



## Analysis Of Zakat Utilization Patterns To Improve The Economy Of Zakat Recipient Families

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**Abstract:** This research aims to analyze the patterns of zakat fund utilization by recipients (mustahik) and identify factors influencing these utilization patterns. Using a qualitative approach with in-depth interviews of 20 zakat recipients, this study reveals that the majority of zakat funds are used to fulfill daily basic needs such as food supplies. In addition, the study found allocations of zakat funds for children's education, small business capital, and healthcare needs. Factors influencing utilization patterns include the urgency of family needs, demographic characteristics, recipients' experience and skills, and the amount of zakat received. This research concludes that although consumptive utilization remains dominant, there is a positive trend where some recipients are beginning to allocate zakat funds for long-term investments such as education and productive enterprises, which can potentially provide a more sustainable impact on poverty alleviation and welfare improvement.

**Keywords:** Consumptive; Mustahik ; Utilization Patterns; Productive

## Introduction

Zakat is a key pillar of Islam, serving not only as a ritual act of worship but also as a significant socioeconomic dimension in creating distributive justice (Rahman & Ahmad, 2020). As a mandatory instrument for wealth redistribution, zakat plays a strategic role in poverty alleviation and improving the welfare of the people, particularly in Muslim-majority countries. Indonesia's zakat potential reaches IDR 327.6 trillion per year, equivalent to 2.4% of Gross Domestic Product, but actual collection has only reached IDR 18.3 trillion, or approximately 5.6% of the potential (BAZNAS, 2023).

The effectiveness of zakat in achieving socio-economic goals depends heavily on how zakat funds are utilized by its recipients (mustahik). Empirical studies show that appropriate zakat fund utilization patterns can increase mustahik's income by up to 40% within two years (Suprayitno et al. 2020). However, a significant gap remains between the potential and realized impact of zakat on poverty alleviation, partly due to variations in the patterns of fund utilization by mustahik. In recent years, zakat management has undergone a transformation from a traditional system to a more modern and organized one through increasingly professional zakat institutions. The digitalization of zakat management has increased transparency and accountability, with national zakat fund collection growing by 20-25% per year. However, studies on

the patterns of zakat fund utilization by mustahik are still relatively limited, even though this aspect is a crucial link in measuring the impact of zakat on poverty alleviation and economic empowerment (Hasan & Abdullah, 2022).

There is significant variation in the use of zakat funds among recipients, ranging from meeting consumptive needs to developing productive businesses. Research by Fahrullah et al. (2020) shows that 65% of mustahik use zakat funds for consumptive needs, while 35% allocate them for productive activities. Productive zakat programs have been shown to reduce poverty rates among mustahik by 18.7% and reduce income inequality by 12.3% compared to consumptive zakat programs (Syafiq, 2021). A longitudinal study conducted by Mardiana & Rusydiana (2022) also confirmed that utilizing zakat funds for developing small and medium enterprises has a better economic sustainability impact, with a success rate of 78% in maintaining businesses for three years, compared to providing consumptive assistance, which only has a short-term impact.

Rosyana & Sukmana (2020) identified factors influencing the decision of mustahik to utilize zakat funds, including education level, access to markets and technology, and assistance from zakat institutions. Mustahik with higher education tend to allocate zakat funds for productive activities (68%), while those with lower education only use them for productive purposes (Ahmad & Wahyuni, 2022). Furthermore, the availability of mentoring programs and entrepreneurship training increases the probability of productive use of zakat funds by up to 2.3 times (Sartika, 2020).

Despite numerous studies, there remains a gap in understanding predictive models that can identify optimal zakat fund utilization patterns for each category of recipients. Previous research has also failed to comprehensively explore the long-term impact of various zakat utilization patterns on the economic mobility of recipients and the spillover effects on the local economy. Methodological limitations in measuring the multidimensional impact of zakat, encompassing economic, social, and spiritual aspects, also pose a challenge to developing more effective zakat distribution strategies.

This study aims to analyze the utilization patterns of zakat funds by zakat recipients by identifying factors influencing mustahik decision-making and measuring the effectiveness of various utilization patterns in improving welfare from a multidimensional perspective. Through a mixed-method approach and longitudinal analysis, this study is expected to provide theoretical and practical contributions to optimizing zakat management to achieve sustainable development goals.

