

## How to Design Personal Financial Planning Based on Maqāṣid al-Sharī‘ah: Evidence from a Real Case Study

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### Abstract

This study aims to analyze and develop a comprehensive Islamic investment planning framework for an individual investor based on the maqāṣid al-syarī‘ah perspective. The research employs a descriptive qualitative approach with a case study design involving a Sharia-compliant investor with a moderate risk profile. Data were collected through preliminary questionnaires, structured interviews, and analysis of financial documents covering assets, liabilities, cash flow, and existing Islamic financial instruments. The analysis was conducted using eight key financial ratios to assess financial soundness and investment feasibility, followed by the classification of investment objectives into short-, medium-, and long-term horizons. The findings indicate that the client financial condition is generally healthy, characterized by strong liquidity and solvency, although the proportion of investment assets relative to net worth remains relatively low. Based on these results, a Sharia-compliant investment portfolio was formulated using the efficient frontier approach, emphasizing a balanced allocation between capital preservation and long-term growth through Islamic instruments such as Sharia savings, sukuk, Islamic mutual funds, Sharia-compliant stocks, and gold. This study demonstrates that structured Islamic investment planning not only enhances long-term financial resilience and wealth accumulation but also promotes ethical responsibility, sustainability, and wealth preservation in line with the objectives of maqāṣid al-syarī‘ah.

**Keywords:** Islamic investment planning, maqāṣid al-syarī‘ah, risk profile, Sharia portfolio, case study.

### INTRODUCTION

Effective and sustainable investment planning has become increasingly critical amid global inflationary pressures, geopolitical uncertainty, and persistent market volatility, thereby requiring adaptive financial strategies grounded in Sharia ethics ([Ali, Abumustafa, & Malik, 2023](#)). However, both individual and institutional investors continue to face recurring challenges, including lack of diversification, over-reliance on high-risk instruments, and insufficient preparation of emergency funds, which frequently result in long-term financial losses (Elahi & Alam, 2015; [Mikou et al., 2024](#)). In the context of Islamic finance, these shortcomings are not merely technical inefficiencies but also reflect a failure to align financial practices with the objectives of maqāṣid al-syarī‘ah, particularly in safeguarding wealth (ḥifẓ al-māl) while ensuring its barakah ([Ali et al., 2023](#); [Qoyum & Rizal, 2022](#)).

Despite the growing body of literature on Islamic investment, most existing studies tend to focus on the comparative performance between Islamic and conventional financial

instruments or on macro-level regulatory frameworks ([Luthfi & Uula, 2022](#)). Limited attention has been given to the integration of *maqāṣid al syarī'ah* into practical and behavioral investment planning, particularly in addressing common financial mistakes at the micro (individual and institutional) level ([Mufidah et al., 2022](#)). Moreover, prior research often treats Sharia compliance as a legal screening mechanism, rather than as a comprehensive ethical framework that guides risk management, liquidity planning, and long-term sustainability (Elahi & Alam, 2015). This indicates a significant research gap in developing a holistic Sharia-based investment planning model that is both practically applicable and normatively grounded.

This study offers a novel contribution by proposing an integrative investment planning framework that explicitly incorporates *maqāṣid al syarī'ah* principles into financial decision-making processes. Unlike previous approaches that emphasize compliance and performance metrics, this research highlights the alignment between financial prudence, ethical responsibility, and wealth sustainability, particularly by addressing common investment mistakes through a Sharia-based perspective ([Nurhaida et al., 2023](#)). It positions Islamic investment planning not only as a technical financial strategy but also as a value-driven approach that enhances both economic resilience and spiritual accountability ([Alam, Akbar, & Masih, 2019](#)).

Accordingly, the purpose of this study is to analyze common mistakes in investment practices and to develop a Sharia-compliant investment planning framework based on *maqāṣid al syarī'ah*. Specifically, this research aims to (1) identify key behavioral and structural weaknesses in current investment practices, (2) examine their implications from the perspective of *maqāṣid al syarī'ah*, and (3) formulate a comprehensive and sustainable investment planning model that integrates financial, ethical, and spiritual dimensions.

