

Financial Literacy Education Module for the Muslim *Ummah*: A Preliminary Study

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Abstract

The economic and financial environment of today and the future requires a high level of financial literacy to make good financial decisions in daily life. Making bad financial decisions may land one into financial distress, in particular a heavy debt burden, which may lead to other adverse social implications. Thus, Financial Literacy Education (FLE) has been introduced as an effort to inculcate good financial behaviour in the recent decade. This paper is a preliminary effort in developing FLE for the Muslim *ummah*. It aims at finding Islamic teachings of good financial behaviour by highlighting selected Qur'ānic verses on Islamic values in promoting good financial behaviour which can be incorporated into the contemporary FLE modules. Various literatures on financial literacy and good financial behaviour as understood today are analysed to find out if such aspects are cited in the Qur'ān. The analyses show that several Qur'ānic verses are relevant and applicable to the contemporary context of good financial behaviour and financial literacy. With this, the paper recommends that good financial behaviour be incorporated in the curriculum of Islamic Religious Education.

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Keywords

Financial Literacy Education (FLE), good financial behaviour, household debt, wasteful spending, savings, Islamic Religious Education.

Introduction

Financial Literacy Education (FLE) has become an important global agenda in the recent decade as an effort to increase the level of financial literacy. The prevailing and future economic landscape necessitates a high level of financial literacy to make good financial decisions. Good financial decisions will contribute to a better life for households, particularly in their financial well-being. On the contrary, bad financial decisions will result in financial distress, such as high debt burden. Hence, to facilitate making good financial decisions, FLE has been introduced in many parts of the world.

The primary goal of FLE is to increase the level of financial literacy to inculcate good financial behaviour, including making good financial decisions. Initiatives to increase financial literacy among households have been carried out worldwide. On the international front, the Organisation of Economic Co-operation and Development (OECD) has embarked on various initiatives in promoting financial literacy for every community around the world.¹ Among these are surveys, awareness campaigns, and financial education programmes implemented in collaboration with governments, as well as national financial and monetary authorities.² Another financial literacy education curriculum in progress is exemplified in North America. In the Canadian

1. *Improving Financial Literacy: Analysis of Issues and Policies* (Paris: OECD Publishing, 2005); Adele Atkinson and Flore-Anne Messy, “Measuring Financial Literacy: Results of the OECD/ International Network on Financial Education (INFE) Pilot Study” (Paris: OECD Publishing, 2012); *High-Level Principles on National Strategies for Financial Education* (Paris: OECD, 2012).
2. See the aforementioned *High-Level Principles*.

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city of Ontario, a financial literacy education curriculum based on Christian teachings has already been developed and implemented. The curriculum is used by the Ontario Catholic School (OCS) that enables students to acquire skills and knowledge related to financial literacy in the Religious Education Curriculum. It provides many opportunities for Catholic schools to make connections to the core concepts and competencies of financial literacy and to support the vision of financial literacy education. With the curriculum, OCS students are expected to have the skills and knowledge to take responsibility in managing their personal financial well-being with confidence, competence, and a compassionate awareness of the world around them.³

In Malaysia, initiatives to increase the level of financial literacy among households are being spearheaded by Bank Negara Malaysia (BNM) and the Securities Commission of Malaysia (SC). The implementation of the various initiatives on financial literacy, such as financial education programmes, financial awareness campaigns, and other related events are conducted by the relevant agencies, namely *Agensi Kaunseling & Pengurusan Kredit* (AKPK),⁴ and Securities Industries Development Centre (SIDC).⁵ In the 2011–2020 Financial Sector Blueprint, BNM places greater emphasis on a far-reaching initiative in empowering financial consumers through effective financial education, and a strengthened consumer protection framework is included as one of the nine focus areas in Malaysia’s financial landscape for the next decade.⁶

The contemporary FLE modules impart the importance of good spending and savings behaviour as well as wise debt management. Through the FLE modules, learners will be taught self-discipline in spending, to be mindful of their future

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3. Catholic Curriculum Corporation (September, 2012), available at www.carleo.org (accessed 30 October 2013).
 4. An agency under the purview of Bank Negara Malaysia.
 5. An agency under the purview of Securities Commission of Malaysia.
 6. Bank Negara Malaysia, *Financial Sector Blueprint* (Kuala Lumpur: Bank Negara Malaysia, 2012), 152–7.

