



Socio-Economic Determinants of Individual Muslim Zakat Payment Behavior in Indonesia: Analysis of Indonesia Family Life Survey (IFLS) Dataset

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Abstract. Zakat is one of the pillars of Islam and holds significant potential in Indonesia. However, the collected amount remains below its potential due to the neglect and perceived insignificance of zakat payments by many Muslims. Therefore, understanding socio-economic behaviors and factors influencing individual decisions to pay zakat is crucial. This research investigates the determinants of socio-economic factors on individual zakat behavior, using data from the 2014 Indonesian Family Life Survey (IFLS) focusing on individuals aged 15 and above. Probit regression methodology is employed to examine individual decisions on zakat payments, utilizing STATA 17 for analysis. The findings indicate that individuals with higher socio-economic status are more likely to pay zakat, as evidenced by variables such as gender, household size, age, home ownership, loans, years of schooling, income, religiosity, and occupation significantly influencing contributions. However, variables like place of residence and marital status do not significantly impact payment decisions. Research implications highlight the need for targeted interventions and educational programs to enhance zakat awareness and compliance, especially among individuals with lower socio-economic status.

Keywords: Zakat, Socio-Economic Status, Behavior, Determinants, IFLS

INTRODUCTION

Islam mandates certain social obligations for all Muslims globally in accordance with Islamic law, and one of these obligations is zakat. Legally defined by Law No. 23 of 2011 on Zakat Management, zakat constitutes wealth that must be contributed by a Muslim or a business entity and given to those entitled according to Islamic law. Indonesia, with the world's largest Muslim population, has broadened zakat objects, encompassing occupational profession, corporate zakat, property zakat, and others, potentially amassing around 327 trillion IDR per year, as indicated by the Ministry of Religious Affairs in 2022. Despite this potential, the Central

Research of BAZNAS (Puskas BAZNAS) reported a mere 14.2 trillion IDR in zakat collection for 2022, indicating a substantial gap between potential and actual collection.

Zakat, a mandatory aspect of Islam, forms part of the third pillar of the faith, yet it exhibits a noteworthy disparity between its potential and the actual collection. Puskas BAZNAS data reveals that the number of individuals paying zakat (muzakki) is relatively low, around 4 million people out of a Muslim population exceeding 241 million. This neglect arises because many Muslims perceive zakat as less important than taxes, partly due to the absence of penalties for non-payment in Indonesian regulations (Mubarak et al., 2021; Athief et al., 2022). Similar to taxes, optimizing zakat collection is imperative as it plays a vital role in economic development and addresses social issues. Understanding the behavior and determinants of individual decisions on zakat payments is crucial for the government and zakat institutions to strategically instill a sense of obligation among Muslims.

This study employs various socio-economic variables to examine the behavior of Muslim individuals in Indonesia regarding zakat payments. These variables include gender, age, marital status, number of family dependents, amount of loans, place of residence, homeownership status, religiosity, income level, and years of schooling. Previous research consistently identifies gender, income level, years of schooling, and religiosity as factors influencing individual decisions regarding zakat payments (Harmaini et al., 2023; Ghazali & Ibrahim, 2022; Muthi'ah et al., 2021; Abdullah & Sapiei, 2018).

In the study by Liao et al. (2014), it is asserted that men and women, shaped by distinct cultures and social backgrounds, exhibit different behaviors. Additionally, research on tax compliance reveals that women tend to be more compliant in paying taxes compared to men (D'Attoma et al., 2017). Income level is also a determinant of an individual's ability to pay zakat. Religiosity, defined as an individual's commitment to their religion and its teachings, influences attitudes, behaviors, and character (Lehrer, 2004), making it a crucial determinant of an individual's willingness to pay zakat. Similarly, years of schooling impact an individual's decision to pay zakat, with higher education correlating with increased awareness of one's surroundings and a greater likelihood of contributing to alleviate the burdens of recipients (Maulana, 2020).

Additionally, age, place of residence, marital status, and the number of family dependents are determinants of an individual's zakat payment (Afifah et al., 2021; Dianingtyas, 2011; Aulia, 2019). Place of residence influences individuals' decisions to give zakat, with the social and cultural environment affecting awareness and actions. Proximity to zakat services also plays a

role, as individuals living nearby are more likely to choose direct visits to contribute (Afifah et al., 2021). Family dependents impact zakat decisions, including homeownership status and the amount of loans (Maulana, 2020). Those with personal homes often have more stable financial statuses, while individuals with loans prioritize income to repay them.

