Logistic Regression Analysis In Revealing Probability Of Indonesian Moslem Community's Understanding About Cash Waqf Linked Sukuk (CWLS)

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ABSTRACT

Cash Waqf Linked Sukuk (CWLS) is one of the innovative fiscal instruments through Islamic Financial Institutions in Indonesia that uses waqf funds as sukuk investment. The collection of waqf funds is still experiencing obstacles such as: lack of understanding of the Moslem community on the concept of the importance of CWLS, lack of public trust in cash waqf institutions and lack of willingness to donate cash waqf. This study conducted a survey of 151 potential Indonesian Moslem respondents consisting of civil servants, entrepreneurs, academics, and households. By using logistic regression analysis, it is expected to produce findings related to factors that affect understanding of the Moslem community regarding cash waqf linked sukuk (CWLS). Based on the results of the analysis with a significance tolerance level of 0.05%, it was concluded that formal education, income, and age had a statistically significant effect on understanding of CWLS. Based on the log of odds value, the younger respondents with the higher income and the higher formal education has more probability to have understanding on CWLS. This Research has deepened the analysis on the possibilities of each variable in revealing the factors effecting people's understanding on Cash Waqf Linked Sukuk.

Keywords: *Cash waqf linked sukuk, Probability of moslem community understanding, Probability*

ABSTRAK

Cash Waqf Linked Sukuk (CWLS) merupakan salah satu instrumen fiskal inovatif melalui Lembaga Keuangan Syariah di Indonesia yang menggunakan dana wakaf sebagai investasi sukuk. Pengumpulan dana wakaf masih mengalami kendala seperti: kurangnya pemahaman masyarakat Muslim tentang konsep pentingnya CWLS, kurangnya kepercayaan masyarakat terhadap lembaga wakaf tunai dan kurangnya kemauan untuk berwakaf uang. Penelitian ini melakukan survei terhadap 151 calon responden Muslim Indonesia yang terdiri dari pegawai negeri, pengusaha, akademisi, dan rumah tangga. Dengan menggunakan analisis regresi logistik diharapkan dapat menghasilkan temuan terkait faktor-faktor yang mempengaruhi pemahaman umat Islam tentang sukuk terkait wakaf tunai (CWLS). Berdasarkan hasil analisis dengan taraf signifikansi toleransi 0,05% disimpulkan bahwa pendidikan formal, pendapatan, dan usia berpengaruh signifikan secara statistik terhadap pemahaman CWLS. Berdasarkan nilai log of odds, responden yang lebih muda dengan pendapatan yang lebih tinggi dan pendidikan formal yang lebih tinggi memiliki kemungkinan yang lebih besar untuk memiliki pemahaman tentang CWLS. Penelitian ini memperdalam analisis terhadap kemungkinan masing-masing variabel dalam mengungkap faktor-faktor yang mempengaruhi pemahaman masyarakat terhadap Sukuk Wakaf Tunai.

Kata kunci: Cash waqf linked sukuk, Probabilitas pemahaman komunitas muslim, Probabilitas

INTRODUCTION

According to a survey that has been conducted by the Asia Pacific Philanthropy Consortium, Indonesia (Bank, 2002) including other countries such as India, the Philippines and Thailand, has an average of 90% of adults who are more likely to donate their donations to religious-based social institutions. Indonesia as a country with the largest Moslem population in the world has great potential in utilizing philanthropic funding sources. In the doctoral dissertation written by Amelia Fauzia entitled "Faith And The State: A History Of Islamic Philanthropy In Indonesia"(Fauzia & Rohayati, 2016) it is stated that the religious-based philanthropic movement was so firmly rooted in the life of the Islamic community in Indonesia even before the Indonesian State was formed. One feature of philanthropy that can be useful in a sustainable manner is waqf, which is believed to be maximized for the social and economic benefit of the people of a country.

Arshad & Haneef, 2016 (Nahar et al., 2016) explained that the role of waqf can be further optimized as a third sector income for the economic aspects of a country. (Sukmana, 2020) has also reviewed many discussions on studies linking the implementation of waqf with economic growth, so that optimizing the waqf function is expected to have a multiplier effect in terms of increasing GDP and employment (Hilmi, 2012). In the last three years, the Indonesian government has supported the innovation of the waqf concept which is incorporated into state sukuk products. The product was investment using cash waqf through Indonesian sovereign sukuk of SBSN (Surat Berharga Syariah Negara), as Cash Waqf Linked Sukuk (CWLS) (Imam Teguh Saptono et al., 2020b).

