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## **ANALYSIS OF FACTORS AND INCOME LEVEL OF LIFESTYLE BASED ON SHARIA PERSPECTIVE**

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### **ABSTRACT**

Lifestyle is something that cannot be separated from people's lives because without realizing it, the association, environment, and habits of the people around us will greatly affect our lifestyle. The factor that greatly influences our lifestyle is income that a person has. If a person's income is large, that person can buy expensive goods compared to those who have relatively low incomes. A person's income will affect the level of consumption. The higher the income, the more goods or services it needs. Conversely, the less income, the less the amount of goods and services needed. Factors that influence lifestyle are reference groups are groups that have a direct or indirect influence on a person's attitudes and behavior, social class is a group that is relatively homogeneous and lasts a long time in a society, which is arranged in a hierarchical order, and members in each level has the same values, interests, and behavior. Two main elements in the social system of class division in society, namely position and role, culture includes knowledge, beliefs, arts, morals, laws, customs, and habits acquired by individuals as members of society. The lifestyle recommended by Rasulullah SAW is modest and simple. Modest in demeanor, and dress, and not excessive in buying food, and do not forget to set aside (give away) some of the assets we have to our less fortunate relatives. A hedonic lifestyle is something that is prohibited in Islam. If we buy clothes, we should dress neatly and naturally. If we eat, buy healthy food and just enough, don't overdo it. We are also prohibited from using anything to boast.

**Keywords:** Income, Lifestyle, Islam

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## A. INTRODUCTION

Every person or community has a scale of needs that is influenced by income. The condition of a person's income will affect the level of consumption. The higher the income, the more goods consumed. Conversely, the less income, the less the amount of goods consumed. If consumption is to be increased while income remains constant, savings are forced to be used as a result savings are reduced. Likewise the ability to invest, if the interest rate is high then people are motivated to save more and reduce consumption. Conversely, when the interest rate is low, people tend to increase consumption. In countries that are already developed and well-established in the economic field, a high amount of consumer household consumption expenditure is not a problem because it is also supported by high individual income. However, in a developing country like Indonesia, which is an agricultural country where most of the population's income comes from the agricultural sector, sometimes the high amount of consumer household consumption expenditure is not balanced with the low amount of individual income. Indonesian people tend to have low incomes while spending on their daily consumption is quite high, causing many people to live in poverty. (Kartica, 2010).

The consumptive lifestyle of people in Indonesia is increasing, supported by various conveniences to own luxury goods. Advances in technology make it easier for people to get credit facilities. There are many credit card offers in shopping centers with promises of ease of application without adequate consideration in assessing the paying ability of prospective customers. Even using a credit card has become a trend of urban life. Many urban people who belong to the lower economy but have more than one credit card. The incompatibility of the economic background with credit card issuance also causes credit card owners to practice digging holes after closing holes, paying one credit card bill by increasing the debt on another credit card. (Djumena, 2011).

Consumption is the total expenditure to obtain goods and services in an economy within a certain period of time. Consumption expenditure is the main component of the Gross National Product, therefore the main attention needs to be paid attention to and focused on the analysis of the factors that determine consumption expenditure. Particularly for household consumption expenditure, the most determining factor is the level of household income. The higher the household or community income as a whole, the higher the level of consumption. (Suyuti in Masagus, 2007:5).

Keynes argued that household consumption expenditure is

strongly influenced by the amount of National Income, which means that household consumption expenditure will increase professionally if there is an increase in national income. The increase in household consumption expenditure is always smaller than the increase in income. The magnitude of the increase in consumption spending depends on the people's desire for a variety of consumption, which is called the propensity to consume. (Guritno, 1984:19).

According to Friedman and Modigliani, individuals will obtain higher satisfaction if they can maintain a stable consumption pattern than if they have to experience increases and decreases in their consumption. But Modigliani continued by stating that people will try to stabilize their level of consumption throughout their lives and also consider the important role of wealth or assets as a determinant of consumption behavior.

The needs of human life are increasing and increasing following the movement of time. Basic human needs which include primary, secondary and tertiary needs must be fulfilled for human survival. The allocation of household needs can be seen based on household expenditure which consists of food and non-food expenditures. Even though there are price differences between regions, the value of household expenditure in general shows differences in the level of welfare of the population between provinces. Consumption expenditure includes spending on food, clothing, housing and various goods and services as well as other needs. Food consumption consists of rice, side dishes, fruits, oil, sugar, cigarettes and others. Clothing consumption consists of clothes, shoes, sandals, socks and others. Consumption for housing includes house rent, lighting costs, house maintenance costs and fuel (including charcoal and firewood) and others. Consumption of various goods and services consists of costs for education, transportation, health, durable goods and others. While for other consumption, namely for television tax, vehicle tax, land and building tax and social and other funds that have not been listed (Andrianni in Dian, 2007: 3).