One of the main principles that distinguishes sharia investment from conventional systems is the concept of profit-loss sharing (PLS). This principle ensures a fair distribution of risks and profits between investors and fund managers, thereby creating an equal relationship free from exploitative practices ([Athief et al., 2024](#); [Aisyah et al., 2025](#)). However, practices in the field often show that many investors are inconsistent in adopting PLS. They tend to choose short-term instruments that are oriented towards quick profits, without considering the overall balance of the sharia portfolio. In fact, instruments such as Sharia-compliant mutual funds based on PLS not only provide financial profit opportunities but also reinforce the principle of Islamic economic justice by involving investors in a transparent halal business ecosystem. Thus, the integrated application of PLS in investment planning can be a strategic solution to create stability, sustainability, and social justice in the Sharia financial system.

Liquidity is an important foundation in Sharia investment planning. Ironically, however, it is often overlooked by many investors who are too focused on high-yield instruments. The absence of emergency funds in the portfolio makes investors very vulnerable to urgent short-

term needs, forcing them to sell assets at the wrong time or even take out loans that risk creating new burdens (Elahi & Alam, 2015). Within the Islamic framework, liquidity management is not only about the availability of funds, but also part of efforts to avoid gharar or uncertainty that could jeopardize financial stability (Ali et al., 2023). Investors have room to deal with financial shocks without damaging the main portfolio structure by maintaining a portion of liquid assets such as Islamic savings or money market mutual funds. This is in line with studies showing that Islamic financial institutions with good liquidity management are better able to maintain competitiveness while ensuring operational sustainability (Mikou et al., 2024).

In practice, sharia investment planning recommends a priority allocation sequence. The first step is to build an emergency fund and keep it in safe and easily accessible instruments, such as sharia savings and sharia money market mutual funds. Once basic liquidity needs are met, investors can then allocate funds to medium- and long-term growth instruments, such as sukuk, fixed income mutual funds, Islamic stock mutual funds, and digital gold (Asari, 2024). This diversification strategy not only reduces market volatility risk but also creates portfolio resilience in the face of external economic pressures. In other words, diversification within the sharia framework serves a dual purpose: maintaining asset sustainability while ensuring that the blessings of investment are preserved.

On the other hand, a major challenge in sharia investment practices is the relatively low level of financial literacy among the public. This condition reflects a structural and behavioral constraint rather than an individual mistake, which, if not properly addressed, may lead investors to engage in non-halal instruments or speculative investment schemes. A limited understanding of sharia principles reduces the ability of investors to distinguish between compliant and non-compliant financial products, thereby increasing exposure to gharar and other prohibited elements. In contrast, sharia financial literacy has been shown to play a significant role in shaping disciplined, rational, and value-consistent investment behavior (Shahariman, 2024).

Furthermore, adequate literacy enhances trust in halal financial products while mitigating the risk of deviation from Islamic principles. Empirical evidence by Rahim et al. (2016) confirms that a higher level of Islamic financial literacy contributes positively to sustainable investment patterns. Therefore, strengthening financial literacy through structured education programs, training, public awareness campaigns, and the utilization of financial monitoring applications becomes a strategic necessity. Such efforts are essential to ensure that investors are equipped with the knowledge and capability to align their financial decisions with the objectives of maqāṣid al syarī'ah. Ultimately, improved literacy not only enables investors to optimize their assets but also ensures that investment decisions uphold the principles of justice, sustainability, and barakah.

In addition, weak debt management is one of the biggest mistakes that hinders investment opportunities. A high Debt Service Ratio erodes monthly surpluses, preventing

investors from optimally building a sharia portfolio (Elahi & Alam, 2015). Therefore, debt restructuring and repayment strategies need to be part of investment planning to achieve long-term goals without excessive financial burdens. Finally, the success of sharia investment is not only determined by the selection of instruments, but also by periodic portfolio evaluation. Adjusting allocations every 6-12 months has proven to be effective in dealing with changes in economic conditions or living needs (Shahariman, 2024). With a routine evaluation mechanism in place, the portfolio can remain resilient, liquid, and in line with the investor's risk profile. Therefore, structured sharia investment planning not only offers financial stability but also ensures sustainability and blessings in accordance with maqāṣid al syarī'ah (Ali et al., 2023).

