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Empowering Personal Financial Management Through Islamic Spirituality and Financial Independence (Freedom)

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ABSTRACT

The significance of this research lies in combining Islamic spiritual values with financial strategies aimed at achieving financial well-being, as well as emotional and spiritual balance. The primary objective of this study is to explore the Islamic spirituality role and financial freedom in individuals' financial management. This study employs a quantitative approach using a survey method. The population comprises Muslim entrepreneurs, and the sample was selected through purposive and convenience sampling techniques. Data were analyzed using multiple linear regression to examine the effect of Islamic spirituality and financial freedom on personal financial management. The findings reveal that Islamic spirituality significantly impacts personal financial management. Additionally, financial freedom has a positive effect on the quality of financial management. The results further indicate that integrating Islamic spirituality with financial freedom can enhance individuals' financial management abilities. This study contributes not only to achieving effective financial management but also to improving psychological and social well-being. The implications of these findings suggest that financial management strategies grounded in Islamic spirituality can be integrated with financial freedom to strengthen individual financial stability while also reducing social pressures.

Keywords: Financial Freedom; Financial Independence; Financial Literacy; Islamic Spirituality; Personal Financial Management

INTRODUCTION

The management of personal finances is a crucial factor in enhancing individual well-being. However, surveys indicate that many people face challenges in managing their finances, including planning, spending, and investing (Setiawan, 2018; Sululing et al., 2018). Financial well-being, commonly referred to as financial freedom, describes a condition in which individuals have sufficient financial resources to meet their needs without relying on monthly income (Wijayanti & Ramdani, 2019).

Financial freedom represents a state of autonomy in financial matters, allowing individuals to make choices regarding financial management that align with their aspirations and life goals (Sambharakreshna et al., 2023a; 2023b). Financial freedom is a condition where individuals are free from fear and anxiety over financial constraints and can utilize their economic power without working excessively (Afaf et al., 2021). Financial freedom refers to a state in which individuals or households have full control over their financial situations (Afaf et al., 2021). In other words, financial freedom reflects a condition where individuals are free from debt, possess passive income sufficient to meet their living needs, are financially protected against all risks, and can spend on leisure without stress.

Research by Garman and Forgue (2017) highlights that individuals who achieve financial freedom tend to exhibit more organized financial management. This is attributed to their ability to distinguish between primary and secondary needs and their capacity to invest in productive assets. The study also reveals that lower financial stress, resulting from financial freedom, enhances individuals' ability to make rational financial decisions.

Moreover, research by Lusardi and Mitchell (2014) emphasizes that financial literacy has a significant role in aiding individuals to achieve financial freedom, which in turn influences how they manage budgets and assets. Those with financial freedom are often more disciplined in budget allocation, prioritizing expenditures that provide long-term value.

Studies on personal financial management largely focus on economic and psychological factors such as financial literacy, self-control, and consumption behavior. However, there is a growing trend to consider the influence of spiritual values, including Islamic spirituality, in shaping financial behavior. Islam, as a value system, governs not only aspects of worship but also principles of economics and personal financial management, such as the prohibition of usury, encouragement of frugality, saving, and investing in halal assets (Ibrahim & Shirazi, 2019).

In this context, Islamic spirituality offers a unique perspective that emphasizes principles of balance, justice, and prudence in the use of wealth (Ali, 2020). However, to date, limited research has explored how Islamic spirituality can be integrated with the concept of financial freedom to increase the financial management quality for individuals.

Empirical studies on the impact of Islamic spirituality in personal financial management show varied results. A study by Rahim and Zakaria (2019) found that Islamic spiritual values, such as awareness of the hereafter, financial responsibility, and the obligation of zakat, positively influence financial management behavior. Individuals who strongly practice Islamic teachings tend to be more cautious in managing their income, particularly in aspects of saving and avoiding unnecessary debt.

On the other hand, some studies indicate that the impact of Islamic spirituality on personal finances can vary depending on individuals' understanding and commitment to these teachings. For instance, research by Lajuni et al. (2018) noted that while most Muslims acknowledge the importance of managing finances according to Islamic principles, their implementation in daily life is not always consistent. Education and Islamic financial literacy have a significant role in determining the extent to which spiritual values influence individuals' financial practices.

