Indonesian Millennials' Financial Behavior in Responding to the Cost of Hajj

Sulthonul Aulia[1], Darihan Mubarak[2]
[1]Indonesian International Islamic University, Indonesia
[2]Universitas Mulawarman, Indonesia
*Corresponding author: Sulthonul Aulia
Email: suthonul.aulia@uiii.ac.id

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Abstract: *This research explores how Indonesian millennials are responding to the significant costs of the Hajj pilgrimage and the financial strategies they employ to save up. The average waiting period for Hajj in Indonesia stretches to a prolonged 24 years, and this is made even more challenging by the increasing age of those currently registered, which effectively lengthens the wait time for younger, prospective pilgrims. This situation, combined with anticipated increases in historical costs and financial hurdles, may make it more challenging for future pilgrims to pay the initial deposit, potentially leading to even higher Hajj expenses in the future. Using a qualitative approach with thematic analysis, the study gathered primary data through semi-structured interviews with 11 Indonesian millennials. The findings reveal that all respondents find the total Hajj costs excessive, with the initial deposit presenting an opportunity cost for those earning below the minimum wage. A common trend, especially among low- to middle-income groups, is a preference for gold as an investment. High-income respondents are more proactive, aiming to cover the initial Hajj deposit in under five years by dedicating 10-15% of their income to specific Hajj savings. However, various financial obstacles prevent most respondents from achieving their financial goals for the Hajj pilgrimage. This study contributes to the development of a more inclusive and adaptive Hajj financial policy to the financial needs and behavior of the millennial generation in Indonesia.*

Introduction

The Indonesian Hajj Fund Management Agency (*Badan Pengelola Keuangan Haji*, BPKH) unveils a disconcerting reality in 2023: the average waiting period for Hajj has extended to a substantial 24 years, and a significant demographic shift is evident, with 75% of those on the Hajj waiting list being above 40 years old. The data presented by BPKH signals a pressing concern regarding the increasing duration individuals must wait before being able to undertake the sacred pilgrimage. The demographic shift toward an older age group in the Hajj queue suggests that accessibility challenges may be exacerbated for those who have waited for an extended period, possibly impacting their ability to fulfil this religious obligation within their lifetime. Amidst this situation, the millennial generation, expected to be affected by the prolonged waiting period, faces unique challenges in realizing their pilgrimage aspirations.

For the millennial generation, fulfilling the commitment to the Hajj pilgrimage requires competent financial management, particularly considering the projected future escalation of Hajj costs. The potential sustained increase in Hajj expenses is contingent upon various factors, including exchange rates, inflation, and adjustments to operational expenses. The cost of performing the Hajj pilgrimage over a decade (2014-2024) has witnessed a substantial 57.6% surge, with an average annual increase of 5.8%. Moreover, the cost of the regular Hajj pilgrimage for the year 2024 has been set at 93.4 million IDRs. The financial burden distribution indicates that the Hajj Pilgrims shoulder 56.04 million IDRs (60%). In comparison, the remaining 37.36 million IDRs (40%) is derived from the coverage of the benefit value managed by the Hajj Fund Management Agency. The Hajj cost has increased by 3.7% from the previous year, accompanied by a 6.24% rise in the proportion of the burden on Hajj pilgrims, while the benefit value from the fund has decreased by 2.84%.

Based on historical information indicating an average waiting period of 24 years and the potential future escalation of Hajj costs, as explained above, it is projected that the cost of Hajj will double over the next two decades. The inability of prospective Hajj pilgrims to manage their finances prudently may hinder them from making the initial deposit for the pilgrimage costs. Consequently, the anticipated future benefit value, capable of alleviating the financial burden on prospective Hajj pilgrims, diminishes, compelling them to incur higher expenses for performing the Hajj pilgrimage. Additionally, the millennial generation, aged between 28 and 42 years, represents a productive age group facing financial challenges in meeting the needs of their families. Therefore, the decision to allocate funds for the Hajj pilgrimage entails significant opportunity costs for this age group.