Building on this background, this research aims to examine socio-economic determinants of individual Muslim zakat payment behavior in Indonesia. The selected variables are based on previous research, aiming to address gaps and shortcomings. A significant departure from prior studies lies in the use of secondary microdata, offering a broader reach compared to studies employing primary data obtained through questionnaires and direct interviews (M. Abdullah & Sapiei, 2018; Ghazali & Ibrahim, 2022; Harmaini et al., 2023; Muthi'ah et al., 2021; Afifah et al., 2021; Dianingtyas, 2011; Aulia, 2019).

LITERATURE REVIEW

Zakat

In the Arabic language, "zakat" translates to "growth" or "purification." In terminological context, zakat is an obligation from Allah for every Muslim meeting the minimum nisaab and haul, mandating the allocation of a specific amount for entitled recipients. Zakat evolves into a social obligation in Islamic law, with the recipient (mustahik) experiencing the blessings of Allah's greatness, fostering mutual assistance and love among human beings for the giver (muzaki) (Abdullah et al., 2015)

Zakat enhances economic prosperity by redistributing surplus wealth to the poor (Taheri, 2003). A productive zakat can create a better utilization of this levied fund by making the recipients having an opportunity to develop their potential (Yayuli et al., 2021). Alongside prayer (*salat*), zakat is a mandatory command from Allah SWT for Muslims, serving as a *maaliyah ijtimaiyyah* worship crucial for community well-being. It functions as both a vertical act of worship towards Allah (*hablumminallah*) and a form of horizontal worship (*hablumminannas*), as mentioned in Surah at-Taubah verse 103 of the Quran.

Several factors influencing zakat payment include religiosity or faith level and personal obligations. Religiosity acts as a catalyst for Muslims to pay zakat, fulfilling one of Islam's pillars. Devout Muslims tend to give zakat once they meet the *nisaab* and *haul*, irrespective of their income level (Maulana, 2020). Personal obligations, such as debt and home ownership, also impact zakat payments. Some studies suggest that having debt can deter zakat payment,

while home ownership correlates with higher contributions (Arsyianti et al., 2018; Arsyianti & Kassim, 2016; Wiepking & Breeze, 2012).

Income variable, on the other hand, result the different correlations with zakat. While some studies indicate that increasing income increases the likelihood of zakat payment (Beik & Alhasanah, 2012; Arsyianti & Kassim, 2016), others suggest no influence on intention (Huda & Gofur, 2012), as individuals with low incomes are still obligated to pay fixed amounts like zakat al-fitr. Education level also yields mixed correlations in different studies (Huda & Gofur, 2012).

Despite the variations in factors that can influence someone's zakat payment, there are benefits to zakat outlined in several points (Mahendra et al., 2021):

1. Reducing social inequality between the rich and the poor.
2. Purifying one's wealth and protecting the heart from greed. Protecting the heart from sinful acts automatically purifies it.
3. Balancing asset distribution and increasing individual responsibility in social life. This distribution of wealth promotes social solidarity and reminds Muslims that wealth is ultimately entrusted to them by Allah on Earth.
4. Supporting the realization of a Sharia system based on unity, equality, brotherhood, and shared responsibility.

Socio-Economic

Socio-economic concepts, often discussed separately, derive from sociology and economics. Sociology views social aspects as everything related to society, while economics, originating from "oikos" and "nomos," pertains to household rules (Zunaidi, 2013). Socio-economic status, a crucial determinant of psychological and life outcomes, integrates human study in meeting needs and societal well-being, acknowledging that humans, as social beings, cannot exist without addressing basic necessities (Zunaidi, 2013). It encompasses societal norms, including ownership of valuable goods, cultural aspects, and individual participation in community activities (Sastrawati, 2020). Socio-economics also reflects an individual's position, intertwining social and economic activities with factors like income, education, job position, and others that define their status (Setyorini & Syahlani, 2019).

Socio-economic status is observable through a person's occupation, education, health, and household needs fulfillment (Zunaidi, 2013). In measuring socio-economic status, standards

encompass education, job position, income, ownership of valuable goods, and community recognition (Sudarsono, 2016). Ownership of valuable goods and home ownership are highlighted in socio-economic status determinants (Setyorini & Syahlani, 2019). Studies on the relationship between socio-economic variables and zakat assess status based on family dependents, religiosity, marital status, homeownership (privately owned or rented), and individual loans (Aulia, 2019; Maulana, 2020).

Consumer Behavior Theory

Within the microeconomic theory framework, consumer behavior becomes the foundation for analyzing individual decisions in paying zakat, utilizing the indifference curve model. In this perspective, zakat is treated as a commodity, and the muzaki (payer of zakat) formulates a demand for zakat, with their utility or satisfaction increasing accordingly (Nicholson & Snyder, 2012).