CWLS as one of the cash waqf innovations in State Sukuk that is managed productively in its implementation can make a positive contribution to productive sectors which have a significant multiplier effect on the community's economy. Along with that goal, the assistance of Islamic financial institutions has an important role in carrying out its function to support economic growth through the use of waqf funds as long-term investments (maturities). The CWLS product innovation's goals are such: a. Facilitating the community in safe and productive cash waqf; b. Developing innovation in finance and social investment in Indonesia; c. Promoting inclusive and sustainable economic growth; d. Supporting the National waqf movement, assisting the development of social investment, and the development of productive waqf in Indonesia; e. Strengthening the cash waqf ecosystem in Indonesia.

The existence of Retina and Glaucoma Center facilities at Achmad Wardi Eye Hospital, Serang, Banten, is a clear evidence of a social project funded from the first CWLS issuance. The returns from CWLS are paid monthly for 5 years to be used for free cataract surgery services for the poor at the hospital. It is targeted that for 5 years the number of poor people who can be served will reach 2,513 cataract patients. Meanwhile, for the subsequent issuance of CWLS, other social projects are planned to be financed from CWLS fees through Nadzir Sukuk Waqf and Distribution Partners mandated by the government. Sectors of concern for social projects from CWLS rewards are important sectors such as health, food, housing, education and projects for economic independence through MSMEs and so on.

The first time the government issued Sukuk Waqf CWLS through the private placement, was on March 10, 2020 with a nominal value of IDR 50,849,000,000.00 (fifty billion eight hundred forty-nine million rupiah). On the other hand, the total volume of CWLS orders for the Retail CWLS type SWR001 series, the offer period was from October 9 to. 20 November 2020 which has been determined as much as IDR 14,912,000,000.00 (fourteen billion nine hundred and twelve million rupiah) with 1,041 investors of the total wakif, consisting of 1,037 individual wakif and 4 institutional wakifs.

BPS data states that the total Moslem population in Indonesia is around 200 million people, while the number of poor people in September 2020 was 27.55 million people. It can be concluded that there are more than 170 million Moslems who can afford it, and there are 1,041 people currently waqf through CWLS. Considering the potential numbers of capable Moslem communities that exist, there is a hope that CWLS product innovation can still be optimized more in the future.

The CWLS investors collection is still facing some obstacles such as: lack of understanding of the Moslem community about cash waqf (Napitupulu et al., 2021), lack of public trust in cash waqf management institutions and lack of willingness to donate cash waqf ((Sukmana, 2020);(Shukor et al., 2017);(Yasin, 2021);(Kasri & Chaerunnisa, 2021)). Based on previous studies, factors such as Age, Income, and Education are the main determinants of understanding of the Moslem community about waqf-based financial institutions in Indonesia ((Efrizon, 2008); (Khan et al., 2020);(Shukor et al., 2017)). By using the researches of cash waqf in previous works, this study applies logistic regression

analysis on the probability of each independent variable in determining the level of public understanding of CWLS.

Waqf

Going back to Prophet the use of waqf to meet the needs of public goods has existed since 750 AD or even before that. Waqf is a form of one's piety which is reflected in charity activities. Basically, waqf is regulated by Islamic law along with the activities of its use, but its benefits are not limited to Moslems only. Waqf is an ownership based on trust based on Islamic law by a living Moslem individual whose use is intended to provide lasting social services in general. Waqf operations are funded by income that is given in perpetuity. At first the concept of waqf was immovable, but in its development, waqf in the form of movable assets has been legitimized by Islamic law (Kuran, 2001).

According to the use of the term waqf, works on waqf generally use terms such as wakf, vakf, vakif, vaqf, evkaf, awkaf, auqaf, auqaf and they have been rendered as endowments or foundation or institution with different qualifying adjectives like 'religious', 'Islamic', 'Moslem', 'pious', 'charity'. There are more literatures on waqf in Arabic than in English, especially the discussion of waqf in terms of fiqh. In addition, the discussion about waqf began to expand to topics such as fiqh waqf, law of cash waqf, family waqf, women's waqf, individual waqf, as well as discussions such as the role of waqf in the Socio-Economic, Management and Development of Waqf, the history of waqf and comparative studies (Islahi, 2003).

There are at least four conditions or elements that must be met in the implementation of waqf (Adijani, 1989):

(1) *Waqif*, refers to the founder of waqf: Waqif must be mature and sensible; the individual person must voluntarily do the waqf;

(2) *Mauquf*, refers to the property or movable aset - existing assets or capital must be fully owned by the wakif and free from all burdens;

(3) *Mauquf 'alaih*, refers to beneficiaries – whether family members, descendants, or poor people and society (ummah), the recipient may not be, say, an enemy of Islam; and

(4) *Sighah*, is ijab and qabul waqf (offer and acceptance).