Studies on individual financial management related to Hajj have predominantly focused on preferences for saving in Islamic banks, as explored by Amalia & Setyono (2023), Rahmawati & Agustianto (2024), and Munir et al. (2024). Some research also specifically targets specific customer categories, such as Generation Y and Z (Khairanihisan et al., 2024) or student customers (Qowiyah & Asyharu, 2024). Additionally, discussions concerning Hajj finance emphasize the importance of financial literacy for Muslims in Indonesia (Sarka et al., 2024). While these studies provide valuable insights into various aspects of Hajj financial planning and saving behaviors, a noticeable gap remains in research that investigates explicitly the personal financial behavior of the Indonesian millennial generation in the context of Hajj in a Muslim-majority country like Indonesia. Current literature tends to generalize across generations or focuses on specific banking preferences, overlooking a detailed examination of the unique behavioral nuances of millennials in this significant financial and religious undertaking. This study aims to address this gap by focusing on understanding the specific financial behaviors and decision-making processes of Indonesian millennials concerning Hajj.

This study employs several theories to discuss the economic decisions of millennials in responding to Hajj costs and how to manage finances to meet the financial needs for performing the Hajj pilgrimage. Firstly, the life-cycle hypothesis by Modigliani (1966) posits that individuals aim to maintain a consistent standard of living over their lifetimes by either acquiring debt or selling assets during both early and late stages of life, when their income is limited, and saving during their peak earning years, when their income is substantial. Based on this theory, prospective Hajj pilgrims in their productive age, during the high-income period, can save more for future needs. Secondly, prospective pilgrims have various alternatives for managing their finances, such as saving through formal institutions in dedicated Hajj savings accounts, investing in instruments like stocks, mutual funds, or bonds, or purchasing gold as a hedge against inflation. The Behavioral Portfolio Theory (BPT), initiated by Shefrin and Statman (2000), explains individual behavior in determining priorities for portfolio needs within a pyramid scheme, featuring distinct layers with precisely defined objectives. Pilgrims, as investors, diversify their portfolios, including retirement funds, emergency funds, and future family decisions (Antony, 2020), or other specific goals, such as the financial requirements for the Hajj. Thirdly, individuals exhibit a heightened sensitivity to potential economic losses, as influenced by the way information is presented (Kahneman & Tversky, 1979). Applying the Prospect Theory framework, the substantial cost of Hajj can reshape allocation preferences, prompting individuals to opt for more urgent or financially feasible alternatives, such as performing Umrah.

Method

The primary objective of this research is to gain insight into how the millennial generation in Indonesian society responds to the costs associated with the pilgrimage to Mecca (Hajj) and to elucidate their financial management strategies aimed at facilitating this devotional responsibility. Employing a qualitative methodology with a narrative-interpretivist approach, the study utilizes thematic analysis that adheres to the guidelines of Virginia & Victoria (2022) to explore subjective constructs of truth and knowledge shaped by individual experiences and cultural contexts, as posited by interpretivism (Ryan, 2018).

This exploration is intricately tied to examining human agency, as emphasized by Bevir and Blakely (2018), necessitating the interpretation of meanings to connect beliefs, actions, and practices within the broader networks of significance. In addition, the research aims to unravel the complexities surrounding millennials' financial decisions about their religious pilgrimage, recognizing that their understanding is influenced by personal experiences, as well as cultural, psychological, and socio-economic factors. That is why this study emphasizes the importance of understanding individual experiences in conjunction with cultural, psychological, and socio-economic factors within the context of human agency.

The interview method adheres to Fujii's (2018) Relational approach, emphasizing a humanistic interaction between the researcher and the participants, guided by principles of reflexivity and ethics. The researcher initiates contact with potential respondents, conveying the study's objectives through an initial online questionnaire. Subsequently, interview appointments are scheduled after obtaining consent for further communication. The semi-structured interview process, which aims to address specific questions, is conducted via telephone or the voice note feature on the WhatsApp Messenger application, with an estimated duration of 20-30 minutes. The researcher ensures that the collected data maintains the confidentiality of all information obtained throughout the interview process. The interview guidelines are detailed in Appendix A.

