

## WASTE AND OVERCONSUMPTION IN MODERN FINANCE: AN ANALYSIS OF QS VALUES. AL-ISRA: 26-27

Examining the impact of consumptive lifestyles on the global economy and its relevance to the principle of prohibition of waste in Islam.

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### **Abstract:**

*Excessive consumption and wastefulness have become critical issues in modern finance, especially in the digital era that facilitates consumerist behavior through online shopping and easy access to credit. This article explores the impact of consumerist lifestyles on individual and global economic stability and its relevance to the Islamic prohibition of wastefulness as stated in QS. Al-Isra: 26-27. This study employs a qualitative descriptive approach using thematic exegesis to analyze the concept of israf in the Qur'an. Findings reveal that consumerist behaviors, such as impulsive buying and consumer debt, harm financial stability and psychological well-being while exacerbating social inequality. QS. Al-Isra: 26-27 offers moral guidance on prudent financial management, avoiding wastefulness, and prioritizing social responsibility. This article emphasizes the importance of Islamic finance education, the use of Islamic financial technology, and the application of maqasid shariah principles to establish a sustainable economic system. Hence, Islamic values can serve as an effective solution to address the challenges of consumerist lifestyles in the modern era.*

**Keywords:** excessive consumption; modern finance; QS. Al-Isra: 26-27; wastefulness; israf

### **Abstrak:**

Konsumsi berlebihan dan pemborosan menjadi isu utama dalam keuangan modern, terutama di era digital yang memfasilitasi perilaku konsumtif melalui belanja daring dan akses mudah terhadap kredit. Artikel ini mengeksplorasi dampak gaya hidup konsumtif terhadap stabilitas ekonomi individu dan global, serta relevansinya dengan larangan pemborosan dalam Islam berdasarkan QS. Al-Isra: 26-27. Penelitian ini menggunakan pendekatan kualitatif deskriptif dengan metode tafsir tematik untuk menganalisis konsep israf dalam Al-Qur'an. Temuan menunjukkan bahwa perilaku konsumtif, seperti belanja impulsif dan utang konsumtif, merugikan kondisi finansial dan kesejahteraan psikologis individu, serta memperburuk ketimpangan sosial. QS. Al-Isra: 26-27 memberikan panduan moral tentang pengelolaan keuangan yang bijak, menghindari pemborosan, dan memprioritaskan tanggung jawab sosial. Artikel ini menekankan pentingnya edukasi keuangan berbasis Islam, penggunaan teknologi finansial syariah, serta penerapan prinsip maqasid syariah untuk menciptakan sistem ekonomi yang berkelanjutan. Dengan demikian, nilai-nilai Islam dapat menjadi solusi efektif dalam menghadapi tantangan gaya hidup konsumtif di era modern.

**Kata Kunci:** konsumsi berlebihan, pemborosan, keuangan modern, israf, QS. Al-Isra: 26-27

## INTRODUCTION

Overconsumption and waste in modern finance have become a major challenge for society, especially in the digital age and fast-paced lifestyle. Technological advances provide easy access to online shopping, massive discount promotions, and online loans, which fuels a consumptive lifestyle and impulse shopping. Phenomena such as doom spending, which is

excessive spending due to emotional impulses, are becoming more and more frequent, especially in the younger generation such as Gen Z and Millennials<sup>1</sup>. These habits are often triggered by stress, social pressure, or the need to meet the standard of living displayed on social media<sup>2</sup>.

This condition is exacerbated by consumptive debt that is used to finance a lifestyle without careful planning, thus adding to the large debt interest burden. As a result, long-term financial goals such as saving or investing are often overlooked. Consumptive debt can also cause emotional distress and worsen psychological well-being. This phenomenon shows the importance of financial awareness in dealing with the negative impact of a consumptive lifestyle.

The phenomenon of waste and excessive consumption in modern finance has become an increasingly urgent issue, especially among people living in the era of consumerism and materialism. In this context, many individuals are trapped in impulsive spending patterns that not only harm personal financial conditions but also negatively impact overall social well-being. People are often influenced by advertisements, trends, and glamorous lifestyles, thus ignoring the principles of wise financial management.<sup>3</sup>

Impulsive spending, which is often triggered by marketing strategies or discounts, creates unhealthy consumption habits. In addition to damaging personal finances, impulse spending also increases the waste of unnecessary goods. The phenomenon of the "Latte Factor", which is a routine small expenditure that has a big impact on financial stability, is a clear example of the importance of wise financial management in the modern era.<sup>4</sup>

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<sup>1</sup> "Mengenal Doom Spending Di Kalangan Gen Z Dan Milenial - KlikDokter," accessed December 15, 2024, <https://www.klikdokter.com/psikologi/kesehatan-mental/doom-spending-di-kalangan-gen-z-dan-milenial>.

