

Financial Literacy and Tasawuf Values as Determinants of Financial Behavior Among Food Market Traders: Evidence from Pasar Ciawi, Tasikmalaya Regency

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Abstract: *Sound financial management remains a persistent challenge among food market traders in Indonesia, where limited financial knowledge and underdeveloped spiritual self-regulation often coexist. Drawing on data from 30 purposively selected traders at Pasar Ciawi, Tasikmalaya Regency, this study examines how financial literacy and tasawuf values—two theoretically distinct yet practically interrelated constructs—shape traders' financial behavior. A quantitative survey design was adopted, employing a five-point Likert instrument validated through Pearson correlation (r -table = 0.361) and assessed for internal consistency via Cronbach's Alpha. Multiple linear regression served as the primary analytical tool. Findings reveal that financial literacy exerts a pronounced positive effect on financial behavior ($\beta = 0.703$; $t = 9.472$; $p < .001$), whereas tasawuf values fall short of statistical significance at the partial level ($\beta = -0.056$; $t = -0.702$; $p = .488$).*

Abstrak: *Pengelolaan keuangan yang kurang optimal masih menjadi tantangan nyata bagi pedagang pasar pangan di Indonesia, di mana keterbatasan pengetahuan keuangan dan lemahnya regulasi diri berbasis spiritual kerap hadir secara bersamaan. Berlandaskan data dari 30 pedagang Pasar Ciawi, Kabupaten Tasikmalaya, yang dipilih secara purposif, penelitian ini mengkaji sejauh mana literasi keuangan dan nilai tasawuf—dua konstruk yang secara teoretis berbeda namun saling berkaitan dalam praktik—membentuk perilaku keuangan pedagang. Desain survei kuantitatif diterapkan dengan instrumen skala Likert lima poin yang divalidasi melalui korelasi Pearson (r tabel = 0,361) dan diuji konsistensinya menggunakan Cronbach's Alpha. Regresi linier berganda menjadi alat analisis utama. Temuan menunjukkan bahwa literasi keuangan memberikan pengaruh positif yang signifikan terhadap perilaku keuangan ($\beta = 0,703$; $t = 9,472$; $p < 0,001$), sementara nilai tasawuf tidak mencapai signifikansi statistik pada tingkat parsial ($\beta = -0,056$; $t = -0,702$; $p = 0,488$).*

Keywords: *Financial Literacy; Tasawuf Values; Financial Behavior; Market Traders; Food MSMEs*

INTRODUCTION

Traditional market traders occupy a pivotal position within the food distribution chain at the local level, functioning as direct intermediaries between producers and end consumers. At Pasar Ciawi in Tasikmalaya Regency, this role is particularly pronounced: the market serves as a daily hub through which a diverse range of food commodities reaches surrounding communities (Badan Ketahanan Pangan, 2022). Given this centrality, the operational viability of these traders is not merely a personal economic matter but one with broader implications for local food security.

Despite their strategic importance, many Pasar Ciawi traders grapple with persistent weaknesses in financial management. Observed behaviors—including inadequate budgeting practices, the conflation of household and business funds, and impulsive spending patterns—collectively undermine business resilience over time (OJK, 2022). Researchers have traced such behaviors to insufficient financial literacy, broadly understood as the degree to which individuals grasp financial concepts, interpret monetary information, and apply that understanding to day-to-day business decisions (Lusardi & Mitchell, 2014).

Beyond cognitive factors, the values that traders hold can equally shape how they handle money. In this regard, tasawuf—the spiritual dimension of Islamic tradition—offers a normative framework anchored in *zuhud* (non-attachment to material excess), *amanah* (trustworthiness in financial dealings), *wara'* (caution before commitment), and *mujahadah* (disciplined restraint of ego-driven impulses). When genuinely internalized, such values are theoretically capable of reinforcing the self-regulatory dimensions of sound financial behavior (Huda et al., 2020).

Yet empirical work that brings these two constructs—financial literacy and tasawuf values—into a single analytical frame remains thin, particularly in the context of traditional market traders. Most prior studies have examined either cognitive or spiritual determinants of financial behavior in isolation, leaving a meaningful gap in the literature. This study addresses that gap by asking: (1) To what extent does financial literacy predict the financial behavior of Pasar Ciawi traders? (2) Does the degree of tasawuf value internalization carry significant predictive weight? (3) What is the combined explanatory power of both constructs?

Financial literacy encompasses the knowledge, competencies, and confidence that equip individuals to make well-founded financial choices (OJK, 2022). Lusardi and Mitchell (2014) operationalized the concept through three foundational dimensions: comprehension of compound interest, awareness of inflation dynamics, and the capacity for portfolio diversification. Klapper et al. (2023) extend this framework by highlighting the role of practical skills—such as recordkeeping and liability management—in determining whether financial knowledge translates into disciplined action. Within informal business settings, weak financial literacy consistently emerges as a primary driver of poor cash flow management and boundary confusion between personal and business funds.