Furthermore, the waqf is recorded and regulated by the *nadzir* or *mutawalli* (the party is considered as the waqf manager) who is appointed by the wakif. *Mutawalli* must have the following conditions:

(1) A sound mind;

(2) *Baligh*;

(3) Trusted; and

(4) Have the ability to administer and manage waqf assets.

All these conditions must be met otherwise a new mutawalli must be appointed to have better control over the waqf property (Kuran, 2001).

According to Kahf (Kahf, 2003), there are three types of waqf. One of them is pure religious waqf, for example assets used for worship such as mosques or prayer rooms. Second, philanthropic waqf, such schools or hospitals, and third, family waqf or hereditary waqf. Third, waqf which is put forward as an invention of pure Islam, which started with the companions of the Prophet Muhammad (pbuh) and prospered during the reign of the second caliph, Umar Al Khattab.

Cash Waqf

The Ottoman Turks introduced the cash waqf model in the 15th century and expanded in the following centuries throughout the Kingdom, examined how cash waqf played a very important role in the social fabric of the Ottoman Empire without any cost to the state. Based on archival documents and records of *the Waqfiyya*, Bulut and Korkut in their research in 2019 listed Ottoman cash waqf projects in the European Balkans region and analyzed the role of these institutions in stability, poverty reduction and the financial, economic and social life of the community. society in the long term (Murat Cizakca, 1997).

(Bulut & Korkut, 2016) refer that cash waqf is one type of waqf concept development in which the object of waqf is cash. Like other systems, the formation of cash waqf has a specific purpose, meaning that cash is the capital of the waqf which is operated with Islamic methods, and the income obtained from the operation is used to fulfill the purpose and function of the substance of the waqf. Waqf institutions that are widely used by Moslems have developed since the first century of Islam for various

purposes, including education, building mosques and schools, caring for orphans and widows and many other activities for the betterment of society.

In Indonesia, the MUI has issued a fatwa regarding cash waqf on May 11, 2002 which contains: (a) cash waqf is a waqf carried out by a person, group of people, institution or legal entity in the form of cash, (b) included in the definition of money are: securities, (c) cash waqf is legal (permissible), (d) cash waqf can only be channeled and used for things that are permitted by syar'i, (e) the principal value of cash waqf must be guaranteed sold, given away, and/or inherited.

UU RI number 41 of 2004 concerning Waqf in article 16 paragraph (1) regulates cash waqf. (Dewan Perwakilan Rakyat dan Presiden Republik Indonesia (DPR, 2004). Undang- Undang Republik Indonesia nomor 41 tahun 2004 tentang Wakaf, 10. Jakarta.) According to (Murat Cizakca, 1997) there are at least four main benefits of cash waqf, namely: (a) The nominal amount of money that is waqf can vary so that owners of limited funds can start waqf without having to wait to become upper middle class first, (b) It can empower waqf assets in the form of vacant land or buildings that are not yet functioning, (c) It can help some Islamic institutions whose cash flows are uncertain so that they pay their employees perfunctory, (c) It increases the independence of Moslems in developing symbols and preaching.

Cash Waqf Linked Sukuk
Cash Waqf Linked Sukuk (CWLS) is a cash waqf investment in Indonesian sovereign sukuk whose rewards are channeled by Nazhir (the manager of waqf funds and activities) to finance the social programs and economic empowerment of the people. The mechanism is that wakif issues cash waqf with a temporary or permanent contract and then it is accepted by Nazhir and invested in the CWLS instrument. The purchase is made by the wakif on the power of Nazhir as stated in the waqf pledge. The results of the investment development (in the form of coupon payments) are distributed by Nazhir to the mauquf 'alaih in accordance with the agreement with the wakif. When the waqf is in the form of perpetual waqf, the principal investment will be forwarded to Nazhir's account to be reinvested (Imam Teguh Saptono et al., 2020a)

The CWLS rewards will be distributed to certain social activities, including social infrastructure which will become waqf assets. While, the temporary waqf will be returned as 100% to the initial amount cash waqf. The MUI (Indonesian Ulema Board) Fatwas that support the compatibility of CWLS to sharia are: 1. MUI DSN Fatwa Number 76/DSN-MUI/VI/2010 concerning SBSN Ijarah Assets to be Leased; 2. DSN MUI Fatwa Number 95/DSN-MUI/VII/2014 concerning State Sharia Securities (SBSN) Wakalah, etc. The contracts that are used as the benchmark for the contracts of CWLS are sukuk contracts which meet to fatwa of the Indonesian Ulema Board, that are using such Ijarah, Isthisna, wakalah or other contracts. Meanwhile, CWLS itself uses the sukuk wakalah contract in terms of its flexibility in the concept of underlying assets. Underlying assets that can be used in the issuance of wakalah SBSN can be combinated with several types of assets, both tangible and intangible assets, such goods, services, projects, or other assets which are inappropriate with sharia principles.