<sup>2</sup> "Mengenal Doom Spending, Fenomena Belanja Berlebihan Ketika Stres Dan Cemas | Republika Online," accessed December 15, 2024, <https://ameera.republika.co.id/berita/skyvr7425/mengenal-doom-spending-fenomena-belanja-berlebihan-ketika-stres-dan-cemas>.

<sup>3</sup> Atika Rizki, Abdul Wahab, and Nasrullah Bin Sapa, "Impact of Hedonistic Lifestyle to the Impulsive Buying of Students through the Perspective of Islamic Economy," *LAA MAISYIR* 10, no. 2 (December 2023), <http://journal.uin-alauddin.ac.id/index.php/lamaisyir>.

<sup>4</sup> Lita Adeka Sekty and Zaenal Wafa, "Pengaruh Cashless Society Dan Promosi Terhadap Latte Factor," *JIMEA: Jurnal Ilmiah MEA (Manajemen, Ekonomi Dan Akuntansi)* 8, no. 3 (2024).

This phenomenon of excessive consumption has been reminded in the Qur'an, especially QS. Al-Isra: 26-27, which gives a stern warning about the dangers of waste. Allah SWT said:

وَأْتِ ذَا الْقُرْبَىٰ حَقَّهُ وَالْمِسْكِينَ وَابْنَ السَّبِيلِ وَلَا تُبَذِّرْ تَبْذِيرًا ﴿٢٦﴾ إِنَّ الْمُبَذِّرِينَ كَانُوا إِخْوَانَ الشَّيَاطِينِ ۗ وَكَانَ الشَّيْطَانُ لِرَبِّهِ كَفُورًا

*"And give to his immediate relatives, to the poor and to the traveler; And do not squander (your wealth) extravagantly. Indeed, the splurges are the brothers of Satan, and they are very disobedient to their Lord." (QS. Al-Isra: 26-27)<sup>5</sup>*

The prohibition of israf or waste in this verse emphasizes the importance of wise spending and the use of property for beneficial purposes. In the context of doom spending, this verse is relevant because many individuals neglect their financial condition for the sake of momentary desires. QS. Al-Isra: 26-27 is an important moral guideline in dealing with a consumptive lifestyle.

This research aims to understand the application of QS values. Al-Isra: 26-27 in modern life to encourage responsible financial behavior. With cases of waste on the rise among the younger generation, this study offers a critical and educational view on the importance of wise financial management. This study will analyze the concept of israf in an Islamic perspective as well as its relevance in modern finance, with a focus on the impact of consumptive lifestyles on global economic stability.

## METHOD

This research uses a descriptive qualitative approach<sup>6</sup> which aims to study the values of QS. Al-Isra: 26-27 in the context of waste and excessive consumption in modern finance. This approach is designed to provide an in-depth understanding of how the prohibition of waste in Islam is relevant to consumptive challenges in the digital age as well as its impact on the global economy.

<sup>5</sup> Kementerian Agama, *Al-Qur'an & Terjemahannya*, 2019.

<sup>6</sup> Umar Sidiq and Miftachul Choiri, *Metode Penelitian Kualitatif Di Bidang Pendidikan*, ed. Anwar Mujahidin (Ponorogo: CV. Nata Karya, 2019), [http://repository.iaainponorogo.ac.id/484/1/METODE\\_PENELITIAN\\_KUALITATIF\\_DI\\_BIDANG\\_PENDIDIKAN.pdf](http://repository.iaainponorogo.ac.id/484/1/METODE_PENELITIAN_KUALITATIF_DI_BIDANG_PENDIDIKAN.pdf).

This study applies the thematic interpretation method (maudu'i), in which QS. Al-Isra: 26-27 is analyzed thematically with an emphasis on two main issues. First, this verse contains a command to help others, especially close family, the poor, and travelers, as a form of social responsibility. Second, the paragraph provides a strict prohibition against waste, highlighting the negative impact of excessive spending on individuals and society. Through this approach, the research seeks to comprehensively understand the meaning of verses in relation to modern consumptive behavior.

To analyze the data, this study uses content analysis as the main method. This technique allows researchers to identify relationships between the values contained in QS. Al-Isra: 26-27 with consumptive lifestyle phenomena, such as impulsive spending, *doom spending*, and consumptive debt. Through this analysis, it is hoped that new insights will emerge on how Islamic teachings can provide solutions to the problem of waste and excessive consumption.

