

The Effect of Public Awareness, Zakat Literacy , and Economic Welfare on Zakat Revenue in Prabumulih City

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Abstract

This study examines the influence of public awareness, zakat literacy, and economic welfare on zakat collection in Prabumulih City. As one of the regions in South Sumatra with significant zakat potential, Prabumulih still faces a gap between zakat potential and its realization. This gap is largely driven by limited public understanding of zakat beyond zakat fitrah and the prioritization of household needs over zakat obligations. Therefore, strengthening awareness and literacy is essential for optimizing zakat collection, which in turn plays a vital role in poverty alleviation and socio-economic development. The research aims to analyze the partial and simultaneous effects of public awareness, zakat literacy, and economic welfare on zakat collection. A quantitative approach was employed using primary data collected through questionnaires distributed to 200 respondents consisting of Prabumulih residents and BAZNAS employees. The data were analyzed using multiple regression tests with a significance level of 5%. The findings reveal that public awareness, zakat literacy, and economic welfare each have a significant positive effect on zakat collection. The statistical results show t-values greater than the t-table (4.597, 10.230, and 13.884 respectively, with p-values < 0.05), indicating strong significance. Furthermore, the R-square value of 0.961 suggests that 96.1% of the variation in zakat collection can be explained by the three independent variables, while only 3.9% is attributed to other factors. In conclusion, the study confirms that higher levels of public awareness, zakat literacy, and economic welfare contribute significantly to increased zakat collection. These findings highlight the importance of enhancing education and socialization about zakat to optimize its role in strengthening social welfare and reducing poverty in Prabumulih City.

Keywords: Economic Welfare, Zakat Collection, Prabumulih, Public Awareness, Zakat Literacy

INTRODUCTION

Zakat is one of the main pillars in the Islamic economic system that has a central role in wealth redistribution and economic empowerment of the people. Amidst the complexity of poverty and social inequality in Indonesia, zakat is present not only as a spiritual obligation, but also as an instrument of community-based social fiscal policy.

However, reality shows that the potential of national zakat has not been maximised. Based on the BAZNAS report (2023) (Direktorat Kajian dan Pengembangan ZIS DSKL Nasional, 2023), the national zakat potential reaches Rp327 trillion, but the realisation of the collection is only around Rp29 trillion realisation is only around IDR29 trillion or <10% of the potential. This phenomenon shows a significant gap between the potential and realisation of zakat. This condition also occurs in Prabumulih City, South Sumatra, which despite having good local economic potential, zakat revenue is still far from optimal.

Table 1. Comparison of Potential and Realisation of Zakat in Prabumulih City in 2022

Zakat Category	Zakat Potential (Rp)	Realisation (Rp)	Percentage of Realisation
Income Zakat	84.256.000.000	4.300.000.000	5,1%
Zakat on Trade	22.000.000.000	3,100,000,000	14.0%
Zakat on Agriculture	6,100,000,000	1,700,000,000	27.9%
Zakat al-Fitr	4,750,000,000	2,150,000,000	45.3%

Total	117,106,000,000	11,250,000,000	9.6%
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Source: BAZNAS Prabumulih data, 2023

Indonesia has enormous zakat potential, yet the reality shows that this potential has not been maximized. Based on the 2023 BAZNAS report, the national zakat potential reached Rp327 trillion, but the realization of zakat collection was only around Rp29 trillion, or less than ten percent of the potential. This large gap between potential and realization is also evident at the local level. In Prabumulih City, South Sumatra, the zakat potential in 2022 was estimated at Rp117.1 billion, while the realization was only Rp11.2 billion, representing just 9.6 percent. A detailed breakdown shows that income zakat contributed only 5.1 percent of its potential, zakat on trade 14 percent, zakat on agriculture 27.9 percent, and zakat al-fitr 45.3 percent.

