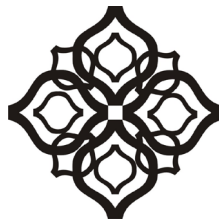


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**Shirkah**

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## ***Sakofa* Evaluating Zakat Microfinance Program**

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### **Abstract**

*Zakat* microfinance (ZMF) is an alternative to the limitation of *zakat* institution and microfinance institution in empowerment program. To make sure the *zakat* microfinance is on the track and to boost its performance and its benefit, evaluation is needed. This study aims to do an operational evaluation of productive *zakat* program formed in the micro-economic empowerment program named *Sakofa* (*Madrasah Ekonomi Dhuafal* School for Economics of the Poor) of Dompet Dhuafa Yogyakarta. Primary data were gathered from *Sakofa* beneficiaries in Sleman, Bantul, and Gunung Kidul. The findings show that all monetary aspects are better after running the program. Using ADePT software, headcount index, poverty gap, poverty severity, Watts index, and the average time taken to exit poverty are lower after doing the program. Altruism and saving behavior are better after *Sakofa Program* is implemented. Unfortunately, *mustahiq* were lack of discipline and desire to be independent. The effectiveness of counseling material on religiosity is the lowest. In short, *Sakofa Program* has a good performance in improving their prosperity.

**Keywords:** productive zakat, zakat microfinance, poverty alleviation, empowerment, poverty index

### **Introduction**

End poverty in all its form everywhere is the first sustainable development goal (United Nations General Assembly, 2015). According to the World Bank Annual Report 2013, the percentage of people living in extreme poverty in 2013 is less than half of what it was in 1990. However, the lower half of the global population possesses barely one percent of

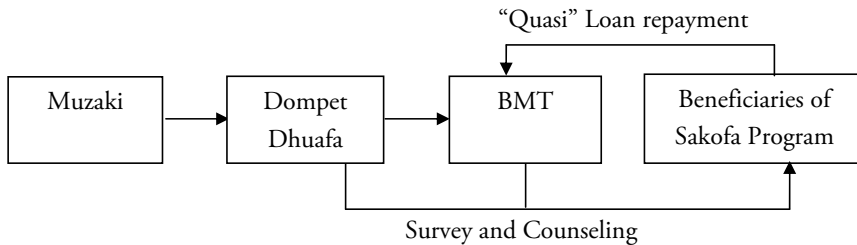
global wealth, while the richest 10 percent of adults own 86 percent of all wealth, and the top 1 percent account for 46 percent of the total. In Indonesia, even though the percentage of people below poverty line decreased, the depth and the severity of poverty were increase (SUSENAS, 2013).

There are two main obstacles to poverty reduction. *The first*, poverty alleviation approaches tend to focus on the conventional indicators (fulfillment of clothing, food, and shelter) and ignoring aspect of self-sustaining capacity (Manap, 2017). The second, the poor is positioned as “object” in the poverty alleviation program. A proactive effort to reduce poverty is a must. Empowerment is more than give money or food to the poor but it has sustainability effect for the poor, enabling the poor to become productive. Credit is seen as an empowering agent that enables the poor in the development of socio-economic conditions (Hassan, 2017). Microcredit provided by Grameen Bank has been successfully changing many poor people. This microcredit idea has spread around the globe for its success in Bangladesh. The point of the poverty problem is wealth distribution. Chapra (1995) argues that income distribution is the *summum bonum* of all economic activity. *Zakat* is an important instrument of wealth distribution (Saikh, 2017). *Zakat* could be distributed in two forms based on the recipients’ condition (Ahmed, 2017). Direct financial support is given to *mustahiq* who are not capable of working, while resources to run business activities are given to ‘capable’ *mustahiq*.

Microfinance institution which has potential in empowerment program especially to assist poor to be micro entrepreneur has limited sources of fund. *Zakat* has a big potential to solve the problem. Productive *zakat* distribution should be given more attention in agenda of poverty eradication (Othman, 2017; Ahmad, 2017; Muller, 2017). Dompot Dhuafa Yogyakarta collaborates with microfinance institution, BMT



(*Baitul Maal wat Tamwil*), has a program named *Sakofa* (Madrasah Ekonomi Dhuafa). It is conducted to empower beneficiaries and to enrich beneficiaries with entrepreneur spirit and also knowledge of how to run business well. The program focuses on entrepreneur of micro-business whose income is below regional minimum wage standard (UMR/ *Upah Minimum Regional*). *Zakat* is distributed as micro-financing in the form of interest-free loan. The loan repayment by beneficiaries to BMT is a quasi-repayment because in the end of repayment, the participant is pleased to take the money.