Muzaki, positioned as a consumer, is also faced with various choices of goods to consume. In this context, zakat is considered a consumption good because it reduces the budget. Therefore, consumption goods are limited by a budget, referred to in the curve model as a budget line. With budget constraints, muzaki must choose a combination of several goods to maximize utility. In a curve, this combination is simplified into two types, as shown below:

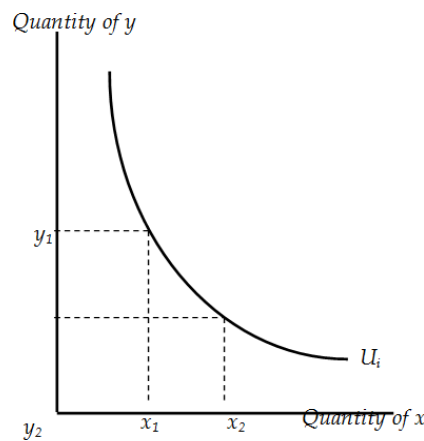


Figure 1. Indifference Curve

Source: Nicholson & Snyder (2012)

In Figure 1, an indifference curve connecting goods x and y is shown. Good x represents zakat, while good y represents other consumption goods. The indifference curve itself is denoted as U_1 and has a negative slope. This negative slope indicates the presence of the Marginal Rate of Substitution (MRS). This means that if a muzaki increases the consumption of good x (zakat),

they must sacrifice good y (other consumption goods). Therefore, the slope of the indifference curve has the formula $\frac{dy}{dx}$.

The amount of zakat and other items that a muzaki (payer of zakat) can consume is determined by the income variable. The income variable is included in the budget line. Muzaki faces a limited budget, so the amount of zakat and other items they can consume is also limited. If a muzaki has an income, symbolized by I , and this income is allocated to goods x , which is zakat, and goods y , which are other consumer goods, and the price of zakat is P_x , and the price of other goods is P_y , then the budget line function is as follows:

$$P_x x + P_y y \leq I \dots\dots\dots (1)$$

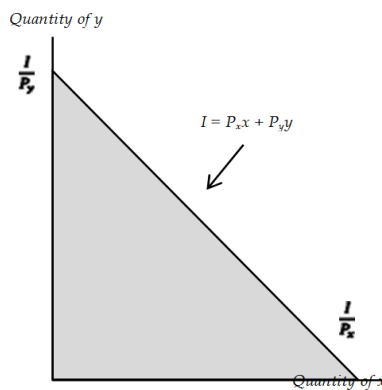


Figure 2. Budget Line

Source: Nicholson & Snyder (2012)

From the curve presented at Figure 2, the allocation of a muzaki's budget for giving zakat and buying other goods is influenced by the size of their income. The budget line has a negative slope, which is (P_y / P_x) . Therefore, when a muzaki allocates more of their budget to zakat, they will allocate less budget to other goods, and vice versa. The size of the combination of zakat and other consumer goods is depicted in the gray area below the budget line curve. The size of the combination cannot exceed the curve because of insufficient budget.

Giving zakat or consuming other goods is a trade-off faced by Muslim individuals. The first possibility that a Muslim may undertake to achieve maximum utility is to consume when the slope of the indifference curve is parallel to the slope of the budget line. This first possibility is indicated by the following equation:

$$MRS = \text{Slope of budget line} \dots\dots\dots (2)$$

$$\frac{dy}{dx} = \frac{P_y P_y}{P_x P_x} \dots\dots\dots (3)$$

This first possibility is illustrated in the following curve:

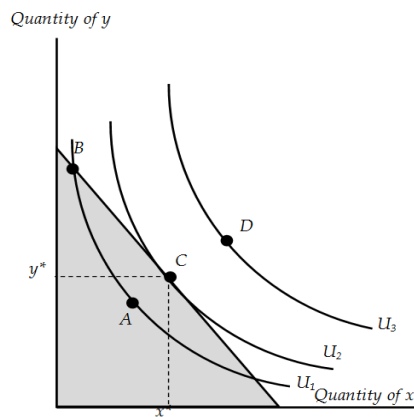


Figure 3. Consumer's Choice

Source: Nicholson & Snyder (2012)

Based on the further elaboration in Figure 3, it can be observed that for a muzaki to maximize their utility, they must consume at point C, where the slope of the budget line and the indifference curve are parallel. The combination of consumption for zakat and other goods is represented by the quantities x and y meeting at point C. However, for Muslims who are obligated to pay zakat but do not pay it for certain reasons, this phenomenon is referred to as a "corner solution." A corner solution is the second possibility, occurring when a Muslim prefers one type of goods (x) over another (y) or vice versa. The corner solution is formulated by the following equation:

$$MRS \geq \text{Slope of budget line} \dots\dots\dots (4)$$

$$\frac{dydy}{dx dx} \geq \frac{P_y P_y}{P_x P_x} \dots\dots\dots (5)$$

This second possibility is depicted in the Figure 4.