The tasawuf tradition situates economic conduct within a broader spiritual ethic. *Zuhud* tempers materialistic excess; *amanah* grounds commercial relationships in integrity; *wara'* introduces a principle of precaution into financial commitments; and *mujahadah* channels self-discipline toward resisting impulsive decisions. Huda et al. (2020) offer partial empirical support, demonstrating that Islamic values in general are associated with more responsible financial choices among micro-entrepreneurs. The present study refines that inquiry by isolating tasawuf as a distinct, quantifiable construct—not merely

a subset of broad religious orientation—and situating it within the everyday financial world of traditional market traders.

Financial behavior captures the observable ways individuals act on their financial resources, spanning budgeting, cash flow stewardship, delineation of personal and business accounts, expense discipline, and long-range planning (Xiao & Porto, 2022). In a market-trading context, behavioral quality is legible in concrete practices: regular ledger entries, deliberate allocation of revenue, and habitual saving even from modest margins. From the reviewed literature, three working hypotheses are derived:

Table 1. Research Hypotheses

Hypothesis	Statement
H1	Financial literacy positively and significantly affects the financial behavior of Pasar Ciawi traders.
H2	Tasawuf values positively and significantly affect the financial behavior of Pasar Ciawi traders.
H3	Financial literacy and tasawuf values jointly exert a significant influence on the financial behavior of Pasar Ciawi traders.

Source: Developed by the authors, 2026

METHOD

A quantitative, cross-sectional survey design was adopted to examine causal relationships among the three study variables (Sugiyono, 2021). The research setting was Pasar Ciawi, Tasikmalaya Regency, where food sector traders constitute the target population. Thirty respondents were recruited through purposive sampling governed by three eligibility criteria: active trading status at Pasar Ciawi, a minimum of three years in operation, and voluntary consent to participate. Demographic characteristics of the sample are detailed in Table 2.

Table 2. Respondent Profile (n = 30)

Characteristic	n	Percentage (%)
Gender: Male	16	53.3
Gender: Female	14	46.7
Education: Primary School	2	6.7
Education: Junior High School	5	16.7
Education: Senior High School	15	50.0
Education: University (D3/S1/S2)	8	26.7
Age: < 35 years	8	26.7
Age: 35–50 years	15	50.0

Age: > 50 years	7	23.3
Trading Duration: < 5 years	5	16.7
Trading Duration: 5–10 years	14	46.7
Trading Duration: > 10 years	11	36.7

Source: Primary data, 2026

Three composite variables were operationalized via a self-administered Likert questionnaire (1 = Strongly Disagree to 5 = Strongly Agree): Financial Literacy (X_1), measured across eight items addressing recordkeeping fluency, cash flow monitoring, personal-business financial separation, and short-term planning; Tasawuf Values (X_2), assessed through eight items reflecting *zuhud*, *amanah*, *wara'*, and *mujahadah*; and Financial Behavior (Y), gauged via six items concerning transaction documentation, expenditure allocation, and financial self-regulation.

Construct validity was established using Pearson product-moment correlation against a critical r -value of 0.361 ($n = 30$, two-tailed, $\alpha = .05$). Internal consistency was evaluated through Cronbach's Alpha, with a minimum acceptable threshold of 0.60. Before fitting the regression model, three classical assumptions were verified: distributional normality (Shapiro-Wilk test), absence of multicollinearity (Variance Inflation Factor), and homoscedasticity (Glejser test). The final model took the form $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$, with partial and joint effects examined via t -tests and an F -test at the 5% significance level.

RESULTS AND DISCUSSION

Scores across all three constructs tend toward the upper range of possible values. The Tasawuf Values scale yielded the highest group mean ($M = 35.93$, $SD = 2.95$), indicating that traders broadly endorse the spiritual principles embedded in the instrument. Financial Literacy scores averaged 33.90 ($SD = 3.19$), whereas Financial Behavior averaged 25.77 out of a maximum of 30 ($SD = 2.40$). The relatively smaller standard deviations suggest moderate homogeneity within the sample, though the full score range for each construct reveals meaningful individual variation

Descriptive Overview

Table 3. Descriptive Statistics of Study Variables ($n = 30$)

Variable	Mean	SD	Min	Max
Financial Literacy (X_1)	33.90	3.19	25	40
Tasawuf Values (X_2)	35.93	2.95	29	40
Financial Behavior (Y)	25.77	2.40	20	30

Source: Primary data processed, 2026

.Items whose corrected item-total correlation fell below the critical r-value of 0.361 were flagged as non-contributors to construct coherence and removed prior to regression. Within the Financial Literacy scale, seven of eight items cleared this threshold ($r = .410-.760$); item 7 did not ($r = .229, p = .223$). The Tasawuf Values scale performed uniformly well, with all eight items attaining adequate discrimination ($r = .555-.737$). For Financial Behavior, five of six items met the criterion ($r = .583-.739$); item 6 was excluded ($r = .223, p = .236$). Post-pruning reliability indices, reported in Table 4, satisfied the 0.60 floor across all constructs.