Primary human needs consisting of food, clothing and shelter are the main needs that must be met in order to live a normal life. If these needs cannot be met satisfactorily then this is an indication that the person is still living below the poverty line. Meanwhile, secondary and tertiary needs, including household furniture, television, radio, bicycles, cars and so on, are only complementary needs in line with the increase in income levels. To meet all the needs of everyone's life, a person must have income so that it can be fulfilled until the level of welfare is reached.

A person or a household will continue to increase the proportion of food consumption in proportion to the level of increase in income it receives. Up to a certain limit, additional income will no longer cause an increase in the amount of food consumed because basically human needs for food have a saturation point. So there is a tendency that the higher a person's income, the lower the percentage of income spent on food. Therefore, the composition of household expenditure can be used as a measure to assess the level of economic welfare of the population, with the assumption that a decrease in the percentage of expenditure on food to total expenditure is a reflection of the improving level of the population's economy (Purwaningsih in Dian, 2007:3).

The amount of public consumption (level of public consumption) reflects the level of prosperity of the community, meaning that the higher the level of public consumption, the higher the level of prosperity. Public consumption behavior can reflect the level of welfare of the people in an area and can affect changes in economic activity in a country. Public consumption expenditure is one of the macroeconomic variables, in the national income identity according to the expenditure approach, the consumption variable is denoted by the letter C from the initial word consumption. A person's consumption expenditure is the part of his income that is spent. If the consumption expenditures of all people in a country are added up, the result is the consumption expenditure of the people of that country (Dumairy, 1997: 114).

A person's income is one of the factors that greatly influences consumption activities, because consumption is directly proportional to income. The higher the income a person receives, the greater the expenditure used for consumption. Likewise with savings behavior, if a person's income increases, both consumption and savings will increase equally, but this applies to people with a relatively well-established economic life. The rate of economic growth that changes from year to year also influences the consumption expenditure that will be carried out by the community and the rapid development of technology also influences people's attitudes and behavior in consuming.

The amount of income received by a household can describe the welfare of a society. Although accurate income data is difficult to obtain, actually through household expenditure data which consists of food and non-food expenditures, it can describe how residents allocate their household needs. Even though prices are different between regions, the value of household expenditure can still show differences in the level of welfare of the population between regions,

especially from an economic perspective. The consumption pattern of the people really depends on the source of household income. The higher the household income, the more needs they will fulfill. And when viewed by Regency/City, all urban areas have an average above the average expenditure in the district area. The high average spending in urban areas is partly due to the higher income of urban residents and no less important is the lifestyle which tends to require secondary expenses. Apart from that, the price effect is relatively higher than in the regency area.

## **B. PROBLEM FORMULATION**

1. What is the relationship between income and lifestyle?
2. What are the factors that influence lifestyle?
3. Islamic views on the relationship between income and lifestyle?

## **C. THEORETICAL STUDY**

### **1. Income**

Definition of Income (income)

The definition of income according to Reksoprayitno is the total money received by a person or company in the form of salaries, wages, rent, interest and profits, including various allowances. John J. Wild explains income according to economics as the maximum value that can be consumed by someone in a period by expecting the same state at the end of the period as the original state. The conclusion from the opinion of the two experts is that income is an amount of money received by individuals within a certain period of time with a certain amount. Some of the things that affect the level of income include: Type of work, monthly income, suitability of public knowledge about consumption behavior. (M. Umar, Chapra, 1999:302)

There are several factors that affect consumption. Among them Keynes stated that consumption is influenced by disposable income. Disposable income used for saving is income that remains because it is not used up for consumption. Indirectly, people's savings are determined by the amount of income earned and also the amount of consumption used. (M. Umar, Chapra, 1999:198)

In the Big Indonesian Dictionary, income is the result of work (business or so on). (KBBI, 1998:185). A person's income can also be defined as the amount of revenue valued in units of currency that a

person or a nation can generate in a certain period. Reksoprayitno defines: "income (revenue) can be interpreted as the total revenue earned in a certain period". Thus it can be concluded that income is the amount of income received by members of the community for a certain period of time as remuneration or factors of production that have been donated. (Reksoprayitno, 2004:79) The level of income is determined by the ability of factors of production in producing goods and services. If the ability of the factors of production to produce goods and services, the greater the income that will be generated.

## 2. Lifestyle

- Lifestyle

Lifestyle is a picture for everyone who wears it and describes how much the person's moral value is in the surrounding community.

- Definition of Lifestyle

According to Adler, as explained by Misbahun Nadzir, lifestyle is a unique way of each person in striving to achieve specific goals that have been determined by that person in a particular life where he is. Lifestyle has been formed at the age of 4-5 years, this lifestyle is not only determined by intrinsic abilities (heredity) and the objective environment, but is formed by children through their observations and interpretations of both (Misbahun Nadzir, 2015: 586).