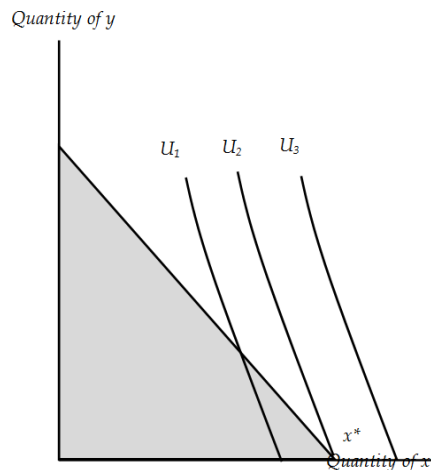


Figure 4. Corner Solution

Source: Nicholson & Snyder (2012)

In this condition, a Muslim only consumes one type of goods, so their budget is not allocated for zakat. The condition can also be reversed, where a Muslim allocates their entire budget to pay zakat and does not buy other goods. The second possibility is very rare and is not discussed in this research. This study focuses only on the first possibility.

METHOD

Types of Research and Data

This study relies on secondary data obtained from the Indonesia Family Life Survey (IFLS) dataset, which is a longitudinal socio-economic household survey conducted based on a household sample representing 83% of Indonesia's population carried out across 13 provinces in Indonesia which was gathered by Strauss et al., (2016). The method employed in this study encompasses both descriptive and quantitative research approaches. The variables collected include socioeconomic determinants and factors that influence an individual's decision to pay zakat. Data was processed using the statistical software STATA 17. The data utilized follows a cross-sectional format, specifically the 2014 IFLS 5 and it was analyzed using a probit regression model. This model was chosen appropriately for this research because it offers the advantage of assessing outcomes across multiple categories within the dependent variable, thereby allowing us to determine the probability levels of individuals paying zakat.

Definition of Variables

The variables utilized in this study encompass socio-economic determinants and other factors influencing individuals' decisions to make zakat payments. In total, there are fourteen variables employed in this research. These fourteen variables are categorized into different types: one dependent variable, which is a zakat dummy variable used to analyze individuals' zakat payment decisions, and the remaining thirteen serve as independent variables. These independent variables include gender, age, age squared, household size, homeownership, place of residence, loans, years of schooling, marital status, income, religiosity, and occupation. Table 1 provides definitions for all these variables.

Table 1. Variable Definition

Variable	Definition
Zakat	Dummy variable for zakat. Takes the value 1 if zakat is paid, and 0 if not.
Age	Age of the respondent (in years)
Age Squared	The squared form of age, as age exhibits quadratic characteristics.
Gender	Dummy variable for gender. Takes the value 1 if male, and 0 if female.
Household Size	Number of household members
Home Ownership	Dummy variable for home ownership status. Takes the value 1 if owned personally and 0 if otherwise.
Place of Residence	Dummy variable for the location of the respondent's residence. Takes the value 1 if urban and 0 if rural.
Loans	Dummy variable for loans. Takes the value 1 if the respondent has a loan and 0 if not.
Years of Schooling	The duration of education completed by household members.
Marital Status	Dummy variable for marital status. Takes the value 1 if married and 0 if not married.
Income	Per capita income
Religiosity	Dummy variable for religiosity. Takes the value 1 if religious and 0 if not religious.
Occupation	Employment status categorized into 4 categories: self-employed, laborer, unpaid family worker, and freelancer.

Empirical Model

The model in this research is constructed based on theoretical foundations and previous studies. To examine individual decisions regarding zakat payments, we employ a probit regression model (Mastromatteo & Russo, 2017). This model is utilized when a study aims to explore individual decisions using dependent variables that are categorical or referred to as latent variables (Gujarti & Porter, 2013). Hence, it suits the objective of this research where the dependent variable is either a person pay or not pay the zakat. Probit models are estimated using Maximum Likelihood Estimation (MLE). The general form of the probit regression model is as follows:

$$y_i^* = \beta_0 + \beta_1 x_i + u_i \text{ where } i = 1, 2, 3, \dots, n$$

The variable y_i^* represents a latent variable that serves as the dependent variable for both x and the error term (u_i). Meanwhile, y_i^* is an ordinal variable with values ranging from 0 to 1. The equation is transformed into an equation with a dummy dependent variable.

$$\begin{aligned} P(y = 1) &= P(y^* > 0) = P(\beta_0 + \beta_1 x_1 + u_i > 0) = P(u_i > -\beta_0 - \beta_1 x_1) \\ &= P\left(\frac{u_i}{\sigma} > \frac{-\beta_0 - \beta_1 x_1}{\sigma}\right) \end{aligned}$$