The main purpose of issuing CWLS according to Indonesian government, are: a. strengthening the economic capacity of Islamic finance; b. strengthening national waqf management institutions; c. supporting the achievement of SDG's targets; d. developing social investment in the midst of the Covid-19 pandemic. The use of CWLS is adjusted to the concept of sharing the results of the development of waqf in fiqh. Meanwhile, the distribution of waqf proceeds is regulated by Article 22 of Law 41/2004 concerning Waqf. The target of CWLS is to achieve the purpose of waqf and to optimize its function. It replaces the classic type of property waqf, that can only be used for worship activities supporting infrastructure; that also be the source for supporting educational activities and health facilities, assistance the poor, homeless children, orphans, scholarships, economic support, also improving social welfare. The concept of CWLS uses the sharia-based innovation that meets the state legal laws and regulations as the innovative government fiscal.

According to the latest data, among the 32 provinces surveyed by the central National Zakat Agency (BAZNAS) and the Indonesian Waqf Board (BWI), only 13 provinces have a moderate waqf literacy index, the rest are in the low category. So, it can be said that the waqf literacy index of the Indonesian people is still low. In a study conducted by Napitupulu and his colleagues related to the literacy index of waqf in generation Z who were registered as students at the IAIN Padangsidimpuan campus. It was stated that the basic knowledge of waqf scores possessed by students was in the very high category, while data on advanced knowledge obtained a waqf score in the high category. The study stated that the

literacy index of waqf students with backgrounds between the ages of 18 and 23 who belonged to Generation Z in Indonesia was 83.48 (Napitupulu et al., 2021).

Previous Researches

Studies related to the factors that influence the level of public understanding of the waqf concept have been carried out by many researchers. The studies are applied to various banking products, investments, and cash waqfs (Abideen Adeyemi et al., 2016); (Kasri & Chaerunnisa, 2021); (Khan et al., 2020); (Shukor et al., 2017). While this CWLS issue has not been widely discussed in terms of people's understanding, since the CWLS concept is combination of investment (sukuk) and cash waqf, we use some research that relate to people's understanding on investment and cash waqf. The followings are some selected studies that are referred in formulating the analytical method of this research: (Abideen Adeyemi et al., 2016), tried to empirically assess the level of awareness and unravel the likely factors that explain such limited application of Cash Waqf in Malaysia. In this study, data elicited from respondents through an adopted survey instrument was subjected to both descriptive and inferential statistical analysis. The results indicated that the awareness level was still low and that social culture, lack of promotion, and lack of understanding statistically and significantly explained the level of awareness and application about Cash Waqf among the respondents.

Murlidhar Ananda Lokhande in his research in 2015 (Lokhande, 2015); has studied the difference in a person's education level effecting the understanding in investing. The background of the condition of Indian society with the characteristics of the financial market that has been changed dynamically, resulted in the formats in investing money has become very complex. This is due to the large number of financial institutions that serve savings and investment as well as other financial service products. Likewise, investment requirements and complex rules and regulations must be met. Most investors, especially rural investors, are trapped in the condition of not knowing how to invest and any related rules and regulations. The economic growth and rising income levels have unfortunately been accompanied by lower savings mobilization rates in India. Rural savings are not properly mobilized and invested. Investment is an economic activity that generates capital which is later needed for various sectors of the economy. Thus, everyone who has an income should be motivated to save and invest his money. Research conducted by Murlidhar seeks the awareness of rural investors about various investment avenues, their preferences and considerations for investing money. A sample of 300 respondents was selected from four villages of the Silod block in Aurangabad district, Maharashtra. The main focus of this study is to investigate whether there are differences between the level of investment awareness and educational qualifications of male and female rural investors. The results showed that there was no significant difference in the level of awareness of rural male and female investors and their educational qualifications. The order of respondents' investment preferences shows a guaranteed investment attitude. Bank deposits, gold and jewellery, real estate are popular investment vehicles for most investors (Nahar et al., 2016).

Efrizon, in his research in 2008 identified factors that influence public understanding of cash waqf in Jakarta. This descriptive-correlational research was conducted on 130 people with the respondents being mosque congregations in Rawalumbu District, Bekasi. Respondents are actors and users of cash waqf facilities, especially in the allocation of places of worship and religious education facilities for their children. From the data that has been processed, it can be concluded that factors such as: (a) Age, (b) Income, and (c) Education level affect people's understanding of cash waqf in Jakarta (Efrizon, 2008).