The data used in this study are sourced from two main categories (Primary and Secondary)<sup>7</sup>. Primary data includes various classical Qur'anic interpretations such as *Tafsir Ibn Kathir* and modern tafsirs such as *Tafsir Al-Misbah* to enrich the understanding of QS. Al-Isra: 26-27. In addition, classical Islamic literature on morality and economics is also used to understand the views of previous scholars on this topic. Secondary data is in the form of journal articles and the latest scientific publications that discuss excessive consumption, waste, and consumptive lifestyles in the digital era.

Data collection techniques are carried out through literature studies<sup>8</sup>, by examining various relevant interpretations and literature, both classical and modern. This approach allows researchers to further explore the historical, social, and economic context of QS. Al-Isra: 26-27. In the data analysis stage, this study describes the main values contained in QS. Al-Isra: 26-27 and compares it with the consumptive phenomenon in modern society. The results of this analysis are expected to provide guidance on how Islamic teachings can be implemented to overcome waste, increase financial awareness, and build social welfare in the modern era.

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<sup>7</sup> Creswell, *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*, 2014.

<sup>8</sup> A. M. Miles, M. B., & Huberman, *Qualitative Data Analysis: A Methods Sourcebook* (Sage Publications, 2014).

## DISCUSSION AND ANALYSIS

### The meaning of Israf in QS. Al-Isra: 26-27

QS. Al-Isra: 26-27 provides a profound moral and social message about wise management of property. This verse reminds Muslims not to squander their wealth and prioritize the distribution of rights to those who have the right, namely close family, the poor, and travelers. The prohibition of israf contains a deep meaning related to individual responsibility to society.

#### 1. Definition of *Israf* in Islam

Linguistically, *israf* comes from the word *nerve*, which means to go beyond the limit or to exaggerate. In the Islamic view, *israf* is defined as the act of spending in excess of needs, which has no clear and productive benefits<sup>9</sup>. This is expressed in various interpretations, such as Tafsir Al-Misbah which explains that israf harms individuals and society financially and morally.

Israf is strictly prohibited in Islam because it has the potential to harm individuals and society. Quraish Shihab emphasized that israf is excessive and irresponsible spending<sup>10</sup>. This ban aims to protect the people from financial, moral, and social losses. Allah SWT explained that waste leads to very unpraiseworthy traits, namely greed and denial of Him. In daily life, israf behavior can be found in various forms, such as:

- Buying luxury items that are not needed.
- Spending money on excessive pleasure without paying attention to needs.
- Use of wealth for unprofitable purposes, such as gambling. Ibn Mas'ud emphasized that any action that exceeds the limit of needs is a waste that is not in accordance with the principles of Islamic law.

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<sup>9</sup> Irma Rumtianing and Uswatul Hanifah, "ISLAM, SAINS DAN TEKNOLOGI: Studi Teknologi Jual Beli Online Pasca Pandemi Covid-19 Dan Dampaknya Pada Perilaku Konsumen," *FUAD's International Conference on Strengthening Islamic Studies (FICOSIS)* 3 (2023).

<sup>10</sup> M. Quraish Shihab, *Tafsir Al-Mishbah Jilid 7(Quraish Shihab)* (Jakarta: Lentera Hati, 2002).

## 2. Implications of the Israf Ban in the Modern Era

Technological developments and global economic advances present great challenges for Muslims in avoiding consumptive behaviors that can harm themselves and the environment. The phenomenon of consumptive lifestyles that are increasing along with easy access to goods and services through digital platforms has become a big problem in the modern economy.

In today's digital world, people are more easily trapped in *doom spending* or impulsive shopping which is often triggered by the convenience of online transactions<sup>11</sup>. This consumptive lifestyle risks increasing the debt of consumerism and exacerbating social inequality. Wise financial management is indispensable to prevent waste and to create social welfare.

In Islam, financial awareness means understanding the difference between needs and wants and making good financial planning. Islam teaches that every expenditure is calculated and adjusted according to ability, and prioritizes the use of wealth for useful purposes such as productive investment and sharing with those in need. In addition to avoiding waste, Islam encourages its people to use wealth for beneficial social purposes. This principle encourages individuals to:

- Providing alms and assistance to the needy.
- Invest in activities that are productive and beneficial to the community. This principle emphasizes the importance of balancing personal interests and social responsibility.

