

DIGITAL ZAKAT ANALYSIS IN INCREASING ZAKAT ATTENTION IN THE MILLENNIAL GENERATION

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Abstract (10pt)

Zakat is an important tool in the Islamic economic structure that serves as a way to distribute wealth and combat poverty. The millennial generation has great economic potential, but their level of zakat awareness is low. Various online zakat platforms such as Baznas Digital, Dompot Dhuafa, and Kitabisa have emerged along with the advancement of digital technology. These platforms make it easier for people to carry out their zakat obligations effectively and practically. This study investigates how effective digital zakat is in increasing zakat awareness among the millennial generation. The method used is a literature study, by reviewing various previous research results, scientific articles, zakat institution reports, and other relevant sources that discuss the dynamics of digital zakat and the behavior of the millennial generation towards zakat. Based on the literature review conducted, it was found that factors such as ease of access to digital services, transparency in the use of funds, and interactive features offered by online zakat platforms contribute greatly to increasing interest and awareness of digital zakat. The presence of digital zakat is a strategic solution in reaching the young generation of Muslims in the technological era, while strengthening the position of zakat as an Islamic economic instrument that is relevant to the development of the times.

Keywords: digital zakat, millennials, zakat awareness, Islamic fintech, Islamic economics

Introduction

Zakat is one of the pillars of Islam that has a strategic function in the Islamic economic system, namely as an instrument for wealth distribution, poverty alleviation, and improving people's welfare. However, in practice, public awareness, especially the millennial generation, in paying zakat regularly is still relatively low compared to the existing zakat potential. The National Zakat Agency (BAZNAS) noted that the potential for zakat in Indonesia reaches IDR 327 trillion per year, but only around 10% has been collected (BAZNAS, 2022). The productive age group that is familiar with digitalization and technology is called the millennial generation. This group constitutes more than 25% of the Indonesian population, according to BPS Data (2023). They are practical, fast, and everything is digital, including financial transactions. So, the strategic solution to reach this generation is to change the zakat system to digital. Research by (Ramadhani et al., 2021) shows that the digital approach is very effective in increasing zakat engagement among millennials, especially through social media and mobile-based applications. This is in line with the findings (Assidiqi & Kasdi, 2023) which states that the millennial generation is more interested in paying zakat through fast and transparent digital platforms. In addition, the digital literacy of the younger generation and the ease of access to zakat information through familiar digital channels influence the increase in the use of digital zakat platforms.

The digitalization of zakat through platforms such as BAZNAS Digital, Dompot Dhuafa, Kitabisa, and digital wallet services (GoPay, OVO, etc.) facilitates the process of paying zakat online. This innovation offers transparency, efficiency, and convenience in fulfilling religious obligations. Several studies have stated that trust, ease of use, and digital zakat literacy significantly influence the interest in paying zakat among the millennial generation (Akmila et al., 2022).

However, the success of zakat digitalization depends on the availability of technology and the awareness and desire of individuals to give zakat. This is where the performance of digital zakat needs to be studied, especially to what extent it can increase zakat awareness in addition to facilitating transactions.

This research is important to fill the gap between low zakat collection and the possibility of large ones. This research focuses on how digital technology shapes the zakat awareness of the millennial generation. It is hoped that a more efficient and targeted zakat management approach will be found in the digital era by understanding the components that influence zakat awareness and interest through digital platforms.

The formulation of the problem in this study includes several important things that need to be studied in depth. First, what is the level of awareness of the millennial generation in paying zakat in the rapidly developing digital era. Second, to what extent is the effectiveness of using the digital zakat platform in increasing zakat awareness in this generation. Third, what are the factors that influence the interest and awareness of the millennial generation in paying zakat digitally. These three aspects are the basis for further exploring the dynamics of digital zakat among today's young people.

In line with the formulation of the problem, the purpose of this study is to determine the level of awareness of the millennial generation in paying zakat in the digital era, analyze the effectiveness of utilizing digital zakat platforms in increasing this awareness, and identify various factors that influence the interest and awareness of the millennial generation in paying zakat digitally. This study is expected to contribute to the development of zakat management strategies that are more adaptive to technological developments and the characteristics of the millennial generation.