needs through savings and to avoid heavy debt burden through proper management of their debt. Ultimately, the aim of FLE is to inculcate good financial behaviour that will result in good or wise financial decision making. In other words, FLE is about transforming human behaviour and inculcate good habits and discipline to be practised in daily lives. In this regard, researchers are convinced that good financial behaviour and decisions are embodied by good financial values and beliefs. For example, Falahati and others assert that financial values and beliefs, learned primarily during childhood and mostly within family context, are the basic elements for future financial habits and practices.⁷ More significantly, researchers also recognise that religion and religious training constitute part of the significant overall environment in which a person is raised, and hence, it should be expected that personal values, goals, and knowledge can be influenced and shaped by religious instruction.⁸ Furthermore, religion and its associated practices often play a pivotal role in influencing how individuals cope with important life transitions.⁹

As the final revelation of Allah, the Qurʾān is replete with details about how man should manage his life in this world. An example of which is in the following verse: “Say: Shall I seek for judge other than God? When He it is Who hath sent unto you The Book, explained in detail.”¹⁰ The commentary by Ali on the foregoing verse may shed some light of the significance of learning according to the Qurʾān:

7. Leila Falahati et al., “Assessment a Model of Financial Satisfaction Predictors: Examining the Mediate Effect of Financial Behaviour and Financial Strain,” in *World Applied Sciences Journal* 20, no. 2 (2012): 190–7.
8. Michael E. Hanna, et al., “Religion and Financial Literacy,” *Journal of Academy of Business and Economics* 10 no. 5 (2010) electronic edition (html), <http://www.freepatentsonline.com/article/Journal-Academy-Business-Economics/261081018.html> (accessed 31 July 2013).
9. Mohamad Fazli Sabri, “Pathways to Financial Success: Determinants of Financial Literacy and Financial Well-being among Young Adults.” *Graduate Theses and Dissertations Paper 11205* (Iowa: Iowa State University, 2011), 54–58. <http://lib.dr.iastate.edu/etd/11205> (accessed 30 June 2013).
10. *Al-Anʿām* (4): 114.

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The righteous man seeks no other standard of judgement but God's Will. How can he, when God is in His Grace has explained His Will in the Qur'ān, with details which men of every capacity can understand? The humblest can learn lessons of right conduct in daily life, and the most advanced can find the highest wisdom in its spiritual teaching, enriched as it is with all kinds of beautiful illustrations from nature and the story of man.¹¹

In such a relation, the fundamentals of Islamic teachings provide man with a practical and realistic code of life based on virtue, social justice and human well-being. In this regard, Islam transcends beyond religion per se—consisting of mere ritual worships—but rather, a complete way of life. Both the Qur'ān and the life of the Prophet present a comprehensive code of conduct for Muslims. In this regard, Siddiqui affirms that “Islam is not simply a religion that signifies submission to the will of God (“Allah”), but is (sic) a way that prescribes a complete code of conduct for everyday human life in all its spheres and manifestations.”¹² In addition, Toor expands by asserting that every aspect of the Prophet's life exemplifies how Muslims should behave.¹³

Based on the foregoing, the objective of this paper is to analyse what the essential aspects of good financial behaviour are in the contemporary context and to find out whether the Qur'ān, as the book of guidance for mankind, includes teachings for good financial behaviour. Employing a qualitative method, this paper seeks to propose that good financial behaviour should be incorporated in the Islamic

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11. Abdullah Yusuf Ali, *The Holy Qur'ān: Text, Translation and Commentary* (Singapore: Muslim Converts' Association of Singapore, 1946).
 12. Shahid Hassan Siddiqui, *Islamic Banking* (Karachi: Royal Book Company, 1994), 16; Imran Tahir and Mark Brimble, “Islamic Investment Behaviour,” *International Journal of Islamic and Middle Eastern Finance and Management* 4, no. 2 (2011): 116–30.
 13. Shams-ur-Rehman Toor, “Merging Spirituality and Religion: Developing an Islamic Leadership Theory,” *IJUM Journal of Economics and Management* 16, no. 1 (2008): 15–46.

Religious Education Curriculum and taught as part of Islamic religious education based on Qur'ānic and Prophetic *ḥadīth* teachings for the Muslim *ummah*. They should learn good financial behaviour apart from the fundamentals of *ṣalāt* (prayer), *ṣawm* (fasting), *zakāh* (tithe), and *ḥajj* (pilgrimage). In addition, this chapter will analyse Qur'ānic verses related to financial management and behaviour. Fundamentally, FLE should be accorded importance and incorporated into the Islamic academic curriculum; that entails continuous learning from an early age until possibly young adulthood. Thus, this paper constitutes a preliminary attempt towards developing an FLE module for the Muslim *ummah*.