The participants were selected using a purposive sampling method with the following criteria: a) Indonesian citizens born between 1981 and 1996, belonging to the millennial generation. (Strauss and Howe, 1992), b) Not falling into the pre-prosperous family category, c) Having financial decisions related to the Hajj pilgrimage. Additionally, the authors considered differences in participants' demographics, socio-economic status, gender, and geographic status to obtain diverse information and responses.

The determination of the sample adequacy in this study employed the saturation assessment approach. Guest et al. (2020) explained three essential elements that form the basis of data saturation adequacy in thematic analysis: base size, run length, and new information threshold. The lower the new information threshold, the less likely it is that an essential number of themes may still need to be discovered in later interviews if data collection stops when the threshold is reached. This study uses a base size of 10 and a saturation ratio of 5%. The exact number of interviews was determined based on the run length value from the saturation threshold value.

Results and Discussion

Demographic Status

A total of 11 respondents participated in this research. Data saturation has been achieved because there is no additional information that can be obtained regarding the financial behavior of millennials in viewing the cost of the Hajj. According to Guest et al. (2006), saturation data is used to ensure sample size. Table 1 describes the differences in their demographic status in terms of gender, age, number of children, estimated monthly income, occupation, and residence. All respondents have a married status, while the residence refers to the region where the respondents live according to their identity cards. Gender, occupation, and estimated monthly income status are considered factors in selecting respondents to provide different response variations based on their socio-economic conditions.

Table1. Characteristics of the Respondents

Name*	Gender	Age (years)	No of Children	Estimated Income/Month (In Million IDR)	Occupation	Residence
Dinda	Female	34	2	3.51 - 5	Private Employee	Bandung
Arumi	Female	34	2	<2	Private Employee	Indramayu
Fadhila	Female	36	3	<2	Freelance	Surabaya
Zainab	Female	35	3	<2	Freelance	Bandung
Kinan	Female	35	4	2 - 3.5	Private Employee	Sumedang
Rangga	Male	34	2	> 15	Private Employee	Bandung
Adit	Male	34	1	10 – 12	Private Employee	Bogor
Arshad	Male	34	4	8.5 – 10	Private Employee	Bandung
Danil	Male	34	2	5 - 6.5	Civil Servant	Subang
Muzaki	Male	34	0	12 – 15	Private Employee	Depok

Note*: Not a real name
Source: Interview data

Millennial Response to Hajj Costs

Most respondents were unaware of the total cost of the Hajj pilgrimage and the specific components that contributed to the cost increase. Those who believe the fees are high state that any increase should be accompanied by a reduction in the departure waiting period; for example, Rangga (34) noted a sizable increase of 12%, around six million IDR, from the previous year, and advocated a more moderate increase of 5-6%. At the same time, Alfian (38) considered the overall Hajj fund to be very high and wanted affordability to be greater as well. This was also the case for Arumi (34), who has a monthly income below the minimum wage. Some respondents understood the increase in Haj costs as a result of the need to adjust prices, exchange rates, and inflation, which justified the annual fluctuations in costs.

Respondents' opinions regarding the initial fund vary significantly. Those who have been saving for an extended period believe that an amount of 25 million Indonesian IDR is reasonable and has remained unchanged for quite some time. However, for individuals with moderate to low incomes, a substantial initial cost poses an opportunity cost against other allocations. For example, in comparison to saving for Hajj, even a nominal amount of one million IDR could already be used to purchase a motorcycle through installment payments, and similarly, acquiring a car with a longer tenure but immediate usability. Zainab (35) argues that the 25 million nominal is excessively high, suggesting that an ideal range would be between 10-15 million IDR to secure a Hajj quota, as the substantial initial fund serves as a disincentive for allocating funds towards the Hajj due to its perceived high cost. Moreover, Adit (34) contends that often the funds earmarked for Hajj needs are diminished or even non-existent due to family necessities and more pressing routine expenditures, making it challenging to accumulate the required initial fund of 25 million IDR. The authors present verbatim quotes from respondents regarding Hajj fees and initial Hajj funds, as shown in Table 2.