Because of the symmetric normal distribution, we can write this model and use Maximum Likelihood:

$$P(y = 1) = P\left(\frac{u_i}{\sigma} > \frac{-\beta_0 - \beta_1 x_1}{\sigma}\right) = P\left(\frac{u_i}{\sigma} < \frac{\beta_0 + \beta_1 x_1}{\sigma}\right) = \Phi\left(\frac{\beta_0 + \beta_1 x_1}{\sigma}\right)$$

In the probit model, the coefficients cannot be directly interpreted; instead, interpretation is based on the marginal effects of each individual variable, as follows:

$$x_j = \frac{\partial \Pr(y_i = 1)}{\partial x_{ij}} = \frac{\partial \Phi(x_i \beta)}{\partial x_{ij}}$$

Where x_j consists of x_1, x_2, x_3 , and so forth. Therefore, the empirical model for examining decisions regarding zakat can be expressed as follows:

$$\begin{aligned} Zakat_i^* &= \beta_0 + \beta_1 Male_i + \beta_2 Hhsize_i + \beta_3 Age_i + \beta_4 Agesq_i + \beta_5 Hmown_i + \beta_6 Loan_i \\ &+ \beta_7 Educ_i + \beta_8 urban_i + \beta_9 married_i + \beta_{10} Income_i + \beta_{11} Relig_i + \beta_{12} Occup_i + u_i \end{aligned}$$

Where:

Zakat	: Dummy zakat	Educ	: Years of schooling
Male	: Dummy gender	Urban	: Dummy place of residence
Hhsize	: Houshold Size	Married	: Dummy marital status.
Age & Agesq	: Age and age squared	Income	: Per capita expenditure.
Hmown	: Dummy home ownership	Relig	: Dummy religiosity
Loan	: Dummy loan	Occup	: Employment status

RESULTS

Descriptive Analysis

The sample used in this study consists of individuals aged 15 years and above who adhere to the Islamic faith. By utilizing the dataset provided by Strauss et al., (2016) there were a total of 17,547 observations in this study. Table 2 presents summary statistics such as the number of observations, mean or average, measurements, standard deviation, minimum, and maximum values for all the data used in this research.

Table 2. Descriptive Statistics

Variable	Obs	%	Mean	Std. Dev.	Min	Max
Zakat Dummy	17,547		0.979	0.143	0	1
1 (Zakat payer)	17,181	97,91%				
0 (Not a Zakat payer)	366	2,09%				
Household Size	17,547	100%	4.148	1.807	1	15
Gender	17,547	100%	0.544	0.498	0	1
1 (Male)	9,544	54,39%				
0 (Female)	8,003	45,61%				
Age	17,547	100%	39.065	13.468	15	93
Age Squared	17,547	100%	1707.474	1170.789	225	8649
Home Ownership	17,547		0.768	0.422	0	1
1 (Own home)	13,474	76,79%				
0 (Others)	4,073	23,21%				
Place of Residence	17,547		0.57	0.495	0	1
1 (Urban)	10,001	57%				
0 (Rural)	7,546	43%				
Loans	17,547		0.412	0.492	0	1
1 (Has loan)	7,223	41,16%				
0 (Does not have a loan)	10,324	58,84%				

Years of Schooling	17,547	100%	8.702	4.452	0	16
Marital Status	17,547		0.5	0.5	0	1
1 (Married)	8,777	50,02%				
0 (Not married)	8,770	49.98%				
Income	17,547	100%	3.165	0.708	1	5
Religiosity	17,547		0.79	0.407	0	1
1 (Religious)	13,858	78,98%				
0 (Not Religious)	3,689	21,02%				
Occupation	17,544		2.064	1.022	1	4
1 (Self-employed)	6,048	34,47%				
2 (Laborer)	6,915	39,42%				
3 (Unpaid family worker)	1,991	11,35%				
4 (Freelancer)	2,590	14,76%				

Table 2 reveals key demographic and socio-economic characteristics of the respondents. The data highlights a pronounced inclination toward zakat payment, with approximately 97.91% of respondents identified as zakat contributors, while only 2.09% do not participate in zakat contributions. This statistic underscores a prevalent practice of charitable giving within the surveyed population. In terms of household size, the average number of individuals per household is approximately 4.15, with a range from a minimum of 1 to a maximum of 15. These figures provide insights into the typical household composition within the studied population. Regarding gender distribution, the dataset indicates that around 54.39% of respondents are male, while 45.61% are female. This distribution reflects a relatively balanced representation of both genders in the sample, indicating gender diversity among the respondents. The average age of the respondents is approximately 39.07 years, with ages ranging from a minimum of 15 to a maximum of 93. This age distribution offers a glimpse into the demographic diversity and age range of the study participants. In terms of home ownership, the data reveals that 76.79% of respondents own their homes, while approximately 23.21% do not have home ownership. These statistics illustrate the prevalence of home ownership within the surveyed population.