Widespread occurrence of household debt in Malaysia

Essentially, debt is an amount of money borrowed by one party from another. Debt arises when one cannot afford to pursue one's activities under ordinary financial circumstances. It has been used as a method to facilitate activities such as making purchases or doing business for such a long time. Bad financial decisions by households is translated through wasteful spending, high debt burden, and low savings. The ramification of the three conditions would have a significant impact on the present and future generations. Scholars warn that when individuals fail to manage their personal finances, it will not only impact their well-being, but also causes serious long-term negative societal consequences.¹⁴

In 2011, the Federation of Malaysian Consumers Associations (FOMCA) put forth a Memorandum of Proposal (the proposal) for the Formation of a National Financial Education Commission in Malaysia.¹⁵ In the proposal, FOMCA raised the concern on the severity of debt issues

14. Chen Haiyang and Ronald P. Volpe, "An Analysis of Personal Financial Literacy among College Students," *Financial Services Review* 7, no. 2 (1998): 107–28.

15. <http://www.fomca.org.my/kewangan/images/stories/pdf/memorandum.pdf> (20 March 2011), (accessed 30 July 2013).

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in Malaysia, especially among young adults. According to them, 50% of credit card holders declared bankrupt were under 30, whilst the total household debt in the country, comprising mortgages, car loans, and personal financing such as credit cards, stood at an all-time high of RM560.1 billion as at 31 August 2010. The following month of the same year, outstanding credit card balances totalled about RM29 billion which is the highest ever recorded. Another area of concern was Malaysia's household debt to GDP ratio, which shot up to 76% between 2004 and 2009, the highest in Asia (excluding Japan). The ratio of household debt to personal income hit 140.4% in 2009 (Singapore, 105.2%; U.S., 123.3%; Korea, 101.1%). The proposal also revealed that almost all Malaysians or 93% of the population were aware that they needed financial planning. Critically, Malaysian consumers need to be educated on appropriate consumer and financial management skills. It is due to the fact that the existence of the credit card debt problem could inhibit Malaysia's vision to achieve a developed nation status in 2020.¹⁶ Furthermore, the Director-General of the Insolvency Department, Datuk Abdul Karim Abdul Jalil concurs on the dire situation by remarking that: "This place (sic) Malaysia is among the countries with a large number of bankruptcies compared to the other countries, with an average of 41 individuals declared bankrupt each day."¹⁷ The same figure was reported in a local daily, which added that while bankruptcies were mostly due to credit card debts, paradoxically, about five million throng the 300-odd shopping complexes in the country every weekend.¹⁸ Another 2012

16. Joyce K.H. Nga et al., "The Influence of Image Consciousness, Materialism and Compulsive Spending on Credit Card Usage Intentions among Youth," *Young Consumers: Insight and Ideas for Responsible Marketers* 12, no. 3 (2011): 243–253.
17. "235,908 Individuals Declared Bankrupt as of October: DG," *Daily Express* (an East Malaysian independent national newspaper), 7 December 2011, available at <http://www.dailyexpress.com.my/news.cfm?NewsID=799433> (accessed 15 June 2013).
18. "Shocking Reasons Why Malaysians are Living Beyond their Means," *The Star*, 22 September 2011, available at <http://www.thestar.com.my/story.aspx?file=%2f2011%2f9%2f22%2fnation%2f9550278&sec=nation> (accessed 15 June 2013).

report paints a gloomy picture in that about 50,000 individuals under 34 years old had been declared bankrupt in Malaysia for the past five years.¹⁹ In view of the severity of the problem, the Prime Minister of Malaysia, Datuk Seri Najib Tun Razak had announced that the Bankruptcy Laws of Malaysia would be amended to give people a second chance.²⁰

Another alarming 2013 statistics revealed Malaysia's household-debt-to-gross domestic product (GDP) ratio to be 80.5%, representing a marked increase from 76.6% in 2011 and 75.8% in 2010.²¹ According to a research,²² household debt in Malaysia could hit 97% in 2018 if GDP were at 7.5% per annum. Such a bleak development demonstrates that household debt in Malaysia is on the increasing trend over the years. The widespread occurrences of household debt in the country may have been caused by bad financial decisions made, as well as equally bad financial behaviour. Therefore, inculcating good financial behaviour for Malaysian households, especially Muslims, is an imperative agenda in the efforts towards developing and maintaining healthy financial habits. This will eventually result in the increase in financial well-being of Muslim households.