**Figure 1. Mechanism of *Sakofa* Program**

Many studies examined the effectiveness of productive *zakat* solely based on income and other monetary aspect. Khatimah (2004) conducts a research on the impact of productive *zakat* to *mustahiq's* social economic welfare. Beik (2009) uses poverty index to analyze the contribution of *zakat* distribution. He concluded *zakat* could reduce the percentage of poor people from 84 percent to 74 percent. The poverty gap and poverty severity are also reduced. Hasibuan (2011) analyzes the causal relationship of capital, group's elder, and mentoring to empowerment. (Raihanun, 2013) uses income as dependent variable, supervising and supplementary, fund-aid operation, and human resource as the independent variables. Nurzaman (2016) implements two periods of observation and evaluate welfare across household level of *mustahiq*. HDI improves at the second period compared to the first period.

This study calculates poverty indices as used in Beik (2009), coupled with Watts Index, and Time to Exit Poverty. Local standard minimum wage (UMK or *Upah Minimum Kabupaten*) of each regency in 2013 and 2014 is used as the poverty line for the poverty index calculation. The hypothetical growth rate of income of the poor population ( $g$ ) for *time to exit poverty measure* is calculated from the sample data obtained. The indices are calculated using ADePT from World Bank (Lokshin, Radyakin, Sajaia, & Creitz, 2013). Wilcoxon Matched Pairs Testis used to analyze the difference between income, profit, turnover, saving, and *infaq* before and after zakat distribution. Nonmaterial aspects of *mustahiq* are also analyzed. They are saving behavior, philanthropy aspect, religiosity, desire to be independent, discipline, and enthusiasm. Concept of Operational Evaluation is used to assess the expected outcomes of the *Sakofa Program*. An operational evaluation intended for evaluate whether implementation of a program unfolded as planned. It is different from impact evaluation. Impact evaluation tend to understand whether the changes in well-being are indeed due to project or program intervention, then it is more complicated that operational evaluation (Khandker, Koolwal, & Samad, 2010). The expected outcomes of *Sakofa Program* are as follows:

1. *Zakat* fund is used for business (not for consumptive purpose)
2. There is an increase in businesses assets as well as turnover
3. There is an increase in religious terms
4. The beneficiaries become *munfiq*

They are used to make an operational evaluation of *Sakofa Program*.

Analyzing the difference of economic level, saving behavior, philanthropy aspect, and entrepreneur spirit of beneficiaries before and after zakat distribution; and evaluating the performance of *Sakofa Program* in the context of operational evaluation are the main intentions of this study. Primary data had been gathered using self-administered questionnaire

with the population of the active beneficiaries of *Sakofa Program* since 2013 until April 2014.

**Using the Productive Zakat**

The surveyed *Sakofa* beneficiaries are aged 19 to 60, with a mean age of 40 years, and balanced proportion between male and female. Most of the respondents are in the productive age: 50 percent aged between 24 to 44 years. This indicates that the majority of respondents have big potential to improve and enhance the quality and ability so as to increase living standard. Most of respondents are elementary school graduates. There are three outliers: two people who are uneducated and one person who is university graduates. They who are uneducated are illiterate, above 50 years old, work as as farm worker and trader of peanut brittle with monthly income Rp.500,000. Unfortunately, there are six respondents who have non-zero family illiteracy level. Most who are illiterate are the respondent’s parents who are not in productive age.

**Table 1. The Respondent’s Social-Economic Profile**

Variable	Count	Percentage
Highest level of education attained		
Elementary	10	33
Senior high school	10	33
Junior high school	7	23
College	1	3
Without school	2	7
Illiteracy in the family		
None	22	73
Exist	8	27
Job		
Bamboo craftsmen	8	27
Merchant	7	23
Victualler	6	20
Tailor	3	10
Other	6	20

There are seven respondents whose job is bamboo craftsmen. Their domicile, Muntuk-Dlingo Bantul, is known as bamboo handicraft center. Bamboo craft of the region has penetrated the national and international markets. Twenty seven percent of respondent are merchant. Specifically, they are peddler, haberdasher, and electronic goods seller. The six respondents who are victualed sell Slondok, peanut brittler, *tempe*, *angkringan*, and *salome*.

Respondent needs could be analyzed from their loan history especially their use of the loan since someone will borrow money only if he really in need. As many as 12 respondents had borrowed money from social regular gathering (*arisan*). There are seven respondents who had borrowed from financial institution (BMT, PNPM, and Cooperative). The others borrowed from neighbor, friend, and family.