Table 2. Excerpts of Respondents on Hajj Fees and Hajj Initial Funds

No	Respondents	Descriptions
1	Rangga	“I also don’t know the detailed components, and those need to be explained so that the costs are clear and logical for the pilgrims. In my opinion, the increase this year, which even reaches 12%, is quite high compared to last year; for instance, an increase of 5-6% would still be reasonable.” Rangga
2	Alfian	“For individuals such as ourselves with fluctuating incomes, the cost of Hajj funds is rather high.” Alfian
3	Zainab	“In my view, for lower middle-class individuals, making the initial deposit can be challenging, while for upper middle-class individuals, having a monthly income of at least seven million makes it feasible, although it may take a considerable amount of time. In 2012, the required initial deposit at BSM for opening a Hajj account was 7 million, with an additional payment of 10 million or 5 million, as the cost of Hajj was approximately 40 million then.” Zainab

The estimated amount of contingency funds beyond the pocket money provided to pilgrims by the Hajj Financial Management Agency is based on information gathered from relatives or family members who have performed Hajj. Respondents believe that a pocket money of around six million IDR is sufficient to cover basic needs during Hajj. However, the amount varies depending on each pilgrim's activities, such as pilgrimage visits, purchasing gifts, or even buying items for resale upon their return to Indonesia. According to Adit, an adequate estimate for pocket money is 2-3 million IDR. At the same time, Rangga and Kinan

(35) suggest 10 million IDR, and Alfian argues for preparing 20% of the total cost paid by the Hajj pilgrim.

Regarding the duration of the Hajj waiting period, all respondents state that the average waiting time is approximately 24 years, which they deem excessively long. However, the waiting periods vary across provinces. Zainab states that when registering for Hajj, she feels that besides the factor of payment speed, the regional differences during registration have consequences for the waiting period; urban areas tend to have shorter waiting times compared to rural areas. All respondents express their commitment to preparing funds for Hajj, while those with estimated monthly incomes reaching at least 10 million IDR choose to modify their short-term goals by opting for Umrah first, as highlighted by Rangga, Adit, and Arshad (34).

The waiting period for Hajj is closely linked to the availability of Hajj quotas allocated by the Saudi Arabian government for each country and the total number of Hajj registrants. In Indonesia, 75% of prospective pilgrims in the Hajj queue are above the age of 40. Dinda (34) and Arshad argue that this phenomenon indicates the average age of financial stability in Indonesian society, highlighting that financial capability is one of the criteria for Hajj. Adit expresses that in his twenties, his financial goal was to accumulate funds for marriage expenses. As he entered his thirties to forties, the financial focus shifted towards ensuring sufficient funds for child development and education costs. Therefore, it is reasonable if individuals in their thirties still lack adequate funds for the Hajj. Furthermore, they are motivated by peers and family members who have performed the Hajj pilgrimage, inspiring them to pursue the same goal. The government also needs to emphasize restrictions on Hajj departure for pilgrims who have already performed the pilgrimage, so that Hajj quotas can be allocated to those who have not yet had the opportunity to undertake the pilgrimage, as conveyed by Muzaki (34).

Financial Behavior Related to Hajj

Respondents employ various strategies in preparing for their financial needs related to the Hajj pilgrimage. The majority of them utilize specialized Hajj savings accounts, while others optimize their investment portfolios by investing in gold, mutual funds, and stocks. The choice of a bank for a Hajj savings account is influenced by family recommendations (Zainab and Kinan), friends' suggestions (Adit), the desire to have savings in a Shariah-compliant bank (Rangga), and the accessibility factor of the bank branch (Danil, 34). All respondents who admit to having a dedicated Hajj savings account save with Bank Syariah Indonesia, one of the largest Islamic banks in Indonesia. This response also indicates the respondents' preference for using Islamic banks over conventional ones for Hajj financial preparation.