Understanding the essential aspects of good financial behaviour

The literatures on financial literacy present the subject as a broad concept. It involves financial goal-setting, budgeting, managing household cash flow, managing debt, savings

19. "Saving the Young from Bankruptcy," *The Sun Daily*, 6 November 2012, available at <http://www.thesundaily.my/news/764869> (accessed 15 June 2013).

20. "PM Najib: Bankruptcy Laws to be Changed," *The Star*, 1 December 2012.

21. *Bank Negara Malaysia Financial Stability and Payment Systems Report 2012* (Kuala Lumpur: Bank Negara Malaysia, 2013), 13–16.

22. "Dissecting Household Debt," *Maybank Investment Research Report* (Kuala Lumpur: Maybank Investment Bank Berhad, 2013), 1–21.

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and investing, as all are linked in any individual's personal circumstances.²³ Furthermore, a financially successful individual is linked to the achievement of five lifetime financial objectives: pursuing maximum earnings and wealth, practicing efficient consumption, finding life satisfaction, reaching financial security, and accumulating wealth for retirement, as well as an estate to leave to heirs.²⁴ Nonetheless, a salient factor that can be surmised from the literatures is the common trait of a “financially educated” or “financially literate” person whose skill enables him or her to set financial goals and achieves them through “wise spending,” “savings for future needs,” and “avoiding debt burden.”²⁵ Such a person will eventually translate them into good financial behaviour and the outcome will be reflected in his or her financial decisions. In general, the three aforementioned essential aspects of good financial behaviour, are taught in the contemporary FLE and constitute the central theme of the modules. For example, learners are taught the need to prepare a budget and financial plan to avoid excessive spending and unmanageable debts as well as plan for and meet their future financial requirements through savings and investments.²⁶

Indeed, many researchers maintain that good financial behaviour and decisions are embodied by good financial values and beliefs. Such values and beliefs, acquired primarily during childhood and mostly within the family context, are the basic elements for future financial habits and practices. In this

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23. Alison O'Connell, “How Effective is Financial Education,” *Policy Quarterly* 3, no. 3 (2007): 40–46.
 24. Glenn Muske and Mary Winter, “Personal Financial Management Education: An Alternative Paradigm,” *Financial Counseling and Planning* 15, no. 2 (2004): 79–88.
 25. Jeanne M. Hogarth, “Financial Education and Economic Development,” *Improving Financial Literacy* (Washington D.C.: Federal Reserve Board, 2006), 1–33.
 26. Agensi Kaunseling dan Pengurusan Kredit (AKPK), *Money Sense: Getting Smart with your Money* (Kuala Lumpur: AKPK, 2008). This book also serves as a module to teach Financial Literacy Education in Malaysia.

regard, religion and religious training are recognised as the significant part of the overall environment in which a person is raised. In this respect, personal values, goals, and knowledge can be influenced and shaped by religious instruction. Equally important is that religion and its associated practices often play a pivotal role in influencing how individuals cope with important life transitions. Thus, judging by the escalating trend of household debts in Malaysia, a need to inculcate good financial behaviour for households in Malaysia is imperative to instil healthy financial habits and achieve financial well-being.

Selected Qur'ānic verses related to good financial behaviour

Based on analyses, Qur'ānic guidance about how man should conduct good financial behaviour is evident in several verses. Good financial behaviour translated as “wise spending,” “savings for future needs” and “avoiding debt burden” are already inscribed in the Qur'ān in the past 14 centuries. The following discussions will shed light on the analyses.

Wise spending

The Qur'ān guides mankind on how to spend wisely and make good financial decisions. The word “spend” is repeated 57 times in 53 verses in the Qur'ān albeit in various contexts.²⁷ Aspects of good financial behaviour that provide guidance on how a person should spend in Islam are in the following verse: “Those who, when they spend, are not extravagant and not niggardly, but hold a just (balance) between those (extremes).”²⁸ In the verse, Allah states how one should use one's discretion when spending one's wealth—neither

27. Translations of Qur'ānic verses in this article are, unless and otherwise stated, based on Abdullah Yusuf Ali, *The Meaning of the Holy Qur'ān* (<http://www.islam101.com/quran/yusufAli/index.htm>).

28. *Al-Furqān* (25): 67.