Initial field observations reveal that most residents in Prabumulih only recognize zakat fitrah, which is paid annually during Ramadan. Very few understand the obligations of zakat maal, particularly on regular income, agricultural yields, or business profits, despite the fact that many residents' economic capacity has already exceeded the nisab threshold. A preliminary survey of local residents further confirms this limited literacy, showing that although economic potential is high, awareness and understanding remain low, resulting in suboptimal zakat collection.

Several recent studies underline this phenomenon. Canggih & Indrarini (2021) found that zakat literacy has a direct and significant impact on zakat realization in Indonesia, indicating that greater understanding of zakat regulations encourages higher compliance. Mafrudho et al (2025) further showed that income level and knowledge are critical factors influencing awareness, where individuals with stronger financial capacity and better understanding of zakat are more consistent in fulfilling their obligations. Similarly, Lubis (2024) demonstrated that literacy, income, and trust significantly influence the willingness of muzakki to pay zakat, especially through online platforms. These findings collectively suggest that strengthening community awareness, improving zakat education, and building institutional credibility are essential strategies to bridge the persistent gap between zakat potential and realization, both nationally and locally.

Initial observations show that most people only understand zakat fitrah, which is paid every Ramadan. Very few understand the provisions of zakat maal, especially on regular income, agricultural products, or business results. Yet, from an economic point of view, they have exceeded the nisab limit. This is confirmed by an initial survey of 50 Prabumulih residents:

Table 2. Initial Survey Results of Zakat Literacy in Prabumulih

Statement	Agree (%)	Disagree (%)
Zakat is only required during Ramadan	64%	36%
I know the nisab limit for income tax	28%	72%
I believe that zakat is channelled correctly	41%	59%
I regularly pay zakat maal	25%	75%

Source: Prabumulih BAZNAS data, 2023

Indonesia is a country with one of the largest Muslim populations in the world and thus possesses enormous potential for zakat collection. Zakat, as one of the pillars of Islam, not only has a spiritual dimension but also functions as a social and economic instrument capable of reducing poverty and promoting welfare. However, this potential has not yet been maximized. According to the Pusat Kajian Strategis BAZNAS (2024), the national zakat potential reached Rp327 trillion, yet the actual realization of zakat collection was only around Rp29 trillion, or less than ten percent of its potential. This condition shows that zakat has not been fully utilized to strengthen social welfare and reduce economic inequality. A similar situation is observed at the local level, particularly in Prabumulih City, South Sumatra. Based on BAZNAS Prabumulih data (2023), the zakat potential in 2022 was estimated at Rp117.1 billion, but the realization was only

Rp11.2 billion, or 9.6 percent. A breakdown of the data shows that income zakat realization accounted for only 5.1 percent of its potential, zakat on trade 14 percent, zakat on agriculture 27.9 percent, and zakat al-fitr 45.3 percent. These numbers indicate that while economic activity in Prabumulih is relatively strong, zakat collection remains far below its potential.

Initial surveys and field observations confirm that most residents in Prabumulih only recognize zakat fitrah, which is traditionally paid during Ramadan. Understanding of zakat maal such as zakat on income, agriculture, or business remains very limited. In fact, many residents whose income levels exceed the nisab threshold are still unaware of their obligation to pay zakat beyond zakat fitrah. This finding shows that the understanding of zakat beyond zakat fitrah is still very low. This strengthens the assumption that zakat literacy and collective awareness have not been formed optimally (Black et al., 2014). The limited understanding of zakat literacy has implications not only at the individual level but also at the collective level. Zakat can only function as an effective socio-economic instrument if the community as a whole recognizes its role in wealth redistribution and poverty alleviation. Without sufficient literacy and collective awareness, zakat will continue to be perceived merely as a religious ritual rather than as a sustainable mechanism for economic empowerment. Thus, increasing literacy and awareness is not only a matter of religious education but also a strategic approach to strengthening local economic development.