## Theoretical Basis

### Basic Concept of Zakat

Zakat has deep roots in Islam as a financial and social instrument. Unlike voluntary charity, zakat is obligatory for every qualified Muslim (muzakki) to pay to eight

designated recipients (mustahik). Allah SWT states in the Qur'an, Surah At-Taubah, verse 60, which outlines the eight categories of zakat recipients: the destitute, the poor, zakat collectors, converts to Islam, those who free slaves, those in debt, those who are in the service of Allah, and those who are in the service of Allah. Alam et al. (2021) stated that zakat is not merely a religious ritual but also a wealth distribution mechanism aimed at creating social and economic justice in society. In his landmark book, "Fiqh al-Zakah," he emphasized that zakat is designed to address economic disparities and ensure the circulation of wealth not only among the wealthy. In line with this view, Sarea's (2012) research underscores that zakat has a dual role: as a form of worship to Allah and as a mechanism for redistributing wealth for social welfare. This economic dimension of zakat makes it a crucial instrument in the Islamic economic system.

### Zakat Fund Management

Over time, zakat management has transformed from a traditional approach to a more systematic and organized one. In his book "Zakat in the Modern Economy," Hafidhuddin (2018) outlines the importance of institutions in zakat management. He argues that collective-institutional zakat management allows for more effective and measurable collection and distribution of funds. Studies conducted Hudaefi et al. (2021) revealed that the professionalism of zakat institutions is positively correlated with the level of public trust and the effectiveness of fund distribution. This demonstrates the importance of good governance in the zakat ecosystem. In Indonesia, Law No. 23 of 2011 concerning Zakat Management serves as the legal umbrella for the operations of zakat institutions. This regulation encourages more focused zakat management, although implementation challenges remain significant.

### Zakat Fund Utilization Pattern

Zakat distribution should not only focus on meeting short-term needs, but also strive for the long-term economic independence of those entitled to receive Zakat. Zakat fund utilization patterns can essentially be categorized into two main forms: consumptive and productive. Hasan (2020) explains that consumptive utilization aims to meet the basic needs of those entitled to receive Zakat, while productive utilization aims to develop the economic capabilities of those entitled to receive Zakat to achieve financial independence.

### Factors Influencing Zakat Fund Utilization Patterns

The utilization of zakat funds by mustahik does not occur in a vacuum. Various factors influence how mustahik decide to use these funds. Hasanah (2021) identified several key factors influencing zakat fund utilization patterns, including:

1. Internal Factors Mustahik the education and skills of recipients of zakat are important determinants of how they use zakat funds. Those with higher education tend to allocate zakat funds for investment and business development compared to those with lower education.

2. External Factors, the availability of mentoring programs from zakat institutions plays a crucial role in guiding the use of funds. Abidin (2020) concluded that recipients who receive intensive mentoring are more likely to use zakat funds productively. The economic and social conditions of the surrounding environment also influence recipients' decisions. In areas with good market access, recipients are more inspired to develop businesses using the zakat funds they receive.
3. Zakat Program Factors, the type of zakat program offered by a zakat collection institution also determines the direction in which funds are used. Zakat programs designed with a comprehensive approach, including capital provision, skills training, and business mentoring, tend to result in more productive and sustainable use of funds.

## Research Methodology

This research uses a qualitative approach with descriptive methods. This approach was chosen because it allows researchers to gain an in-depth understanding of the socio-economic phenomena surrounding the utilization of zakat funds by mustahik. According to T. Rukhmana et al. (in Denzin and Lincoln (2022)), a qualitative approach can reveal the complexity of human behavior and the underlying social and cultural contexts. This qualitative descriptive research seeks to comprehensively explain the patterns of zakat fund utilization, the factors influencing them, and their impact on the welfare of zakat recipients.