The variable related to the place of residence indicates that 57.0% of respondents reside in urban areas, while 43.0% live in rural areas. This distribution reflects the urban-rural divide among the study participants. Further insights into the financial status of the respondents are provided through the variable related to loans, which indicates that 41.16% of respondents have loans, while 58.84% do not have any outstanding loans. The variable "years of schooling" demonstrates an average of approximately 8.70 years of education, with a minimum value of 0 (indicating no formal education) and a maximum of 16 years. These statistics shed light on the educational attainment levels within the sample. Marital status is characterized by a nearly equal split, with 49.98% of respondents being married and the remaining 50.02% categorized as unmarried. This balanced distribution reflects the diverse marital statuses of the study participants. The variable "income" indicates an average per capita expenditure of approximately 3.17, ranging from a minimum of 1 to a maximum of 5. This data provides insights into the financial resources available to the respondents. Finally, in terms of religiosity, most respondents, approximately 78.98%, are identified as religious, while the remaining 21.02% are classified as non-religious. This variable shed light on the religious orientation of many individuals in the sample. In the context of occupational status, most respondents fall into the categories of self-employed (34.47%) and laborers (39.42%), while the remainder belong to categories such as unpaid family workers and freelancers.

Probit Regression Result

Based on the probit regression results shown in Table 3, it can be concluded that, overall, the independent variables have an impact on individual decisions to give zakat. This statement is supported by the prob>chi-square value of 0.000, which is smaller than the alpha level of 5% or 0.05. The pseudo R² value is 0.086, indicating that the combination of all independent variables can explain the dependent variable by 8.6%, while the remaining 91.4% is explained by other variables not included in the model. Microdata research typically involves a larger number of observations or compared to research using standalone surveys or macro-level data. A larger number of observations mathematically means expanding the denominator in the R², resulting in a smaller R² value.

Table 3. Probit Regression & Marginal Effect Result

Variables	Coef.	dy/dx	p-value	Sig
Hhsize	0.124	0.004	0.000	***

Male	-0.124	0.004	0.014	**
Age	0.036	0.001	0.000	***
Agesq	0.000	0.000	0.000	***
Hmown	0.368	0.017	0.000	***
Urban	-0.052	0.002	0.283	
Loan	0.203	0.007	0.000	***
Educ	0.044	0.002	0.000	***
Married	0.08	0.003	0.127	
Income	0.205	0.007	0.000	***
Relig	0.127	0.005	0.02	**
Occup	0.046	0.002	0.043	**
Constant	-0.665	0.004	0.006	***

Number of obs	17544
Pseudo r-squared	0.086
Prob > chi2	0.000

*** $p < .01$, ** $p < .05$, * $p < .1$,

Table above presents the results of probit regression analysis and its corresponding marginal effects. The regression result showed that the prob>chi-square is 0.000. A prob>chi-square value smaller than alpha 5% (0.05) indicates that the overall independent variables have an impact on the behavior of Muslims in giving zakat. Then, after conducting probit regression and its marginal effects as shown in the table below, it is true that a Muslim place of residence and marital status do not affect their behavior in giving zakat. This statement is based on the significance values ($P > |Z|$) of the variable place of residence and marital status, which are 0.281 and 0.126, those are greater than the alpha level ($\alpha = 5\%/0.05$).

The number of household size variable significantly influences the behavior of Muslims in giving zakat. This statement is based on the significance value ($P > |Z|$) of 0.000, which is smaller than the alpha level ($\alpha = 5\%/0.05$). Looking at its marginal effect, for every increase of

the number of household size, the probability of them giving zakat increases by 0.44%. The gender variable significantly influences the behavior of Muslims in giving zakat. This statement is based on the significance value ($P > |Z|$) of 0.013, which is smaller than the alpha level ($\alpha = 5\%/0.05$). Looking at its marginal effect, male Muslims have a 0.44% lower probability of giving zakat compared to female Muslims.

The age variable significantly influences the behavior of Muslims in giving zakat. This statement is based on the significance value ($P > |Z|$) of 0.000, which is smaller than the alpha level ($\alpha = 5\%/0.05$). Looking at its marginal effect, for every one-year increase in a Muslim's age, their probability of giving zakat increases by 0.0012 units of money. Then, when looking at the variable age squared (umursq), an increase in a Muslim's age increases their probability of giving zakat up to a certain age. Once they reach age [specific age], there is a decrease in the probability of giving zakat.