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excessively nor stingily. The verse precedes another in which Allah describes the characteristics of His servants.²⁹ In this context, interestingly, Allah also includes spending as one of the important characteristics of a person who qualifies “His righteous servant.” In other words, Allah enjoins mankind to exercise moderation in one’s expenditures, that is, in the context of good financial behaviour, only making purchases within one’s budget on items that one needs rather than wants. In yet another verse, Allah says: “But squander not (your wealth) in the manner of a spendthrift. Verily spendthrifts are brothers of the Evil Ones; and the Evil One is to his Lord (himself) ungrateful.”³⁰ The verse issues a stern warning from Allah the Almighty for big and wasteful spenders, who are likened to the devil bearing an unappreciative characteristic which only incurs His Divine Wrath.

Indeed, wise spending is one of the key aspects of financial literacy. Although spending may just be a mundane human activity, it involves a decision-making process, which requires individual knowledge and wisdom. Subject to one’s financial capacity or budget, one must decide on how to spend one’s money or wealth for goods and services to fulfil one’s needs or wants. Regardless whether a person is rich or poor, spending decision is a subjective matter, and at the discretion of each individual. For instance, amongst members of the society may be a wealthy person whose spending activities resemble more of a miser. Conversely, a lavish spender, in reality, may turn out to be one without the financial capacity to do so. Therefore, the guidance from the foregoing verses is clear and emphatic as those who spend their money wisely, are regarded as the righteous servants of Allah; but if one is

29. *Ibid.*, 63–66, where Allah says: “And the servants of (Allah) Most Gracious are those who walk on the earth in humility, and when the ignorant address them, they say, “Peace!”; Those who spend the night in adoration of their Lord prostrate and standing; Those who say, “Our Lord! avert from us the Wrath of Hell, for its Wrath is indeed an affliction grievous; “Evil indeed is it as an abode, and as a place to rest in.”

30. *Al-Isrā’* (17): 26.

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extravagant or wasteful, one will bear the brunt of the Divine wrath and resemble the devil—neither of which is aspired by any Muslim.

Savings for future needs

While “spend” is an oft-cited word in the Qur’ān, “savings” per se is hardly mentioned, but rather implied. The significance of savings as understood in the present context is evident in the following Qur’ānic verses:

(Yūsūf) said: “For seven years shall ye diligently sow as is your wont: and the harvests that ye reap, ye shall leave them in the ear,—except a little, of which ye shall eat. Then will come after that (period) seven dreadful (years), which will devour what ye shall have laid by in advance for them,— (all) except a little which ye shall have (specially) guarded. Then will come after that (period) a year in which the people will have abundant water; and in which they will press (wine and oil).”³¹

According to the verse, Prophet Yūsūf, endowed with the talent for interpreting dreams—advises the king to decree his subjects to continue planting and harvesting (corn) for seven years. They shall consume, and at the same time, save some portion during the good years. Following this are seven years of drought that will destroy everything except the portion that they have stored.

In the contemporary context, savings is an act that corresponds to preservation of money or wealth for future use. An individual may save his money for future needs, for instance, at a time of emergency for a purchase of a substantial item or service, or a capital purchase, such as a car, house, *ḥajj* or *‘umrah*, or even as monetary contribution to the education of one’s own children or of others. Indeed, the relation to

31. *Yūsūf*(12): 47–49.

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the concept of savings in contemporary understanding and practice is highly tenuous and evident and incorporated in the contemporary FLE.

Avoiding debt burden

Throughout the Qurʾān, “debt” is repeated nine times in seven verses.³² Evidently, the significance of debt is highlighted in the following verse:

O ye who believe! When ye deal with each other, in transactions involving future obligations in a fixed period of time, reduce them to writing. Let a scribe write down faithfully as between the parties: let not the scribe refuse to write: as Allah Has taught him, so let him write. Let him who incurs the liability dictate, but let him fear His Lord Allah, and not diminish aught of what he owes. If the party liable is mentally deficient, or weak, or unable himself to dictate, let his guardian dictate faithfully, and get two witnesses, out of your own men, and if there are not two men, then a man and two women, such as ye choose, for witnesses, so that if one of them errs, the other can remind her. The witnesses should not refuse when they are called on (for evidence). Disdain not to reduce to writing (your contract) for a future period, whether it be small or big: it is just in the sight of Allah, more suitable as evidence, and more convenient to prevent doubts among yourselves but if it be a transaction which ye carry out on the spot among yourselves, there is no blame on you if ye reduce it not to writing. But take witness whenever ye make a commercial contract; and let neither scribe nor witness suffer harm. If ye do (such harm), it would be wickedness in you. So fear Allah. For it is good that teaches you. And Allah is Well-acquainted with all things. If ye are on

32. *Al-Baqarah* (2): 278, 280, 282, and 283; *al-Nisāʾ* (4): 11–12; *al-Tawbah* (9): 60.