### **IMPLEMENTATION METHOD**

This study uses a descriptive qualitative approach with a case study design that aims to compile and analyze comprehensive sharia investment planning for an individual investor. This approach was chosen because the research was not directed at testing hypotheses, but rather at systematically describing the process of sharia investment planning based on the stages proposed by Board (2015), including identifying relationships with clients, setting objectives and collecting data, analyzing financial conditions, preparing recommendations, implementation, and investment monitoring. The research analysis unit included a sharia investor client with data consisting of primary data. Primary data was obtained through initial questionnaires and structured interviews to explore the client financial condition, investment objectives, risk profile, and sharia compliance preferences. All data was verified to ensure accuracy as the basis for investment planning.

Data analysis is conducted through an evaluation of the client financial status using eight key financial ratios, namely liquidity ratio, liquid assets to net worth ratio, savings ratio, debt to assets ratio, debt repayment ratio, non-mortgage debt repayment ratio, investment assets to net worth ratio, and solvency ratio. The results of this analysis are used to translate the client life goals into investment goals based on short, medium, and long-term horizons, determine funding sources from assets and disposable income, and compile recommendations for a sharia investment portfolio. The selection of investment instruments is carried out using the efficient frontier approach and adjusted to the risk profile of clients categorized as moderate investors, so that asset allocation is directed towards a balance between capital security and investment value growth through a combination of sharia cash, sukuk, domestic and international sharia stocks, and halal real assets. The implementation and monitoring stages are carried out collaboratively between the planner and the client to ensure the sustainability of portfolio performance and consistency in compliance with sharia principles.

## **RESULT AND DISCUSSION**

### **1. Client Profile**

Mr. KN, an Engineering Supervisor at PT Karunia Indamed Mandiri, is currently 37 years old and married with no children. With a recorded monthly net income of IDR 9,600,000, Mr. KN spends around IDR 5,500,000 each month on consumption, personal care, and social contributions, leaving a surplus that can be directed towards long-term investment strategies. He has total assets of IDR 387,264,650, consisting of property, vehicles, and investment instruments, as well as savings of IDR 20,000,000. In terms of liabilities, his total recorded debt is IDR 3,800,000, mostly from home financing and household equipment, with annual installment payments reaching IDR 45,600,000. His current net worth is IDR 341,664,650, including IDR 63,314,650 in invested assets, demonstrating good financial awareness and long-term planning.

Based on his financial goals, Mr. KN has set investment priorities that include emergency funds (<1 year), as well as retirement funds, children's education funds, hajj/umrah funds, and vacation funds in the medium to long term ( $\geq 2$  years). With a clear time horizon and a sufficiently healthy financial structure, the right allocation of a sharia portfolio will help achieve these goals without violating Islamic financial principles. As a client with a moderate risk profile, a balanced investment strategy between liquid sharia instruments, fixed income, and long-term growth potential such as sukuk, sharia mutual funds, and digital gold is highly recommended to support the stability and sustainable growth of his wealth ([Omar & Khairi, 2024](#)).

### **2. Financial condition prior to investment planning**

#### **a. Financial statements before investment planning**

Table 3 shows that Mr. KN has total assets of Rp387,264,650, consisting of savings of Rp20,000,000 as liquid funds, investments in sharia instruments of Rp63,314,650 (gold), and a sharia-compliant investment of Rp 264,650,000 consisting of savings of Rp20,000,000 as liquid funds. In terms of liabilities, he still has outstanding debt of IDR 45,600,000, which is a medium-term liability related to a mortgage and household furniture with monthly installments of IDR 3,800,000. His current net worth is IDR 341,664,650, reflecting a relatively healthy financial condition with a low debt-to-asset ratio (around 12%). From his monthly cash flow, Mr. KN earns a fixed income of IDR 9,600,000 with monthly expenses for consumption, personal care, and social funds amounting to IDR 5,500,000, leaving a surplus of IDR 4,100,000 per month. This surplus provides sufficient room to be allocated to short-term and long-term investments, as well as to strengthen emergency funds or retirement preparations. This profile shows that Mr. KN is in a good position to start more structured and optimal sharia financial planning.

