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Financial Literacy as a Mediator of Young Generation Intention to Invest in Islamic Crowdfunding in Malaysia

Hairunnisa Mohamad Ibrahim[1], *Noor Azillah Mohamad Ali[2]
[1]School of Pre-University Studies, Taylor's College, Malaysia
[2]Faculty of Business and Management, Universiti Teknologi MARA, Malaysia
Email: hairunnisa.mohamadibrahim@taylors.edu.my, *azillah853@uitm.edu.my
Corresponding Author: Noor Azillah Mohamad Ali

Abstract: Islamic crowdfunding, which is a legitimate and halal form of financing, is also increasing in popularity among Malaysian youths because Malaysia has established a very strong infrastructure in the Islamic finance sector. Nevertheless, it has remained low primarily because of low Financial Literacy, awareness, and trust in the digital platform of investing. This research seeks to determine how financial literacy influences the TPB of young Malaysians in its ability to influence the intention of young Malaysians to fund an Islamic crowdfunding platform. A quantitative approach was used, specifically a cross-sectional survey design, with 437 youths from Malaysia's Klang Valley region. The Partial Least Squares Structural Equation Modeling (PLS-SEM) technique was used to analyze the data. Findings indicated that perceived subjective norms and perceived behavioral control jointly affected intentions to invest and were partially explained by financial literacy. However, there was no main effect of attitude on the dependent variable, although it was inclusively mediated by financial literacy. Implications reveal significant implications for promoting investment intention and heightening financial literacy as a way of reversing barriers to participation that characterize Islamic crowdfunding. Such findings provide significant suggestions to the policymakers and educators, alongside the platform provides for enhancing the ethical Malaysian financial solutions and economic improvement. Thus, this research contributes to knowledge by discussing the moderating role of financial literacy on the TPB constructs in the Islamic crowdfunding context.

Keywords: *Islamic crowdfunding; financial literacy; Attitude; subjective norms; perceived behavioral control*

1. Introduction and Background

Islamic crowdfunding has arisen as a feasible alternative financing method, especially for young entrepreneurs in Malaysia. It adheres to Shari'ah standards and provides a novel method for obtaining funds that conventional financial institutions frequently decline due to the perceived high-risk profiles of younger investors (Salim, Kassim, & Thaker, 2021). This financing strategy supports small and medium enterprises (SMEs) while simultaneously fostering social entrepreneurship by facilitating projects that may not secure traditional funding (Ramli, Abdullah, & Alam, 2023). Employee retention is becoming an important parameter in assessing the success of an organization (Aguenza & Som, 2018). One of the most valuable dimensions in an organization is employee retention (Ivana & Chiripuci, 2020). For an organization to remain competitive, it must maintain an experienced and efficient workforce, and employee retention is influenced by multiple factors (Kalyanamitra, Saengchai & Jermsittiparsert, 2020).

Financial literacy is the set of skills and knowledge that lets people make smart choices about money. Based on (Lusardi & Mitchell, 2014) stresses how important it is to be financially literate to make better economic decisions and improve overall well-being. In Islamic crowdfunding, potential investors must comprehend various aspects such as Shariah compliance, risk management, and investment strategies. Previous research indicates that a higher level of financial literacy can significantly influence investment behaviors and choices among young individuals, particularly in emerging financial technologies like crowdfunding platforms (Md. Sapir@ Md. Shafik & Wan Ahmad, 2020). According to Malaysia Investment Development Authority (MIDA, 2020), due to its growing population and longer life expectancy, Malaysia expects to increase healthcare expenditures to improve facilities and services. It shows that the number of companies and employees in the pharmaceutical industry continues to grow year by year.

Young people's investment behavior is much shaped by their financial literacy, especially of an Islamic nature. It guarantees informed decisions by arming people with the required knowledge to negotiate the complexity of financial products and investment possibilities. According to studies, higher degrees of financial literacy

have been linked to more confidence and intention to fund Islamic crowdfunding platforms (Majid & Nugraha, 2022). Moreover, knowing ideas like profit-sharing, risk management, and Shariah compliance can greatly affect young people's inclination to interact with these channels.