## 3. Asbabun Nuzul QS. Al-Isra: 26-27

This verse came down in response to the extravagant behavior of the people of Makkah at that time who squandered their wealth without paying attention to the rights of others. QS. Al-Isra': 26-27 relates to the teaching on the responsible use of property. Verse 26 is revealed to affirm the obligation to give rights to relatives, the poor, and travelers. This verse reminds Muslims not to be miserly and use their assets to fulfill social obligations. Meanwhile, verse 27 comes down as a stern warning against extravagant (*tabdzir*), namely expenditure that is useless and exceeds the limit. This extravagance is described as a demon-like trait, which

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<sup>11</sup> Abdul Kharis Almasyhari et al., "Edukasi Masyarakat Dalam Mengenal Impulsive Buying Di Era Digital Ekonomi," *Jurnal Abdikaryasakti* 4, no. 2 (2024): 165–85, <https://doi.org/10.25105/ja.v4i2.20170>.

always strays from the path of truth. Therefore, these two verses emphasize the importance of balance in the use of property, namely by utilizing wealth for social good and staying away from extravagant traits that can damage morals and deny the blessings of Allah SWT. This reminder teaches the importance of managing wealth wisely by emphasizing the obligation to share with those in need and avoid costly waste.<sup>12</sup>

This verse comes at a time when most of the people of Makkah are involved in unproductive spending, which actually increases their burden and creates social inequality. Allah SWT reminds the importance of managing wealth wisely, sharing with others, and not falling into extravagant behavior. Some histories reveal that this verse contains moral messages that are still relevant in modern life, such as:

- The importance of sharing with people in need.
- The danger of waste that can damage the economic stability of individuals and society as a whole.

#### **4. Tafsir QS. Al-Isra: 26-27**

In the interpretation of scholars, this verse emphasizes the importance of social responsibility in the use of property and avoiding dangerous wasteful nature. In his commentary, Quraish Shihab underlines the importance of balance in the use of wealth: on the one hand, fulfilling the rights of those in need, and on the other hand, avoiding extravagance. These two verses provide moral guidance for Muslims to use their wealth wisely in order to achieve a more just and harmonious life<sup>13</sup>.

##### **a. Obligation to Give Rights to the Entitled**

This verse commands to give rights to those who are eligible, namely *close relatives*, *the poor*, and *travelers* (people who are on the road and need help). Quraish Shihab emphasized that Islam views property as a trust, not just personal property. Property owners have the obligation to arrange expenditures wisely in order to fulfill these social responsibilities.

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<sup>12</sup> Agama, *Al-Qur'an & Terjemahannya*.

<sup>13</sup> Shihab, *Tafsir Al-Mishbah Jilid 7 (Quraish Shihab)*.

He also highlighted that the term "right" mentioned in this verse does not mean just a voluntary giving, but an obligation that must be fulfilled. This right includes all forms of assistance that can lift social welfare. Thus, Muslims are invited to realize that collective welfare is an important part of worship and individual responsibility to Allah SWT.

#### **b. Strict Prohibition of Waste**

This verse strictly prohibits waste (*tabdzir*). Quraish Shihab explained that *tabdzir* is a wasteful expenditure and does not bring benefits, both for individuals and society. Waste reflects irresponsible behavior towards property that is entrusted by Allah SWT.

Quraish Shihab asserts that extravagance is synonymous with the act of resembling Satan, as mentioned in this verse, because the nature of Satan is to plunge people into ugliness and denial of Allah's favor. He also reminded that waste not only has an impact on financial damage but can also damage a person's morals and spirituality, making them far from Islamic values that prioritize balance and responsibility.

### **5. Relevansi QS. Al-Isra: 26-27 dengan Ekonomi Global**

The increasing consumptive phenomenon in the digital era has a major impact on the global economy, such as an increase in consumerist debt, sharpening economic inequality, and environmental damage due to the exploitation of natural resources. Principles in QS. Al-Isra: 26-27 provides a very relevant solution in dealing with this problem.

#### **a. Consumptive Impact on the Global Economy**

- **Increased Consumptive Debt:** Consumptive lifestyles often trigger individuals to become entangled in excessive debt.
- **Economic Inequality:** Extravagance committed by wealthy individuals can exacerbate social inequality.
- **Environmental Damage:** Overconsumption often leads to irresponsible exploitation of natural resources.

### b. Solutions from QS. Al-Isra: 26-27

- The principles of simple living, sharing with others, and using wealth for productive and useful purposes can be a solution to face consumptive challenges.
- By avoiding israf and applying Islamic principles on asset management, we can create a fairer, more balanced, and sustainable economy.

**Table 1: Consumptive Impact on the Global Economy**

<b>Impact</b>	<b>Explanation</b>
Increased Debt	An uncontrolled consumptive lifestyle often leads to an increase in debt.
Economic Inequality	Waste exacerbates inequality between rich and poor.
Environmental Damage	Excessive consumption accelerates environmental damage due to the exploitation of natural resources.

*Source: Writer, 2024*

The application of values from QS. Al-Isra: 26-27 is very relevant in facing the challenges of a consumptive lifestyle in the modern era. Through the principle of prohibition of waste (israf), the community can be invited to manage finances wisely, share with those in need, and use wealth for productive purposes. In the context of the global economy, the application of these principles can help create a fairer and more sustainable economy.

