ISLAMIC FINANCIAL LITERACY EDUCATION AND POCKET MONEY MANAGEMENT UNDERSTANDING AMONG INDONESIAN MIGRANT ELEMENTARY SCHOOL CHILDREN IN MALAYSIA

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ABSTRACT

Managing pocket money from the elementary school years is one of the first steps in introducing financial literacy to children. This community service activity aimed to introduce wise pocket money management, based on Islamic financial principles, to Indonesian migrant children in Malaysia. The activity was held on 24 August 2026 at a community learning centre (Sanggar Bimbingan) in Kuala Lumpur and involved 35 students. It used a service-learning approach with a one-group pre-test and post-test design. The activity consisted of an interactive presentation, a question-and-answer session, a pocket money allocation simulation, and an evaluation using ten multiple-choice questions before and after the education session. When asked what they used their pocket money for, most students answered that they bought food and drinks (43%), while saving was the least common answer. The number of students scoring 100 increased from 13 in the pre-test to 19 in the post-test. A preliminary calculation based on the score distribution in the chart shows that the mean score rose from 85.14 to 91.14. These results indicate better test performance after the activity, although they do not show that the children's financial habits changed in the long term. Education through explanation and simulation can be a useful way to introduce pocket money management, together with the values of responsibility and social concern in Islamic finance.

Keywords: *Islamic financial literacy; pocket money; elementary school children; Indonesian migrant children; community service*

1. INTRODUCTION

Childhood is a formative period for habits and ways of thinking, including how people handle money. In elementary school, a child's first contact with the financial world almost always begins with something close to everyday life: pocket money. Pocket money is more than spending money for snacks at school. It is a hands-on way of learning (experiential learning) through which children come to understand the value of money, make spending decisions, and practise self-restraint (LeBaron et al., 2019). Without proper guidance, giving children pocket money can instead encourage consumptive habits early on, with children getting used to spending all of their money without thinking about priorities or about setting some aside for the future.

The situation becomes more complicated when we look at Indonesian migrant children living in Malaysia. Growing up across national borders, these children are in a distinctive social and educational position. On the one hand, they live far from their homeland and have limited access to certain forms of formal education; on the other, they still carry the identity, cultural background, and religious values of their Indonesian families. Based on field observations, these children generally receive daily pocket money from their parents. However, most of them spend it only on snacks they happen to want. They have not been given a basic understanding of how to tell needs from wants, why saving matters, or how to use money wisely.

Given these problems, real support in the form of financial education is needed, one that teaches not only how to count money but also addresses moral and religious values. For Muslim communities,

Islamic financial literacy is a highly relevant answer. Islamic financial education teaches that wealth is a trust (*amanah*) for which one must be accountable, discourages wastefulness (*israf*), encourages the habit of saving, and builds social concern through *sadaqah*, or voluntary charity (Raihan et al., 2022). Introducing these values through a simple situation such as pocket money management has the potential to motivate children to make financial decisions that are not only sensible but also bring blessings (*barakah*) (Adinugraha et al., 2022; Bahy & Siregar, 2025).

As a practical response to these problems, this community service activity was designed to deliver an "Islamic Financial Literacy Education" program for Indonesian migrant elementary school children in Malaysia. To make the material easy and enjoyable for children of this age to absorb, the program used a communicative and applied approach: an interactive presentation, a question-and-answer session, and a pocket money simulation. Research on basic financial education has shown that visual presentation combined with practical simulation is effective in improving children's understanding of money management concepts (Yusron et al., 2022).

Accordingly, this activity aimed to give students a comprehensive understanding of personal money management, from recognising the Indonesian rupiah and distinguishing wants from needs, to managing pocket money in line with Islamic teachings and practising it in a simulation. It was designed to give students both knowledge and hands-on experience so that they can manage their pocket money wisely and responsibly, in line with Islamic financial principles, in their daily lives.

2. METHOD

This community service activity used a *service-learning* approach with a one-group *pre-test* and *post-test* design to determine changes in participants' understanding after the financial literacy education. The activity was held on Monday, 24 August 2026, at a Sanggar Bimbingan in the Kuala Lumpur area, Malaysia, a community learning centre equivalent to an elementary school in Indonesia. It was carried out in three stages: preparation, implementation, and evaluation.

In the preparation stage, the team coordinated with the centre about the schedule and technical arrangements. The team also adapted the material to the participants' needs and characteristics and prepared a learning module that was engaging, simple, and easy for children to follow. The material and learning media were designed so that participants could grasp financial management concepts through examples drawn from their daily lives.

The implementation stage was held in two sessions. The first session began with a *pre-test* to assess participants' initial understanding, followed by a presentation using *PowerPoint* slides. The material covered the function of money, how to manage pocket money wisely, the difference between needs and wants, and the importance of saving. The second session was a pocket money management simulation, in which participants were given simple scenarios and guided to set priorities for spending, to distinguish needs from wants, and to set aside part of their money for saving and *sadaqah*. After all activities were completed, participants took a *post-test* to measure changes in their understanding after the education session.

The evaluation stage measured the impact of the activity by comparing the *pre-test* and *post-test* results.

3. RESULTS AND DISCUSSION

The Islamic financial literacy education was attended by 35 students at a level equivalent to elementary school, consisting of 19 boys and 16 girls. Throughout the activity, the students showed great enthusiasm. Some participants were quiet at first, but the class became livelier and more interactive after an ice-breaking activity. During the first session, a presentation on managing pocket money wisely from an early age, participants were also asked to answer questions related to the lesson, such as "What do you use your pocket money for?" The responses are shown in a pie chart in Figure 1.