The commitment of Hajj pilgrims to adequately prepare the required funds is evident in their consistent savings practices. These pilgrims exhibit a range of percentage allocations from their total income, demonstrating diverse financial strategies. Adit, for instance, allocates 2-5% of his income, Muzaki and Zainab dedicate 10%, Rangga contributes 15%, and Dinda sets aside an impressive 30%. On the other hand, some respondents do not specify a particular percentage for their savings. Reflecting on their current financial capacities, Arshad expresses confidence in settling the 25 million IDR initial deposit within three to five years. Alfian envisions achieving this goal within a five-year timeframe, while Dinda targets a three-year timeframe. Kinan has a five-year plan, Muzaki aims to achieve it within two years, and Rangga is ambitiously targeting a six-month timeframe for the initial deposit. This diversity in saving strategies and timelines underscores the meticulous and individualized financial planning undertaken by each respondent to fulfill their Hajj aspirations.

The most commonly used investment instrument among respondents is gold. Muzaki and Kinan argue that gold holds a more stable value and is not eroded by annual inflation. Rangga and Alfian share a similar gold investment strategy, where they save initially and wait for opportune moments to purchase gold when prices are lower. In contrast, Fadhila (36) and Zainab buy gold at specific times and plan to sell it when settling their Hajj expenses. For Zainab, gold serves as an investment instrument, which she initially acquired as part of her dowry at marriage.

Additionally, liquidity is a factor influencing their decision to choose this investment instrument. Some respondents express a desire to diversify their portfolios with stocks and mutual funds. However, they acknowledge a lack of sufficient knowledge, indicating the need for further education in these areas. The authors present verbatim quotes from respondents regarding their Hajj financial behavior, as shown in Table 3.

Table 3. Excerpts of Respondents on Hajj Financial Behavior

No	Respondents	Descriptions
1	Dinda	"30% of the earnings have been set aside for Hajj savings; however, the funds are stored in a personal account rather than a dedicated Hajj account." Dinda
2	Adit	"After getting married and having financial security and support from my wife, we decided to open a Hajj savings account, ensuring a portion of our income was set aside each month to prevent unnecessary spending. Typically, it constituted approximately 2-5% of my overall earnings, but I increased the amount as my income grew." Adit
3	Rangga	Currently, I allocate a portion of my earnings - 35% for living expenses (daily needs, children's schooling, electricity), 30% for mortgage debt, and the remaining 35% (25% for stocks and 10% saved as emergency funds). At times, I invest the 10% into buying gold when the prices are low, usually towards the end of the year, not on a monthly basis." Rangga

Several factors inhibit the fulfillment of financial needs for Hajj, including the inadequacy of resources for other essential priorities, such as emergency funds, housing loans, and children's education expenses. Danil shares an experience of using emergency funds to settle housing loans and child-related expenses. This condition becomes a reason for the delayed allocation of savings for other purposes, such as the Hajj. Muzaki makes another statement, mentioning that he and his wife plan to prioritize allocating their long-term Hajj savings for their pregnancy program. Additionally, Fadhila faced the reallocation of savings when planning to have children, necessitating the postponement of her Hajj target.

The Hajj financing program becomes an option for prospective pilgrims who do not want to endure a lengthy waiting period. Through this program, pilgrims receive financing facilities from financial institutions, subsequently obtaining a Letter of Registration for Hajj Departure that covers the Costs of implementing the Hajj Worship (BIPIH). The majority of respondents are not interested in this Hajj financing program for several reasons. They view the Hajj as obligatory for those with financial means, and incurring debt does not align with demonstrating that financial capability. Additionally, they express reluctance due to concerns about accumulating debt, fear of being unable to meet installment payments, and the worry of leaving debts behind in the event of their passing. Dinda shares her experience with an offer for the Hajj financing program from a financial institution. Upon calculating the total debt, including the margin, it turns out to be nearly twice the original loan amount, leading her to lose interest in participating in the program.

Discussions

To classify respondent responses, this study employs the Life-Cycle Hypothesis Theory and Behavioral Portfolio Theory, with parameters based on monthly income levels, saving activity status, and investment instrument diversification status. Income less than 3.5 million IDR falls into the low-income category, 3.5-8.5 million IDR is classified as middle income, and greater than 8.5 million IDR is considered high income. Saving activity is determined by respondents who express their intention to allocate a portion of their income for the financial needs of the Hajj. The diversification status of instruments indicates whether respondents have investment instruments beyond savings used to achieve financial goals. The classification of respondent responses based on financial criteria is presented in Table 4.