### **The Phenomenon of Overconsumption in Modern Finance**

Ease of access to credit, the influence of social media and lack of financial literacy are factors that cause the phenomenon of excessive consumption to become increasingly prevalent in the modern financial era. Advances in financial technology have made it easier for individuals to access various types of credit, be it credit cards or online loans. This causes many individuals to get stuck in a cycle of consumptive debt that is difficult to stop.

In addition, Social media plays an important role in encouraging a consumptive lifestyle. Luxury lifestyle advertisements, promotions, and exhibitions reinforce the urge to buy non-essential items that are not needed. Many individuals do not have adequate knowledge about

wise financial management. This causes them to be trapped in excessive consumption patterns that are detrimental to their financial condition.

### **1. Uncontrolled Use of Credit Cards**

Credit cards have become an important part of modern financial transactions, but their use often poses problems when not managed properly. The use of credit cards for consumptive needs, such as buying non-priority items, can increase the debt burden which ultimately leads to greater financial stress. Research shows that low financial literacy contributes to this situation. Individuals with low financial literacy tend to take unwise credit decisions, which contributes to an increase in consumptive debt.

Alternatively, the development of sharia credit cards has been proposed as a solution to reduce financial risks resulting from the use of conventional credit cards. Sharia credit cards are designed to avoid the element of *riba* and prevent waste. The DSN-MUI fatwa and Bank Indonesia regulations emphasize the importance of managing credit cards in accordance with sharia principles, such as ensuring that transactions do not encourage excessive spending and are only used for Shariah-justified needs<sup>14</sup>.

This sharia approach reflects efforts to encourage better financial responsibility, especially to reduce unnecessary expenses and the risk of default on credit card users.

### **2. Impulse Shopping**

Impulse shopping is a spending behavior that is carried out without careful consideration or clear needs. This phenomenon is increasingly growing in the digital era with the convenience offered by e-commerce. Online shopping platforms allow transactions to be made instantly through features such as "buy now" or "shopping cart," which often encourage consumers to make unplanned purchases.

Research shows that emotional and promotional factors such as big discounts or limited-time offers also contribute to impulsive shopping behavior. The ease of access through shopping apps also adds to the potential for uncontrolled purchases, which can ultimately negatively impact an individual's financial condition.

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<sup>14</sup> "Fatwa – Laman 11 – DSN-MUI," accessed December 15, 2024, <https://dsnemui.or.id/kategori/fatwa/page/11/>.

In addition, psychological effects such as "fear of missing out" (FOMO) generated by digital marketing also exacerbate this habit. Consumers often feel compelled to buy because they are worried about missing out on opportunities, even if the item is not entirely necessary. Further studies also indicate that e-commerce not only makes it easier to buy, but also increases consumption through algorithms that recommend products based on previous shopping habits<sup>15</sup>. Financial awareness and self-control are indispensable to reduce the adverse effects of these behaviors, especially in the ever-evolving digital age.

### 3. Consumptive Debt

Consumptive debt refers to loans that are used for the consumption of non-productive goods. This phenomenon is increasingly developing in the midst of people who are affected by consumptive lifestyle trends.

Lack of understanding of the difference between needs and wants is one of the main causes of consumptive debt. Studies show that low financial literacy in Indonesia also increases high levels of consumptive debt.

### 4. Causes of Excessive Consumption

Some of the factors that trigger overconsumption in modern finance include:

- **Ease of Credit Access**  
Financial institutions that offer credit easily encourage individuals to spend more than they can afford.
- **The Influence of Social Media**  
The lifestyle exhibited on social media often creates a desire to follow trends that do not always suit personal needs.
- **Lack of Financial Literacy**  
Ignorance of how to manage finances wisely causes individuals to spend more than they earn.

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<sup>15</sup> Muhamad Arif Saifudin, Henni Endah Wahanani, and Achmad Junaidi, "Implementasi Algoritma Asosiasi Fp-Growth Dan Klasifikasi K-Means Terhadap Pola Pembelian Konsumen Di Marketplace Shopee," *Jurnal Mahasiswa Teknik Informatika* 8, no. 1 (2024).

## 5. Solutions to Overcome Excessive Consumption

Some solutions that can be implemented to overcome the phenomenon of excessive consumption include:

### a. Financial Education

Increasing financial literacy among the public can help them to be wiser in making financial decisions. Financial education should include budget management and debt control techniques.

### b. Budget Settings

Creating a monthly budget can help individuals prioritize their needs and reduce non-essential expenses.