Recent studies also reinforce these arguments. Canggih & Indrarini (2021) demonstrated that zakat literacy directly affects the realization of zakat collection, showing that better understanding leads to higher compliance. Mafrudho et al. (2025) further confirmed that income level and knowledge strongly influence zakat awareness, where individuals with sufficient resources but poor literacy often fail to pay zakat. Similarly, Lubis (2024) found that literacy, income, and trust in zakat institutions are crucial determinants of muzakki's willingness to fulfill their zakat obligations, especially in the context of online zakat payments. Complementing this, Nikmah & Fahrullah (2024) revealed that zakat literacy and religiosity together significantly increase compliance among agricultural zakat payers, while Lubis (2024) showed that literacy and trust are decisive factors influencing muzakki's preference for online zakat platforms. These findings indicate that literacy, awareness, socio-economic conditions, and institutional trust interact closely in shaping zakat compliance.

Based on these considerations, this study seeks to examine more deeply the influence of public awareness, zakat literacy, and economic welfare on zakat collection in Prabumulih City. The city is chosen as a case study because, despite its relatively strong economic potential, its zakat realization remains low, making it a microcosm of the wider national issue. Understanding these relationships is expected to provide insights not only for local zakat management but also for national strategies in optimizing zakat as a tool for social welfare and poverty reduction. This finding shows that the understanding of zakat beyond zakat fitrah is still very low. This strengthens the assumption that zakat literacy and collective awareness have not been formed optimally (Black et al., 2014).

RESEARCH METHODS

This research is an associative quantitative study with a causal approach. This approach is used to test the cause-and-effect relationship between the independent variables public awareness, zakat literacy, and economic welfare and the dependent variable, namely zakat revenue. The causal model is chosen because the main objective of the research is to measure how much influence the independent variables exert on the dependent variable. According to Sugiyono (2017) associative quantitative research is appropriate when the purpose is not only to identify relationships between variables but also to determine the direction and magnitude of

their effects. Black et al. (2014) also emphasize that causal research is particularly useful in testing theoretical models that involve multiple predictors and outcomes, as it allows researchers to establish a more rigorous explanation of the relationships among variables. In the context of zakat studies, such an approach is highly relevant because it provides empirical evidence on whether public awareness, literacy, and economic welfare directly contribute to the increase of zakat collection. Creswell & Creswell (2018) further note that quantitative causal research enables researchers to draw generalizable conclusions by applying statistical analysis to data collected from representative samples.

Thus, the use of an associative quantitative causal approach in this study is supported both by methodological theory and by the practical demands of the research problem. It provides a systematic way to test hypotheses, quantify the strength of relationships, and produce findings that can guide policy and program design in zakat management. This research was conducted in Prabumulih City, South Sumatra Province, which was chosen because it has high zakat potential but the realisation rate of zakat collection is relatively low. Data collection was conducted during November-December 2024. The population in this study were all Muslim people of Prabumulih City who have the potential to become muzakki and the employees of the Prabumulih National Amil Zakat Agency (BAZNAS) (Djaali, 2020). The number of samples was determined as many as 200 respondents. The sampling technique used purposive sampling method, with criteria.

1. Domiciled in Prabumulih City
2. Have Islam religion
3. Have an income above the nisab limit
4. Have ever paid or have the potential to pay zakat maal
5. Have productive age (≥ 18 years old)

The data used in this study consist of Panorama & Muhajirin (2017). Primary Data: Obtained through distributing questionnaires directly to respondents using face-to-face techniques and online distribution.

1. Secondary Data: Derived from official documentation such as Prabumulih City BAZNAS data, the Central Statistics Agency (BPS), as well as journal publications and relevant literature that supports the theory and framework.

