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Green Islamic Financial Planning Among Gen Z Muslim Students: A Qualitative Investigation of Anti-Wasteful Consumption, Halal Savings, and Sharia Awareness

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ABSTRACT

The purpose of this study is to investigate in detail how Muslim students in Generation Z comprehend and use Green Islamic Financial Planning in their lives. In the context of consumer culture and the digital economy, the emphasis is on understanding Islamic financial ideals and environmental sustainability, halal savings practices, and anti-wasteful buying patterns. With a phenomenological orientation, the study employed a descriptive qualitative methodology. The data were subjected to thematic analysis in accordance with Braun and Clarke's processes, which include coding, theme grouping, and the creation of thematic narratives that illustrate the connection between environmental concern, savings habits, and Islamic financial awareness. The findings demonstrate that the majority of informants continue to struggle with basic financial management issues, including consumptive behavior, trouble saving money, and poor control over impulsive spending. Though it has not yet been converted into regular practice, normative understanding of Sharia is fairly strong. Implicitly, the "green" dimension became apparent. Wastefulness is more accurately defined as wasteful spending than as actions that harm the environment. The development and operationalization of the Green Islamic Financial Planning concept at the micro level, the individual financial behavior of Muslim students in Generation Z by concurrently integrating three dimensions Islamic financial awareness, halal savings practices, and anti-wasteful consumption, which is closely related to ecological responsibility is what makes this research novel.

Keywords: Islamic financial literacy, green Islamic financial planning, Generation Z Muslims, sustainable finance, and anti-wasteful consumption

INTRODUCTION

Given the current state of the global climate catastrophe, consumer culture, and the rapidly evolving digital economy, Islamic financial planning has become essential for Muslim students in Generation Z. While Gen Z appreciates the ease of cashless transactions, paylater, and online shopping, they also have to deal with the dangers of consumer debt, online loans, low savings, and financial choices that are not always consistent with Sharia principles and environmental sustainability.

Conversely, the discourse around the green economy places a strong emphasis on social justice, resource efficiency, and low-carbon growth. According to recent research, Islamic economic values, including fairness, reliability, and the prohibition of harm (fasad), are in line with the objectives of a green economy and can provide a moral basis for sustainable business operations (Mirzal & Zusak, 2024). According to Sharia law, Muslims are instructed not to waste money or natural resources by the

bans on israf and tabdzir, as well as the idea that people are khalifah (vicegerents). According to Husna (2025), sustainable and responsible consumption is not just a lifestyle choice but also a component of sharia-compliant responsibilities.

According to the Islamic financial planning idea, financial planning is a way to manage income, expenses, savings, investments, and the protection, distribution, and purification of assets in line with sharia in order to achieve al-falah (the goodness of Allah). Islamic financial planning, according to Omar & Khairi (2024), integrates the principles of worship with the development, accumulation, protection, distribution, and purification of wealth. Although Yusoff et al. (2021) showed that bolstering Islamic financial planning is essential for preserving Muslim households' financial stability after the crisis, they continue to concentrate on the family level rather than Generation Z.

Islamic beliefs include living simply, saving for the future, and protecting the land as a trust. They reject israf (waste) and tabdzir (wasteful expenditure). The principles of justice, the ban on usury, and social responsibility can serve as the foundation for a sustainability-oriented development model, as evidenced by recent research on Islamic finance and the green economy. This can be done through tools like green sukuk and green financing that adhere to the maqasid al-shari'ah. According to Siregar et al. (2023), integrating Islamic finance with the green economy creates a sustainable route for economic growth, particularly when Islamic morality is incorporated into contemporary investing and financial procedures. Despite ongoing legal constraints and limited stakeholder knowledge, research by Fahmi (2025) also highlighted the potential of Islamic social financing mechanisms like zakat, waqf, and sukuk to support eco-friendly projects and advance the sustainability agenda. In the context of college students, "green" Islamic financial planning encompasses not just avoiding usury and making sure that funds come from a halal source, but also how their investment, spending, and saving choices promote ecologically friendly lifestyle choices and anti-wasteful consumption patterns.

Numerous research on Islamic financial literacy and younger generations' financial behavior demonstrate that students' decisions about money management, investing, and saving are influenced by their understanding of Islamic finance. Increased Islamic financial literacy promotes better financial behavior and enhances financial wellbeing, according to Rohmania et al. (2023). According to Ma'mun et al. (2024), consumerism and inadequate financial literacy have a significant impact on Gen Z's Islamic financial planning for marriage, which means that many young people have not yet created a structured Islamic financial plan. However, Qizwini and Mustomi's (2024) study on the green economy and Islamic economics places more emphasis on the macro level—for example, creating a framework for the green economy based on Islamic values for Society 5.0—than on the micro-practices of individual financial planning by students. As a result, prior research identifies two main streams that continue to function independently: Islamic financial planning and green/Islamic sustainable finance. However, there is a dearth of research that specifically connects the two at the level of Gen Z's personal financial behavior.