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a journey, and cannot find a scribe, a pledge with possession (may serve the purpose). And if one of you deposits a thing on trust with another, let the trustee (faithfully) discharge his trust, and let him Fear his Lord, conceal not evidence; for whoever conceals it,— his heart is tainted with sin. And Allah Knoweth all that ye do.³³

Indeed, according to the longest verse of the Qurʾān, Allah carefully describes details of proper debt transactions. Thus, men should take heed of this Divine guidance for their own well-being. Conducting a transaction for debt is hardly an easy undertaking to fulfil needs. Being indebted requires a substantial consideration on the part of a debtor of his obligations and responsibilities not only towards his creditor, but also his Maker, Allah the Almighty.

Following the explanation of the proper transaction of debt, Allah expands His guidance to men on the necessity to settle all debts for a deceased prior to his inheritance being accordingly distributed to his living next of kin:

Allah (thus) directs you as regards your Children's (Inheritance): to the male, a portion equal to that of two females: if only daughters, two or more, their share is two-thirds of the inheritance; if only one, her share is a half. For parents, a sixth share of the inheritance to each, if the deceased left children; if no children, and the parents are the (only) heirs, the mother has a third; if the deceased left brothers (or sisters) the mother has a sixth. (The distribution in all cases is) *after the payment of legacies and debts*. Ye know not whether your parents or your children are nearest to you in benefit. These are settled portions ordained by Allah: and Allah is All-knowing, All-wise. In what your wives leave, your share is a half, if they leave no child, but if they leave a child, ye get a fourth; *After payment of legacies and debts*. In

33. *Al-Baqarah* (2): 282.

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what ye leave, their share is a fourth, if ye leave no child; but if ye leave a child, they get an eighth; *After payment of legacies and debts.* If the man or woman whose inheritance is in question, has left neither ascendants nor descendants, but has left a brother or a sister, each one of the two gets a sixth; but if more than two, they share in a third; *After payment of legacies and debts;* so that no loss is caused (to any one). Thus is it ordained by Allah; And Allah is All-knowing, Most Forbearing.³⁴

Notedly, no less than four times is the phrase “after payment of legacies and debts” repeated. This emphasises the paramount importance placed on settling the debts of the deceased prior to his inheritance being distributed to his relatives.

Similarly, a Prophet’s *ḥadīth* emphasises debt payment as follows:

Muḥammad bin ‘Abdullāh reported that the Prophet of Allah said: “And by One in Whose Hand there is the life of Muḥammad, if a man be killed in the way of Allah and then raised to life, and again be killed in the way of Allah and again raised to life, and again be killed in the way of Allah and again raised to life with debt due from him, he shall not enter Paradise till his debt is satisfied.”³⁵

Even more pronounced in the *ḥadīth* is the urgency and gravity of debt payment. It analogises a debtor, even if killed thrice and consecutively brought to life each time, would still be denied entry to Heaven every time until and unless he pays up what he has owed in his lifetime. Thus, Islam proclaims that debt is a burden shouldered even on the deceased and need to be eased at all cost by his next of kin so as to put the dead soul at peace.

34. *Al-Nisā’* (4): 11–12 (Parts in italic are mine).

35. *Ḥadīth* narrated by Aḥmad; *Sharḥi-Sunnah*.

Conclusion

Financial Literacy Education is neither a highly philosophical nor scientific subject. Rather, it is a mundane daily activity practised by all. It is a skill acquired through a “natural process” or “natural instinct” by man. However, several evidence relate ignorance of financial literacy to excessive and wasteful spending, mounting debts, low savings and break out of disputes among family members on inheritance, that eventually lead to societal consequences. Undoubtedly, education in financial literacy brings many benefits to persons of all ages, income levels and professions. They will be guided to make wise financial decisions, avoid financial distress and live more prosperously. Thus, directly, our life quality highly depends on our level of financial literacy. It contributes in our ability to provide better living for our family and ourselves, as well as the society as enjoined by Islam.

Being only at the preliminary stage in providing basis on the need to teach good financial behaviour as part of Islamic religious education for the Muslim *ummah*, perhaps later, a holistic FLE framework can be developed and implemented not only in Malaysia, but also other Muslim countries. The creation of a financially literate generation of Muslims globally is vital to empower the economic well-being of the *ummah*, which will eventually lead to an empowered Islamic civilisation.