Research conducted by Marlina and Anggi in 2015 (Ekawaty & Muda, 2016), is about the factors that influence understanding of the Moslem community in Surabaya about cash waqf. The study used descriptive statistical methods, Z test, and multiple regression analysis to analyze primary data. The primary data used is the answer to a questionnaire for the Moslem community in Surabaya. The results of the analysis prove that understanding is influenced by internal and external factors. The internal factor referred to in this study is religious knowledge. While the external factor is public access to information from the mass media in the form of print and electronic media (Ekawaty & Muda, 2016).

This research by Khan and colleagues (Khan et al., 2020) uses a structured questionnaire to determine Malays' understanding of philanthropy and poverty in Malaysia to identify potential demographic groups to be targeted by the marketing of cash waqf institutions. The sample consists of 430 Malay respondents who live in Selangor. This study uses the Baron and Kenny methodology for

mediation analysis. Based on the results of the analysis shows that the Malays do sympathize with the poor. The results further show that the high-income class and women are the two groups with higher sympathy for the poor due to their strong belief in charity. This study uses attribution theory to identify the target group by considering previous studies conducted on Malaysian society (Khan et al., 2020).

RESEARCH METHOD

This study used the logistic regression analysis method using the SPSS statistical software application. Logistic regression is a general linear model in the form of binomial regression which is used to predict the probability of understanding the CWLS by matching the data to the logit function of the logistic curve. This method uses predictor variables in the form of numeric and categorical (Rubin, A. and Babbie, 2008), (Agresti, 2007).

Based on several previous studies, in this study we compiled the variables studied in the logistic model that predict people's understanding of cash waqf. The variables selected as independent variables include Age and Income, Formal Education and Religious Education, as written below:

$$ln\left(\frac{p}{1-p}\right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

for which,

$ln\left(\frac{p}{1-p}\right)$	: understanding of CWLS
β_0	: model's constanta
X_1	: Age
X_2	: Income
X_3	: Formal Education
X_4	: Religious Education
$\beta_1, \beta_2, \beta_3, \beta_4$	: odds coefficient of each $X_1, X_2, X_3 X_4$

Using the hypothesis:
H$_0$: $\beta_1, \beta_2, \beta_3, \beta_4 = 0$
H$_1$: $\beta_1, \beta_2, \beta_3, \beta_4 \neq 0$

Understanding of the cash waqf linked sukuk (CWLS) as the dependent variable in the research model. According to Bloom's taxonomy, understanding (comprehension) which is included in the classification of cognitive domain level 2 after knowledge is a person's ability to understand or understand something after something is known and remembered.

Understanding of CWLS refers to three indicators. In this study, the indicators of understanding consisted of: the respondent's level of knowledge about the basic schools of thought that agreed with the cash waqf concept; the desire to find legal arguments that underlie the application of the cash waqf concept in CWLS; and the last is knowledge of the institution appointed by the Government as the distributor of CWLS. These questions are described in three items of the questionnaire instrument. Respondents were asked to give their opinion on the questions using the Guttman scale which were then converted into values 1 and 2. Value 1 represents the respondent's answer "no" and 2 represents the respondent's answer "yes". Understanding of the respondents was divided into two groups based on the combination of answers given to the three items of the questionnaire instrument. If the value 1 is the highest number in the combination of the answers, the respondent belongs to the group of people who do not understand about CWLS products. However, those who will be included in the CWLS product-understanding community group are only respondents whose answers 2 simultaneously on the second and third questionnaire instrument items.

Meanwhile, the independent variables were adopted from previous studies regarding the factors that influence the understanding of cash waqf. The selected variables are: Age, Income, Formal Education, and Religious Education.

In terms of respondents' age, the observed object in this study is those who are in ages range from 22 to 61 years. People in this age are in the productive age which are potential as market-target for CWLS. The data for this variable is divided into categorical data consisting of four categories:

Table 1. Income Categories

	Category	Age
a.	Category 1	born in 1990 to 1999 (22 years old - 31 years old)
b.	Category 2	born in 1980 to 1989 (32 years old - 41 years old)
c.	Category 3	born in 1970 to 1979 (42 years old - 51 years old)
d.	Category 4	born in 1960 to 1969 (52 years old - 61 years old)

Income data obtained from respondents selected in this study are Moslem communities with direct and indirect incomes of < Rp 2,500,000 up to > Rp 20,000,000. The nominal was chosen in order to map the potential Moslem community as waqf actors on CWLS products. The income variable data is grouped into 5 categories:

Table 2. Income Categories

	Category	Income
a.	Category 1	< IDR 2,500,000
b.	Category 2	IDR 2,500,000 to IDR 5,000,000
c.	Category 3	IDR 5,000,000 to IDR 10,000,000
d.	Category 4	IDR 10,000,000 to IDR 20,000,000
e.	Category 5	> IDR 20,000,000

The aspect of formal education that becomes an indicator in this study is the latest education data taken by the respondents. In this study, the educational background of the respondents was grouped into 5 levels of education, including: high school, non-degree Diploma, Strata 1, Strata 2, and Strata 3. So that later it can be seen which group of respondents with a formal education level has an understanding of CWLS more than any other group.

