

## **ABSTRACT**

*Zakat literacy is a prominent factor in a person's behavior and attitude in paying zakat. Analysis of the level of understanding of zakat is needed to assist zakat amil institutions in determining zakat collection policies and evaluating zakat education and socialization programs. Kudus Regency is one of the Central Java Province regencies, where the community has a religious character, but the amount of zakat collection is not well optimized.*

*This study aims to analyze the level of understanding of zakat in Kudus Regency using the Zakat Literacy Index and determine the factors which influence people's behavior in paying zakat. This research used a mixed-method with a sequential explanatory design. For the quantitative method, data were analyzed using the Simple Weighted Index method. And for the qualitative, data were analyzed using the Miles and Huberman model.*

*The results showed that the level of understanding of zakat society in Kudus Regency was in the middle or moderate category with a Zakat Literacy Index score of 77.39. In the dimension of basic knowledge about zakat, the variable with the lowest score was in the object variable of zakat. Meanwhile, in the advanced knowledge about zakat dimension, the lowest score has been found in the zakat regulation variable. This study also shows that trust in ulama, peer influence, and education factors have influenced people's behavior and zakat understanding level.*

*Keywords: Zakat Literacy Index, Zakat Literacy, Behavior, Understanding*