When contrasted to the actual informant responses from the researcher's initial study of Muslim students in Generation Z, this disparity is clear. Contradictory financial patterns were reported by informants, who stated that they frequently follow digital consumption trends, overspend, and infrequently consider if their spending is excessive, despite their stated desire to live frugally, save for long-term goals, and avoid usury. Many people are aware of Islamic savings and e-wallets. However, they have not yet made the connection between them and environmental responsibility, such as purchasing more eco-friendly products or cutting back on purchases of things that quickly go to waste. Their knowledge of financial planning is typically restricted to setting aside money each month for necessities and entertainment; it ignores the idea of "green Islamic financial planning," which integrates ecological effect, Sharia compliance, and financial wellbeing. The study "Green Islamic Financial Planning among Gen Z Muslim Students: A Qualitative Study of Awareness, Halal Savings, and Anti-Wasteful Consumption" provides new information in this regard. This study maps how students comprehend, describe, and apply Islamic financial planning in relation to anti-waste attitudes and green concerns in daily life in the digital age, in addition to measuring Islamic investment literacy or interest.

The formulation and operationalization of the idea of "Green Islamic Financial Planning" at the micro level—that is, the individual financial behavior of Muslim students in Generation Z—is what makes this study distinctive. In addition to recording literacy levels, this study investigates students' subjective experiences and how they understand the connection between environmental sustainability, halal (halal) practices, savings, and consumption. In contrast to earlier studies that were mostly quantitative and structurally focused, this one takes a qualitative approach grounded in informants' actual experiences. Three primary characteristics are simultaneously integrated in this study: halal savings practices, Islamic financial awareness, and consumption management based on the ban on wastefulness, which is closely related to ecological responsibility.

This study's three goals are based on the empirical and theoretical background. The first is to determine and characterize the degree of awareness that Muslim students in Generation Z have of the concept of Green Islamic Financial Planning, including how they understand the connection between environmental sustainability, personal finance, and Islamic values. The second is to examine the halal savings activities that students engage in, including the choice of sharia savings tools, the reason for saving, and the motivating and impeding elements they encounter. Third, to investigate anti-wasteful consumption behaviors in students' daily lives, including budgeting, setting priorities, and practical measures to lessen waste and adverse environmental effects. In addition to offering pertinent, useful suggestions for educators, legislators, and Islamic financial institutions looking to promote halal, economical, and sustainable financial practices among Gen Z students, the study is anticipated to bridge the theoretical gap between the literature on Islamic financial planning and green Islamic finance.

METHOD

A descriptive qualitative method with a phenomenological focus was used in this investigation. This strategy was selected since the goal of the study was to gain a thorough understanding of the lived experiences and subjective interpretations of Gen Z Muslim students regarding Green Islamic Financial Planning, specifically with regard to awareness, halal savings habits, and anti-wasteful consumption. Based on the concept of sustainable finance and Islamic financial planning, the researcher was able to record the informants' honest stories using a descriptive qualitative design. This strategy is in keeping with the principles of qualitative research design, which stress the significance of investigating the social context and meaning of the subjects under study (Cresswell, 2014).

The study, which focused on Gen Z Muslim students between the ages of 18 and 25, was carried out in an Indonesian institution. Because the data collection process was done online, informants from multiple colleges in different areas may participate. Because students are now starting to handle their own finances, face the temptations of digital consumption, and start making their own financial judgments, the college setting was selected. They are a pertinent population to study Green Islamic Financial Planning because of this circumstance.

About 100 Muslim Gen Z students filled out open-ended questionnaires, which served as the study's main source of qualitative data. A narrative detailing their experiences, issues, money management strategies, opinions on halal savings, and attitudes toward wasteful consumption was requested of each informant. The disputes, tactics, and ideals they uphold in their day-to-day financial operations are directly summarized by this data. Articles from national and international journals addressing Islamic sustainable finance, Islamic financial planning, and Islamic financial literacy were examples of secondary data sources. A theoretical framework, a study objective, and a comparison of field findings with earlier studies were all developed using this secondary data (Sunarya & Rusydiana, 2022).

An online survey with open-ended questions was used to collect the data. A survey of the literature on Islamic financial planning, Islamic financial literacy, and green finance served as the foundation for the creation of the questionnaire. Three areas were the focus of the questions: first, the informants' knowledge of Islamic principles in financial management, including the need to refrain from wasteful consumption, the prohibition of usury (riba), and israf (israf). The second is the usage of Islamic financial products in daily life and the practice of halal savings. Third, consumption trends and how much informants try to cut waste and take the environment into account when making financial decisions. Purposely, the questionnaire was sent, and the requirements were that informants be in the

Gen Z age group, be active students, be Muslim, and have experience managing their own monthly finances.

In accordance with the procedures suggested by Braun & Clarke (2006), qualitative theme analysis was used to analyze the data. After rereading every questionnaire response to become acquainted with the data, the researchers coded pertinent response fragments and organized these codes into preliminary themes. Subsequently, the themes were reviewed, the borders between the themes were clarified, and a thematic narrative was created that explained the connection between Gen Z Muslim students' knowledge, halal savings habits, and anti-wasteful consumption. Because it is adaptable and appropriate for finding meaning patterns in narrative qualitative data, this thematic analysis approach was used.