Young people make up a sizable population that could propel Islamic crowdfunding's expansion. Still, their participation is sometimes hampered by ignorance of how these channels run. Studies have revealed that the two main determinants of their inclination to invest are perceived usefulness and simplicity of usage (Salim et al., 2021). Improving financial knowledge will help stakeholders enable young people to make wise decisions when participating in Islamic crowdfunding, hence raising possible participation rates.

Notwithstanding the potential advantages, a constrained comprehension of how financial literacy especially influences the correlation between youngsters' investment aspirations and their actual participation in Islamic crowdfunding platforms exists. This study seeks to address this gap by examining the interaction between these variables and offering insights that may guide policy and educational measures to cultivate a financially knowledgeable youth demographic in Malaysia. This research would enhance the understanding of the impact of financial literacy on investment intentions among Malaysian adolescents in the realm of Islamic crowdfunding, hence facilitating the advancement of this unique financing model. However, the specific dynamics of how financial literacy mediates youths' intentions to engage with Islamic crowdfunding in Malaysia remain underexplored.

Despite the increasing recognition of Islamic crowdfunding as a viable alternative financing mechanism in Malaysia, a significant gap exists in understanding the factors influencing youths' intentions to invest in such platforms. While financial literacy is acknowledged as a crucial determinant of investment behavior, its specific role as a mediator within the context of Islamic crowdfunding is underexplored.

Young Malaysians frequently face obstacles in obtaining conventional funding sources, and a lack of financial knowledge may hinder their capacity to make smart investment choices. This scenario prompts apprehensions over the efficacy and durability of Islamic crowdfunding projects, especially among the young, who are crucial for fostering economic growth and innovation in the nation. Research indicates that many youth entrepreneurs lack knowledge about crowdfunding operations, with studies showing that up to 78% of business owners in Malaysia are unaware of how crowdfunding works (Salim et al., 2021).

Moreover, the lack of a thorough knowledge of how financial literacy interacts with other psychological elements, such as attitudes, subjective norms, and perceived behavioral control, limits stakeholders' capacity to create focused educational programs and policies that might increase young participation in Islamic crowdfunding (Majid & Nugraha, 2022). The interplay between financial literacy and other factors, such as perceived usefulness and ease of use, further complicates this landscape, suggesting that a comprehensive analysis is required to explore these relationships (Nawang & Shukor, 2023)

Therefore, this study addresses the following problem: How does financial literacy mediate the relationship between youths' attitudes, subjective norms, and perceived behavioral control regarding their intention to invest in Islamic crowdfunding in Malaysia? By investigating this relationship, the research aims to provide valuable insights that can inform strategies to empower young investors and promote a more inclusive and robust crowdfunding ecosystem. This inquiry is essential not only for enhancing financial literacy among Malaysian youth but also for supporting the growth of the Islamic finance sector.

Research Objectives

- To determine the relationship between attitude, subjective norms, and perceived behavioral control on the intention to invest in Islamic crowdfunding.
- To examine the role of financial literacy as a mediator in the relationship between these factors and investment intentions.

Research Questions

- How do attitude, subjective norms, and perceived behavioral control influence the intention to invest in Islamic crowdfunding?
- Does financial literacy mediate the relationship between these factors and investment intention?

There is, however, a low level of participation among young people in Malaysia despite the growing use of Islamic crowdfunding solutions. This is attributed to the limited number of options, probably due to a lack of financial education regarding investment opportunities and risks. Furthermore, prominent determinants like attitude, subjective norms, and perceived behavioral control significantly affect the investment decision, but the moderating role of financial literacy has not been addressed much. This knowledge is important for informing the issues that hinder Youth Malaysians from engaging in Islamic crowdfunding investment. This study aims to bridge the knowledge gap by exploring the mediating role of financial literacy in shaping the young generation's intention to invest in Islamic crowdfunding in Malaysia.

2. Literature Review

The rise of Islamic crowdfunding platforms, which follow Shariah principles, offers a special research opportunity even though conventional crowdfunding platforms have been extensively researched. Recent research has looked at user perception and behavioral intention as well as other factors that affect Indonesia's adoption of Islamic crowdfunding platforms (Sulaeman, 2021). On the other hand, little is known about how financial literacy, particularly among young Malaysians, mediates the relationship between these factors and investment intention.

Since it gives people the information and abilities they need to make wise financial decisions, financial literacy is a significant predictor of investment behavior. Financial literacy is especially important in Islamic finance because it helps investors comprehend the fundamental ideas and workings of financial products that adhere to Sharia law, like Islamic crowdfunding platforms.