**Table 2. Loan Used by Respondent in the Past**

Use of loan	Count
Capital	11
Daily Needs	7
School fee	1
Other (home repair, furniture)	2

Most respondents take on debt to finance their business. This reflects that the respondents do need capital. There are 7 respondents who had no enough money to fulfill their daily needs then using loan to fulfill their daily needs. Six out of those seven respondents have income below UMK.

Respondents were asked what they needed at the time the “loan without interest” of *Sakofa Program* was offered. Twenty eight respondents (93%) said that they need capital. *Sakofa Program* targets micro entrepreneur who needs capital. It is important to know whether the money received by

beneficiaries is really used to finance business. Table 3 shows that only one who did not use the fund to finance their business. The one who does not use zakat fund as capital uses the fund to pay a motorcycle down payment. Based on his job and household income, maybe he is a wrong target of *Sakofa Program*.

**Table 3. Use of Zakat Fund**

Uses of “Quasi-Loan”	Count
Capital	29
Capital and Consumption	4
Capital and Daily Needs	2
Down payment of motorcycle	1

There are two respondents who used the fund for capital and daily needs. One of them uses the fund mostly to fulfill his daily needs, instead of capital. It is confirmed by an increase in her household expenditure. It shows that her basic needs have not been met when productive zakat was received. She has no saving, even after receiving the “loan”. However, there is an increase in the charity she give, turnover, and profit. Before productive zakat distribution, the basic needs should be met first to minimize the misuse of the fund for consumption needs.

### **Considering Monetary Aspect**

Seven beneficiaries have a constant income, while rest of them has higher income after doing the program. Seventy percent of beneficiaries experience an increase in profit and turnover.

**Table 4. Descriptive Statistics of Income, Profit, and Turnover**

Variable	Range	Minimum	Maximum	Average
Income Before	3,665,000	85,000	3,750,000	885,741
Income After	3,800,000	100,000	3,900,000	1,087,963
Increase (Rp)				202,222
Increase (percentage)				23%
Profit Before	1,160,000	40,000	1,200,000	473,611
Profit After	1,425,000	75,000	1,500,000	578,333
Increase (Rp)				104,722
Increase (percentage)				22%
Turnover Before	6,565,000	35,000	6,600,000	1,401,176
Turnover After	7,460,000	40,000	7,500,000	1,739,118
Increase (Rp)				337,941
Increase (percentage)				24%

The range, minimum, maximum, and mean of income, profit, and turnover are increasing after *Sakofa Program*. Although the increase of those statistics is not big enough, there is an increase by 23 percent on income average. Percentage increase of average turnover and average profit is almost the same as the increase of average income. Wilcoxon Matched Pairs Test is used instead of Paired t-test since normality assumption is not met.

**Table 5. Wilcoxon Matched Pairs Test on Income, Turnover, and Profit**

	Income	Profit	Turnover
P-value (1 tailed)	0.000	0.0015	0.005

All p-values are less than 5 percent. The null hypothesis is rejected so there is enough evidence to say that income, profit, and turnover after doing the program is significantly higher than before at the level 5% of significance.

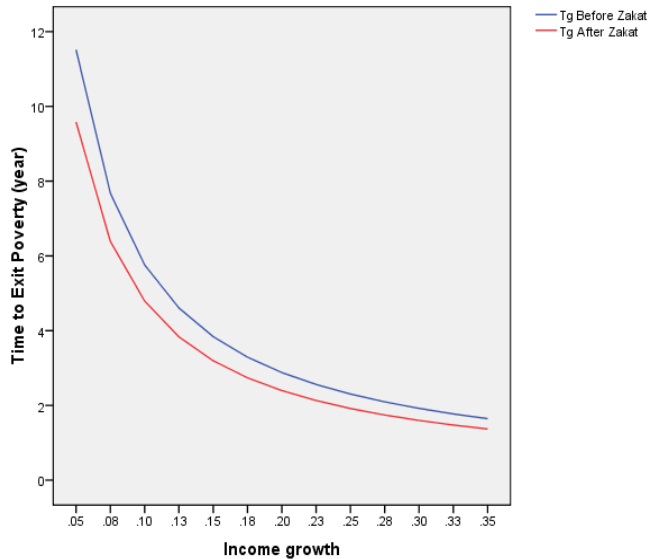
The income data was processed to some poverty indices as well as time taken to exit from poverty (in year). Headcount index, poverty

gap index, poverty severity index, and Watts index show a decline after *zakat* distribution. The headcount index represents the percentage of poor people. This index does not indicate how poor the poor are, and hence does not change if people below the poverty line become poorer. It is useful, but should not be used exclusively. Depth and severity of poverty have become part of the poverty analyst's toolkit (Sajaia, 2013). Poverty Gap Index ( $P_1$ ) adds up the extent to which individuals on average fall below the poverty line, and express it as a percentage of the poverty line. Squared Poverty Gap or Poverty Severity Index ( $P_2$ ) is the mean of the squared gap vector.