The gap between theory and research findings lies in the variation in the application of Islamic values to personal financial management. Theoretically, Islamic spirituality is expected to foster disciplined, frugal, and Sharia-compliant financial behavior. However, research findings indicate that the implementation of these values remains influenced by various factors such as education level, religious understanding, and social environment (Rahim & Zakaria, 2019; Lajuni et al., 2018).

Furthermore, Islamic financial literacy, or understanding of halal financial instruments and Sharia principles, is a determining factor in whether individuals apply financial management practices aligned with their spiritual values (Abdullah & Anderson, 2015). For example, even if someone is highly committed to spiritual values, a lack of understanding of halal investments or the concept of usury may hinder the application of Islamic principles in financial decision-making.

Based on the argument before, the research questions are as follows: (1) How does Islamic spirituality influence personal financial management? (2) How does financial freedom affect the quality of personal financial management? and (3) How does the integration of Islamic spirituality and monetary freedom impact personal financial management quality? This research has a goal to explain the impact of Islamic spirituality and financial freedom on personal financial management and the integration of Islamic spirituality and monetary freedom in improving personal financial management.

LITERATURE REVIEW

Personal Financial Management

Individual monetary management refers to the planning, managing, and controlling process of an individual’s finances to achieve specific financial goals, such as economic well-being and long-term financial stability (Mashud et al., 2021). An individual’s ability to manage finances includes planning, budgeting, auditing, managing, controlling, sourcing, and saving, which is a way to get monetary freedom (Kholilah and Iramani, 2013).

The management of personal finances is a systematic process of organizing an individual’s financial flow, encompassing income, expenses, savings, investments, and risk management. It is an essential skill for achieving financial stability and well-being, which involves making sound decisions regarding income, expenditures, savings, investments, and debt management (Lusardi & Mitchell, 2014).

Habits of allocating income for primary and secondary needs, as well as savings, can help individuals achieve financial stability. Hilgert, Hogarth, and Beverly (2003) argue that controlling expenses and maintaining proper financial records can reduce financial risks and maximize individual well-being in the long run.

Mismanaged debt can become a significant financial burden and disrupt financial stability. Therefore, it is crucial to understand interest rates, payment terms, and the impact of debt on cash flow. Personal financial management is the managing money process to achieve economic satisfaction and individual well-being (Kapoor et al., 2012 in Wiharno 2018).

Overall, individual financial management is not only about how one spends money but also about planning, organizing, and controlling finances to achieve economic well-being. Effective financial management enables individuals to attain financial stability and an improved quality of life.

Islamic Spirituality and Personal Financial Management

In Islam, wealth is viewed as a trust (*amanah*) that must be managed responsibly. The fundamental principles of financial management in Islam include avoiding wastefulness, fulfilling zakat obligations, and ensuring that income sources are derived from halal activities (Chapra, 2000). Islamic spirituality emphasizes values such as simplicity, justice, and generosity, which encourage individuals to manage their finances wisely (Hassan & Noor, 2015).

The theoretical foundation for the effect of Islamic spirituality on personal financial management relates to the *maqasid al-shariah* concept (the Islamic law objective), which includes wealth preservation (mal). From this perspective, Islam promotes prudent and responsible financial management while discouraging excessive consumerism (Al-Ghazali in Badawi, 1979). Principles such as the prohibition of usury (riba) and the encouragement to avoid debt beyond one's capacity are believed to shape financial behavior, motivating individuals to live within their means and avoid financial entanglements (Dusuki & Abdullah, 2007).

Empirical research on the impact of Islamic spirituality on personal financial management yields diverse results. A study by Rahim and Zakaria (2019) found that Islamic spiritual values, such as awareness of the hereafter, financial responsibility, and zakat obligations, positively influence financial management behaviors. Individuals who strongly adhere to Islamic teachings tend to exercise greater caution in managing their income, particularly in saving and avoiding unnecessary debt.