A study on financial literacy among Muslim undergraduates in Malaysia found that sociocultural influences and exposure to financial education can have a big impact on a person's financial literacy (Md. Sapir @ Md. Shafik & Wan Ahmad, 2020). This implies that raising financial literacy could be a viable tactic to encourage young Malaysians to use Islamic crowdfunding platforms.

Islamic crowdfunding: Islamic crowdfunding has offered itself as a potential complementary financing source in Malaysia, especially for community-based tourism, micro businesses, and low-rise building construction. The Islamic crowdfunding model has demonstrated the possibilities of assisting rural communities, offloading the concerns of funding from the government, and encouraging job and wage opportunities and economic development (Ishak et al., 2024; Khairuddin & Ishak, 2022). In Malaysia, the first Islamic crowdfunding platform is Nusa Kapital which applies the murabahah concept to SMEs regulation by the Securities Commission Malaysia (Ramli et al., 2022).

Notably, although there is a significant potential in Islamic crowdfunding, it has various practical limitations. This is a great concern because micro-entrepreneurs lack proper management and marketing skills, whereby future project investors are questioned (Ishak et al., 2024). Also, the book industry in Malaysia has declined in the last couple of years, while Islamic crowdfunding could finance books, with emphasis on writers and manuscripts rather than revenue-making (Kamaruddin and Ishak, 2020).

Therefore, Islamic crowdfunding in Malaysia plays a great role in providing a Shariah-compliant way of financing tourism, micro-enterprises, and the construction sectors. Nevertheless, its success heavily hinges on the challenges, including awareness, financial literacy, and proper technology adoption (Rashid et al., 2023). To maximize the benefits of Islamic crowdfunding, the collective effort of Islamic crowdfunding platforms, businesses, investors, and regulatory bodies becomes central (Mohd Sofie & Muneeza, 2023). This is a critical area of development in the industry, and there is a need to adapt the legal provisions progressively to eliminate the existing gaps to support the continued future development of Islamic crowdfunding in Malaysia (Ramli et al., 2023).

Theory of Planned Behavior (TPB): Some earlier studies have used the Theory of Planned Behavior (TPB) to investigate the factors that influence intention, and each behavior related to Islamic crowdfunding. A study on BIMB users' intentions to use Sadaqa House, an online Islamic crowdfunding platform, was carried out in the context of TPB. The study concluded that consumer intention is more influenced by subjective norms than by

attitude. The intention to use Sadaqa House BIMB was not significantly impacted by perceived behavioral control or religiosity (Karim et al., 2023).

Another study exploring the intentions of potential Muslim investors to invest through Islamic securities crowdfunding FinTech (I-SCF FinTech) platforms integrated TPB with TAM, together with IFL. Self-organization resulted in the positive behavioral intention of IFL, especially knowledge of the risks involved in Islamic financial products (Majid & Nugraha, 2022).

Contradictory the study of Karim et al. (2023), the author established that Subjective Norms, Perceived Behavioral Control, Product Knowledge, and Religiosity had a direct positive relationship with the decision to seek funding in SMEs in the Halal Food Industry through Islamic Equity Crowdfunding. The use of TPB in contextualizing Islamic crowdfunding research has produced mixed findings, although the value of the viewpoint is recognized. Some of the past research focuses on subjective norms and attitudes to have a greater impact, while others focus on perceived behavioral control and religiosity. Their presence indicates that overall, participants' Islamic crowdfunding intention and behavior may rely on the specifics of the studied platform or target group.

Attitude: The perception of the younger generation is generally positive towards the Investment in Islamic crowdfunding, and there are several factors that affect the interest and pull towards it. The analysis also shows that attitude and perceived behavioral control have the most positive effect on the interest of the millennial generation toward investing in Sharia Securities Crowdfunding (SCF) (Iswanti et al., 2024). This implies that young investor will consider Islamic crowdfunding as one of their investment avenues. However, as also observed from the framework, subjective norms never seem to impact their investment decisions, implying that millennials might not necessarily rely on others in their investment decisions (Iswanti et al., 2024).