The research instrument was a closed questionnaire with a 5-point Likert scale, from 1 = "Strongly Disagree" to 5 = "Strongly Agree". The questionnaire items were developed based on the following variable indicators:

1. Public awareness: knowledge, attitude, behaviour, and participation (4 indicators).
2. Zakat literacy: basic knowledge and advanced understanding (6 indicators)
3. Economic welfare: community income, consumption, and economic access (3 indicators)
4. Zakat revenue: total zakat collected, socio-economic impact of zakat (2 indicators)

Before being used in the research, the questionnaire was tested for validity and reliability with the (Kurniawan & Puspitaningtyas, 2016) :

1. Validity test: all items show a Corrected Item-Total Correlation > value of 0.30, so they are declared valid.
2. Reliability test: all variables have a Cronbach's Alpha value > 0.70, indicating the instrument is reliable.

Primary data was collected through distributing questionnaires directly and online (Google Form). The process was carried out by maintaining research ethics principles such as informed consent and data confidentiality. Data analysis was conducted using the Smart PLS 3 application (AS, 2015). The analysis steps include: The analysis method used in this research is Structural Equation Modeling (SEM) based on Partial Least Square (PLS). PLS itself is an SEM approach that focuses on variants or components. The use of SEM allows researchers to answer various research questions that are regression or dimensional in nature. In SEM, concepts or constructs are analysed through their dimensions, and at the same time can measure the

magnitude of the influence and relationship between relevant factors. Hypothesis testing from number 1 to 5 was carried out using PLS-based SEM analysis tools (Ghozali, 2014).

Structural Equation Modeling is an approach that can overcome the limitations of traditional regression methods. Based on the literature, SEM is divided into two main approaches, namely Covariance-Based SEM (CB-SEM) and Variance-Based SEM which is better known as Partial Least Square (PLS). PLS is a fairly powerful analysis method because it does not depend much on certain statistical assumptions.

The analysis process in PLS is carried out using bootstrapping or random re-sampling techniques, so the issue of data normality is not an obstacle. Because PLS is non-parametric, there is no need for data with a normal distribution in its modelling. The path diagram describing the research model is also compiled as part of this analysis (AS, 2015)

RESULT AND DISCUSSION

A total of 200 respondents were involved in this study, consisting of 150 general public and 50 employees of BAZNAS Prabumulih City. The characteristics of respondents show (Sugiyono, 2017a)

1. Gender: 57% male, 43% female
2. Age: The majority are 30-50 years old (67%)
3. Education: 61% have at least a D3 education
4. Occupation: Majority self-employed (41%) and civil servants (22%).
5. Income: 72% have income > IDR4,000,000/month.

Most respondents stated that they have heard about zakat maal, but only 32% have a good understanding of the types and provisions of zakat other than zakat fitrah. Validity test was conducted using *Corrected Item-Total Correlation (CITC)* with criteria >0.30.

Table 3. Validity and Reliability Test

Variable	Number of Items	Minimum CITC	Cronbach's Alpha
Community Awareness	4	0,512	0,811
Zakat Literacy	6	0,554	0,867
Economic Welfare	3	0,491	0,798
Zakat Receipt	2	0,676	0,785

Source: Processed by Researchers, 2025

All items are declared valid and reliable.

1. Normality Test (Kolmogorov-Smirnov): Sig. = 0.067 > 0.05 → Normally distributed data
2. Multicollinearity Test:
 - a. Tolerance of all variables > 0.10
 - b. VIF of all variables < 10 → There is no multicollinearity
3. Heteroscedasticity Test (Glejser): All variables have sig. > 0.05 → There are no symptoms of heteroscedasticity.

$$Y = 3,264 + 0,287X_1 + 0,366X_2 + 0,412X_3 + \epsilon$$

Table 4.

Variable	t-count	Sig. (p-value)	Description
Community Awareness	4,597	0,000	Significant
Zakat Literacy	10,230	0,000	Significant

Economic Welfare	13,884	0,000	Significant
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Source: Processed by Researchers, 2025

The three independent variables have a significant effect partially on the acceptance of zakat in Prabumulih City.