A study by Lajuni et al. (2018) revealed a positive relationship between individuals' faith levels and their ability to control personal finances. This research indicated that individuals with high faith levels tend to exhibit better control over their expenses and are less inclined to accumulate excessive debt.

Further research by Husin and Rahman (2013) highlights that zakat and charity practices influence how Muslim individuals manage their finances. According to this study, zakat obligations and charitable encouragement shape individuals' perceptions of wealth, driving them to manage their finances more responsibly.

Another study by Yusoff and Rahim (2018) notes how eschatological beliefs encourage saving behavior among Muslims. The research found that awareness of afterlife accountability motivates individuals to allocate a portion of their income for long-term and emergency needs. Islamic values prompt individuals to view wealth as a trust, fostering saving and discouraging wastefulness.

Ibrahim and Shirazi (2019) argue that Islamic spirituality encourages individuals to choose investment instruments aligned with Sharia principles, such as Islamic mutual funds or Sharia-compliant stocks. The study shows that individuals having a high spiritual level are glad to invest in instruments free from riba and avoid industries considered unethical under Islamic law.

Based on these findings, the research hypothesis proposed in this study is: "Islamic spirituality positively influences personal financial management."

Financial Freedom and Personal Financial Management

Financial freedom refers to a condition in which individuals achieve financial independence, allowing them to meet their needs without relying on monthly salaries (Fahmi, 2016). People who attain financial freedom generally demonstrate the ability to invest, save consistently, and manage debt efficiently.

Financial freedom is characterized by full control over one's finances, alleviating concerns about fulfilling daily necessities (Sambharakreshna et al., 2023a; 2023b). This independence enables individuals to live according to their preferences and goals without being burdened by financial problems (Sambharakreshna et al., 2023a; 2023b). In essence, financial freedom means an individual having sufficient assets and passive income to cover living expenses, even if one decides to stop working.

To achieve financial freedom, individuals need a solid understanding of financial management, including saving, investing, and effectively managing debt (Sambharakreshna et al., 2023a; 2023b). Consistent saving is a critical step toward financial freedom. Saving allows individuals to build emergency funds, which are crucial for unexpected situations like job loss or medical expenses. Stanley and Danko (1996) identified saving habits and prudent spending as key characteristics of individuals who achieve financial freedom.

Investments also play a vital role in attaining financial freedom. Through strategic investments, individuals can grow their wealth and generate passive income, such as dividends or rental profits. Passive income serves as the foundation for financial freedom by enabling individuals to cover living expenses without depending on active employment. As Kiyosaki (1997) explains, financial freedom is achieved when passive income exceeds monthly expenses, relieving financial pressures.

Effective debt management is another essential component of financial freedom. Reducing or eliminating high consumer debt, such as credit cards or personal loans, improves monthly cash flow and accelerates progress toward financial independence. Ramsey (2003) emphasizes that one of the key steps to achieving financial freedom is paying off all consumer debts, allowing individuals to redirect income toward savings and investments.

Financial freedom is not solely about the amount of money one possesses but also about managing finances to balance financial needs and life satisfaction. Achieving financial freedom provides individuals with opportunities to focus on their passions and pursuits without being constrained by financial necessities.

According to Stanley and Danko (1996), individuals who attain financial freedom often exhibit excellent financial management skills, including budgeting, saving, and investing effectively. They utilize their financial freedom to manage resources wisely, contributing to their financial stability and growth.

Research by Kiyosaki (1997) supports the notion that financial freedom positively impacts personal financial management. Kiyosaki argues that financial freedom provides individuals with more time and resources to focus on strategic financial planning and investment management. Similarly, Ramsey (2003) highlights that achieving financial freedom involves effective debt management and robust investment strategies, enabling individuals to strengthen their financial management practices further.

Based on this discussion, the research hypothesis proposed is: "Financial freedom positively influences personal financial management."

RESEARCH METHOD

The quantitative approach is used in the research by employing a survey strategy. The populace of the study comprises Islamic micro, small, and medium enterprises (MSME) business visionaries within the Madura locale. The test was chosen employing a convenience sampling strategy, coming about in a add up to of 47 respondents.