The religious education background criteria owned by the respondents were included in the study to see how they affected understanding of CWLS. This aspect was chosen to see the background. Respondents were grouped into 5 groups, based on the religious education that had been taken, namely:

Table 3. Income Categories

|	Group	Religious Education
a.	Group 1	Has never attended religious education
b.	Group 2	Participate in non-regular thematic recitation activities
c.	Group 3	Active member of the Religious Study Group on a regular basis
d.	Group 4	Has taken formal religious education in madrasas
e.	Group 5	Has taken formal religious education in pesantren (islamic boarding school)

RESULT

The questionnaires were distributed through the google forms to Moslem communities on online social media. The selected online social media communities are communities with demographic backgrounds consisting of state government employees, entrepreneurs, academics, and housewives. This study was conducted using Cluster Random Sampling. The respondents who filled out the questionnaire were chosen by using voluntary sampling method from each demographic background cluster.

From the collected questionnaires, there are at least 151 questionnaires that can be processed. Respondents were selected from the Moslem community between the ages of 22 and 61. Respondents who have age category 1 are 28 people or 18.5%, respondents who have age category 2 are 22 people

or 14.6%, respondents who have age category 3 are 64 people or 42.2%, while respondents who have age category 4 are 37 people or 24.5%. So, it can be concluded that most of the respondents are in the age category 3 and the minority of respondents are in the age category 2.

Figure 1. The Results of Personal Background of Respondent
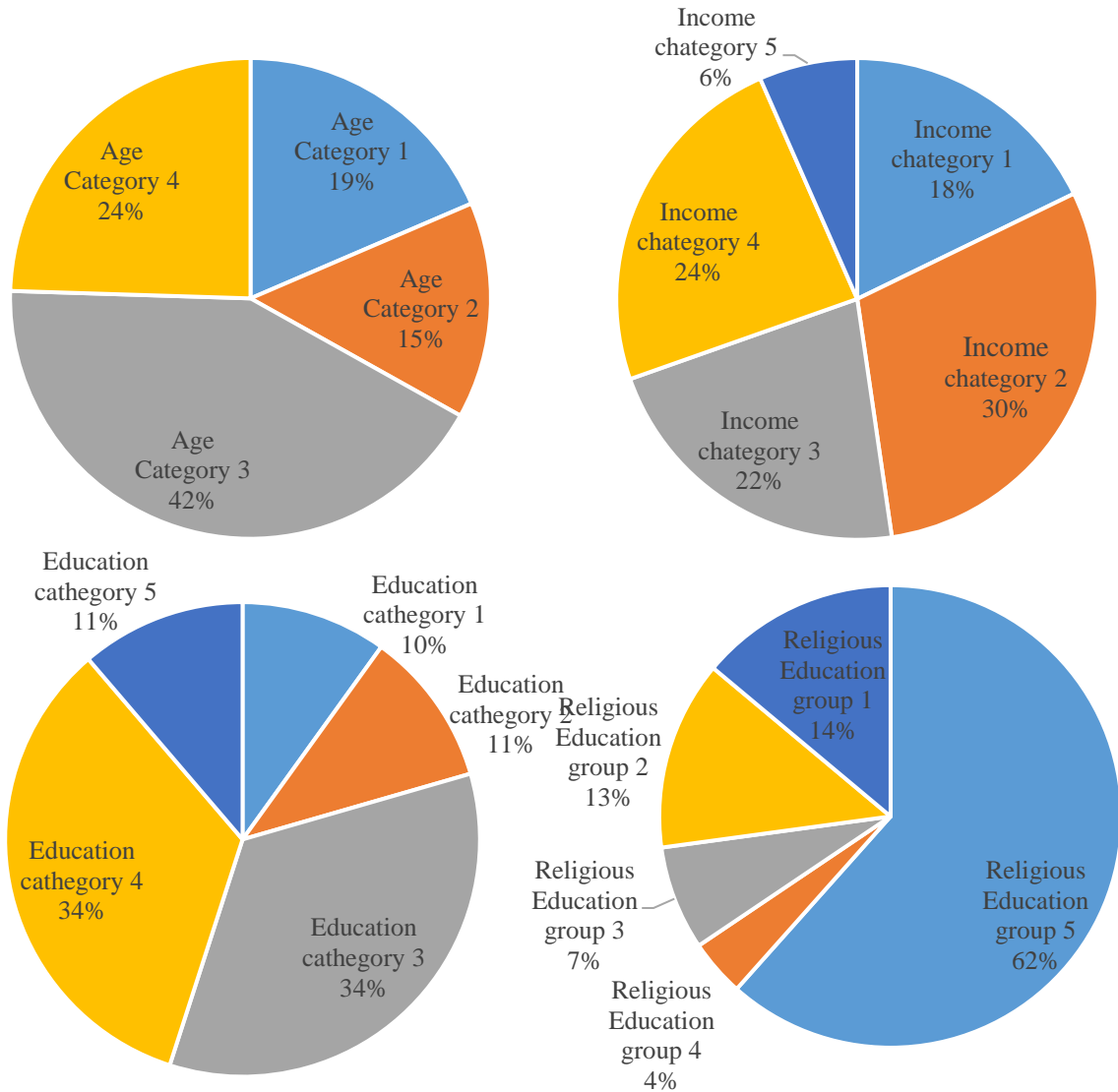
Respondents who understand about CWLS are 79 people or 52.3%, while respondents who do not understand about CWLS are 72 people or 47.7%. So, it can be concluded that more than half of the respondents understand about CWLS. The respondents in this study consisted of Moslem communities scattered throughout Indonesia with different professional backgrounds. The range of income earned is divided into five groups. Respondents who dominate filling out the questionnaire are people with incomes between IDR 2,500,000 to IDR 5,000,000, which is 29.9% of the respondents. Then followed 23.8% of the respondents who had an income of 10,000,000 to IDR 20,000,000. Respondents with an income of Rp 5,000,000 to IDR 10,000,000 is as much as 21.9% of the total sample. Meanwhile, respondents who only have income below IDR 2,500,000 are 18.5%. The least respondents are respondents from the upper classes, namely those with a monthly income of more than IDR 20,000,000 as much as 6.6% of the total sample.