For example, social creators and entrepreneurial experiences demonstrate a huge influence on investment behavior in Islamic crowdfunding (Ryandono et al., 2020). Nevertheless, project quality, creator ability, and reputation impact are negligible, which is somewhat counterintuitive to typical investment strategies. This implies that young investors interested in Islamic crowdfunding may differentially focus when making investment decisions from those of traditional methods invested directly (Ryandono et al., 2020).

Thus, the South Carolinian young adults' perception towards Islamic crowdfunding is influenced by personal religiosity, perceived behavioral control, and social influence. Muslim religiosity plays a role in a positive attitude towards investing in Islamic crowdfunding, as put forth by Iswanti et al. (2024), with the implication that young Muslim investors should consider Islamic investment products. On the same note, as this kind of crowdfunding gains more recognition in the financial market, it will expand its scope to draw more young investors to invest in the Islamic way due to various reasons, including but not limited to ethical investment that aligns with Islamic Shariah laws.

Subjective Norm: Another self-regulation perception, called subjective norms, has an intriguing relationship with young people's investment decisions in Islamic crowdfunding, where research findings show inconsistency. This paper's findings suggest that subjective norms influence young people's investment intentions in Islamic crowdfunding. The analysis of the proposed model based on BIMB customers identified that the highly significant determinant for consumer intention to use Sadaqa House, the digitalized Islamic crowdfunding, is the subjective norm (Karim et al., 2023). This implies that ideas that come with family, relatives, peers, and acquaintances play a crucial role in encouraging youths to embrace Islamic crowdfunding services. In addition, Yulandreano & Rita (2023) also demonstrated that subjective norms positively influence investment intentions by creating an environment supportive of crowdfunding participation. A study by Wuladari, Sani, & Pramuka (2023) also has a positive effect on investment interest. But there is contrary evidence discovered. Meanwhile, in the study on Sharia Securities Crowdfunding (SCF), it was ascertained that the subjective norm fails to influence the interest to invest in Sharia SCF among the millennial generation (Iswanti et al., 2024). In line with the assertion, the study on Subjective norms has an impact on funding decisions through Islamic equity crowdfunding platforms: empirical analysis of SMEs in the halal food industry also revealed the same facts. Such a contradiction suggests that specifying the nature or role of subjective norms in affecting the behavior of young investors in Islamic crowdfunding is not straightforward. The findings

suggest that subjective norms might be a powerful barrier in influencing young people's intention to invest in Islamic crowdfunding, yet their influence will most definitely be shaped through specific situations and types of crowdfunding platforms. More empirical studies to elaborate on the role of subjective norms in different contexts of Islamic crowdfunding and various segments of the younger generation are needed.

Perceived Behavioral Control: This study identified that perceived behavioral control (PBC) should be a focus of attention because it has a profound impact on the intention of young investors regarding Islamic crowdfunding investments. There are progressive and conflicting patterns identified in previous research concerning this connection. The performance of PBC shows that its results can be positive in improving investment intentions in Islamic crowdfunding (Yulandreano & Rita, 2023) also revealed that perceived behavioral control had a significant and positive influence on the investment intentions of Indonesian Investors in crowdfunding platforms. Likewise, another empirical research analysis centered on young Indonesian investors' behavioral intention to invest in Islamic stocks found that PBC had a positive influence on investor intention (Anisa & AF, 2024).

Surprisingly, while PBC enjoys a continuous positive effect on investment intentions, it may have a neutral, negative, or inconsistent impact on real investment. Yulandreano and Rita (2023) stated that PBC had an impact on investment intent and crowdfunding investment choices in a positive manner. However, another study on the determinants of Islamic Crowdfunding did not reflect PBC as a factor affecting investors' decisions (Ryandono et al., 2020).

Consequently, this research posited that perceived behavioral control significantly influences the young investor's intention towards Islamic crowdfunding. This was agreed across most of the studies, showing how it is significantly positive on investment intentions. However, its association with real investment decisions could probably not be easily substantiated, raising the point that there are probably moderating variables involved. The results presented in the study suggest that PBC should be considered when investigating and advocating for Islamic crowdfunding among young investors; however, the analysis of multiple factors that affect the final investment choice should also be considered.

Financial Literacy as a Mediator: The effects of how attitudes, subjective norms, and perceived behavioral control affect investment intentions, financial literacy is a crucial moderator in the TPB model. People are better equipped to evaluate investment opportunities, understand their implications, and make informed investment decisions when they possess greater financial literacy (Malaiya, 2025). Improving young people's financial literacy can enable them to successfully negotiate the complexities of investment decisions in Islamic crowdfunding, which will increase user engagement with crowdfunding platforms.

