

ABSTRACT

This study empirically estimates the influence of religiosity on religious donations by Muslim households in Indonesia using IFLS 5 data. This study observes Muslim households by assuming the head of the household as a single-unit decision making. In this study, household religious donations include expenditures on weddings, circumcisions, zakat, alms, gifts, and similar items. Religiosity in this study is measured using three indicators: frequency of attending religious gatherings, subjective assessment of individual piety, and frequency of daily prayers. The estimation results using the OLS method show that various measures of religiosity consistently have a positive relationship with religious donations. The estimation results also indicate the existence of substitution between religious donations and non-religious consumption.

Keywords: *Religiosity, Religious Expenditure, Indonesian Household Survey.*

JEL Classification: *D12, Z12, C81.*