**Table 1.** Financial Statements Before Investment Planning

Category	Component	Amount (IDR)	Description
<b>Assets</b>	Savings	20,000,000	Liquid funds
Investments (mutual funds, gold, etc.)	63,314,650	Allocated to Sharia-compliant instruments	
Property, vehicles, furniture	303,950,000	Estimated fair value	
<b>Total Assets</b>		<b>387,264,650</b>	
<b>Liabilities</b>	Remaining mortgage and furniture debt	45,600,000	Equivalent to IDR 3,800,000/month installment
<b>Total Liabilities</b>		<b>45,600,000</b>	
<b>Net Worth</b>	Total Assets – Total Liabilities	<b>341,664,650</b>	
<b>Monthly Cash Flow</b>	Monthly Income (Net)	9,600,000	Fixed salary
Monthly Expenses	5,500,000	Consumption, maintenance, social funds	
<b>Monthly Surplus</b>		<b>4,100,000</b>	Investment potential

**b. Cash flow before investment planning**

Although monthly income appears sufficient (Table 2), total routine expenses and debt repayments are quite large ( $\pm 97\%$  of income). The monthly cash flow surplus is only around Rp300,000, or Rp3.6 million per year, which means that expenditure control or optimization of investments from existing assets (not from active income) is necessary. In future investment planning, it is important to focus on expenditure efficiency and existing asset allocation strategies (Amilahaq, et al., 2021).

**Table 2.** Cash Flow Before Investment Planning

Category	Component	Amount (IDR/Month)	Amount (IDR/Year)	Description
<b>Cash Inflows</b>	Salary	9,600,000	115,200,000	Fixed income from employment
<b>Total Cash Inflows</b>		<b>9,600,000</b>	<b>115,200,000</b>	
<b>Cash Outflows</b>	Consumption, body care, social funds	5,500,000	66,000,000	Routine expenses
Mortgage & furniture installments	3,800,000	45,600,000	Monthly obligations	
<b>Total Cash Outflows</b>		<b>9,300,000</b>	<b>111,600,000</b>	
<b>Net Cash Flow</b>	Cash Flow Surplus	300,000	3,600,000	Potential for investment or additional savings

**c. Ratio before investment planning**

Holistic sharia investment planning, analysis, and evaluation of the client financial condition are important foundations in developing investment strategies that are not only profit-oriented but also in accordance with the principles of prudence and Islamic values.

This process aims to assess whether the client is in a healthy financial condition and eligible to allocate part of their assets to halal sharia investment instruments. There are eight key financial ratios used as diagnostic tools to understand the client financial strength more objectively and measurably, as explained below (Table 3).

1) *Basic Liquidity Ratio*

Liquidity Ratio Based on the Balance Sheet and Cash Flow, Mr. KN's total liquid assets amount to Rp29,600,000 (cash + savings), while his total monthly expenses amount to Rp5,500,000, so the liquidity ratio can be calculated as follows:

$$\text{Liquidity Ratio} = \frac{\text{Rp } 29.600.000}{\text{Rp } 5.500.000} \times 100\% = 5.45 \text{ months}$$

Based on the analysis results, the figure of 5.45 indicates that Mr. KN is able to meet his basic living needs for more than 5 months without any income. This indicates excellent liquidity and is in line with the ideal minimum standard of 3 months (Beaver, 1966; Kaminski et al., 2004; Brigham & Houston, 2021). This means that his cash reserves are secure and sufficient to deal with emergencies or sudden loss of income (Bütün, et al., 2019).

2) *Liquid Asset to Net Worth Ratio*

Based on the financial position report, Mr. KN's liquid assets are valued at Rp29,600,000 and his net worth is Rp341,664,650. The calculation is as follows.

$$\text{Ratio Liquid Assets} = \frac{\text{Rp } 29.600.000}{\text{Rp } 341.664.650} \times 100\% = 8,66\%$$

The figure of 8.66% is still below the ideal standard of 15%, which indicates that most of the net wealth is still in the form of illiquid assets (Faello, 2015). Although not in a risky condition, financial flexibility can be improved by increasing the proportion of easily liquidated assets.

3) *Saving Ratio*

Based on income data, it is known that Mr. KN annual net income is IDR 49,200,000 and his total annual income is IDR 115,200,000.

$$\text{Saving Ratio} = \frac{\text{Rp } 49.200.000}{\text{Rp } 115.200.000} \times 100\% = 42,7\%$$

Based on the above analysis, 42.7% indicates that Mr. KN is able to set aside more than 40% of his total income (Nadar, 2019). This is a very healthy financial indicator and reflects good saving habits and sufficient room for future investment.