Meanwhile, according to Plummer in a book authored by Sutisna that lifestyle is an individual's way of life which is identified by how people spend their time (activity), what they consider important in their life (interest) and what they think (Sutisna, 2002: 145) .

Furthermore, in a book written by David Chaney that "lifestyle is a pattern of action that distinguishes one person from another". (David Chaney, 2003:40).

Meanwhile in Susanto's book entitled Portraits of a metropolis lifestyle he says:

*"Lifestyle is a combination of culture of self-expression and expectations of someone in acting based on the norms that apply."* (Susanto, 2001:120)

Lifestyle according to Engel, Blackwell and Miniard in the Sari Listyorini Journal, is defined as a pattern in which people live and use money and time. Lifestyle is a newer concept and

more easily measured than personality. (Sari Listyorini, 2012:14)

From some of these explanations it can be concluded that lifestyle describes a person's behavior, how he lives, uses his money and uses his time in everyday life, which has been formed since the age of 4-5 years. Lifestyle distinguishes one person from another.

- Various Lifestyles

In the modern world, lifestyles help define attitudes, values, and indicate one's wealth and social position. The kinds of lifestyles that are summarized in Dwi Kresdianto's thesis include:

- 1) Independent Lifestyle,
- 2) Modern Lifestyle,
- 3) Healthy lifestyle,
- 4) hedonic Lifestyle,
- 5) free Lifestyle,
- 6) Frugal Lifestyle.

Based on the six points of the various lifestyles, it can be explained that an independent lifestyle is the ability to live without absolute dependence on others, for that it is necessary to be able to recognize one's own strengths and weaknesses, as well as strategize with these strengths and weaknesses to achieve goals.

While modern lifestyle is a term that is often used to describe a lifestyle that is loaded with technology and sophistication. Technology plays a very important role in streamlining everything we do, both in the present and in the future, with one goal, namely achieving maximum efficiency and productivity, in this modern and practical era, demanding that people not be left behind in all things.

A healthy lifestyle is a simple choice that is very appropriate to carry out, living with a healthy diet, thoughts, habits and environment, healthy in the basic sense of the word is that everything we do gives good and positive results.

In contrast to the hedonic lifestyle whose activities are to seek the pleasures of life, such as spending more time outside the home, playing more, enjoying city crowds, liking buying expensive things that are liked, and always wanting to be the

center of attention, as Franz Magnis Suseno explains, Hedonism is a view of life that assumes that people will be happy by seeking as much happiness as possible and avoiding painful feelings as much as possible. (Franz Magnis Suseno, 1987:114)

In line with a free lifestyle that reflects a way of life by following the will of the heart without being bound by the rules that apply in society, a free lifestyle is very good for its adherents. While a thrifty lifestyle is living according to ability but in the sense that it is not an extravagant life.

### 3. Factors Affecting Lifestyle

There are two factors that influence a person's lifestyle, namely factors that come from within the individual (internal) and factors that come from outside (external).

- Internal factors

The weakness of one's religious beliefs also influences the behavior of some people who admire mere pleasure and rah-rah, one's spirituality becomes a benchmark in everyday life. In the thesis compiled by Habibah it was stated that the internal factors that influence lifestyle are as follows:

- 1) Attitude,
- 2) Experience and observation,
- 3) Personality,
- 4) Self concept,
- 5) Motives, and
- 6) Perception. (Habib, 2014:15)

Attitude means a state of mind and a state of mind that is prepared to respond to an object, through experience and directly influences behavior. The state of the soul is strongly influenced by traditions, habits, culture and social environment. While Experience and Observation can influence social observation in behavior, experience can be obtained from all past actions and can be learned, through learning people will be able to gain experience, the results of social experience will be able to shape views of an object.

Personality is more often described in terms of traits that can be measured and demonstrated. Personality affects a person's self-concept and how an individual perceives himself will affect interest in an object, and motives are impulses in humans that arise because



of the needs that humans want to fulfill, motives come from Latin which is defined as the strength contained in self that drives to do.

Individual behavior arises because of the motive of the need to feel safe and the need for prestige. If a person's motive for the need for prestige is large, it will form a lifestyle that tends to lead to a hedonic lifestyle. And Perception is a process that involves the entry of messages or information into the human brain. One's perception to select, organize, and interpret information and form a meaningful picture of the world is a tangible process of what the individual has received through the senses.

- External Factors

The external factors as in Dwi Kresdianto's Thesis are as follows:

- 1) Reference Group,
- 2) social Group,
- 3) Culture, and
- 4) Family.

From these four points it can be explained that the reference group is a group that has a direct or indirect influence on a person's attitude and behavior. Groups that give direct influence are groups where the individual is a member and interact with each other, while groups that give indirect influence are groups where the individual is not a member of the group.