Questioners were shared to collect data, followed by validity and reliability testing. The test of validity using the total correlation item, specifically examining the values in the corrected Item-total correlation column. In this test, a questionnaire is deemed valid if the probability value is less than 0.05. A test of reliability was conducted to know questionnaire consistency as a variable indicator or construct. The statistical technique used for this test was Cronbach's alpha coefficient. Generally, a research instrument is considered reliable if it has a coefficient value of Cronbach's alpha greater than 0.6

Multiple linear regression is an analytical tool to examine the influence of Islamic spirituality and financial freedom on the personal financial management variable). The coming regression demonstrates that it must pass classical presumption tests, counting tests for normality, multicollinearity, and heteroscedasticity. Data ordinariness is evaluated by deciding whether the information takes after the ordinary dispersion, which can be watched through the importance of esteem. On the off chance that the noteworthiness esteem surpasses 0.05, the show is considered typical. The ordinariness test utilized the Kolmogorov-Smirnov test. The multicollinearity test evaluates whether there's a relationship between independent factors within the relapse show. A great relapse show ought to have no relationship among autonomous factors. Multicollinearity is tried by assessing resistance values and changing swelling components (VIF) (Ghozali, 2018:107). On the off chance that the resistance esteem is more prominent than 0.10 or the VIF is less than 10, multicollinearity does not exist, demonstrating no noteworthy relationship among autonomous factors.

Heteroscedasticity detection involves observing scatterplot patterns of the points between ZPRED and SRESID. In addition to scatterplots, heteroscedasticity was tested using the Glejser test. If the significance probability value exceeds a 5% confidence level, the regression model is concluded to be free from heteroscedasticity.

The determination coefficient test was conducted to measure the model's ability to explain variations in the dependent variable. The adjusted R^2 value can increase or decrease depending on the independent variables included in the model. Adjusted R^2 can take a negative value, which is interpreted as zero. The smaller the standard error in the adjusted R^2 calculation, the better the regression model predicts the dependent variable.

Hypothesis testing utilized partial tests (t-tests) and overall tests (F-tests). The t-test was employed to determine the individual influence of each independent variable on the dependent variable, while the F-test examined the collective influence of the independent variables on the dependent variable. These tests evaluate whether the degrees of freedom with a confidence level exceeding 5% result in hypothesis rejection. In other words, the significance value must be below 0.05 (5%).

RESULTS

Descriptive Analysis

The variables in this study include personal financial management as the dependent variable, while the free variables are Islamic spirituality and financial freedom. The statistical descriptions of these variables are presented in Table 1 below:

Table 1. Descriptive Statistic

Variable	Mean	Std. Dev	N
PFM	4.3161	0.88261	47
IS	4.4081	0.70948	47
FF	4.3100	0.81049	47

Note: IS (Islamic Spirituality), FF (Financial Freedom), PFM (Personal Financial Management)

Based on Table 1, which presents the statistical description of the relevant variables, several key points can be highlighted. Personal financial management has a mean score of 4.3161 with a standard deviation of 0.88261. This indicates that, in general, respondents exhibit good personal financial management, with moderate variability among them.

Islamic spirituality records a mean score of 4.4081 and a standard deviation of 0.70948, suggesting that respondents generally have a high level of spiritual intelligence. The lower variability compared to other variables indicates a relatively uniform level of spiritual intelligence among respondents.

Financial freedom shows an average score of 4.3100 with a standard deviation of 0.81049. Respondents generally have a positive perception of their financial freedom, with relatively low variability, indicating consistent perceptions among respondents.

Overall, the three variables exhibit mean scores above 4, reflecting that the majority of respondents provide positive assessments of the aspects measured. The standard deviations for all variables are below 1, demonstrating that the variation in responses across respondents is relatively small. This indicates uniformity in respondents' perceptions of personal financial management, spiritual intelligence, and financial freedom.