The quality of investment decisions is directly impacted by financial literacy; research indicates that those with greater financial literacy make wiser decisions (Wang & Zou, 2024). Furthermore, better risk perception and management are a result of increased financial literacy and are essential for successful investment strategies (Alisa et al., 2024). Studies show that Islamic financial literacy positively affects Gen Z's investment choices in the Islamic capital market, leading to more informed and confident investors (Anisa & AF, 2024).

Furthermore, among Malaysian youth, financial literacy is a strong predictor of investment behavior, indicating that a higher level of literacy is associated with a greater propensity to participate in Islamic crowdfunding (Abd Rashid et al., 2022). Furthermore, according to Dharma et al. (2024), financial literacy has a major impact on investment decisions as well as the formation of a positive risk attitude between financial knowledge and investment decisions.

3. Research Methodology

This study aims to examine the mediating role of financial literacy on youths' intention to invest in Islamic crowdfunding in Malaysia. A quantitative research approach was adopted to collect and analyze the data. The target population for this research consisted of young individuals residing in the Klang Valley region, which is known for its high concentration of tech-savvy and financially aware youths. A total sample of 437 respondents was gathered using a convenience sampling method, ensuring a diverse representation of individuals between the ages of 18 to 35 who have basic awareness of Islamic financial products.

The primary data was collected using a structured questionnaire, which was designed to measure key constructs related to the Theory of Planned Behavior (TPB) as proposed by Ajzen (1991), with additional items focusing on financial literacy specific to Islamic crowdfunding. The questionnaire was adapted from validated TPB scales, covering aspects such as attitude towards behavior, subjective norms, and perceived behavioral control, which are known predictors of intention. To capture the mediating variable, the survey also included a financial literacy section tailored to assess the respondents' knowledge and understanding of Islamic crowdfunding principles, such as Shariah compliance, risk-sharing, and ethical investment.

Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to analyze the data in order to assess the direct and mediating effects of financial literacy on investment intentions. Given the exploratory nature of the study, this method was selected because it is robust when handling complex models and works well with small to medium sample sizes. To make sure the factors being measured were accurate, validity and reliability tests were performed. The findings are expected to provide insights into how enhancing financial literacy among youths can positively influence their intention to participate in Islamic crowdfunding, thereby supporting the growth of ethical financial investments in Malaysia.

4. Results

The table summarizes demographic characteristics across gender, education, ethnicity, profession, and income distribution. It shows that females make up a larger proportion (57%) than males (43%). Most respondents have vocational education (57.9%), while fewer hold a bachelor's (16.7%) or master's degree (3.9%). Ethnically, the majority are Chinese (65.4%), followed by Indian (13%), Malay (5%), and other ethnicities (16.5%). The dominant professions are executives/managers (30.4%) and students (22%), while smaller percentages are professionals (17.6%), self-employed (9.6%), and government employees (5.3%). Income-wise, 28.1% earn RM 3000 or below, while the remainder is distributed across higher income categories, with 15.3% earning RM 9001 or above.

Demographic Information of the Respondents: Table 1 displays a summary of the characteristics of the total respondents who participated in the study.

Table 1. Demographic Information of The Respondents

Characteristics	Frequency	Percentage (%)
Gender		
Male	188	43.0
Female	249	57.0
Education		
Primary	6	1.4
Secondary	88	20.1
Vocational	253	57.9
Bachelor's	73	16.7
Masters	17	3.9
Ethnicity		
Malay	22	5.0
Chinese	286	65.4
Indian	57	13.0
Others	72	16.5
Profession		
Student	96	22.0
Professional (Doctor, Engineer, Lawyer, etc.)	77	17.6
Executive / Manager	133	30.4
Self Employed / Entrepreneur	42	9.6
Government Employee (Officer, Clerk, etc.)	23	5.3
Retired	20	4.6
Others	46	10.5
Income		
RM 3000 or Below	123	28.1
RM 3001 – RM 5000	103	23.6
RM 5001 – RM 7000	83	19.0
RM 7001 – RM 9000	61	14.0
RM 9001 and above	67	15.3

Measurement model: Following these descriptive analyses, the study proceeded with the evaluation of the outer model, which involved testing the validity and reliability of the constructs. For construct validity, both

convergent validity and discriminant validity were assessed. Construct reliability was evaluated using Cronbach's alpha and composite reliability. The outcomes of the outer model testing are detailed in Table 2.