The variable of homeownership significantly influences the behavior of Muslims in giving zakat. The statement is based on the significance value ($P > |Z|$) of 0.000, which is smaller than the alpha level ($\alpha = 5\%/0.05$). Looking at its marginal effect, muslims who are owning their own home have a 1.66% higher probability of giving zakat compared to muslims who are not owning their own home. The variable of loan amount significantly influences the behavior of Muslims in giving zakat. This statement is based on the significance value ($P > |Z|$) of 0.000, which is smaller than the alpha level ($\alpha = 5\%/0.05$). Looking at its marginal effect, for every unit increase in a Muslim's loan amount, their probability of giving zakat increases by 0.007.

The years of schooling variable significantly influences the behavior of Muslims in giving zakat. This statement is based on the significance value ($P > |Z|$) of 0.000, which is smaller than the alpha level ($\alpha = 5\%/0.05$). Looking at its marginal effect, for every increase of muslim's year of school, the probability of them giving zakat increases by 0.15%. The variable of income in logarithmic form significantly influences the behavior of Muslims in giving zakat. This statement is based on the significance value ($P > |Z|$) of 0.000, which is smaller than the alpha level ($\alpha = 5\%/0.05$). Looking at its marginal effect, for every unit increase in a Muslim's income, the probability of them giving zakat increases by 0.73%.

The religiosity level variable significantly influences the behavior of Muslims in giving zakat. This statement is based on the significance value ($P > |Z|$) of 0.031, which is smaller than the alpha level ($\alpha = 5\%/0.05$). Looking at its marginal effect, religious Muslims have a 0.49% higher probability of giving zakat compared to non-religious Muslims. The occupation variable

significantly influences the behavior of Muslims in giving zakat. This statement is based on the significance value ($P > |Z|$) of 0.044, which is smaller than the alpha level ($\alpha=5\%/0.05$). Looking at its marginal effect, Muslims who had employed have a 0.16% higher probability of giving zakat compared to those who had not employed.

DISCUSSION

Based on the research results, it is evident that the variable "number of household size" holds a significance value ($P > |Z|$) of $0.000 < 0.05$, indicating a significant positive influence on the behavior of Muslim individuals in paying zakat. The larger the household size, the more likely an individual is to pay zakat. This pattern is attributed to the influence of social and family factors shaping individual behavior, as noted by Febriyani (2021).

Similarly, the gender variable shows a significance value ($P > |Z|$) of $0.000 < 0.05$, signifying a significant positive influence on the behavior of Muslim individuals in paying zakat. This result aligns with research by M. Abdullah & Sapiei (2018), Aligarh (2021), and Handayani et al. (2022), indicating that gender plays a role in zakat compliance. The interpretation suggests that if two individuals are identical in all other aspects but differ in gender, the probability of a male paying zakat decreases by -0.004 compared to a female. This finding is consistent with Watson & Mcnaughton's (2007) explanation that women tend to be more rule-abiding due to their higher level of risk aversion.

Furthermore, the age variable demonstrates a significance value ($P > |Z|$) of $0.000 < 0.05$, implying a significant positive influence on the behavior of Muslim individuals in paying zakat. As individuals grow older, their understanding of zakat tends to increase, fostering a greater willingness to pay zakat. Additionally, older age typically comes with more stable income, making individuals more likely to fulfill zakat obligations, especially zakat maal with a requirement to reach the nisab. This finding aligns with the study by Huda et al. (2013).

The variable of homeownership holds a significance value ($P > |Z|$) of $0.000 < 0.05$, indicating a significant positive influence on the behavior of Muslim individuals in paying zakat. Homeownership, representing a financial responsibility that requires fund allocation, positively impacts the decision to pay zakat. This result aligns with research by Maulana (2020), suggesting that homeownership influences the decision to pay zakat.

On the contrary, the place of residence variable has a significance value ($P > |Z|$) of 0.281, which exceeds 0.05, indicating that the place of residence does not significantly influence the

behavior of Muslim individuals in paying zakat. There is no discernible difference in zakat payment behavior between individuals residing in rural and urban areas. The obligation to pay zakat remains consistent for every Muslim, irrespective of their residential location. This finding is consistent with a study by Daulay and Lubis (2015), where only 24% of respondents cited location as a factor causing reluctance to pay zakat.

In contrast, the variable of loan amount holds a significance value of $P > |Z|$ equal to $0.000 < 0.05$, signifying a significant positive influence on the behavior of Muslim individuals in paying zakat. Individuals in debt may be utilizing loans for productive purposes, contributing to increased income, and influencing their behavior in paying zakat.