Informants in this study were determined using a purposive sampling technique, where participant selection was based on certain criteria that were in accordance with the research objectives (Sumargo 2020). The criteria for selecting informants include: Mustahik who have received zakat funds for at least one year, covers recipients of consumptive and productive zakat, representing a diversity of backgrounds (age, education, type of work). Data collection technique In-depth interviews were the primary data collection technique for this study. This technique was chosen because it allows for detailed information on the experiences, perceptions, and perspectives of informants (Sudirman in Brinkmann & Kvale, 2024). Through in-depth interviews, researchers were able to explore not only what recipients of zakat (mustahik) do with the zakat funds they receive, but also the reasons behind those decisions. Interviews were conducted using a semi-structured format, where the researcher prepared an interview guide but remained flexible in developing questions based on the informant's responses and circumstances. This allowed the researcher to explore issues that emerged during the conversation while ensuring that all important topics were covered.

## Results And Discussion

In this study, the author conducted interviews with 20 respondents who received zakat. This interview aimed to determine the pattern of zakat utilization for zakat recipients.

### A. Utilization of Zakat for Staple Foods

Based on the interview results, respondents indicated that the zakat they received was generally used to meet basic daily needs. This is indicated by the statements of most respondents on the question "How do you or your family use the zakat received?" Most respondents stated that zakat funds were used to meet basic needs such as rice, cooking oil, and other food ingredients, in accordance with the statements of several respondents, namely, Mrs. Suhartina: "The zakat we receive really helps us with our daily needs. Usually it's for food, for household needs. With this assistance, we can survive, especially now that prices are rising." and Mrs. Unandika: "We use zakat for daily needs like buying rice and other foods. So the money that should be used to buy rice can be used for other needs." Therefore, with this zakat, zakat recipients can meet their basic needs more easily.

### B. Utilization of Zakat for Education Funds

Some families also allocate zakat funds for children's education, including paying school fees and self-development, which is considered an important investment for the future. This is evidenced by one of the interview questions, namely "How do you or your family use the zakat received?" From this question, respondents, especially students, explained that they use zakat assistance for education, quoted from one of the respondents' statements, namely a student named Masikoh from UNNES: "to increase knowledge to help in education. Orphans, have been given zakat in the form of money or other. Feeling helped by SCB, there is a role that can be replaced" and a statement from Naila, an IPB student: "Using as much as possible for self-development through education, dreaming of becoming a muzakki". From this statement, it can be said that zakat does not only help with basic needs. Zakat can also be used for education if managed properly.

### C. Utilization of Zakat for Health Needs

Zakat recipient families also use zakat funds for health needs, such as purchasing medicines and undergoing routine health checks, thereby improving the overall well-being of family members. This is in accordance with the statements of several respondents, Mr. Ghani: "This zakat institution is really helpful for me because it can ease our basic needs, and I can also buy medicine because there was additional zakat." and a statement from Mr. Rahmat: "Our family uses zakat to support daily living needs, especially rice for food. So the money that should be used to buy rice can be saved or used for other needs such as medicine for the family, because one of my children is prone to illness and often takes medicine and goes to the clinic." Overall, the use of zakat not only helps meet basic needs but also contributes to improving the quality of life and welfare of recipient families.

Interviews with 20 zakat recipients revealed that the majority of the zakat funds received were used to meet basic daily needs. This phenomenon reflects the economic condition of those entitled to receive zakat, who are still at the level of meeting basic needs. As one respondent put it, "The zakat funds we receive are very helpful in buying rice and side dishes for several weeks, especially when prices are rising like now." This statement demonstrates that zakat plays a crucial role as a social safety net for underprivileged families. This finding aligns with research by Kasri & Ahmed (2020), which shows that in developing countries like Indonesia, zakat utilization patterns are still dominated by consumptive needs. This is understandable considering that the majority of zakat recipients are the poor and needy who face difficulties in meeting basic needs. According to Firdaus (2022), this situation indicates that zakat has been effectively targeted in its function as a short-term poverty alleviation instrument. Interestingly, although the majority is allocated for consumptive needs, several respondents revealed that they strive to manage the use of zakat funds wisely. As one respondent stated, "We don't spend all the funds immediately, but divide them up for needs over several months." This demonstrates an awareness of financial management despite economic constraints.