Data Quality Testing

The validity test was conducted by comparing the significance value (2-tailed) with a probability of 0.05 (5%) and the Pearson correlation coefficient. If the significance value is less than 5% and the Pearson correlation is positive, the questionnaire items or statements are deemed valid. The results of the validity test indicate that all items in the questionnaire have significance values below 5% and positive Pearson correlation coefficients (see appendix). This implies that each question or statement in the questionnaire can be considered valid, and the questionnaire is, therefore, suitable for use in this study.

The reliability test utilized Cronbach's alpha coefficient as the statistical method. Generally, an instrument is considered reliable if its Cronbach's alpha coefficient exceeds 0.6. In this reliability testing, each variable demonstrated a Cronbach's alpha value greater than 0.6, indicating that the questionnaire is reliable. This means that the instrument employed in this study exhibits good consistency in measuring the intended variables. Table 2 shows that the research questionnaires for all variables are reliable.

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Table 2. Reliability Statistics

Variable	Cronbach's Alpha
IS	0.970
FF	0.916
PFM	0.957

Note: IS (Islamic Spirituality), FF (Financial Freedom), PFM (Personal Financial Management)

Multiple Linear Regression Analysis

The regression equation demonstrates the relationship between personal financial management and two free variables, namely Islamic spirituality and financial freedom. The influence of each variable in the regression equation is indicated by the regression coefficient values. These coefficients represent the extent of change in the personal financial management variable when the Islamic spirituality and financial freedom variables change by one unit, assuming other variables remain constant. Table 3 shows coefficient values. The regression model equation is as follows:

$$PFM = 0.030 + 0.154\ IS + 0.851\ FF$$

Table 3. Coefficient of Multiple Linear Regression

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	0.030	0.399
	IS	0.154	0.141
	FF	0.851	0.124

Note: IS (Islamic Spirituality), FF (Financial Freedom)

The constant value is 0.030, indicating personal financial management is estimated to be 0.030 if all independent variables are equal to zero. This constant represents the baseline value or intercept in the regression model.

The coefficient value for Islamic spirituality, 0.154, indicates that for every one-unit increase in Islamic spirituality, personal financial management improves by 0.154, holding other variables constant. This demonstrates that Islamic spirituality positively contributes to an individual's ability to manage their personal finances.

The coefficient value for financial freedom, 0.851, indicates that every one-unit increase in financial freedom enhances personal financial management by 0.851, with other variables remaining constant. This implies that the financial freedom of an individual has a greater effect on financial management than Islamic spirituality.

Overall, all independent variables in this model have positive coefficients, suggesting that both Islamic spirituality and financial freedom contribute positively to enhancing personal financial management.

Classical Assumption Test

The ordinariness of information can be surveyed by looking at whether the information is regularly dispersed, decided through the noteworthiness esteem. On the off chance that the noteworthiness esteem surpasses 0.05, the show is considered to have accomplished typicality. The comes about of typicality test utilizing the Kolmogorov-Smirnov test appears to have an importance esteem of 0.099, which is more prominent than 0.05. This demonstrates that the information and residuals are regularly conveyed. The comes about of typicality test conducted through the Kolmogorov-Smirnov test is displayed in Table 4 below:

Table 4. Kolmogorov Smirnov Test

		Unstandardized Residual
N		47
Normal Parameters	Mean	0.0000000
	Std. Deviation	0.41725301
Most Extreme Differences	Absolute	0.165
	Positive	0.102
	Negative	-0.165
Test Statistic		0.165
Asymp. Sig. (2-tailed)		0.099[c]

The regression model is considered robust if there is no correlation between one free variable and another. The multicollinearity test is conducted to examine the relationship between one independent variable and another by analyzing the tolerance values and the variance inflation factor (Ghozali, 2018). This measurement aims to identify which variables are explained by other independent variables. If the tolerance value is >0.10 and the VIF is <10, it shows that multicollinearity is absent, implying no significant correlation between independent variables. Table 5 presents tolerance and VIF values from the multicollinearity test result, demonstrating that the regression equation is free from multicollinearity. This indicates no significant correlation exists among the independent variables.