Based on the data obtained, there are 47.7% of respondents belonging to the community group who do not understand CWLS, while the remaining 52.3% are included in the community group who understands CWLS. In this study, the number of respondents who graduated from high school was 15 people or 9.9%, while those with non-degree diploma level educational backgrounds were 16 people or 10.6%. The majority of respondents were respondents with education at the level of strata 1 and strata 2, namely 52 people (34.4%) and 51 people (33.8%). Respondents with the highest educational background at the level of strata 3 are 17 people or 11.3%. So, it can be concluded that most respondents have a formal education level of category 3, namely Strata 1 and the least respondents are respondents with a high school formal education level.

According to the result, more than half of the respondents are included in category 5. That is, respondents who have taken religious education in Islamic boarding schools, as 93 people or 61.6%. Meanwhile, 6 people or 4.0% of respondents who are included in category 4, the minorities group, respondents who took religious education through non-formal madrasah diniyah. The respondents who have no religious education background are 11 people or 7.3% of sample. Respondents who attended religious education through non-regular thematic studies are no more than 20 people or 13.2%. The rest are respondents who study religion through the Religious Study Group on a regular basis as many as 21 people or 13.9.

Logistic Analysis Result

Based on the results of the Omnibus Test, a significance value of 0.000 was obtained where this value is smaller than (0.05) means that the variables of age, income, formal education and religious education simultaneously affect the variable level of public understanding of CWLS. H_0 is rejected, that the independent variables simultaneously affect the dependent variable. From the values obtained, it is clear that the model can be used to predict the dependent variable in this study.

The table below is the results of the logistic regression analysis which obtained the results of the logistic regression equation which was formulated in the logistic regression equation as follows:

$$ln\left(\frac{p}{1-p}\right) = -2.332 - 0.906\text{AGE} + 0.596\text{INCOME} + 0.995\text{FORMAL EDUCATION}$$
$$+ 0.030\text{RELIGIOUS EDUCATION}$$

Table 1. Logistic Regression Result

Dependent Variable: Y
Method: ML – Binary
Logit Sample: 1 151

Variable	Coefficient	Std. Error	Exp(B)
C	–2.332	1.370	0.097
X1	– 0.906*	0.259	0.404
X2	0.596*	0.198	1.814
X3	0.995*	0.243	2.704
X4	0.030	0.160	1.030