4) *Debt to Asset Ratio*

Debt to Asset Ratio Based on the data on liabilities and total assets, it is known that Mr. KN's total liabilities are Rp3,800,000 and his total assets are Rp387,264,650. This is calculated as follows.

$$\text{Saving Ratio} = \frac{\text{Rp } 3.800.000}{\text{Rp } 387.264.650} \times 100\% = 0,98\%$$

According to the analysis results, the figure obtained was very low at 0.98%, which means that debt is only around 1% of total assets ([Delen et al., 2013](#)). This shows excellent debt management and minimal risk to financial burdens.

5) *Debt Service Ratio*

Debt Service Ratio It is known that the total annual debt payment is IDR 45,600,000 and the total annual income is IDR 115,200,000.

$$\text{Debt Service Ratio} = \frac{\text{Rp } 45.600.000}{\text{Rp } 115.200.000} \times 100\% = 39,58\%$$

The calculation result was 39.58%. Although still below the danger threshold (45%), this value is close to the ideal threshold of 35%, so it is necessary to be more careful in taking on debt commitments in the future so as not to disrupt cash flow for investment ([Olayinka, 2022](#)).

6) *Non-Mortgage Debt Service Ratio*

Based on available data, the non-mortgage debt service ratio indicates that Mr. KN has no non-mortgage debt to repay.

$$\text{Non Mortgage Debt Service Ratio} = \frac{\text{Rp } 0}{\text{Rp } 115.200.000} \times 100\% = 0\%$$

The analysis result is 0%, which means that Mr. KN does not have any consumer loans such as credit cards or vehicle loans, which are considered unproductive. This is an ideal situation because it avoids interest charges and supports the principles of Islamic finance ([Olayinka, 2022](#)).

7) *Net Investment Assets to Net Worth Ratio*

The ratio of investment assets to net worth (Net Investment Assets to Net Worth Ratio) based on total investment assets of IDR 63,314,650 and total net worth of IDR 341,664,650 is calculated as follows.

$$\begin{aligned} \text{Net Investment Assets to Net Worth Ratio} &= \frac{\text{Rp } 63.314.650}{\text{Rp } 341.664.650} \times 100\% \\ &= 18,53\% \end{aligned}$$

The calculation results show that 18.53% is still far from the ideal standard of 50%, especially when linked to long-term goals such as retirement funds or education

(Widiasmara et al., 2022). Therefore, it is necessary to increase the allocation of assets that are productive and have the potential to grow in the future.

#### 8) Solvency Ratio

Solvency Ratio Based on net worth data of Rp341,664,650 and total assets of Rp387,264,650.

$$\text{Solvency Ratio} = \frac{\text{Rp } 341.664.650}{\text{Rp } 387.264.650} \times 100\% = 88.23\%$$

Based on an analysis of eight key financial ratios, Mr. KN's financial condition is generally very healthy and stable. Liquidity is excellent, with cash reserves equivalent to 5.45 months of expenses, well above the minimum standard of 3 months (Desriyunia et al., 2023). The savings ratio is 42.7%, indicating a consistent ability to set aside funds for the future. In addition, the debt to asset ratio is very low (0.98%) and there is no consumer debt, reflecting very prudent debt management in line with sharia principles.

However, there are several aspects that need to be improved to strengthen the long-term investment strategy. The liquid assets to net worth ratio is still below ideal (8.66%), and the investment to net worth ratio is only 18.53%, far from the optimal standard of 50% (Desriyunia et al., 2023). Although this does not pose a direct risk, it indicates the need to increase allocation to productive Sharia instruments such as stock mutual funds and sukuk. Armed with his existing financial capacity, Mr. KN has excellent scope to increase his wealth growth through more focused sharia investment planning (Akinsulire, et al., 2024).

**Table 3.** Ratios Before Investment Planning

No.	Ratio	Formula	Value	Result	Benchmark	Performance
1	Liquidity Ratio	Liquid Assets / Monthly Expenses	(IDR 29,600,000) / (IDR 5,500,000)	5.45 months	Higher is better	Good
2	Liquid Assets to Net Worth Ratio	Liquid Assets / Net Worth × 100%	(IDR 29,600,000) / (IDR 341,664,650)	8.66%	> 15%	Poor
3	Savings Ratio	Surplus / Annual Income × 100%	(IDR 49,200,000) / (IDR 115,200,000)	42.7%	> 10%	Good
4	Debt to Assets Ratio	Liabilities / Total Assets × 100%	(IDR 3,800,000) / (IDR 387,264,650)	0.98%	< 50%	Good
5	Debt Repayment Capacity Ratio	Annual Installments / Annual Income × 100%	(IDR 45,600,000) / (IDR 115,200,000)	39.58%	Ideal < 35%	Caution