The variable of years of schooling level demonstrates a significance value of $P > |Z|$ equal to $0.000 < 0.05$, indicating a significant positive influence on the behavior of Muslim individuals in paying zakat. This aligns with research studies by Amanta et al. (2014) and Maulana (2020), suggesting that a longer duration of education can impact an individual's likelihood to pay zakat. Society members with higher levels of education tend to possess greater awareness and knowledge about the obligation to pay zakat, leading to increased conscientiousness in fulfilling their zakat payment obligations. However, these findings contradict research conducted by Handayani et al. (2022), which indicates that the level of education does not influence zakat payment, possibly due to variations in the depth of religious teachings explored in formal education.

The marital status variable has a significance value of $P > |Z|$ equal to 0.126, exceeding 0.05, indicating that marital status does not significantly influence the behavior of Muslim individuals in paying zakat. This aligns with the research conducted by Dianingtyas (2011), explaining that marital status does not have a significant impact on employees' willingness to pay zakat. Married individuals may prioritize living expenses due to financial responsibilities, potentially impacting zakat payment.

The variable of income level holds a significance value of $P > |Z|$ equal to $0.000 < 0.05$, implying a significant positive influence on the behavior of Muslim individuals in paying zakat. This aligns with research conducted by Aligarh (2021), Aulia (2019), and Beik & Alhasanah (2012), asserting that income has a significant positive impact on the decision to pay zakat. Income plays a crucial role in zakat contributions, especially zakat maal, as its amount is determined by an individual's income. A higher income level makes it easier for individuals to

fulfill zakat obligations, as their basic needs are typically met, allowing for surplus funds. Therefore, the income variable significantly influences zakat payment.

Moreover, the religiosity variable demonstrates a significance value of $P > |Z|$ equal to 0.031, falling below 0.05. This indicates that religiosity significantly and positively influences the behavior of Muslim individuals in paying zakat. These findings align with research by Aligarh (2021), Aulia (2019), and Dianingtyas (2011), highlighting the substantial impact of religiosity on compliance and decision-making regarding zakat payment. Individuals with a deeper religious understanding exhibit greater awareness and commitment to fulfilling their religious obligation of paying zakat. Ghaouri et al. (2023) also emphasize that individuals with strong faith possess fundamental knowledge of zakat obligations. Occupations, encompassing aspects of business governance, work environment, and other factors, indeed influence the behavior of Muslim individuals in paying zakat. Therefore, individuals with high religiosity significantly influence zakat payment behavior.

Similarly, the occupation variable holds a significance value of $P > |Z|$ equal to 0.044, which is less than the alpha value (0.05). This indicates that occupation significantly and positively influences the behavior of Muslim individuals in paying zakat. This finding aligns with the study by Hamid & Zulkifli (2018), suggesting that good corporate governance positively and significantly impacts employee motivation to pay zakat. Furthermore, the type of occupation correlates with income and position, so occupations with higher income and honorable positions significantly influence the behavior of individuals in paying zakat.

In conclusion, socio-economic factors play a pivotal role in formulating strategies to enhance zakat fund collection. Zakat institutions can leverage socio-economic research to devise effective strategies in maximizing the significant zakat potential in Indonesia. For instance, with respect to the socio-economic factor of income level, zakat institutions can develop targeted programs to raise awareness among individuals with higher incomes compared to those with lower incomes, thereby accelerating zakat fund collection in alignment with its potential.

CONCLUSION

Based on the analysis conducted in this study, it was found that individuals with a higher socio-economic status are statistically more likely to contribute to zakat. It can be concluded that several factors have a significant positive influence on the behavior of Muslim individuals in

paying zakat. These factors include the number of household size, gender, age, homeownership, loan amount, years of schooling level, income level, religiosity, and occupation. The findings suggest that the number of household size, as well as gender, age, income level, religiosity, and occupation, are important factors that influence an individual's behavior in paying zakat. However, the place of residence and marital status do not have a significant influence on zakat payment.

These findings carry important implications for zakat institutions in Indonesia. Zakat institutions can use socio-economic research to develop strategies to maximize zakat fund collection. For example, zakat institutions can develop programs to raise awareness among individuals with higher incomes, as they are more likely to have surplus funds and can contribute more to zakat. Additionally, zakat institutions can collaborate with religious institutions to enhance religiosity and understanding of zakat obligations among society members. Finally, zakat institutions can work with businesses and corporations to promote good corporate governance and encourage employee motivation to pay zakat.

However, this study faces the challenge of the unclassified nature of zakat data. In the future, it is hoped that survey institutions such as RAND and BPS Indonesia can enhance modules like IFLS or other surveys like SUSENAS by adding specialized sections on religious matters, including expenditures related to zakat, infak, sedekah, qurbani, umrah, hajj, and others. This would enable other researchers to address the phenomenon of religious behavior among the Indonesian Muslim population through a scientific approach supported by robust statistical data. Additionally, since most respondents in the IFLS dataset are zakat payers, it might impact the inference. Hence, further research should aim to cover this limitation.

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