**Table 6. Poverty Indices**

Poverty Index		Before Program	After Program	Reduction
Headcount Index	P0	74%	63%	15%
Poverty Gap	P1	32%	28%	13%
Poverty Severity	P2	21%	18%	14%
Time taken to exit (year)	$T_g$	2.72	1.51	44%

The average exit time,  $T_g$ , reflects the average number of years that it would take the population to exit poverty if it were possible to ensure that all incomes grow at rate  $g$ . The value of  $T_g$  as shown in Table 6 represents that before *zakat* distribution, the time needed to release the poor from poverty line was around 2.72 years, while after *zakat* distribution, it is 1.51 years. After running the program, time taken to exit poverty is lower than before doing the program.



**Figure 2. Average Time to Exit Poverty with Different Values of Income Growth**

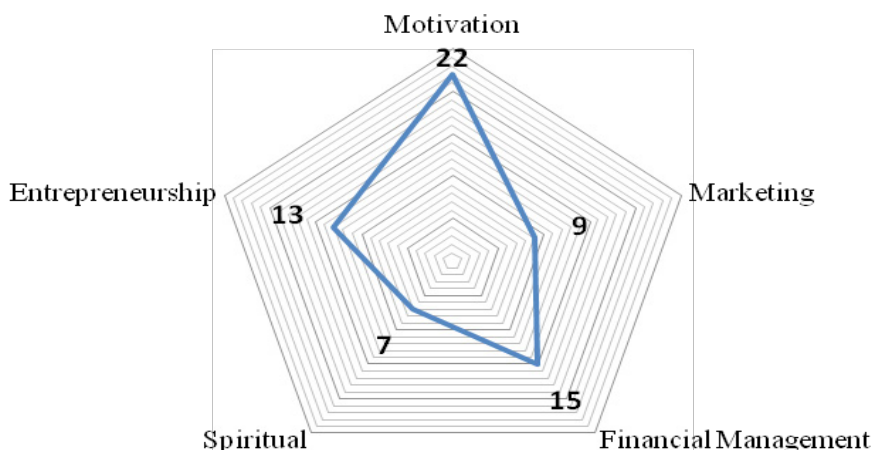
The poverty reduction after doing *Sakofa Program* which is equivalent to the reduction value of headcount index is 15 percent. From the total of 20 people whose income below is below UMK before *zakat* distribution, there are 17 people whose status is still poor after *zakat* distribution. There are only 3 people who move out from poverty.

### **Counseling Effectiveness**

Counseling material conducted by *Sakofa Program* comprises entrepreneurship spirit, accounting/financial management, marketing, and religiosity. To know the effectiveness of the counseling, respondents are asked whether they have had the certain material from the counseling. If the answer is “yes” then the material delivered is really have been felt or had by the respondents. Motivation aspect is felt by 22 respondents. Financial



management came second as the most aspect felt by the respondents. Unfortunately, entrepreneurship and marketing which are important to expand the respondent's business felt by only half of respondents. Moreover, religious aspect is only felt by less than half of respondents.



**Figure 2.2 Counseling Effectiveness**

Some respondents said that the time of counseling is rather disturbing. This is one of the things *that* lead to ineffective counseling

**Saving Behavior and Altruism**

Before *Sakofa Program* is implemented, saving is Rp.8,732 on the average. There is an increase by 174 percent on saving. Twenty seven percent of respondents have higher saving amount after doing *Sakofa Program*. Only two people whose saving is constant and no one experience any decline. Unfortunately, forty percent have no saving at all.

**Table 7. Descriptive Statistics of Variable Saving**

	<b>Range</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Average</b>
Before Program	200,000	0	200,000	8,732
After Program	200,000	0	200,000	23,893
Increase (Rp)				15,161
Increase (percentage)				174

Before implanting the *Sakofa Program*, average amount of *infaq* by respondents is Rp. 4,087 while after practicing the *Program*, the value is Rp. 6,196. There is an increase by 52 percent. There are four people whose *infaq* is unchanged, four people who become *munfiq* after doing the *Sakofa*, and two people who do not spent money at all for *infaq*. To change the *mustahiq* become *munfiq* is one of outcomes expected by *Sakofa Program*.

