventions in the Islamic finance domain.

CONCLUSION

This study concludes that Islamic Financial Attitude, Islamic Financial Knowledge, Islamic Financial Awareness, and Financial Confidence have significant positive effects on the financial well-being of MSME owners in Lampung Province. Among these factors, Islamic Financial Awareness exhibits the strongest influence on financial well-being. Furthermore, Access to Islamic Financing significantly strengthens the relationships between these variables and financial well-being. These findings suggest that enhancing Islamic financial literacy and expanding access to Sharia-compliant financing can play a crucial role in improving the financial well-being and sustainability of MSMEs.

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