Table 2. Measurement Model

Item	Mean	Standard Deviation	Factor Loading	Cronbach alpha	Composite Reliability	AVE
Attitude				0.811	0.864	0.517
AT1	4.018	0.847	0.738			
AT2	3.874	0.959	0.708			
AT3	3.902	0.960	0.685			
AT4	4.009	0.877	0.798			
AT5	4.124	0.876	0.748			
AT6	4.041	1.054	0.623			
Subjective Norm				0.906	0.928	0.682
SN1	3.810	0.993	0.835			
SN2	3.460	1.102	0.829			
SN3	3.625	1.053	0.881			
SN4	3.867	1.042	0.831			
SN5	3.957	0.947	0.846			
SN6	3.716	0.967	0.723			
Perceived Behavioral Control				0.837	0.884	0.607
PBC1	4.272	0.798	0.662			
PBC2	3.952	0.848	0.830			
PBC3	3.945	0.873	0.828			
PBC4	4.204	0.827	0.805			
PBC5	4.172	0.789	0.756			
Financial Literacy				0.871	0.897	0.523
FL1	3.929	0.926	0.736			
FL2	4.055	0.781	0.723			
FL3	4.108	0.831	0.689			
FL4	4.119	0.842	0.711			
FL5	4.096	0.823	0.714			
FL6	3.966	0.953	0.769			
FL7	3.895	0.912	0.69			
FL8	3.799	0.995	0.749			
Intention to Invest				0.766	0.841	0.516
II1	3.805	0.867	0.775			
II2	3.439	1.069	0.791			
II3	3.707	1.035	0.646			
II4	3.295	1.234	0.680			
II5	4.108	0.834	0.688			

The results from the outer model analysis demonstrated that each item variable met the criteria for convergent validity, with factor loadings for all items exceeding the threshold of 0.5. Additionally, discriminant validity was confirmed as the Average Variance Extracted (AVE) values for all constructs were above the cutoff of 0.5. Regarding reliability, the composite reliability values exceeded 0.7, indicating that all variables were consistently reliable. Thus, it can be concluded that the items effectively formed constructs related to financial literacy, attitudes towards investment, subjective norms for investing, perceived behavioral control, and investment intentions.