* significance by 0.05%
Source: Data analyzed

Based on the value of the results of the Wald test conducted, the significance value of the age variable is 0.000 where this value is smaller than (0.05). It can be concluded that H_0 is rejected, meaning that the age variable has a statistically significant effect on the variable level of public understanding of CWLS. With an oods ratio value of -0.404, it shows that increasing age will increase the tendency of understanding about CWLS by -0.404 times. This means that young people have a higher chance of understanding CWLS than respondents with an older age. The results of this study on this variable support the previous research conducted by Efrizon in 2008. It can be concluded that the tendency of the factors that influence the public understanding of cash waqf have similarities with the factors that affect the public understanding of CWLS. The results of this study show that age, income and formal education of the community statistically significant effecting the level of public understanding of

CWLS. Meanwhile, young people tend to have a higher understanding than older people agree with the research conducted by Napitupulu regarding cash waqf literacy in generation Z (Napitupulu et al., 2021).

The regression results also show that the income variable has a significant value of 0.003 which is smaller than (0.05). This shows that H_0 is rejected, supporting the conclusion that the income variable has a statistically significant effect on the variable level of public understanding of CWLS. The odd ratio value of 1,814 listed in the test results shows that the higher a person's income will increase the tendency of understanding about CWLS, which is 1,814 times. The results of this study agree with the results of research conducted by Efrizon (2008) regarding public understanding of the concept of cash waqf that the income of the community affects understanding of cash waqf. While the high and low income of the community, the conclusion of this study refers to the research conducted by Khan and his friends (Khan et al., 2020). Khan's research is about the tendency of Malaysian society to understand about cash waqf institutions that support the poor. The results of this study are in line with the research, namely that people with high incomes have the opportunity to have a better understanding than people with lower incomes.

For the regression results on the formal education variable, the significant value obtained is 0.000. This means that H_0 is rejected, which means that statistically the formal education variable has a significant effect on the variable level of public understanding of CWLS, where the odd ratio value is 2,704. This shows that the effect of a person's higher level of formal education will increase the tendency of understanding about CWLS by 2,704 times that of someone with a lower level of formal education. These results are slightly different from the research conducted by Murlidhar (Lokhande, 2015). Where, Murlidhar concludes from the results of his research that there is no significant difference in the level of awareness of rural investors and their educational qualifications. However, this study has the same results as the research conducted by Efrizon in 2008. The object raised in this research is the combination of investment and charity, investment in the form of sukuk, and charity in the form of cash waqf, namely in the CWLS product format. It can be concluded that the behavior of the community in responding to CWLS has the same tendency as the behavior of the community in responding to the concept of cash waqf. Namely, that a person's education level plays an important role in determining a person's level of understanding about cash waqf derivative products, in this case, CWLS.

For the analysis of the religious education background variable, the results of the logistic regression showed a significant value for the religious education variable of 0.853. Because this value is greater than (0.05), the conclusion obtained is that H_0 is accepted. It can be interpreted that the variable of religious education has no statistically significant effect on the variable level of public understanding of CWLS. The results of research on this variable are different from the results of research conducted by Marlina and Anggi in 2015 (Ekawaty & Muda, 2016), that the level of public understanding of cash waqf is influenced by religious knowledge and access to media information. This leaves room to explore what kind of variable indicators of religious knowledge or religious education can affect a person's level of understanding of CWLS.

Likewise, in previous studies it was stated that the variable level of religiosity had an effect on public awareness of waqf, although it was not stated that religiosity was the background of religious education (Kasri & Chaerunnisa, 2021). The results of this study indicate that a person's level of understanding is not influenced by religious education, while the intensity or desire of a person to carry out cash waqf is influenced by the level of religious understanding or one's religiosity.

CONCLUSSION

According to the results of the logistic regression test conducted in this study, it can be concluded that the younger a person is, the higher the chances of understanding CWLS. Likewise, the higher a person's income and level of formal education will provide a higher probability of having an understanding of CWLS. However, the background of having attended religious education does not affect a person's chances of having a level of understanding of the concept of CWLS products. This research has deepened the analysis on the possibilities of each variable in revealing the factors effecting people's understanding on Cash Waqf Linked Sukuk, which is still rarely been done by previous researchers.

This research can illustrate that the potential target market opportunities for CWLS products are young people, with high incomes and high levels of formal education. So the highest potential market opportunity based on this research is the community with the youngest age category, namely the age between 22 to 31 years, with the highest income being IDR 10,000,000 and above per month and the

highest education being Master and PhD. further explored to see what kind of religious background can determine someone has an understanding of CWLS products. This can make it easier for the government to more aggressively target this market segment in terms of increasing CWLS sales share, so that later the role of CWLS as a third source of the economy can be maximized.

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