6	Non-Mortgage Debt Repayment Ratio	Non-mortgage Debt / Total Income × 100%	(IDR 0) / (IDR 115,200,000)	0%	< 15%	Good
7	Net Investment to Net Worth Ratio	Investment Assets / Net Worth × 100%	(IDR 63,314,650) / (IDR 341,664,650)	18.53%	Ideal > 50%	Poor
8	Solvency Ratio	Net Worth / Total Assets × 100%	(IDR 341,664,650) / (IDR 387,264,650)	88.23%	Maximum 100%	Good

#### d. Product Recommendations Based on Client Objectives

Based on Mr. KN's financial condition, a number of Islamic financial product recommendations can be given by considering asset characteristics, monthly cash flow surplus, and short to long-term financial goals. For short-term goals, such as building an emergency fund, Wadiah or Mudharabah Islamic savings products are recommended due to their high liquidity and capital preservation function (Kinsman, 2023). Although they provide relatively modest returns; for instance, with an average annual return of 2–3%, an allocation of IDR 10,000,000 would generate approximately IDR 200,000–300,000 per year, which is consistent with the objective of safeguarding wealth (*hifz al māl*). In terms of adequacy, the minimum emergency fund should cover 3–6 months of expenses; thus, for monthly expenses of IDR 3,000,000, the required fund ranges from IDR 9,000,000 to IDR 18,000,000, yielding around IDR 225,000–450,000 annually at a 2.5% return.

For medium-term planning (3–5 years), Mudharabah deposits or low-risk sukuk instruments with average returns of 4–6% are more suitable; for example, an investment of IDR 50,000,000 at 5% annually over three years would grow to approximately IDR 57,881,000, generating IDR 7,881,000 in returns. Meanwhile, for long-term financial planning (above 5 years), higher-yield Sharia-compliant instruments such as Islamic mutual funds may provide returns of 8–12% annually; for instance, IDR 100,000,000 invested at 10% annually over 10 years would increase to approximately IDR 259,374,000, resulting in a gain of IDR 159,374,000 through compounding. These calculations demonstrate that Islamic financial planning requires strategic allocation across different time horizons to balance liquidity, stability, and growth while remaining aligned with *maqāṣid al syarī'ah* principles. As a safe and suitable option for conservative risk profiles, Sharia Retail Sukuk (e.g., SR019 or ST012) issued by the government are also highly appropriate because they are guaranteed by the state, offer fixed returns, and are based on *ijarah* contracts (Yusoff et al., 2021). For further diversification and protection against inflation, Digital Sharia Gold can also be considered, for example through Pegadaian Sharia Gold Savings, Tokopedia e-gold, or Lakuemas, all of which have adopted sharia contracts and are easily liquidated.

Referring to the very high debt service ratio (92.68%), Mr. KN should refrain from taking on additional consumer debt and prioritize restructuring existing mortgage or household loan installments to improve monthly cash flow and create room for investment allocation. In parallel, from the perspective of *maqāṣid al-syarī'ah*—particularly *ḥifẓ al-māl* (protection of wealth) and *tazkiyah* (purification of wealth)—it is essential to incorporate obligatory and voluntary charitable allocations into financial planning. Based on standard zakat principles, if Mr. KN possesses net savings or financial assets that meet or exceed the nisab (equivalent to 85 grams of gold) and are held for one lunar year (*haul*), he is categorized as a *muzakki* and is obligated to pay zakat maal at a rate of 2.5%. For example, assuming the gold price is approximately IDR 1,000,000 per gram, the nisab threshold would be around IDR 85,000,000; thus, if Mr. KN's net assets exceed this amount, he should allocate 2.5% annually (e.g., IDR 2,125,000 for assets of IDR 85,000,000). In addition, if he earns regular income, zakat on income (*zakat penghasilan*) may also be applied at 2.5% of monthly net income after essential expenses, provided it meets nisab equivalence on a cumulative basis. Beyond obligatory zakat, allocating voluntary contributions such as *infaq* and *sadaqah*—commonly recommended at 5–10% of surplus income—can further enhance financial discipline and spiritual well-being. These distributions should ideally be channeled through authorized *amil* institutions such as BAZNAS, Dompot Dhuafa, or Rumah Zakat to ensure accountability and optimal social impact, thereby reinforcing both the sustainability and *barakah* of wealth.