### c. Self-Awareness

Fostering self-awareness about the negative effects of overconsumption can encourage individuals to be more cautious in their spending. Learning Islamic values, such as the prohibition of waste in QS. Al-Isra: 26-27, can strengthen this awareness.

## 6. Relevance to QS Values. Al-Isra: 26-27

QS. Al-Isra: 26-27 emphasizes the prohibition against extravagance, which is considered to be a satanic trait. This verse teaches that the management of assets must be done wisely, not excessively, and according to needs. In the context of modern finance, this is relevant to address a detrimental consumptive lifestyle.

Islam advocates proportional spending, according to needs and capabilities. This principle encourages individuals to be wise in using their wealth and not get caught up in an excessively consumptive lifestyle.

Excessive consumption in modern finance has become a major problem affecting the well-being of individuals as well as the global economy. The main causes are ease of access to credit, the influence of social media, and low financial literacy. To overcome this phenomenon, there needs to be efforts to educate the public, manage the budget, and increase self-awareness in the

community. Values in QS. Al-Isra: 26-27 provides an important foundation for overcoming waste and encouraging wise financial management<sup>16</sup>. Therefore, by understanding the Islamic principle of prohibition of waste, people can live in a more frugal and sustainable pattern, supporting the achievement of economic justice and common prosperity.

**Table 2: The Impact of Waste in Modern Finance**

Phenomenon	Impact	Solution
Credit card	Consumptive debt	Financial literacy, budget setting
Impulse Shopping	Waste	Self-control, financial education
Consumptive Debt	Financial stress	Understanding the differences in needs and wants

Source: Writer, 2024

### **Relevance of QS. Al-Isra: 26-27 in Overcoming Excessive Consumption**

QS. Al-Isra: 26-27 affirms the prohibition of israf or extravagance and reminds Muslims to avoid excessive spending. This verse emphasizes the importance of maintaining balance in financial management with the principle of moderation which is the foundation of Islamic values. In the modern context, excessive consumption is a global challenge, especially in the lifestyle of urban people driven by the trend of consumerism.

#### **1. Principles of Moderation in Financial Management**

Islam teaches the principle of moderation as an important step in avoiding waste. Moderation in finance means using resources wisely as needed and not excessively<sup>17</sup>. This is relevant in forming healthy financial management habits, including budget planning to distinguish between needs and wants.

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<sup>16</sup> Arivatu Ni'matu Rahmatika, Bakti Widyaningsih, and Alifiyah Al-Qaedah, "Literasi Keuangan Dan Sikap Keuangan Terhadap Pengelolaan Keuangan Rumah Tangga Dengan Self Efficacy Sebagai Variabel Intermediasi.," *Jurnal At-Tamwil: Kajian Ekonomi Syariah* 6, no. 2 (2024).

<sup>17</sup> Engkos Kosasih, "Literasi Media Sosial Dalam Pemasarakatan Sikap Moderasi Beragama," *Jurnal Bimas Islam* 12, no. 1 (2019).

Waste can come in many forms, such as unnecessary spending, excessive energy consumption, or unproductive time. In this study, excessive consumption was analyzed as one of the causes of individual financial instability and social injustice.

## **2. Strategic Steps to Avoid Waste in Modern Finance**

### **a. Avoiding Unwise Use of Credit**

Excessive use of credit for consumptive needs is often the main cause of financial instability. Islam emphasizes the importance of using credit wisely for productive needs that provide long-term benefits.

### **b. Prioritizing Productive Investments**

Investment in accordance with sharia principles is a strategic step to avoid waste. These investments include sectors that support economic sustainability and have a positive social impact, such as education and entrepreneurship.

### **c. Evaluation and Revision of Financial Management**

Regular financial evaluations help individuals identify wasteful habits and improve spending patterns. This step supports the principles of efficiency and responsibility in managing resources.

## **3. Analysis of the Impact of Excessive Consumption on the Global Economy**

### **a. The Influence of Consumerism on Social Injustice**

Excessive consumptive lifestyles not only harm individuals, but also affect society at large. Social inequality is often exacerbated by imbalances in resource allocation caused by uncontrolled consumption patterns<sup>18</sup>.

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<sup>18</sup> Rizki, Wahab, and Sapa, "Impact of Hedonistic Lifestyle to the Impulsive Buying of Students through the Perspective of Islamic Economy."

### **b. Relevance of QS. Al-Isra: 26-27 in the Context of the Global Economy**

This verse offers a moral solution to deal with the impact of overconsumption, emphasizing individual responsibility for the use of resources. The principle of prohibition of waste in Islam can be a guide in creating a sustainable economic system.