The theoretical implications of this study relate to contributing to the development of theoretical studies in the field of Islamic economics, especially in the aspects of zakat, Islamic financial literacy, and the adoption of sharia-based technology. The findings of this study can enrich the literature on the integration of religious obligations and digital technology in the context of modern Muslim society, especially in the millennial generation. Variables such as trust, ease of use, religiosity, and social influence can be used as references in studying religious-based financial behavior in the digital era. This study also opens up new discussion spaces on how digital transformation in accordance with sharia can maintain and strengthen spiritual and religious values. In addition, the findings of this study are expected to help develop theories on zakat awareness and motivation for digital zakat behavior, which have not been discussed in depth in the current literature. Therefore, this study expands theoretical and empirical knowledge on the dynamics of zakat behavior in an increasingly digital Muslim society.

Zakat is one of the main pillars in Islamic economics that serves as a means of wealth redistribution and a tool for poverty alleviation. In Indonesia, the potential for zakat collection reached Rp 327.6 trillion (2022), although its realization has not been optimal.

Digitalization of zakat refers to the shift in collection methods from conventional to digital mechanisms, such as apps, zakat websites, and e-wallets. These platforms offer convenience, transparency, and 24/7 access, which are highly compatible with the lifestyle of the millennial generation. Digitalization also adds speed and efficiency in zakat distribution and addresses classic obstacles such as geographical limitations and low literacy. The millennial generation, born between 1981–1996, is digital-native and highly adaptive to technology. They tend to prefer practical, fast, and transparent solutions in daily life, including in zakat activities. A study at IAIN Kudus concluded that knowledge of zakat technology and platform transparency significantly influence the zakat preferences of the millennial generation.

Technology Acceptance Model (TAM) (Masrom, 2007), which emphasizes two main elements: perceived usefulness and perceived ease of use, is relevant to be applied in the context of digital zakat. Empirical evidence from studies on Generation Z and millennials shows that the perception of ease significantly influences users' intention to pay zakat. This condition is reinforced by the results of studies (Beno et al., 2022) at IAIN Kudus, where effort expectancy and facilitating conditions are significant, while performance expectancy does not directly affect intention).

The Theory of Planned Behavior is also important, as the intention to pay zakat is influenced by individuals' attitudes toward zakat, social norms, and perceived behavioral control. Surveys among millennials show that social influence—from friends, family, to influencers—has a significant impact on the intention to pay zakat digitally.

Trust in digital zakat institutions is a key variable in the adoption of digital zakat. Research in Indonesia and Malaysia proves that trust is a strong driver in the decision of the younger generation to engage in sacrificial donation via digital means.

In addition, zakat literacy—the ability to fully understand the mechanisms, requirements, and benefits of zakat—is a crucial foundation so that digital platforms increase awareness rather than just forming a habit. A study from (Beno et al., 2022) and (Wardy Putra et al., 2021) concluded that zakat literacy and digital literacy have a significant impact on the intention to pay zakat digitally, while income is not a dominant factor. Thus, this theoretical review unites three main pillars: technology (TAM and UTAUT), social psychology (TPB, social norms, trust), and sharia literacy. The integration of these three frameworks provides a strong theoretical foundation to analyze the effectiveness of digital zakat in building zakat awareness among the millennial generation in Indonesia.

Methods

This research uses a qualitative method with a library research approach to analyze and identify the factors that influence the effectiveness of digital zakat in increasing zakat awareness among the millennial generation

in Indonesia. This method was chosen because it allows for an in-depth understanding of the concepts, developments, as well as challenges and opportunities of digital zakat through the study of various relevant scientific literature sources.

The steps of this research begin with determining the research objectives, namely: first, to analyze the concept and fundamental principles of digital zakat in the context of Islamic economics and technological development; second, to identify the challenges faced in the implementation of digital zakat, including aspects of trust, digital literacy, and institutional support; and third, to explore opportunities that can be utilized to enhance zakat awareness among the millennial generation through digital platforms.