Table 5. Multicollinearity Test

Variable	Collinearity Statistics	
	Tolerance	VIF
IS	0.187	5.342
FF	0.264	3.784

Note: IS (Islamic Spirituality), FF (Financial Freedom)

The discovery of heteroskedasticity is conducted utilizing the Glejser test. In case the importance likelihood esteem surpasses the 5% certainty level, it can be concluded that the relapse demonstration does not show heteroskedasticity. Table 6 presents the results of the heteroskedasticity test utilizing the Glejser strategy, appearing that the importance likelihood values for each variable are more noteworthy than 0.05 (5%), demonstrating that the relapse condition is free from heteroskedasticity.

Table 6. Heteroscedasticity Test

Model		t	Sig.
1	(Constant)	2.962	0.005
	IS	0.058	0.954
	FF	-1.448	0.155

Note: IS (Islamic Spirituality), FF (Financial Freedom)

Goodness of Fit of The Regression Model

The coefficient of assurance shows the degree to which the show clarifies the variety within the subordinate variable. The adjusted R^2 can also take a negative value, and when the adjusted R^2 is negative, it is considered to be zero. In the calculation of adjusted R^2, if the standard error obtained is smaller, the regression model is more accurate in estimating the personal financial management variable.

Table 7. Goodness of the Regression Model

Model	R	R Square	Adj. R Square	Std. Error of the Estimate	R Square Change
1	0.881[a]	0.777	0.766	0.42663	0.777

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Based on Table 7, the standard error is very low, at 0.42663, indicating that the regression model is increasingly accurate in predicting the personal financial management variable. The R^2 esteem of 0.777, or 77.7%, appears that the factors of Islamic most profound sense of being and money-related opportunity can clarify the individual monetary management variable within the regression demonstrate, with 22.3% clarified by factors exterior the demonstrate. It can be concluded that the regression shows that the condition in this consideration is profoundly vigorous.

Hypothesis Testing

The hypothesis testing in this ponder was conducted utilizing the t-test (fractional test) and the F-test (concurrent test). These tests were performed by comparing the calculated t and F centrality values with a certainty level of 5%. The hypothesis is acknowledged in case the importance esteem is below 0.05 (5%).

Table 8. Partial (t) Test

Model		t	Sig.
1	(Constant)	0.457	0.940
	IS	2.901	0.000
	FF	6.869	0.000

Note: IS (Islamic Spirituality), FF (Financial Freedom)

Table 9. Simultaneous (F) Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.826	2	13.913	76.438	0.000b
	Residual	8.009	44	0.182		
	Total	35.834	46			
a. Dependedent Variable: PFM						
b. Predictors: (Constant), FF, IS						

Note: IS (Islamic Spirituality), FF (Financial Freedom), PFM (Personal Financial Management)

In Table 8, the significance values for each of the variables, Islamic spirituality and financial freedom, are less than 0.05 (5%). This indicates that the hypothesis in this study is accepted, meaning that both Islamic spirituality and financial freedom have individually significant effects on personal financial management.

From Table 9, it can be concluded that the regression model involving financial freedom and Islamic spirituality has a significant ability to explain the variation in personal financial management. This is evidenced by the large F value (76.438) and a significance of 0.000, which is well below the threshold of 0.05.

DISCUSSION

The Influence of Islamic Spirituality on Personal Financial Management

Spirituality refers to an individual's effort to live his life through a deep understanding of meaning, purpose, and higher values. In the context of personal financial management, spiritual intelligence can have a significant impact on how an individual makes financial decisions, as this intelligence helps individuals understand the essence of wealth, life priorities, as well as the social and moral responsibilities associated with finances.

Islamic spirituality is a value framework centered around Islamic teachings, such as the principles of justice, honesty, responsibility, and contentment (*qana'ah*). In the context of personal financial management, Islamic spirituality provides a strong ethical foundation and helps individuals manage their finances more wisely. Healthy personal financial management is not solely based on cognitive and emotional abilities but also driven by the spiritual values an individual holds.

Individuals grounded in Islamic spirituality tend to be more disciplined in managing their income and expenses. Values such as justice and responsibility motivate them to plan their finances carefully, such as setting aside part of their income for savings, halal investments, or charitable activities.