Group	Criteria	Hajj Cost	Hajj Initial Deposit	Saving Behavior	Investment Behavior	Financial Obstacles
I	Low income, not actively saving, and an undiversified investment instrument	The Hajj cost is considered too expensive	Opportunity cost is too high compared to other needs	Not having a specific account for Hajj	Lack of portfolio allocation planning	Have no fixed income, leading them to feel no need for systematic financial planning.
II	Low income, not actively saving, diversified investment instrument	The Hajj cost is considered too expensive	The initial funds are still affordable, even though it takes quite a long time.	Creating a Hajj account when their investment funds are sufficient	Investing in gold for the long term	Occasionally, gold is sold for urgent needs such as childbirth expenses and children's needs.
III	Low income, actively saving, diversified investment instrument	The Hajj cost is considered too expensive; hoping it will decrease to around 10-15 million	The initial funds are still affordable, even though it takes quite a long time	There is a regular allocation for Hajj savings, although the amount is not fixed	Investing in gold for the long term	Allocation for children's education and development is prioritized first.

IV	Middle income, not actively saving, diversified investment instrument.	The Hajj cost is considered too expensive.	The initial funds are still affordable, even though it takes quite a long time.	Have a Hajj savings account, but are not actively saving because there are more urgent needs.	Investing in mutual funds, but the amount is not significant	Allocation for mortgage installments and children's education is prioritized
V	Middle income, actively saving, diversified investment instrument	The Hajj cost is considered too expensive	The initial funds are still affordable, even though it takes more than five years.	When there is additional income, 2-5% is set aside to buy gold	Investing in gold for the long term and in the capital market	When there are urgent needs with a significant amount, the funds that should be saved are used for other allocations
VI	High income, actively saving, diversified instruments	The reasonable increase in costs borne by pilgrims is according to inflation or a maximum of 5-6%, not reaching double digits	The initial funds are still affordable and can be paid off within a maximum of five years	Actively setting aside (10-15%) of income for Hajj savings, some using the auto-debit feature	Optimizing investments in the capital market and the appreciation of gold assets to expedite the financial needs of the Hajj	Emergency funds are sufficient to address sudden financial needs.

The classification based on financial criteria divides respondents into six groups. Group I consists of respondents with low income, who are not actively saving and do not have diversified investment instruments. This group perceives the total cost of Hajj as too high, including the initial amount required for obtaining a Hajj quota. They prefer to invest in other assets to increase productivity and generate additional income rather than saving for the Hajj. Therefore, it is understandable that they do not have a Hajj account and invest in instruments beyond savings, as they do not feel any urgency for a specific financial goal, such as Hajj. Respondents in this group may not see an obligation to perform Hajj as their monthly income is still at the minimum wage level.

In contrast to Group I, respondents in Group II, although not actively saving, have reliable investment instruments for both emergency funds and specific allocations, such as

Hajj needs. They rely on investment instruments such as precious metals, which will be sold when needed. They would open a Hajj account not for regular savings but to convert their investment returns. However, urgent family needs may hinder the realization of their Hajj aspirations.

In Group III, respondents actively save a portion of their income, with the percentage varying depending on the unused funds. This group is sensitive to financial calculations related to Hajj funds. Based on their financial capacity, the Hajj fund should be less than 10-15 million IDR of the total Hajj cost in 2024. Similar to Group II, Group III relies on gold as a preferred investment instrument. Potential financial challenges hindering the achievement of Hajj financial goals include expenses for child development and education.

Respondents in Groups IV and V fall under middle-income criteria. Both groups have already managed investment instruments for specific financial goals. The difference lies in Group IV, which does not engage in regular saving activities and cannot guarantee ownership of funds to cover the initial Hajj costs. Group V can estimate the achievement of these funds within five years. Additionally, Group V has invested in the capital market, which carries higher risks and return expectations compared to savings.

In contrast to groups II and III, which are conservative, group V is aggressive in managing its income. The maximum allocation for saving for Hajj purposes from income is 5%. However, if there is an urgent need for a significant amount, the funds intended for Hajj may be hindered.

