

A CONCEPTUAL STUDY ON RELIGION, PHYSICAL LIFE, KNOWLEDGE, FAMILY AND WEALTH TOWARDS DECISION IN ESTATE PLANNING: QUALITATIVE APPROACH

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Abstract: Estate planning involves making plans for the transfer of estate after death. The estate includes cash, clothes, jewellery, cars, houses, land, retirement, investment, and savings accounts. This conceptual study examines the interplay of religion, physical life, knowledge, family dynamics, and wealth management in shaping estate planning decisions. Estate planning, traditionally viewed through legal and financial lenses, is deeply influenced by faith-based principles, particularly in religions like Islam and Christianity. Under Shariah law, inheritance mandates (e.g., fixed shares for heirs via Faraid) and obligations like Zakat (mandatory almsgiving) dictate asset distribution, while Islamic trusts (Wasiyya) and lifetime gifts (Hibah) harmonize spiritual duties with wealth preservation. Similarly, Christian stewardship principles emphasize charitable giving and ethical wealth management, framing assets as divine trusts. Family dynamics including complex structures like blended families—introduce challenges in balancing individual needs with collective harmony, often requiring mediation to resolve conflicts over asset allocation. Concurrently, knowledge gaps in estate planning tools (e.g., trusts, tax-minimization strategies) hinder effective wealth transfer, underscoring the need for financial literacy to prevent disputes and optimize legacy outcomes⁴⁶. Wealth levels further

dictate strategy complexity, with high-net-worth individuals leveraging trusts and philanthropic vehicles to align distributions with religious or familial values. Physical life considerations, such as health and mortality awareness, drive urgency in planning, particularly for healthcare directives and dependent care. The study synthesizes these factors into a holistic framework, arguing that effective estate planning must reconcile spiritual mandates, family equity, financial acuity, and personal well-being to ensure ethical, sustainable legacies. Challenges like regulatory gaps in faith-based compliance and 跨 generational communication barriers are highlighted, advocating for interdisciplinary approaches integrating legal, religious, and psychosocial insights. More than 90 per cent of Malaysians have not made a will as estate planning is not widely practiced. Among the reasons are procrastination and lack of urgency. Several reasons, including beneficiary ignorance, the expense of estate planning, regulatory restrictions, and the conviction that proactive planning is superfluous, are blamed for this lack of participation in estate planning. Difficulties in the management process have also arisen from the Islamic estate administration process's shortcomings and delays, including the unpredictability of property distribution among heirs. As a result, there are a lot of assets that have gone unclaimed, neither trust funds nor will have been created, and there isn't much involvement in Islamic estate planning. They believe that only the rich need a will and they have to build up wealth before writing a will. This conceptual study explores how Maqasid al-Shariah principles can be applied to determine what factors influence estate planning decisions in Malaysia. This study lays the groundwork for future inquiries and interventions in this area by examining the complex interplay between Islamic jurisprudence and estate planning choices.

Keywords: *estate planning, Maqasid al-Shariah, Islamic jurisprudence*

Introduction

Estate planning, traditionally viewed as a legal and financial process, is increasingly recognized as a deeply personal endeavor influenced by a myriad of factors extending beyond mere asset distribution. This conceptual study explores the multifaceted influences of religion, physical life, knowledge, family dynamics, and wealth on estate planning decisions, particularly within the context of Islamic estate planning. While estate planning encompasses financial planning and wealth distribution⁴, its effectiveness hinges on a holistic understanding of individual values and circumstances.

Religion, particularly in Islam, plays a significant role through principles like Faraid (fixed inheritance shares), Wasiyya (Islamic wills), and obligations such as Zakat (obligatory charity)¹. These religious tenets often guide individuals in ensuring their estate plans align with their spiritual beliefs and moral obligations. However, a lack of understanding and knowledge of Islamic estate planning strategies can be a barrier to effective planning¹.

Furthermore, physical life considerations, such as health status and mortality awareness, introduce a sense of urgency in planning, prompting individuals to address healthcare directives and provisions for dependents³. Family dynamics, including blended families and potential conflicts, also significantly shape estate planning decisions, requiring careful consideration to ensure equitable distribution and minimize disputes. Wealth levels, ranging from modest savings to substantial assets, dictate the complexity of estate planning strategies, with high-net-worth individuals often utilizing trusts and philanthropic vehicles.

This study aims to synthesize these diverse factors into a comprehensive framework, arguing that effective estate planning necessitates a reconciliation of spiritual values, family harmony, financial literacy, and personal well-being. By examining the interplay of these elements, this research seeks to provide insights into the complexities of estate planning and to promote a more holistic and values-based approach to legacy creation.