The data used in this research comes from various secondary references, such as books, scientific journal articles, research reports, and official publications discussing zakat, Islamic financial technology (sharia fintech), the millennial generation, and religious behavior in the digital era. These sources were selected based on relevance and recency, with a focus on literature published within the last five years.

The data was collected through systematic searches from various sources, including national and international journals, scientific articles, textbooks, and reports related to digital zakat and the financial behavior of the millennial generation. The search was conducted using keywords such as "digital zakat", "millennial generation", "Islamic economics", and "millennial generation". All of this was done through platforms such as Google Scholar, Garuda Ristekdikti, and university digital libraries.

Subsequently, the data was analyzed descriptively and qualitatively by categorizing information, comparing results from various sources, and creating thematic syntheses related to the relevant issues. The purpose of this analysis is to determine the extent to which digital zakat can shape and increase zakat awareness among the millennial generation, as well as how challenges and opportunities can be avoided and utilized. This method is expected to provide both theoretical and practical contributions to the development of the digital zakat system, particularly in reaching the younger generation segment and supporting the strengthening of sharia financial literacy in the era of digital transformation.

Results And Discussions

The Level of Zakat Awareness Among Millennials in the Digital Era

The interest and awareness of the millennial generation in paying zakat digitally are influenced by various factors, including technological, psychological, social, and religious aspects. Millennials, who were born and raised in the digital technology era, possess unique characteristics such as being highly adaptive to technology, prioritizing convenience, and being active on social media. This provides a broad space for the development of digital zakat as a worship and social instrument that aligns with the characteristics of this generation.

Performance expectancy is an important factor. As shown by many studies, millennials are more likely to use digital zakat platforms if they feel that the application helps fulfill their obligations more easily and quickly. Their perception of digital zakat platforms is heavily influenced by process speed, ease of use, and automated payment features. Practical services without lengthy and complex procedures are preferred by millennials. Applications that are easier to use are more likely to be chosen for zakat payment. Many zakat institutions have started developing mobile-based applications with user-friendly interfaces in this context.

Next, a crucial factor is social influence. Family, religious figures, peers, and Muslim influencers influence the religious behavior of millennials, including zakat. Due to social norms and the desire to be part of a community, an individual may be encouraged to do the same if members of their social circle regularly pay zakat digitally.

Religiosity has an influence. Highly religious millennials tend to be more aware of the obligation of zakat. However, if digital literacy and access to technology are not accompanied by religiosity, there is not always a direct correlation between religiosity and the practice of digital zakat. Therefore, in strategies to increase awareness, strengthening zakat and digital literacy is also important.

Trust in zakat institutions and digital platforms is crucial. Millennials will not give their zakat through a platform if the managing institution is not transparent, accountable, or lacks a good track record. Trust is more important than user loyalty in digital zakat platforms.

Furthermore, building trust requires transparency and accountability in zakat fund reporting. Millennials often question where their funds are distributed and what impact it has on the underprivileged. Platforms are more preferred if they provide open financial reports, evidence of distribution programs, and documentation of activities.

The digital zakat process is also influenced by habits. Millennials who are used to electronic transactions, such as paying for electricity, shopping online, and donating, are more likely to accept digital zakat as part of their lifestyle. In other words, those who are already "digitally literate" will more easily accept digital zakat. The interest in digital zakat is also influenced by technical support factors such as internet connectivity, owning a smartphone, and the availability of official apps from zakat institutions. Millennials living in various regions

can still pay zakat easily thanks to broad access and technological support. Income is also a factor. Millennials with stable incomes are more likely to pay zakat regularly, although this may not always be the main factor. However, research shows that spiritual desire and a sense of social responsibility are often more important than income considerations.

Several studies analyzed indicate that a technology-based approach must be combined with strategies to increase trust, zakat literacy, and approaches focused on social and spiritual values. Although flexibility, speed, and transparency are advantages of digital zakat, the challenge lies in reaching those who are not digitally or sharia-literate.