With this combination of products, the investment strategy implemented not only focuses on financial growth but also aligns with Islamic values that prioritize sustainability, prudence, and social and spiritual justice. This will place Mr. KN on a stable, well-planned, and blessed financial path for the long term.

#### e. Monthly Investment Portfolio Allocation Simulation

Based on Table 6 of the sharia investment allocation, Mr. KN's financial planning strategy has been comprehensively designed to meet various short, medium, and long-term financial goals, while adhering to sharia principles and sustainability. For emergency funds, an allocation of IDR 1,000,000 per month is directed to iB savings products and sharia money market mutual funds. The goal is to build up a liquid fund reserve to cover 6 months of living expenses ( $\pm$ IDR 33 million) in less than 1 year, as a precautionary measure against unexpected risks.

Furthermore, children's education is given priority with the largest allocation, namely IDR 1,200,000 per month, placed in sharia stock mutual fund instruments such as Mandiri Investa Atraktif Syariah or SyaKira Equity Fund, to anticipate increases in education costs in the next 5-10 years. For the *umrah* fund, Mr. KN allocates IDR 1,000,000 per month

to sharia fixed income mutual funds and Sukuk Tabungan (ST012), with an estimated fund requirement of IDR 35-50 million within 3-5 years.

In preparation for long-term retirement (more than 10 years), an allocation of IDR 700,000 per month is directed to sharia equity mutual funds and retail sukuk, as a form of growth investment and value protection. On the other hand, IDR 100,000 per month is set aside specifically for the purchase of gold through platforms such as Pegadaian Syariah, as part of a wealth diversification strategy. Finally, the commitment to zakat, infaq, and almsgiving is not forgotten, with a fixed allocation of Rp100,000 per month through official zakat institutions such as BAZNAS, Dompot Dhuafa, or Rumah Zakat. This allocation composition demonstrates a balance between personal, spiritual, and social financial responsibilities, in line with the values of maqashid syariah, particularly in preserving and developing wealth sustainably (*hifz al-māl*).

**Table 4.** Monthly Investment Portfolio Allocation Simulation

Financial Goal	Time Horizon	Sharia-Compliant Instruments	Allocation (IDR/Month)	Description
Additional Emergency Fund	< 1 year	Islamic savings account, Sharia money market mutual funds	1,000,000	To increase emergency reserves to 6 months of expenses ( $\pm$ IDR 33 million total)
Children's Education	5–10 years	Sharia equity mutual funds (Mandiri, SyaKira, Schroder Sharia Equity)	1,200,000	Projected elementary–high school education costs, anticipating education cost inflation
Umrah Fund	3–5 years	Sharia fixed income mutual funds, Retail Sukuk (ST012)	1,000,000	Estimated Umrah cost of IDR 35–50 million
Retirement Fund	> 10 years	Sharia equity mutual funds, retail sukuk, digital Sharia gold	1,000,000	Long-term preparation, passive accumulation for retirement at ages 55–60
Digital Sharia Gold	5–10 years	Pegadaian Sharia, e-mas, Lakuemas	100,000	Diversification and wealth value protection
Zakat/Charity/Infaq	Monthly (Ongoing)	Official ZIS institutions (Baznas, Dompot Dhuafa, Rumah Zakat)	100,000	Spiritual commitment and Sharia-based social responsibility

#### f. Target Timeline for Achieving Investment Objectives

Based on investment projections and simulations, the timeline for achieving Mr. KN's financial goals is designed with a realistic approach, taking into account the monthly surplus profile and sharia-based investment instruments. For emergency funds, with a total target of IDR 33 million within 12 months, a regular investment allocation of IDR 1,000,000 per month will accumulate around IDR 12 million. The remaining shortfall will be covered by existing savings, so that the target remains realistic without burdening short-term liquidity.

For umrah costs, the estimated requirement of IDR 40 million is targeted within a period of 4 years. With a monthly investment of IDR 1,000,000 in Sharia Fixed Income Mutual Funds and Savings Sukuk, and a conservative estimated return of 4-6% per year, it is projected that around IDR 52 million will be collected. This provides flexible room to adjust travel costs or include a spouse in the Umrah pilgrimage.