Estate planning is one of the components of personal financial planning (Kamarudin & Nor Muhamad, 2018). Estate planning is a definite plan for the administration and disposition of one's property during one's lifetime and at one's death (Abd Wahab et al., 2021). Thus, it involves both handling your property while you are alive and dealing with what happens to that property after your death. Furthermore, estate planning is one part of retirement planning and an integral part of financial planning (Roemanasari et al., 2022). It also involves two components, which are the first consists of building your estate through savings, investments, and insurance and the other one is transferring your estate upon your death after the manner that has been specified. The purposes of estate planning are to help protect the individual and family in case of incapacity, to provide for minor children and loved ones, to have an individual's wishes carried out, and to keep the estate liquid to help with distribution (Camarda et al., 2021). Comprehensive estate planning requires individuals to put time and energy into preparing against the possibility of their death, as well as their incapacity, and facing difficult decisions about the distribution of their assets and their choices for medical care (Ismail et al., 2013). Individuals who have completed these steps have established a less complicated legacy for their heirs and families.

Malaysian Muslims continue to engage in estate planning at a significantly low rate, despite increased recognition of the practice's importance in the country. This is evidenced by the low degree of Islamic estate planning, the high percentage of unclaimed assets, and the absence of wills and trust funds. The body of research on the subject emphasises various other factors, including recipient ignorance, the cost of planning, and regulatory constraints. Furthermore, the management procedure has been complicated by the Islamic estate administration process's delays and flaws, which include the unpredictable distribution of property among heirs. To ensure the orderly and successful transfer of property in accordance with Islamic law, it is critical to develop best practices for Islamic estate planning that are consistent with the Maqasid of Syariah and that Malaysian Muslims can effectively implement. Numerous sources that highlight the value of Islamic estate planning, the obstacles and causes behind Malaysian Muslims' low involvement in estate planning, and the requirement for a methodical property planning procedure in line with the Maqasid of Syariah all lend support to this problem statement (Abd Wahab et al., 2021; Roemanasari et al., 2022).

Literature reviews

Maqasid al-Syariah

Maqasid al-Shariah (the higher objectives of Islamic law) provides a ethical and spiritual framework for estate planning, ensuring wealth distribution aligns with principles of justice, equity, and societal welfare. Rooted in the preservation of five essentials (daruriyyat)—religion (din), life (nafs), lineage (nasl), intellect ('aql), and property (mal)—it guides Muslims to structure their estates in ways that fulfill both individual obligations and collective welfare. Maqasid refers to purpose, objective, principle, intent, goal, and end. Meanwhile, the Maqasid al-Syariah is the objective or purpose behind Islamic laws. The objectives of Maqasid al-Syariah are classified in various ways, according to several dimensions. Some of the dimensions are levels of necessity, the scope of the rulings aiming to achieve purposes, the scope of people

included in purposes, and the level of universality of the purposes (Auda, 2015; Zahroh, 2021). Traditional classifications of Maqasid divide human needs into three levels of necessity, namely necessities (darurat), needs (hajiyat) and luxuries (tahsiniyat) (Auda, 2008). Necessities are further classified into what preserves one's faith, soul, wealth, mind, and offspring. These three levels of needs are essential matters for human life. Shariah prohibits estate instruments causing harm (darar), such as excluding lawful heirs or creating financial hardship⁴. For instance, conditional nazar (vows) and hibah ruqba (gifts with conditions) are revised to prevent inequity.

According to Bakar & Rahim, (2021), five folds entail the necessities that are the preservation of life, property, progeny, mind, and religion. The levels of necessity are in the hierarchy and they are interrelated with each other. In other words, each level serves and protects the level below. For example, the level of needs acts as a shield of protection to the level of necessities. Further, after humans reach these two levels, they are prone to focus on the third level which is the luxuries needed. Subsequently, Rasool et al., (2011) and Rasool & Noor, (2018), propose an Islamic Poverty Index (IPI), which is based on human needs according to Syariah. The IPI is formulated based on five basic needs of a human namely religion (al-din), physical life (al-nafs), knowledge (al-aql), family (an-nasb) and wealth (al-mal).

فَإِنَّ اللَّهَ حَرَّمَ عَلَيْكُمْ دِمَاءَكُمْ وَأَمْوَالَكُمْ وَأَعْرَاضَكُمْ، كَحُرْمَةِ يَوْمِكُمْ هَذَا فِي شَهْرِكُمْ هَذَا فِي بَلَدِكُمْ هَذَا

The Prophet (ﷺ) said: "Allah has made your blood, your properties and your honour sacred to one another (i.e. Muslims) like the sanctity of this day of yours in this month of yours, in this town of yours." (Sahih al-Bukhari 6043).