Table 5. F Test Results (Simultaneous)

Model	F-count	F-table ($\alpha=0.05$)	Sig. (p-value)	Description
Regression	412,376	2,65	0,000	Significant

Source: Processed by Researcher, 2025

The three variables simultaneously have a significant effect on zakat revenue. Coefficient of Determination (R^2) R^2 value= 0.961 → That is, 96.1% of variation in zakat revenue is explained by public awareness, zakat literacy, and economic welfare. The remaining 3.9% is explained by other factors.

Discussion

Effect of Public Awareness on Zakat Acceptance

The result shows that public awareness has a positive and significant influence on zakat revenue. This is in line with Joseph Murphy and Edmund Husserl's theory that awareness is a rational reflection of individual social values and responsibilities. People who realise the obligation of zakat as a pillar of Islam are more likely to pay it consistently. Saleh & Lubis (2022) which states that awareness has a significant influence on compliance to pay mal zakat with a contribution of 86.6%. Which states that there is an influence of Public Awareness on Compliance Paying Zakat. As well as research in line with research conducted by Mafrudho et al., (2025) which states that there is a significant influence, the influence of the level of knowledge and religiosity on public awareness in paying zakat on agricultural products.

Effect of Zakat Literacy on Zakat Acceptance

Zakat literacy has a significant effect on the acceptance of zakat. Respondents with a good understanding of the types of zakat (maal, income, agriculture, livestock) tend to be more aware of paying zakat. The weakness in the understanding of non-fitrah zakat is the cause of the low contribution of economically prosperous people. Nikmah & Fahrullah (2024) stated that zakat literacy is directly proportional to zakat compliance and participation.

Effect of Economic Welfare on Zakat Acceptance

The economic welfare of the Prabumulih community is proven to have a positive effect on zakat receipts. This means that people with adequate income have great potential as muzakki. However, without adequate literacy, this potential has not been optimised. *Maqashid Sharia* (Ash-Syatibi) that the benefit of wealth will be realised if it is managed and distributed fairly through the zakat instrument. This is in line with the results of research conducted by Rasyid & Hannase (2021). Which states that there is a significant effect of the impact of zakat on national and social economic welfare. Which states that the effect of zakat on improving mustaiq welfare.

Simultaneous Effect of Three Variables

The three variables together form a systemic framework that explains the high or low acceptance of zakat. Without the integration of the three, efforts to optimise zakat will only be partial. This integrative model becomes the basis for more comprehensive policies and interventions.

CONCLUSION

This study aims to examine the effect of public awareness, zakat literacy, and economic welfare on zakat revenue in Prabumulih City. Based on the results of multiple linear regression analysis and other statistical tests, some important conclusions are obtained as follows:

1. Public awareness has a positive and significant effect on zakat revenue. People who have a high level of awareness about the obligation to pay zakat, especially zakat maal, show a greater tendency to pay zakat regularly and according to the provisions. This shows that perception, understanding of religious values, and social participation play a significant role in shaping the behaviour of muzakki.
2. Zakat literacy is proven to significantly affect zakat revenue. Low level of knowledge, especially related to types of zakat other than zakat fitrah (zakat on income, company, agriculture, and livestock), becomes an inhibiting factor in optimising revenue. Zakat literacy is not just knowing the definition, but also includes in-depth understanding of the requirements, distribution, and zakat management institutions.
3. Economic welfare has a significant effect on zakat revenue. The higher a person's welfare, the greater the potential of zakat that can be contributed. However, the fact that high income is not always followed by zakat obligation shows that this variable requires educative intervention so that it does not stop at the economic side alone.
4. Simultaneously, the three variables (public awareness, zakat literacy, and economic welfare) have a very strong influence on zakat revenue in Prabumulih City, with a total contribution of 96.1%. This shows that the increase of zakat revenue can only be achieved if the empowerment strategy is done in an integrated manner, involving spiritual, educative, and economic structural aspects.
5. In general, the results of this study strengthen the argument that efforts to optimise zakat are not sufficiently done with a normative approach (religious obligation), but must be complemented with an educative and systemic approach based on local data.

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