Table 4. Validity and Reliability Summary

Variable	Valid Items	Cronbach's α	Result
Financial Literacy (X1)	7 of 8	0.651	Reliable
Tasawuf Values (X2)	8 of 8	0.805	Reliable
Financial Behavior (Y)	5 of 6	0.652	Reliable

Source: Primary data processed, 2026

All three prerequisite tests returned favorable outcomes. The Shapiro-Wilk procedure confirmed normality for Financial Literacy ($W = .969, p = .502$), Tasawuf Values ($W = .942, p = .104$), and Financial Behavior ($W = .954, p = .211$). Variance Inflation Factors for both predictors remained well below the conventional ceiling of 10, ruling out harmful multicollinearity. Homoscedasticity was likewise supported. These results collectively validate the appropriateness of OLS regression for the present dataset. The estimated regression equation was: $\hat{Y} = 3.948 + 0.703X_1 - 0.056X_2$. Full parameter estimates are presented in Table 5.

Table 5. Multiple Linear Regression Results

Variable	B	SE	β	t	Sig.
Constant	3.948	2.673	–	1.477	.151
Financial Literacy (X1)	0.703	0.074	0.933	9.472**	.000
Tasawuf Values (X2)	-0.056	0.080	-0.069	-0.702	.488

$R = .899; R^2 = .809; F(2, 27) = 57.110; p < .001; **p < .001$

Source: Primary data processed, 2026

The regression coefficient for Financial Literacy was positive and highly significant ($B = 0.703, SE = 0.074, \beta = .933, t = 9.472, p < .001$), lending unambiguous support to H1. The standardized coefficient magnitude (.933) indicates that, within this model, financial literacy is by far the dominant driver of financial behavior. This pattern aligns with Lusardi and Mitchell's (2014) foundational argument that financial knowledge does not merely predict attitudes but directly shapes observable

conduct. In the Pasar Ciawi setting, traders who demonstrated stronger familiarity with recordkeeping conventions, cash flow principles, and the importance of maintaining separate business accounts tended to exhibit more disciplined day-to-day financial practices. Klapper et al. (2023) report analogous findings across a range of developing-economy contexts, reinforcing the cross-cultural generalizability of this link.

Despite theoretically compelling grounds for expecting a positive relationship, the partial effect of Tasawuf Values on Financial Behavior was neither statistically significant nor positive in direction ($B = -0.056$, $SE = 0.080$, $\beta = -.069$, $t = -0.702$, $p = .488$). H2 is therefore not supported. This null finding invites interpretive care rather than dismissal. One possibility is that spiritual values of the *zuhud-amanah* variety shape attitudinal dispositions and long-range intentions without translating into the short-cycle financial routines captured by the present instrument. Alternatively, multicollinearity—though not structurally severe—may have partially suppressed the independent signal from X_2 given its conceptual proximity to the self-discipline components already embedded in financial literacy. Huda et al. (2020) caution similarly that Islamic values may function more as moderators or background conditions than as direct behavioral predictors, a nuance the current bivariate regression model cannot fully disentangle.

The omnibus F-test was highly significant [$F(2, 27) = 57.110$, $p < .001$], confirming that the two-predictor model as a whole explains a statistically meaningful portion of variance in financial behavior. The R^2 of .809 is notably high for behavioral research of this kind, meaning the model accounts for approximately 81% of trader-to-trader variability in financial conduct. Even granting that the Tasawuf Values component contributes minimally to this figure at the partial level, its inclusion does not degrade overall model fit. The result suggests that future studies employing richer operationalizations of *tasawuf*—or exploring its role as a moderator of the literacy-behavior link—may uncover effects that the present design obscures (Xiao & Porto, 2022).

CONCLUSION

This inquiry set out to understand what drives financial behavior among traders operating in a traditional food market in Tasikmalaya Regency. Three principal conclusions emerge. First, financial literacy stands out as a robust and dominant predictor of financial behavior, with a standardized effect size ($\beta = .933$) that leaves little doubt about its practical importance. Efforts directed at raising financial literacy—through structured, market-contextualized training—are therefore likely to yield meaningful improvements in how traders manage their daily finances. Second, *tasawuf* values, at least as operationalized and measured in this study, do not independently explain variation in financial behavior. This does not negate their relevance; rather, it suggests that the pathway from spiritual belief to

behavioral change may be more indirect and conditionally activated than the current model assumes. Third, the full model achieves impressive explanatory reach ($R^2 = .809$), indicating that financial literacy and tasawuf values together provide a theoretically coherent and empirically productive framework for understanding financial conduct in faith-embedded commercial settings. On practical grounds, these findings call for targeted financial literacy programming delivered in accessible formats at the market level—covering, at minimum, simple bookkeeping, cash flow monitoring, and the discipline of maintaining separate business and personal funds. Simultaneously, community leaders and religious institutions are well positioned to bridge the gap between spiritual conviction and financial practice by translating abstract tasawuf ethics into concrete behavioral guidance. Future research would benefit from larger, multi-site samples, longitudinal tracking to capture developmental effects, and the inclusion of mediating constructs—such as financial self-efficacy or financial attitude—that may clarify the indirect route through which values influence behavior.

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