Social class is a relatively homogeneous and enduring group in a society, which is arranged in a sequence of levels, and members in each level have the same values, interests, and behaviors. Two main elements in the social system of class division in society, namely position and role. In Dwi Narwoko and Bagong Suyanto's book, it is explained that the lifestyle displayed by one social class to another is in many ways different, in fact there is a tendency for each class to try to develop an exclusive lifestyle to differentiate itself from other classes. In contrast to the lower social class who generally behave conservatively in the field of religion, morality, clothing tastes, food tastes and so on. (Dwi Narwoko and Bagong, 2007:183)

Culture includes knowledge, beliefs, arts, morals, laws, customs and habits acquired by individuals as members of society. As well as in Abu Ahmadi's book that: The family plays the biggest and longest role in shaping individual attitudes and behavior. The

family is a very important container between individuals and groups, and is the first social group. (Abu Ahmadi, 2007:108)

#### **D. RESULT AND DISCUSSION**

##### **1. Income Relationship Analysis With Lifestyle**

The definition of income is the amount of money received by an individual within a certain period of time with a certain amount of the work or business he does. The level of income is determined by the ability of these factors to produce sales of goods and services to generate profits. If the ability of the factors of production to produce sales of goods and services is high, the greater the income gain that will be generated. Revenue growth is an important indicator of revenue from the production of sales of products and services. Consistent income growth, as well as profit growth, is very important for income received for stability in income receipts for consumption and life needs.

Lifestyle is a person's behavior, how he lives, uses his money and uses his time in everyday life, lifestyle distinguishes one person from another. While modern lifestyle is a term that is often used to describe a lifestyle that is loaded with technology and sophistication. In this modern and practical era, people are demanding not to be left behind in all things. As we know that now many people spend time outside the home, playing, like to buy expensive things, take vacations. Today's lifestyle is following the will of others without or free lifestyle.

Personality is more often described in terms of traits that can be measured and demonstrated. Personality affects a person's self-concept and how individuals see themselves will affect interest in an object, and motives are drives in humans that arise due to needs that humans want to fulfill.

Individual behavior arises because of the motive of the need to feel safe and the need for prestige. If a person's motive for the need for prestige is large, it will form a lifestyle that tends to lead to a hedonic lifestyle.

Lifestyle is something that cannot be separated in people's lives because without realizing it, the association, environment, and habits of the people around us will greatly affect our lifestyle. The factor that greatly influences our lifestyle is the income that a person has. If a person's income is large, that person has the ability to buy expensive goods compared to those who have a relatively low income.

A person's income will affect the level of consumption. The higher the income, the more goods or services it needs. Conversely, the less income, the less the amount of goods and services needed.

2. What are the factors that influence lifestyle

Reference groups are groups that have a direct or indirect influence on a person's attitudes and behavior. Groups that give direct influence are groups where the individual is a member and interact with each other, while groups that give indirect influence are groups where the individual is not a member of the group.

Social class is a relatively homogeneous and enduring group in a society, which is arranged in a sequence of levels, and members in each level have the same values, interests, and behaviors. Two main elements in the social system of class division in society, namely position and role. In Dwi Narwoko and Bagong Suyanto's book, it is explained that the lifestyle displayed by one social class to another is in many ways different, in fact there is a tendency for each class to try to develop an exclusive lifestyle to differentiate itself from other classes. In contrast to the lower social class who generally behave conservatively in the field of religion, morality, clothing tastes, food tastes and others. (Dwi Narwoko and Bagong, 2007:183)

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3. Islamic Views In The Relationship Between Income And Lifestyle

Islam is a balanced religion. Islam urges humans to act fairly and not to transgress limits, because anything that exceeds limits is bad. In fact, Muslims are called Ummata Washtha which means the people who are in the middle. Allah recommends to think about income and expenses in a balanced way.

It means: *"give to the close families their due, to the poor and the traveler and do not squander (your wealth) extravagantly."* (QS Al-Isra: 26)

*"Indeed, those spendthrifts are the brothers of the devil and the devil is very disobedient to his Lord."* (QS Al-Isra: 27)

From the verses listed above, we can understand that God wants us to spend what we have fairly. Reasonable in this case can

be interpreted as not wasteful (excessive) but also don't be too stingy or stingy so that we don't fulfill our basic needs.

The lifestyle advocated by Rasulullah is a modest and simple lifestyle. Modest in behavior, dress, and not excessive in buying food, and don't forget to set aside (give charity) some of the wealth we have to our less able brothers.

A hedonic lifestyle is something that is prohibited in Islam. If we buy clothes, we should dress neatly and naturally. If we eat, buy healthy food and just enough, don't overdo it. We are also prohibited from using anything with the intention of boasting.

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