RESULT AND DISCUSSION

There are Three key conclusions on green Islamic financial planning among Muslim students in Generation Z were drawn from this study. First, most informants continue to face fundamental issues with managing their personal finances. They acknowledged that they were wasteful, frequently "eye-hungry," found it hard to resist the temptation to shop, frequently ran out of money before the end of the month, and seldom ever kept track of their earnings and outlays. Every month, many people regretted buying things they did not actually need. This suggests that aspects of financial planning, including disciplined saving, budgeting, and need prioritization, have not been applied consistently.

Second, there is a high level of normative understanding regarding Islamic financial norms. According to informants, Islamic financial planning is crucial, suitable for use, and consistent with the bans on tabdzir, israf, and usury. They see Islamic financial planning as a means of accomplishing religious objectives, including zakat, sadaqah, hajj, and umrah, while also preserving financial stability. Many, however, are merely aware of the idea, do not understand the technical procedures, and cannot incorporate it into their everyday economic activities.

Third, there was an implicit emergence of the "green" aspect of financial management. Although most informants stressed the need to reduce waste and unnecessary spending, very few made a direct connection between consumer decisions and waste, carbon footprint, or environmental impact. Wastefulness is more commonly perceived as a financial waste than as an activity that harms the environment. This suggests that Green Islamic Financial Planning's ecological sustainability component is still weak and has not been fully incorporated into their financial viewpoints.

The results above demonstrate that the primary issue is a disconnect between awareness and practice rather than a simple lack of knowledge. Although students are aware of Islamic principles that forbid usury, israf, and tabdzir, they live in a digital economy that heavily promotes impulsive and instantaneous consumption. This circumstance is consistent with the Theory of Planned Behavior, which states that when social pressure is high and behavioral control is low, positive attitudes do not always result in conduct (Ajzen, 1991).

These findings are in line with a study by Hidayat et al. (2023), which discovered that healthy financial behavior is not always associated with Islamic financial literacy among the younger generation, particularly when they are exposed to a culture of impulsive shopping and aggressive promotions in digital media. The results of this study provide qualitative proof that habits and self-control, rather than just conceptual comprehension, are the primary barriers. This is also consistent with Nurhayati and Suryani's (2024) assertion that the primary barrier to Islamic financial planning among college students is a lack of internalization of values.

In informant answers, the term "green" in Islamic financial planning hardly ever came up. According to this study, university students' green Islamic financial planning must be viewed as a progressive procedure. Establishing fundamental practices like budgeting, halal savings, and financial record-keeping, as well as fortifying the foundation of Islamic financial literacy, constitute the first level. By

using the idea of wastefulness as a link to ecological awareness, the second level involves incorporating sustainability values. Educating people about the negative financial effects of excessive consumption, as well as the increased waste and strain on natural resources, might help enhance this stage. This supports the idea that Islamic financial literacy should focus on improving long-term wellbeing and financial behavior (Rohmania et al., 2023).

These results practically demand that campus literacy programs be more contextualized and applied. Cash flow management, the usage of Islamic financial products, and consumption decisions that promote a less wasteful and more ecologically friendly lifestyle must all be directly linked in Islamic financial planning materials. Islamic financial institutions can also use these findings to create educational and savings products that prioritize green objectives, such as Islamic investment products that direct money toward sustainable initiatives and Hajj/Umrab savings (Fahmi, 2025). As a result, Gen Z Muslim students' everyday lives now exhibit tangible behavioral patterns that demonstrate Green Islamic Financial Planning, rather than remaining a normative idea.

CONCLUSION

The purpose of this study is to investigate in detail how Muslim students in Generation Z comprehend and apply Green Islamic Financial Planning in their day-to-day financial lives. The study focuses on three key areas: halal savings habits, anti-wasteful consumption patterns focused on ecological responsibility in the digital economy era, and awareness of Islamic financial values and environmental sustainability.

The findings demonstrate a notable discrepancy between normative awareness and real-world application. The prohibitions against riba (usury), israf (israf), and tabdzir (tax), as well as the significance of halal savings, are generally well understood by the students. Nonetheless, consumer behavior centered on digital platforms continues to rule the market. Financial decisions made on a daily basis hardly ever take environmental sustainability into account. At the practical level, the idea of Green Islamic Financial Planning is still in the early stages of religious awareness and has not yet developed into a systematic behavioral pattern. Sharia principles and environmental sustainability are still not well integrated.

Higher education, Islamic financial institutions, and policymakers can all benefit from the study's practical conclusions. Universities must incorporate environmental literacy and Islamic financial literacy into their curricula and student development initiatives. Islamic financial institutions are able to create investment and savings plans that connect environmental effects with spiritual aspirations. The development of tangible habits like keeping financial records, controlling consumption, and choosing waste-free consumption options must be the focus of literacy programs.

To evaluate the Green Islamic Financial Planning model's efficacy on a larger scale, more study needs to create quantitative measuring tools. To find contextual factors impacting behavior, comparative research across areas and student socioeconomic backgrounds is also required. The design of educational interventions that can reconcile religious and ecological awareness in the financial conduct of the younger generation should be the subject of further investigation.

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