Religion: The utmost important basic need of humans in syariah is religion and Muslims are not supposed to commit any conduct that goes against the syariah. Therefore, all aspects of a Muslim's life; be it economic, political, religious, or social should seek the blessing of Allah.

وَلَا مِّنْكُمْ تَرَاضَ عَن تِجْرَةٍ تَكُونُ أَنِ إِلَّا بِالْبَاطِلِ بَيْنَكُمْ أَمْوَالُكُمْ تَأْكُلُوا لَا ءَامَنُوا الَّذِينَ يَأْتِيهَا رَحِيمًا بِكُمْ كَانَ اللَّهُ إِنَّ أَنْفُسَكُمْ تَقْتُلُوا

"O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent. And do not kill yourselves [or one another]. Indeed, Allah is to you ever Merciful." (Al-Quran 4:29).

The need is inclusive of commitment to carry out religious obligations such as performing daily prayers, fasting in the month of Ramadhan, paying zakah, and performing hajj. Those who are unable to perform the required basic needs are classified as spiritually poor.

H1: Religion has a significant relationship with the attitude toward estate planning

Physical Life: The second basic need is the physical self, which refers to the daily needs of humans such as healthcare and nutrition, quality of dwelling or living place, amenities, utilities as well as clothing and transportation (Rao & Min, 2018). In general, humans strive to ensure that they meet these physical basic needs.

الْمُسْرِفِينَ يُحِبُّ لَا إِنَّهُ تَسْرِفُوا وَلَا وَاشْرَبُوا وَكُلُوا مَسْجِدَ كُلِّ عِنْدَ زِينَتَكُمْ خُذُوا ءَادَمَ يَبْنَى

"O Children of Adam! Put on your adornment on every occasion of prayer, and eat and drink, but do not waste; indeed He does not like the wasteful." (Al-Quran 7:31).

Apart from that, all of the humans' actions are to protect themselves and their families. Furthermore, they would not commit any harm that might jeopardize themselves and other parties.

H2: Physical Life about estate planning has a significant relationship with the attitude toward estate planning

Knowledge: The third basic need is knowledge or mind development, which people need to develop their intellectual levels and skills. This need is inclusive of psychological factors such as stress management, education attainment, and participation in social activities. Thus, humans need to work hard to acquire knowledge and use their intellectuality for the benefit of themselves, family, and society (Zakaria & Malek, 2014).

قَوْلًا لَهُمْ وَقُولُوا وَآكُسُوهُمْ فِيهَا وَارْزُقُوهُمْ قِيمًا لَكُمْ اللَّهُ جَعَلَ أَلَّتِي أَمْوَالُكُمْ السَّفَهَاءَ تَوْتُوا وَلَا مَعْرُوفًا

"And do not give the weak-minded your property, which Allah has made a means of sustenance for you, but provide for them with it and clothe them and speak to them words of appropriate kindness." (Al-Quran 4:5).

حَقًّا بِالْمَعْرُوفِ وَالْأَقْرَبِينَ لِلْوَلَدَيْنِ الْوَصِيَّةُ خَيْرًا تَرَكَ إِنْ أَلَمُوتَ أَحَدُكُمْ حَضَرَ إِذَا عَلَيْكُمْ كُتِبَ الْمَتَّقِينَ عَلَى

"Prescribed for you when death approaches [any] one of you if he leaves wealth [is that he should make] a bequest for the parents and near relatives according to what is acceptable - a duty upon the righteous." (Al-Quran 2:180).

H3: Knowledge about estate planning has a significant relationship with the attitude toward estate planning

Family: The fourth basic need is family or offspring. People need family, besides possessing parenting skills as well as nurturing knowledge of skills in children (Hart et al., 2003). The Prophet Muhammad emphasized prioritizing dependents' welfare: "It is better to leave your children with wealth than to leave them poor and having to beg". This principle discourages excessive charitable giving that jeopardizes heirs' needs. In addition, humans should also protect the pride and dignity of the family as well as their ancestors. Indeed, this need is essential in current socio-economic settings.

H4: Family influence has a significant relationship with the attitude toward estate planning

Wealth: The fifth and last basic need is wealth whereby humans need to possess fixed assets and durable goods. They also need to have the ability to generate income or revenue from economic activities. Furthermore, wealth is also used to spend on food and non-durable goods. Humans can possess wealth and assets as much as they can, as long as the way of possession is not prohibited by Syariah (Zakaria & Malek, 2014). Islamic estate planning ensures wealth circulates fairly through instruments like Faraid (mandatory inheritance shares), Wasiyya (testamentary bequests), and Hibah (lifetime gifts). These tools prevent wealth stagnation, a critical concern given that RM70 billion in Muslim assets remain frozen in Malaysia due to poor planning.