Thus, strengthening zakat awareness among millennials requires a multidimensional approach: sharia education, digital literacy, user-friendly app design, and strengthening the credibility of zakat institutions. If all these elements are fulfilled, digital zakat will become a strategic instrument in building a culture of zakat in the digital era, especially among the millennial generation.

The Effectiveness of Digital Zakat Platforms in Increasing Zakat Awareness Among Millennials

Digitalization has brought a major transformation in zakat management in Indonesia. One of the most significant changes is the emergence of digital zakat platforms, such as official zakat institution websites, mobile applications (Baznas, Rumah Zakat, Kitabisa), and integration with digital wallets (OVO, GoPay, DANA). In the context of the millennial generation, which has grown up in a digital ecosystem, the presence of digital zakat platforms presents both opportunities and challenges.

Digital platforms make zakat more accessible to millennials. Previously, zakat payments required direct interaction and a specific time (such as visiting an amil office), but now zakat transactions can be completed in just seconds via smartphone. This ease of access directly contributes to the increased intention to pay zakat digitally among millennials.

This integration makes zakat an activity embedded in their digital lifestyle, making digital platforms effective in expanding zakat outreach and engaging segments previously less involved.

Digital platforms enable zakat institutions to run educational and empathetic campaigns through social media, email marketing, and push notifications. This builds awareness consistently. For example, during Ramadan, zakat institutions use personal narratives, stories of zakat recipients (mustahik), and infographics to raise user awareness. Empathy-based digital storytelling is highly effective in shaping millennials' concern for zakat.

With regular exposure to zakat content, cognitive awareness (knowledge), affective awareness (empathy), and conative awareness (willingness to act) increase significantly.

Digital zakat platforms are typically equipped with features such as donation tracking, zakat distribution reports, and testimonials from mustahiks. This real-time transparency is crucial in building trust, which directly impacts the willingness to pay zakat. Millennials tend to ask, "Where is my zakat going?" and "What is its impact?"—all of which can be answered through digital systems.

Although digital platforms are effective in outreach and education, not all millennials have made digital zakat a regular practice. According to a Baznas survey (2023), only 36.7% of millennials have ever paid zakat via digital platforms, and most do so seasonally (e.g., during Ramadan).

This shows that the effectiveness of digital platforms is still limited to raising initial awareness but has not fully translated into consistent awareness (habitual awareness). The causes include: lack of zakat literacy, the persistent perception that zakat is only an annual obligation, and the absence of integration between zakat platforms and daily financial activities.

Digital zakat platforms are most effective when accompanied by increased zakat and digital literacy. Without a strong understanding, platforms remain passive tools. Zakat literacy has a direct influence on awareness, while technology only accelerates the process. Therefore, the role of zakat institutions is not only as technology providers but also as educators and builders of Islamic awareness.

The use of digital zakat platforms has proven effective in increasing initial zakat awareness among millennials through communicative campaigns, ease of access, and transparency. However, the results remain partial and uneven, especially in turning awareness into a consistent and regular zakat habit. To enhance this effectiveness, digital technology and Islamic education must work together—not only as a payment tool but also as a means to raise social and spiritual awareness.

Factors Influencing Millennials' Interest and Awareness in Paying Zakat Digitally

Millennials are a productive age group that is highly tech-savvy and strongly connected to social media and digital devices. In the context of zakat, the emergence of digital zakat has become an attractive alternative for this group. However, their interest and awareness in paying zakat digitally do not form just like that, but are influenced by several important factors.

The ease of accessing and using digital zakat applications greatly affects millennials' interest. Zakat platforms that are intuitive, fast, and not confusing will be more preferred. This convenience significantly

increases the intention to use among millennial users. If an application allows zakat payments in just a few clicks, users will feel comfortable and tend to make payments routinely.

Perceptions of the usefulness of digital zakat services are also a major determinant. Millennials will be more interested if they feel that the service provides real benefits, both in terms of time efficiency and effectiveness in fund distribution. In the framework of the Technology Acceptance Model (TAM), perceived usefulness is a main component that shapes a positive attitude toward technology adoption. When digital zakat is considered more beneficial than conventional methods, the intention to use it will increase.