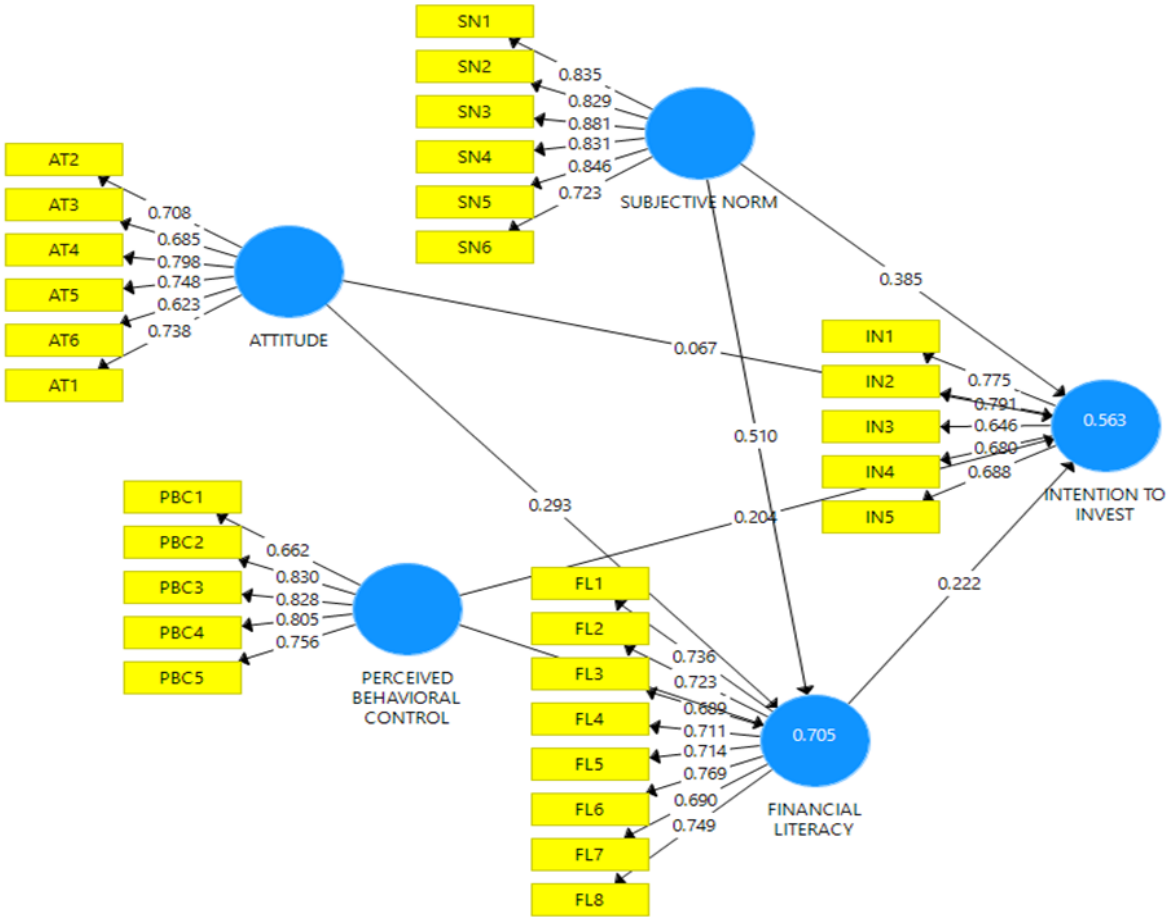
Subsequently, discriminant validity was assessed using the Heterotrait-Monotrait (HTMT) ratio, following the guidelines suggested by Henseler et al. (2015) and refined by Franke and Sarstedt (2019). According to these guidelines, the HTMT values should not exceed 0.85 for a stricter assessment, while a more lenient threshold is set at ≤ 0.90. As displayed in Table 5, all HTMT values were below the stricter threshold of 0.90, indicating that the respondents could differentiate between the four constructs. Thus, the results confirm that the factors

are distinct. Overall, the validity tests confirmed that the measurement items used in the study were both valid and reliable.

Table 3. Heterotrait-Monotrait (HTMT)

	Attitude	Financial Literacy	Intention To Invest	Perceived Behavioral Control	Subjective Norm
Attitude					
Financial Literacy	0.780				
Intention To Invest	0.620	0.783			
Perceived Behavioral Control	0.760	0.726	0.677		
Subjective Norm	0.531	0.801	0.801	0.522	

Figure 1: Path Coefficient of the framework



Structural Model: Table 4 presents the results of hypothesis testing factors influencing the intention to invest. Out of four hypotheses, three were supported: subjective norms (H2) had the strongest influence (β = 0.385, t = 6.633, p = 0.000), followed by financial literacy (H4; β = 0.222, t = 3.563, p = 0.000) and perceived behavioral control (H3; β = 0.204, t = 4.124, p = 0.000). However, attitude (H1) was not a significant predictor (β = 0.067, t = 1.137, p = 0.256). This suggests that external social influences, knowledge, and perceived control are key drivers of investment intention, while personal attitude plays a minimal role.

Table 4. Summary of direct hypothesis

		Beta	T Statistics	P Values	Decision
H1	Attitude -> Intention To Invest	0.067	1.137	0.256	Not Supported
H2	Subjective Norm -> Intention To Invest	0.385	6.633	0.000	Supported
H3	Perceived Behavioral Control -> Intention To Invest	0.204	4.124	0.000	Supported
H4	Financial Literacy -> Intention To Invest	0.222	3.563	0.000	Supported

Table 5 summarizes the mediation effects of financial literacy on the relationships between attitude, subjective norms, perceived behavioral control, and the intention to invest. Hypothesis H5 indicates that financial literacy fully mediates the relationship between attitude and investment intention ($\beta = 0.065$, $t = 3.382$, $p = 0.001$), meaning that attitude influences investment intention only through financial literacy. Hypotheses H6 and H7 demonstrate partial mediation, where financial literacy partly explains the impact of subjective norms (H6: $\beta = 0.113$, $t = 3.281$, $p = 0.001$) and perceived behavioral control (H7: $\beta = 0.047$, $t = 2.874$, $p = 0.004$) on investment intentions. This implies that subjective norms and perceived behavioral control affect intention both directly and indirectly through financial literacy. Overall, the findings highlight the critical role of financial literacy in mediating these relationships, particularly as a full mediator for attitude and a partial mediator for subjective norms and perceived behavioral control.