The principle of simplicity in Islam (*zuhud*) helps individuals manage materialistic desires that could disturb financial stability. According to research by Abdullah et al. (2019), Islamic spirituality significantly reduces wasteful spending habits and enhances self-control over expenditures. By applying Islamic values, individuals can better manage financial risks, such as avoiding dubious investments (*gharar*). Additionally, fulfilling obligations such as zakat and charity brings blessings, which, psychologically, positively affects financial well-being (Rahman et al., 2016).

Several studies reveal that individuals with high spirituality tend to be wiser in using money and have a more balanced approach when facing economic pressures. They are more likely to view money as a means to achieve inner well-being and share with others rather than merely accumulating material wealth. The results of this study show that Islamic spirituality has a positive and significant influence on personal financial management. Islamic spirituality contributes positively to an individual's ability to manage their finances.

Previous studies consistent with the findings of this research indicate that Islamic spirituality significantly influences personal financial management. Respondents with a high level of spirituality tend to be more prudent with money, avoid consumer debt, and have good saving habits (Hasanah, 2021).

A study by Rahman et al. (2016) demonstrates that individuals who practice Islamic principles are better able to manage their finances and experience lower financial stress. Research by Abdullah et al. (2019) also found a positive relationship between Islamic financial literacy and financial well-being, particularly in enhancing the ability to avoid high-interest debt.

The Influence of Financial Freedom on Personal Financial Management
Financial freedom refers to a state in which an individual has enough assets and passive income to meet their living needs without relying on regular employment or other external sources (Sambharakreshna et al., 2023). Financial freedom is often achieved through a combination of savings, smart investments, effective debt management, and lifestyle control. This concept encompasses a noteworthy affect on personal monetary management since it permits people to form more astute and more vital monetary choices for the long term.

This study's finding indicates that financial freedom plays a significant role and has a substantial influence on personal financial management. The regression result indicates that the contribution of financial freedom is 85.1% in personal financial management. This means that monetary freedom has a significant influence on how an individual manages their personal finances. Specifically, 85.1% of personal financial management can be explained by the financial freedom of the individual. In other words, the higher the financial freedom an individual has (e.g., through sufficient assets, passive income, and minimal debt burden), the better the individual's ability to manage their personal finances. Respondents who feel more financially secure tend to be more effective in planning their finances (Sukmana, 2018).

Research conducted by Dowling et al. (2009) shows that individuals on the path to financial freedom are more likely to plan their finances comprehensively. They adopt a more disciplined approach to spending, prioritize saving and investing, and focus on achieving long-term goals. This is because financial freedom allows them the mental space to think more strategically without the burden of short-term financial concerns.

Furthermore, financial freedom influences how an individual manages and balances debt and assets. Research by Atkinson and Messy (2012) emphasized that individuals who understand the importance of financial freedom tend to be more prudent with debt. They prefer productive debt, such as credit for property or business investments, and avoid consumer debt that can harm financial stability. With this understanding, individuals can manage debt more carefully, avoid high interest rates, and maintain financial stability.

Financial freedom also impacts an individual's ability to make investment decisions. Falahati and Paim (2011) found that individuals who aspire to financial freedom are more likely to invest in various financial instruments, such as shares, bonds, mutual funds, or real estate. They understand that investment diversification is key to achieving financial freedom because it minimizes risk and increases the potential for long-term returns. Therefore, they tend to make measured investment decisions aimed at long-term gains rather than seeking instant profits.

Financial freedom also provides positive psychological effects, which play a crucial role in personal financial management. Garman and Forgue (2006) revealed that individuals who feel financially free tend to have better mental well-being because they are not burdened by debt pressures or financial anxiety. This more stable psychological state positively influences overall financial behavior, where individuals are better able to control spending, avoid impulsive financial decisions, and focus on long-term, sustainable goals.

Finally, financial freedom allows individuals to be more flexible in facing economic risks or financial crises. Individuals who have achieved or are nearing financial freedom are more prepared to handle emergencies because they have sufficient savings or assets to weather financial shocks. Hogarth (2002) emphasized that individuals with financial stability are better able to cope with unexpected economic changes, such as recessions, job loss, or urgent health expenses.