Trust in zakat management institutions is a fundamental aspect. Millennials tend to be skeptical of institutions that are not transparent. They need concrete proof that zakat funds are truly distributed to those in need. Financial report transparency, institutional certification, and the distribution track record greatly influence young muzakki's trust.

Social and community influence is also an important driver. Invitations from friends, family, Muslim communities, and Muslim influencers on social media play a role in forming new social norms. The Theory of Planned Behavior states that subjective norms or social pressure have a significant effect on individual behavior. Among millennials, social media becomes the main channel in forming norms about digital zakat. Digital and zakat literacy also have an influence. Millennials' knowledge about zakat laws and how digital platforms work greatly determines their awareness in paying zakat. Zakat literacy does not only include the laws and provisions of zakat but also technical understanding of using digital zakat applications. Millennials who have high zakat literacy tend to be more aware and routine in paying zakat.

The ease of payment methods integrated with e-wallets such as OVO, DANA, GoPay, or QRIS makes zakat payments more flexible and faster. This accessibility makes digital zakat in line with the millennial lifestyle that is practical and instant. Easy and varied payment methods can significantly increase digital zakat participation.

Transparency and real-time reporting provide satisfaction to digital zakat users. Features that show beneficiary updates, the amount of zakat collected, and recipient testimonials become a form of accountability that is highly appreciated by millennials. This becomes one of the main indicators in assessing the effectiveness of zakat institutions.

Attractive digital campaign design also plays an important role. Millennials are a visual generation that is very active on social media. Digital zakat campaigns that are creative, emotional, and professionally packaged—whether through videos, infographics, or collaborations with Muslim influencers—have proven effective in forming empathy and awareness. The visual storytelling approach has a great impact on the desire to share among millennials.

The interest and awareness of the millennial generation in paying zakat digitally are influenced by a combination of technical factors (such as ease of use and payment methods), psychological factors (trust and perceived usefulness), as well as social and educational factors (community influence, zakat literacy, and digital campaigns). Understanding and optimizing these factors will help zakat management institutions significantly increase millennial participation in digital zakat.

Conclusion

This study shows that digital zakat is highly effective in increasing zakat awareness among millennials. Millennials are more interested in paying zakat regularly due to easy access, convenient transactions, user-friendly application interfaces, and the transparency of managing institutions. Trust in digital zakat platforms, social influence (including the role of communities and social media), zakat literacy, and the level of religiosity affect their interest and awareness. The millennial generation, which grew up in the computer and internet era, highly appreciates technological advancements that can align sharia principles with daily needs.

However, there are still challenges to be addressed, such as the low level of zakat literacy among some millennials, the lack of persuasive and relevant digital zakat promotion and education, and doubts regarding the transparency of zakat management institutions.

Based on the results of the study, several suggestions can be made, including in today's technological era, zakat management institutions must continue to improve the quality of their digital services to meet the increasingly complex needs of society. User-friendly, transparent, and interactive zakat applications are essential to foster trust and comfort for muzakki. Services such as online consultation, zakat reminder notifications, and real-time reports can increase user loyalty and engagement. It is important for the government and national zakat authorities to improve knowledge about digital zakat, especially among millennials. If presented in a creative and communicative way, the use of digital media for education becomes more effective.

Collaboration with Muslim figures or influencers who are close to youth groups can increase the efficiency of campaigns and expand the reach of zakat messages. In addition, educational institutions, especially at the university level, have a responsibility to enhance students' understanding of zakat. Awareness

and the habit of paying zakat digitally can be improved by incorporating zakat material into religious activities and social entrepreneurship courses.

This method brings Islamic philanthropic values closer to the younger generation living in a digital economy. To gain a deeper understanding of how certain variables influence awareness and interest in digital zakat payments, further research can use either quantitative or mixed methods. To produce more contextual and applicable findings regarding the development of digital zakat in Indonesia, research can be extended to specific areas or platforms in both urban and rural settings. With the appropriate use of technology and an educational approach that aligns with the character of the millennial generation, digital zakat has great potential to become a strategic instrument in strengthening the sharia economic system and fostering a spirit of social solidarity in the modern era.

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