إِلَيْكَ اللَّهُ أَحْسَنَ كَمَا وَأَحْسِنَ الدُّنْيَا مِنْ نَصِيبِكَ تَنْسَ وَلَا الْآخِرَةَ الدَّارَ اللَّهُ عَاتَكَ فِيمَا وَابْتَغِ

"But seek, through that which Allah has given you, the home of the Hereafter; and [yet], do not forget your share of the world. And do good as Allah has done good to you." (Al-Quran 28:77).

الْعِقَابِ شَدِيدُ اللَّهِ إِنَّ اللَّهَ وَاتَّقُوا فَأَنْتَهُوَ عَنْهُ نَهَكُمْ وَمَا فَخَذُوهُ الرَّسُولُ عَاتَكُمْ وَمَا

"And whatever the Messenger has given you - take; and what he has forbidden you - refrain from. And fear Allah; indeed, Allah is severe in penalty." (Al-Quran 59:7).

Al Syatibi's theory of the level of needs of Maqasid al-Syariah is quite similar to Abraham Maslow's Hierarchy of Needs (Zakaria & Malek, 2014). Maslow (1970) proposed 5 levels of needs, ranging from basic physiological requirements and safety, to love and esteem and finally self-actualization.

H5: The wealth of estate planning issues created by media has a significant relationship with the attitude toward estate planning

Methodology

This conceptual study employs a qualitative research methodology to explore the intricate relationships between religion, physical life considerations, knowledge, family dynamics, and wealth in shaping estate planning decisions. Qualitative research is appropriate because it allows for an in-depth understanding of the concepts, opinions, and experiences of individuals in the context of their personal values and beliefs¹. The approach focuses on gathering non-numerical data, such as textual or audio data, to gain rich insights into the decision-making processes involved in estate planning.

Research Approach

This study adopts a flexible and iterative approach, emphasizing the richness of meaning when interpreting data¹. The conceptual framework guides the research design, providing a structured lens through which to interpret complex social phenomena and ensure clarity and coherence in the analysis.

Data Collection

Given the conceptual nature of the study, data collection will primarily involve:

Literature Review

A comprehensive review of existing literature on estate planning, Islamic finance, behavioral economics, family systems theory, and relevant religious texts⁸. This review will help identify key themes, concepts, and relationships relevant to the study.

Document Analysis

Examination of relevant legal documents, religious texts, and financial planning resources to identify prevailing norms, guidelines, and considerations in estate planning.

Data Analysis

The data analysis will involve the following steps:

Conceptual Content Analysis: This involves identifying key concepts related to religion, physical life, knowledge, family, and wealth within the collected data. The frequency and context of these concepts will be analyzed to understand their significance in estate planning decisions.

Thematic Analysis: This involves identifying recurring themes and patterns within the data to provide a more in-depth understanding of the key factors influencing estate planning decisions⁶.

Framework Synthesis: The identified concepts and themes will be synthesized into a conceptual framework that illustrates the relationships between religion, physical life, knowledge, family, wealth, and estate planning decisions. This framework will serve as a visual representation of the key factors and their interdependencies.

Subjectivity and Bias: This study acknowledges the role of the researcher's subjectivity in shaping the research process and findings. The researcher's biases and perspectives will be carefully considered and addressed through reflexivity and transparency in the research process.

Ethical Considerations: This conceptual study poses minimal ethical concerns as it primarily relies on publicly available data and literature. However, the researcher will adhere to ethical principles of academic integrity, including proper citation and avoidance of plagiarism.

Conclusion

This conceptual study employed a qualitative methodology to explore the multifaceted influences of religion, physical life, knowledge, family dynamics, and wealth on estate planning decisions. This approach, centered around in-depth analysis of existing literature and relevant documents, enabled a nuanced understanding of the complex interplay of these factors⁴⁷. The flexible and iterative nature of qualitative research allowed for the identification of key themes and concepts, providing rich insights into the decision-making processes involved in estate planning. The study acknowledged the role of researcher subjectivity and addressed potential biases through reflexivity and transparency. While the study primarily relied on publicly available data, ethical considerations were carefully observed to ensure academic integrity. The findings of this study contribute to a more holistic understanding of estate planning, highlighting the importance of considering not only financial and legal aspects but also the individual's values, beliefs, and personal circumstances. By synthesizing diverse perspectives from religion, behavioral economics, and family systems theory, this research provides a framework for future studies and practical applications in the field of estate planning. This framework helps in understanding the key factors and their interdependencies. Further empirical research is needed to validate and extend the findings of this conceptual study.

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