Financial freedom has a profound impact on personal financial management because it enables individuals to make more strategic decisions regarding spending, debt management, and investment. With financial freedom, individuals not only improve their financial well-being but also achieve mental and emotional stability when facing financial challenges. Through disciplined planning, asset management, and wise investments, financial freedom becomes a realistic and sustainable goal for individuals who manage their finances well.

The Influence of Islamic Spirituality and Financial Freedom on Personal Financial Management

Individual financial management is the method of organizing pay, costs, investments, and monetary arrangements to realize budgetary well-being. From an Islamic perspective, financial management is not solely focused on material goals but also encompasses spiritual values. The integration of Islamic spirituality and financial freedom can provide a holistic framework for managing personal finances in a balanced manner, where material and spiritual aspects complement each other.

Islamic spirituality and monetary freedom have a unique and complementary influence on personal financial management. When combined, they create a holistic approach where material and spiritual aspects are in balance.

Islamic spirituality provides a strong ethical and moral foundation for personal financial management. Values such as justice (*adl*), honesty, responsibility, simplicity (*zuhud*), and contentment (*qana'ah*) play an important role in shaping healthy financial behavior. Islam prohibits practices such as interest (*riba*), speculation (*gharar*), and hoarding wealth that can harm others. Islamic teachings encourage individuals to live according to their needs and avoid excessive consumerism. Wealth is viewed as a trust from Allah SWT, and its use must benefit oneself, family, and society through zakat, infak, and charity. Islamic spirituality governs not only how wealth is acquired but also how it is managed and distributed to achieve a balance between the worldly and the hereafter.

Financial freedom refers to a state where an individual has full control over their personal finances without the pressure of debt or reliance on active income. This concept emphasizes the importance of proper financial planning, sustainable investments, and living free from debt. Financial freedom fosters financial stability and provides individuals with the flexibility to pursue various life goals, including fulfilling spiritual obligations such as zakat and charity.

The integration of these two concepts has a significant impact on personal financial management. Individuals tend to be more cautious in managing their expenses and allocating funds because they are motivated by Islamic values and the goal of achieving financial freedom. Financial freedom enables individuals to reduce psychological stress from debt, while Islamic spirituality provides inner peace through gratitude and blessings. Wealth is not only used to meet personal needs but also for activities that provide social benefits, such as zakat and charity.

Hypothesis testing results indicate that the integration of Islamic spirituality and financial freedom can strengthen an individual's ability to manage personal finances. Respondents who have a strong understanding of Islamic values in financial management and have achieved financial freedom tend to be more disciplined in spending, more effective in investing and have long-term financial planning.

CONCLUSION

This study found that Islamic spirituality has a significant and positive influence on individual financial management. Islamic spirituality provides a strong moral and ethical framework for managing personal finances. With principles such as justice, responsibility, and contentment, individuals are able to manage their finances wisely and sustainably.

Financial freedom has a significant and positive influence on personal financial management. Individuals who have achieved or are on the path to financial freedom are more capable of managing their finances effectively, as they have stable incomes, controlled debt responsibilities, and a good understanding of investments and risk management.

The integration of Islamic spirituality and financial freedom creates a balanced approach to personal financial management. Islamic spirituality provides a foundation of values, while financial freedom offers the means to achieve these goals. Simultaneously, these two concepts strengthen an individual's ability to manage finances wisely, responsibly, and in accordance with Islamic principles, thereby fostering broader financial well-being.

These findings can give a basis for the next research aimed at developing financial education programs based on Islamic spirituality and the principles of financial freedom. The limitation of this study lies in the sampling process, where some respondents declined to participate in the interview for the questionnaire. Additionally, this study exclusively explores spirituality focused on Islam, as the majority of business owners in the Madura region practice Islam. For the next research, it is recommended to increase the sample amount and compare spirituality across different religions.

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DECLARATION OF CONFLICTING INTERESTS
The authors hereby declare that there are no potential conflicts of interest related to the research, writing, or publication of this article. If funding sources are involved, the funders had no influence on the research design, data collection and analysis, result interpretation, or the writing of this article.

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