**Table 3. The Relationship between Consumptive Lifestyle and Waste**

<b>Categories Waste</b>	<b>Impact on Individuals</b>	<b>Impact on Society</b>
Unnecessary Shopping	Financial Instability	Excessive Resource Consumption
Use of Excess Credit	Debt Burden	Socioeconomic inequality
Unproductive Investment	Loss of Resources	Decline in Economic Welfare

*Source: Writer, 2024*

The table above shows how consumptive lifestyles have a negative impact on both the individual and community levels. By following the anti-israf principle, the impact can be minimized.

The prohibition of israf described in QS. Al-Isra: 26-27 has significant relevance in dealing with a consumptive lifestyle in the modern era. The principles of moderation, wise resource management, and avoidance of waste are the main solutions in overcoming this challenge. By implementing strategic measures that focus on productive investment and financial evaluation, individuals can create better financial stability and support the well-being of society at large.

This research emphasizes the importance of implementing Islamic values in managing modern finance, so that it can make a positive contribution to a fairer and more sustainable global economic development.

### **Islamic Financial Solutions for Prudent Consumption**

Financial management based on Islamic principles has great potential to encourage prudent consumption and prevent waste (israf). In the face of the rapidly evolving consumptive lifestyle in the modern economy, Islamic financial solutions provide clear guidance for

maintaining a balance between meeting personal needs and contributing to social well-being<sup>19</sup>. Here are three key solutions that can be implemented to encourage prudent consumption through Islamic financial management:

## **1. Financial Management Based on Maqasid Sharia**

Maqasid Syariah refers to the basic purpose of Islamic law, which includes the protection of five main things: religion, soul, intellect, heredity, and property. Financial management based on maqasid sharia aims to ensure the welfare of individuals and society without sacrificing Islamic moral and ethical principles<sup>20</sup>.

### **a. Property Protection**

The first principle in maqasid sharia is the protection of property. In this case, asset management must be done wisely, avoid waste, and prioritize the fulfillment of truly important needs. In the context of consumption, this means avoiding a consumptive lifestyle and encouraging spending that suits real needs.

### **b. Improving Social Welfare**

Maqasid sharia also emphasizes the importance of sharing with others, especially those in need. The concepts of zakat, infaq, and alms are important instruments in asset management in Islam. This not only encourages prudent consumption but also strengthens social solidarity, creates a more equitable distribution of wealth, and helps reduce social disparities.

### **c. Halal and Sustainable Investment**

Investments in Islam must be in accordance with sharia values, which avoid sectors that harm society, such as gambling and alcohol. Sustainable and halal investment not only provides material benefits but also pays attention to social and environmental impacts, in accordance with the long-term goals of sharia maqasid.

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<sup>19</sup> Hafidza Sanshia Arum et al., "Maqasid Sharia As A Philosophical Foundation In Islamic Economic Policy Making," *MALIA: Jurnal Ekonomi Islam* 16, no. 1 (December 13, 2024): 28–43, <https://doi.org/10.35891/ML.V16I1.5798>.

<sup>20</sup> Muhibban and Muhammad Misbakul Munir, "Pemberdayaan Ekonomi Berlandaskan Maslahah Dalam Hukum Islam," *JURNAL KAJIAN ISLAM MODERN* 10, no. 01 (December 30, 2023): 34–45, <https://doi.org/10.56406/jkim.v10i01.311>.

## **2. The Utilization of Islamic Financial Technology (Sharia Fintech) to Encourage Wise Consumption**

Technological advancements, particularly fintech, have brought significant changes in the way we manage our finances. Islamic fintech incorporates sharia principles in a digital financial platform, which allows individuals to manage their finances more efficiently and in accordance with Islamic ethics<sup>21</sup>

### **a. Halal Payment and Investment Services**

Sharia fintech platforms offer payment services that comply with sharia principles, as well as investment options that are free from *riba* (interest) and *gharar* (uncertainty) elements. It provides individuals with the opportunity to invest and transact in a way that does not harm others and favors prudent consumption.

### **b. Loans Without Riba**

Some Islamic fintech platforms provide financing or loan services that are based on sharia principles, such as *murabaha* and *mudaraba*. These loans do not involve interest, which is a form of waste in conventional economics. This allows individuals to obtain financing without engaging in practices that are contrary to Islamic principles.

### **c. Financial Education Through Applications**

Many sharia fintech apps also offer financial education features, helping users to understand how to manage personal finances in accordance with sharia principles. The app provides useful information on wise financial management, as well as how to avoid waste and other financial mistakes.