Table 5. Mediation result

		Beta	T Statistics	P Values	Result
H5	Attitude -> Financial Literacy -> Intention to Invest	0.065	3.382	0.001	Fully Mediate
H6	Subjective Norm -> Financial Literacy -> Intention to Invest	0.113	3.281	0.001	Partially Mediate
H7	Perceived Behavioral Control -> Financial Literacy -> Intention to Invest	0.047	2.874	0.004	Partially Mediate

Discussion

The study's conclusions provide important new information about the factors influencing young Malaysians' intentions to invest in Islamic crowdfunding. The findings show that while attitude does not significantly affect investment intention directly, subjective norms and perceived behavioral control do. Furthermore, financial literacy acts as a partial mediator between investment intention and perceived behavioral control, as well as a full mediator between attitude and investment intention.

These results are consistent with earlier studies that highlighted how outside factors shape financial behavior. Research has indicated that youth investment behavior is significantly influenced by subjective norms, including peer and family influence (Karim et al., 2023). Subjective norms have a significant impact on Islamic crowdfunding investments, indicating that social influence is essential for promoting young people's involvement in alternative financial markets. Nevertheless, prior studies on subjective norms have produced conflicting findings, with some indicating no meaningful correlation (Iswanti et al., 2024). This implies that the context and kind of financial product may have different effects on how social norms affect investing behavior.

The mediating function of financial literacy is the study's most noteworthy contribution. The findings demonstrate the importance of financial literacy in transforming optimistic sentiments into real investment intentions. This is consistent with earlier studies that found increased financial literacy improves investment confidence and risk perception (Majid & Nugraha, 2022). Thus, improving financial education programs may help close the awareness-to-action gap and eventually boost young people's involvement in Islamic crowdfunding.

5. Managerial Implications and Recommendations

The study's conclusions have important ramifications for legislators, instructors, and owners of Islamic crowdfunding platforms. In order to encourage young Malaysians to engage in Islamic crowdfunding, financial literacy is an essential component. Thus, focused financial education initiatives are necessary to empower this demographic and boost their confidence in making investments. To lay the groundwork early, policymakers ought to think about incorporating financial and Islamic finance education into university and school curricula. Through workshops, internships, or simulations, cooperation between educational institutions and crowdfunding platforms can also encourage hands-on learning. Platform operators ought to enhance the usability and transparency of their platforms by providing instructional materials like financial literacy resources and explainer videos. To reach a larger audience, content should be easy to use, multilingual, and culturally appropriate. Governmental organizations and regulatory bodies may also assist in the form of grants, incentives, or policies that promote moral and inclusive crowdfunding. In addition to enhancing investor confidence, such initiatives would guarantee the long-term expansion of Malaysia's Islamic crowdfunding market.

Conclusion

This study emphasizes how important financial literacy is in influencing young Malaysians' decisions to participate in Islamic crowdfunding. The results demonstrate that although investment intentions are directly influenced by subjective norms and perceived behavioral control, attitude by itself has no discernible effect unless financial literacy acts as a mediator. This suggests that external influences and confidence in one's ability to invest play a more prominent role in shaping investment decisions than personal attitudes alone.

Financial literacy's mediating effect emphasizes how crucial it is for closing the awareness-to-action gap. The need for focused financial education programs is further supported by the fact that young people who possess greater financial literacy are more likely to make wise investment decisions. These findings are consistent with earlier studies showing that greater financial literacy improves risk management and decision-making confidence in investing behavior.

Practically speaking, these observations have important ramifications for legislators, banks, and schools. Enhancing financial literacy can greatly increase young people's involvement in morally and Shariah-compliant investing, especially when it comes to Islamic crowdfunding. Malaysia can boost its Islamic finance industry and advance a more inclusive investment ecosystem by raising a generation that is better informed about money matters. Additional factors that might further affect investment behavior in this expanding sector should be investigated in future studies. (Md. Shafik & Wan Ahmad & Md. Sapir, 2020).

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