In the long term, children's education funds are one of the top priorities. With an estimated requirement of IDR 150 million in 10 years, and an investment allocation of IDR 1,200,000 per month in Sharia Stock Mutual Funds, the potential accumulated funds could reach around IDR 200-220 million, considering that this instrument has high growth potential in the long term. This projection has taken into account inflation in education costs and investment growth.

Finally, for retirement planning, it is important to clarify that Retail Sukuk (Sukuk Ritel issued by the Government of Indonesia) typically have a minimum purchase price of IDR 1,000,000 per unit, making them relatively accessible for gradual monthly investment allocations. Regarding asset classification, vehicles should be treated cautiously: although they are technically recorded as assets, in personal financial planning they are often considered depreciating assets or even quasi-liabilities because they incur ongoing costs (maintenance, fuel, insurance) and generally decline in value over time, unlike productive assets such as property or investment instruments. Therefore, in evaluating financial independence, only income-generating or appreciating assets should be emphasized, while vehicles should not be relied upon as a core component of long-term wealth accumulation.

This overall strategy is designed to maximize the potential for monthly surpluses without compromising current financial stability, and is in line with Sharia principles, namely sustainability (*istidām*), balance (*tawāzun*), and protection of wealth (*ḥifẓ al-māl*).

**Table 5.** Timeline for Achieving Investment Objectives

<b>Financial Goal</b>	<b>Estimated Required Funds</b>	<b>Target Timeframe</b>	<b>Monthly Investment</b>	<b>Estimated Funds Accumulated (± 5–8% p.a. ROI)</b>
Emergency Fund	IDR 33,000,000	12 months	IDR 1,000,000	IDR 12 million from surplus, remainder from existing savings
Umrah Fund	IDR 40,000,000	4 years	IDR 1,000,000	± IDR 52 million (returns from fixed income mutual funds + retail sukuk)
Children's Education	IDR 150,000,000	10 years	IDR 1,200,000	± IDR 200–220 million (returns from Sharia equity mutual funds)
Retirement Fund	IDR 300,000,000 – IDR 500,000,000	20 years	IDR 1,000,000	± IDR 450–600 million (accumulation of equity mutual funds + sukuk)

## **CONCLUSION**

Based on the results of a comprehensive financial analysis, client financial condition is generally very healthy and stable. A liquidity ratio of 5.45 months indicates readiness to deal with emergencies, while a savings ratio of 42.7% shows high financial discipline. Debt burden is minimal, with a debt-to-asset ratio of only 0.98% and no burdensome consumer debt. However, the proportion of investments to total net wealth is only 18.53%, which is still far from the ideal standard of 50% for future preparedness, such as children's education and retirement. This is a key area that needs improvement, given that investment is an important instrument in long-term wealth accumulation and a hedging strategy against inflation.

As a strategic recommendation, sharia investment allocation is divided into three time horizons: short, medium, and long term. In the short term, there is an allocation in emergency funds, so it is recommended to use Sharia Bank and Sharia Money Market Mutual Funds to maintain liquidity with very low risk. For medium-term goals such as umrah/hajj and early childhood education, the allocation is directed towards Sharia Fixed Income Mutual Funds and Savings Sukuk, which offer stable returns. Meanwhile, for long-term targets such as retirement funds and higher education, the proportion of investment needs to be increased through Sharia Equity Mutual Funds, Retail Sukuk, and Gold as more aggressive instruments. Regular additions to zakat and infaq allocations are also recommended as a form of purification of wealth and spiritual protection. All of these strategies are designed not only to optimize wealth growth, but also to maintain a balance between spiritual blessings and long-term financial resilience in accordance with the principles of maqashid al-syariah, particularly *hifz al-māl* (protection of wealth) and *istidām* (sustainability).

## **DECLARATION**

### **1. Author Contribution Statement**

Moh Shadam Taqiyuddin Azka contributed to conceptualization, methodology, data collection, data analysis, formal analysis, and writing the discussion section of the results. Rahma Salsabila contributed to data collection, reviewing the manuscript, and editing the final version.

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### **3. Data Availability Statement**

The data that support the findings of this study are available from the corresponding author upon reasonable request.

### **4. Declaration of Interest Statement**

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

**5. Additional Information**

No additional information is available for this paper.

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