## **3. Islamic-Based Financial Education and Literacy**

Education about Islamic finance is very important to build public awareness and understanding of the importance of wise financial management and in accordance with sharia

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<sup>21</sup> Rezki Akbar Norrahman, "Licensed under a Creative Commons Attribution-NonCommercial 4.0 International License," *JIBEMA: Jurnal Ilmu Bisnis, Ekonomi, Manajemen, Dan Akuntansi* 1, no. 2 (2023): 101–26, <https://doi.org/10.62421/jibema.v1i1.11>.

principles. People who understand the fundamentals of Islamic economics will be better able to avoid waste and make smarter financial decisions<sup>22</sup>

### **a. Introduction to Sharia Principles in Finance**

The introduction of the basic principles of Islamic finance, such as the prohibition against *riba* (interest), *maysir* (gambling), and *gharar* (uncertainty), is essential for educating the public so that they can make financial decisions in accordance with Islamic teachings. This education must include moral and ethical aspects, not only technical aspects.

### **b. The Role of Zakat and Waqf**

In addition, education about zakat and waqf as a social instrument is also very important. Zakat as a religious obligation has an important role in reducing economic inequality and improving people's welfare. Waqf, as a form of social empowerment, can also make a great contribution to improving the quality of life of the community, especially the underprivileged.

### **c. Personal Financial Management**

Personal finance education in Islam involves teaching about the importance of financial planning, savings, investments, as well as a simple way of life. It aims to create individuals who are not trapped in overconsumption and materialistic lifestyles, but instead, capable of living a more balanced and sustainable life.

Managing finances wisely, in accordance with Islamic principles, not only assists individuals in achieving personal well-being, but also contributes to the wider social good. Sharia-based *maqasid* financial management, the use of Islamic financial technology, and Islamic-based financial education and literacy are solutions that can be applied to avoid waste and a detrimental consumptive lifestyle. As a next step, more attention needs to be paid to the application of these principles in the global economic system in order to create a balance between personal consumption and public welfare.

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<sup>22</sup> jika Widiatmanta, "Efisiensi Pangan Di Kabupaten Dan Kota Blitar Dalam Perspektif Ekonomi Islam," *Jurnal Penelitian Ilmu Ekonomi Dan Keuangan Syariah* 2, no. 4 (November 7, 2024): 31–41, <https://doi.org/10.59059/jupiekes.v2i4.1710>.

**Table 4: Principles of Maqasid Sharia in Financial Management**

<b>Principles of Maqasid Syariah</b>	<b>Explanation</b>
Property Protection	Manage assets wisely, avoid waste, and meet basic needs.
Improving Social Welfare	Prioritizing sharing through zakat, infaq, and alms to improve community welfare.
Halal and Sustainable Investment	Focus on investments that do not harm society or the environment and are in accordance with Islamic moral values.

*Source: Writer, 2024*

## **CONCLUSION**

This material discusses financial management from an Islamic perspective, especially related to the avoidance of waste (israf) and the application of the principles contained in QS. Al-Isra: 26-27. Israf, which refers to excessive spending without obvious benefits, is prohibited in Islam because it can harm oneself and others. In this context, Muslims are invited to manage their wealth wisely, pay attention to the rights of others such as family, the poor, and travelers, and avoid an excessive consumptive lifestyle. In the modern era, the challenges in financial management are increasingly complex, with phenomena of excessive consumption such as uncontrolled use of credit cards, impulsive spending, and consumptive debt. Therefore, it is important to have sufficient financial awareness and knowledge in managing finances and applying the principle of moderation in spending.

Relevance of QS. Al-Isra: 26-27 in the context of modern finance is very significant, as it provides guidance on avoiding israf and managing finances efficiently. Shariah-based maqasid financial management, which focuses on the protection of assets and social welfare, can encourage prudent consumption and in accordance with Islamic principles. In addition, the use of Islamic financial technology (sharia fintech) is also a practical solution in helping people manage their finances efficiently without violating sharia principles. By practicing the principles of wise and moderate financial management, both in personal and social life, one can achieve sustainable economic well-being. In addition, these values also contribute to social

stability, where each individual can focus more on meeting basic needs and a better quality of life.

The recommendation of this study is to **Increase Financial Awareness**: It is important for Muslims to better understand and apply the principles of Islamic financial management in their daily lives, such as avoiding waste and prioritizing urgent needs. **Financial Education and Literacy**: The public needs to be educated about Islamic-based financial management to avoid consumptive behavior and unwise debt management, especially in the digital era that facilitates access to consumption. **Utilization of Islamic Financial Technology (Sharia Fintech)**: With technological advancements, Islamic fintech can help individuals manage their finances more effectively, encourage wise consumption, and avoid unnecessary spending. **Wise and Sustainable Financial Management**: The public must be invited to invest productively and in accordance with sharia values, and always evaluate their financial management to avoid waste and improve social welfare.

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