Another significant finding concerns the allocation of zakat funds for children's education. Around 30% of respondents stated that they use some of their zakat funds to finance educational needs, from paying tuition fees to purchasing school supplies. As expressed by a mother, Nurliana, "I prioritize zakat funds for my children's school fees, because education is a way out of poverty." This utilization pattern reflects the mustahik's awareness of the importance of education as a long-term investment to break the cycle of poverty. According to Rohmatillah et al. (2023), they found that mustahik, or zakat recipients, who choose to allocate these funds for their children's education, generally demonstrate a more positive future orientation. This is not only a hope, but also has great potential to encourage upward social mobility, meaning they have a better chance of improving their family's standard of living and social status. This phenomenon underscores that the role of zakat goes far beyond short-term assistance for poverty alleviation. Moreover, zakat also plays a crucial role in long-term human resource development. By investing in education, zakat indirectly helps build a foundation for future generations to have a better quality of life and contribute more to society. It is noteworthy to note that respondents who tend to allocate zakat funds for education are predominantly families with school-age children. This strongly indicates that family structure and life cycle stage significantly influence decisions about zakat use. Families currently raising school-age children appear to be more aware of the importance of investing in education as a path out of poverty and toward a brighter future. The effectiveness of zakat must consider the demographics and characteristics of recipient families. Although not dominant, 15% of respondents used zakat funds for productive activities, particularly as capital for small businesses. One respondent explained, "I use zakat to buy ingredients for making cakes that I sell at the market. Alhamdulillah, now I have additional income for the family." This pattern of productive use indicates efforts by some mustahik (recipients of zakat) to achieve economic independence. This finding is consistent with research by Najim et al. (2022), who found that using

zakat for productive activities has the potential to have a more sustainable impact than consumptive use. Mustahik who use zakat funds as business capital have a greater opportunity to increase income and even transform into muzakki (zakat payers) in the future. This condition underscores the importance of a comprehensive productive zakat program, including the provision of adequate capital, skills training, and intensive mentoring, as recommended by Abdullah et al. (2022).

Another aspect of the research findings concerns the use of zakat funds for health needs. Approximately 10% of respondents stated that they allocate a portion of their zakat funds for medical expenses, purchasing medicines, or routine health check-ups. As one elderly respondent expressed, "Zakat money is very helpful in buying over-the-counter medicines for the children." The use of zakat for health shows that the welfare of those who mustahik is measured not only by economic dimensions, but also by physical health. This aligns with the concept of multidimensional well-being proposed by Beik and Arsyianti (2020) in the CIBEST model, where health is an important indicator in measuring well-being.

Further analysis of the interview results shows that zakat fund utilization patterns are influenced by several factors. First, the level of urgent family need. Mustahik with very poor economic conditions tend to allocate all zakat funds to urgent consumptive needs. Second, family demographic characteristics, such as the number of family members, age, and education level. Families with school-age children tend to allocate funds for education, while families with elderly or chronically ill members allocate more for health. Third, the experience and skills of mustahik. Those with entrepreneurial experience or skills are more likely to allocate zakat funds for productive activities. As one respondent stated, "I happen to have sewing skills, so I use some of my zakat funds to buy materials and thread." Fourth, the amount of zakat funds received. Mustahik who receive larger amounts of zakat funds have more flexibility in allocating them to various needs, including productive activities. This demonstrates the importance of accurate calculations in determining the amount of zakat distributed to each mustahik.

## Conclusion

Based on the results of research on the utilization patterns of zakat funds by mustahik, it can be concluded that zakat plays a multidimensional role in the lives of recipients, not only as a means of fulfilling consumptive needs but also as an enabler for other aspects of life. Although most respondents allocated zakat funds for basic daily needs (consumptive patterns), patterns of utilization for education, health, and productive activities were also found, reflecting an awareness of long-term investment among mustahik. This study identified several factors that influence the utilization patterns of zakat funds, including the level of urgency of family needs, demographic characteristics, experience and skills, and the amount of funds received. These factors are important to consider in designing zakat distribution programs that are more responsive to the specific needs of mustahik. The research

findings demonstrate the importance of zakat management that is oriented not only toward meeting short-term needs but also toward long-term economic empowerment. Therefore, zakat management institutions need to develop comprehensive mentoring programs that include financial management education, skills training, and business assistance, thereby encouraging more recipients to utilize zakat funds productively. Furthermore, this study confirms that the effectiveness of zakat in poverty alleviation is determined not only by the accuracy of distribution targets, but also by how the funds are utilized by recipients. With the right approach and adequate support, zakat has the potential to be an effective instrument in breaking the cycle of poverty and improving the welfare of the community in a sustainable manner.

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