The criteria for respondents in Group VI are high income, actively saving for Hajj, and having more diversified investment instruments. Despite having relatively higher income compared to other groups, they expect the total cost of Hajj not to significantly exceed inflation or even reach double digits, like the increase in Hajj costs in 2024. They are confident in paying the initial fund within five years based on their current financial capacity. Moreover, they have measurable targets to allocate 10-15% of their income for Hajj fund needs. Investment instruments, such as stocks and gold, can help accelerate the achievement of these financial goals. There are no significant financial constraints for respondents in this group. From a financial psychological perspective, there is no conflict between their needs and their religious commitment, making it easier for this group to allocate their money for the Hajj.

The high cost of Hajj influences the decisions of respondents with estimated incomes of less than 3.5 million IDR. They argue that setting a target for Umrah is more realistic than forcing themselves to save for Hajj with a substantial initial deposit and a long waiting period, considering the potential increase in Hajj costs in the future. This financial consideration aligns with Prospect Theory, which states that people demonstrate heightened sensitivity to potential financial losses, influenced by how information is presented. This conclusion aligns with the findings of Funfgeld and Wang (2017), who stated that variations in financial behavior among individuals play a crucial role in predicting their risk and time preferences.

The classification of respondents based on income levels aligns with and extends the recommendations provided by Zulaihati and Widyastuti (2020) for a comprehensive understanding of household financial behavior in Indonesia. Building on their suggestion to explore further research by combining specific income groups with their financial behaviors, our study categorizes respondents into distinct groups. Groups II-IV primarily invest in gold, emphasizing a relatively stable and secure financial approach. On the other hand, respondents in Groups V and VI exhibit a reliance on investments with higher risks, reflecting a more dynamic and potentially rewarding financial strategy. This classification sheds light on how different income groups adopt diverse financial approaches, contributing valuable insights to exploring financial behaviors within specific income brackets.

Furthermore, the majority of respondents' reluctance to utilize the Hajj financing program indicates that this initiative may not be beneficial to millennials who are still in their productive years and do not face time constraints. The study's findings align with the perspective presented by Farid (2019), asserting that the garbage can method employed by financial institutions to offer financing may not entirely address the issue of the prolonged Hajj waiting period. This suggests that the conventional approach taken by financial institutions in providing Hajj financing does not fully resonate with the preferences and needs of millennials, who may seek alternative and more efficient solutions to overcome the challenges associated with the extended waiting time for the Hajj pilgrimage.

Conclusion

The study's findings reveal a unanimous perspective across all respondent groups, emphasizing the perceived exorbitance of the overall Hajj expenses. The considerable initial deposit of 25 million IDRs presents a formidable challenge, particularly for individuals whose incomes fall below the minimum wage, imposing a significant opportunity cost. Notably, a prevailing trend among respondents, especially in the low to middle-income group, is their reliance on gold as a preferred investment instrument. On the other end of the spectrum, respondents categorized as high-income, actively saving, and diversified instrument users exhibit a proactive approach, with estimates indicating the potential to settle the initial Hajj deposit within five years or less. These individuals allocate a significant portion of their income, 10-15%, to dedicated Hajj savings. However, it is noteworthy that respondents in the high-income category, apart from those in group VI, encounter diverse financial obstacles that pose distinct challenges, acting as impediments to realizing their financial aspirations for fulfilling the Hajj pilgrimage.

Despite providing valuable insights into the financial behaviors of Indonesian millennials preparing for the Hajj pilgrimage, this study acknowledges several limitations. The findings may be confined to the studied millennial population, born between 1981 and 1996, raising concerns about their applicability to diverse age groups and cultural contexts. While facilitating in-depth comprehension, the qualitative, narrative-interpretivism approach introduces subjectivity and may compromise objectivity. Variabilities in economics, geography, and socio-economic factors within Indonesia may not be fully encapsulated, and the study's focus on a specific time frame might overlook evolving economic conditions. The study cautions against a hasty interpretation of the results, emphasizing the need for future research to comprehensively address these limitations by incorporating broader demographic inclusion to gain a deeper understanding of financial behaviors in the context of Hajj pilgrimage obligations.

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