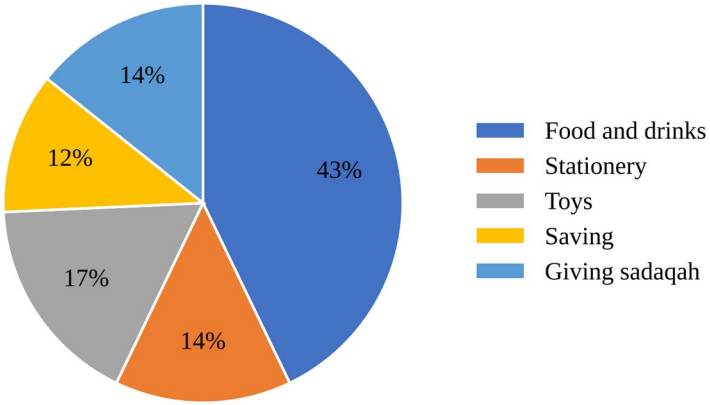


Figure 1. Responses to the question "What do you use your pocket money for?"

As shown in Figure 1, most students used their pocket money to buy food and drinks (43%), followed by toys (17%), stationery and giving *sadaqah* (14% each), and saving (12%). This suggests that pocket money was spent mostly on consumption and wants rather than saved. The finding underlines why pocket money management should be taught early, particularly how to tell needs from wants, set spending priorities, and build habits of saving and *sadaqah*.

In the second session, the activity continued with a simulation of wise pocket money management using play money in place of real pocket money. Taking turns, the students allocated their play money to several picture-based categories: needs (such as food), wants (such as toys and ice cream), savings (a piggy bank), and social giving (a charity box). Based on observations during the simulation, the students began to put the material into practice and correctly distinguished among needs, wants, savings, and social concern.



Figure 2. Shopping Simulation and Test-Taking Process

The *pre-test* and *post-test*, each with ten multiple-choice questions, showed a change in the overall score distribution after the activity. The results are shown in Figure 3.

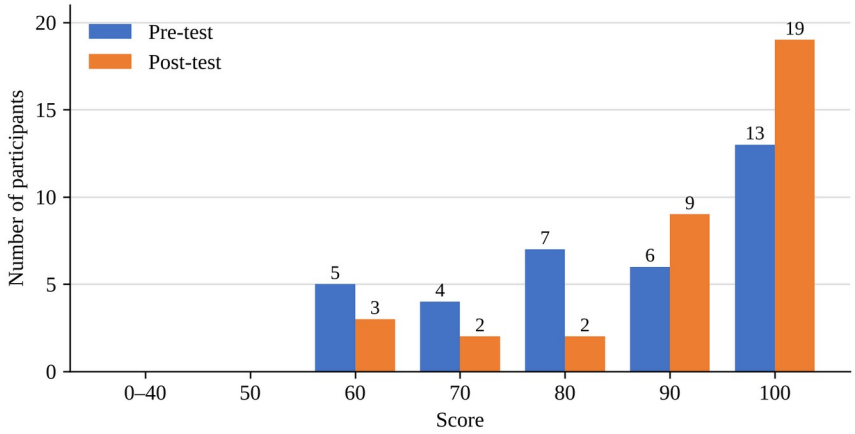


Figure 3. Distribution of Pre-test and Post-test Scores

Figure 3 compares the number of participants in each score category before and after the education session. According to the chart, the number of participants scoring 60 fell from 5 in the *pre-test* to 3 in the *post-test*. At a score of 70, the number dropped from 4 to 2, and at 80 it dropped from 7 to 2. In contrast, the number of participants scoring 90 rose from 6 to 9, and the number scoring 100 rose from 13 to 19. No participants appear in the 0–40 or 50 categories in either test.

The most notable change was in the 100 category, which grew by 6 participants, from 13 to 19. At the same time, the number of participants scoring 60, 70, and 80 decreased. This pattern shows that after the activity, the distribution of scores shifted toward higher categories. In other words, participants performed better overall on the post-test than on the pre-test.

Calculated descriptively from the number of participants in each score category shown in the chart, the estimated mean pre-test score was 85.14 and the mean post-test score was 91.14, an increase of about 6 points. These figures were calculated from the category values in the chart and the number of participants in each category rather than from individual raw scores, so they should be treated as estimates.

The improved score distribution is consistent with the aim of the education, which was to introduce the function of money, the difference between needs and wants, saving, and *sadaqah* through explanation and simulation. The play-money simulation gave students a chance to apply these concepts in a simple situation. However, because the evaluation used only a one-group pre-test and post-test design with no comparison group, the change in scores cannot be attributed solely to the education activity. The test results also reflect short-term understanding and do not show that participants' money management habits have changed permanently.

4. CONCLUSION

The Islamic financial literacy education, attended by 35 students at a Sanggar Bimbingan in Kuala Lumpur, gave students a practical introduction to pocket money management, including how to distinguish needs from wants, save, and give *sadaqah*. When asked what they used their pocket money for, the most common answer was buying food and drinks (43%), while saving was the least common. Comparison of the *pre-test* and *post-test* results shows that scores shifted toward higher categories. The number of participants scoring 100 rose from 13 to 19, while the number in the 60, 70, and 80 categories declined. Based on a preliminary calculation from the chart, the mean score is estimated to have risen from 85.14 to 91.14.

These results indicate better test performance after the education activity. However, this evaluation cannot confirm whether participants' financial habits will change in the long term. Follow-up activities and the involvement of parents or caregivers could be considered so that children can put what they have learned into practice in daily life.

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