**Table 8. Descriptive Statistics of Variable *Infaq***

	<b>Minimum</b>	<b>Maximum</b>	<b>Average</b>
Before Program	0	50,000	4,087
After Program	0	50,000	6,196
Increase in Average of <i>Infaq</i> (Rp)			2,109
Increase in Average of <i>Infaq</i> (percentage)			52%

Both saving amount and *infaq* after doing the *Program* is significantly higher than before at the level 5% of significance based on statistical test.

**Table 9. Wilcoxon Matched Pairs Test on Savings and *Infaq***

Variable	P-value (1 tailed)
Saving	0.0005
<i>Infaq</i>	0.0000

### **Creative Entrepreneurship**

Entrepreneurship spirit is one of *Sakofa Program* outcomes. This aspect is given in the counseling held by DD. Some aspects of

entrepreneurship spirit is explored from the beneficiaries. They are desire to be independent, discipline, and enthusiasm. Mustahiq's desire to be independent is captured by asking whether they are kind of people who do not easily accept assistance from others. Most of respondent answer "sometimes". Only two people (7.9 percent respondents) answer that they do tend to avoid assistance. They are also asked whether they feel uncomfortable because of having a debt. This is one of aspects related to desire to be independent. Unfortunately, almost all respondents do not feel uncomfortable. Only 20 percent of respondents said that they feel uncomfortable of having debt.

Fifty percent of respondents are disciplined. All who is undisciplined has low desire to be independent. Discipline is directly proportional to success. It is one of entrepreneurship aspect which DD has to pay attention on it in empowering beneficiaries. Beneficiaries were asked how their enthusiasm when they are working. Almost all respondents are enthusiastic. However there is one respondent who feels that she needs more spirit and one respondent who answers "don't know." To optimize the program benefit, the latter case needs to be analyzed for betterment to be applied in the next program implementation. Both respondents who are not enthusiastic are bamboo craftsmen from Dlingo, Bantul. Their income is below Rp.500,000, elementary graduates, undisciplined, not always come to counseling, and said "nothing" and "don't know" about the counseling benefit. Analyzing their characters, this problem does not come from zakat institution but from *mustahiq* themselves.

The *phi*-coefficient was calculated to measure how strong the association between entrepreneurship material given in the counseling with the entrepreneurship spirit.

**Table 10. *Phi* Coefficient of Entrepreneurship Counseling**

Association	Phi coefficient	P-value
Entrepreneurship*Desire to be independent	0.267	0.173
Entrepreneurship*Discipline	0.154	0.431
Entrepreneurship*Enthusiasm	0.267	0.173

All the *phi*-coefficients are lower than 0.5 that represents a weak relationship. Based on p-value the relationship is insignificant. It can be concluded that counseling on entrepreneurship held by DD does not relate to the desire to be independent, discipline, and enthusiasm of *mustahiqs*.

### Operational Evaluation

An operational evaluation seeks to understand whether implementation of a program unfolded as planned. Based on the outcome expected by *Sakofa Program*, the evaluations are as follows. *First*, poor people actually covered by *Sakofa Program* are represented by the headcount ratio before zakat distribution. Only 74 percent beneficiaries are qualified to be *Sakofa* participant in the terms of income requirement. *Second*, from 30 observations, there is only one misuse of productive zakat fund for consumptive needs. *Third*, turnover is significantly higher after Program. Specifically, from 17 valid data of the turnover, 15 of them experience an increase and the others remain constant. The average turnover increased by 24 percent. *Fourth*, respondents were asked two questions which are basic knowledge should be known by Muslims: the difference of *infaq* and *shadaqa* and the understanding on zakat mal. The results are:

1. as many as 19 respondents know what zakat mal is and understand the difference between *infaq* and *shadaqa*;
2. three people do not know at all about zakat mal, *infaq*, and *shadaqa*;
3. five people know what zakat mal is, but do not know the difference between *infaq* and *shodaqoh*; and

4. three people know the difference between *infaq* and *shodaqoh*, but do not know what *zakat maal* is.

Related to the counseling performance, there are only seven of 30 respondents who said that they got counseling material about religiosity. There is one respondent who said that he want religious aspect to be given in counseling.

*Fifth*, making respondents as *munfiq* is one of outcomes expected by *Sakofa Program*. Response rate of *infaq* data is only 23 out of 30. The summary of respondent's answer of *infaq*:

- a. Four of 6 beneficiaries become *munfiq* after *Sakofa Program*
- b. Seventeen of 23 beneficiaries experience an increase of *infaq* spent
- c. Six of 23 beneficiaries have a constant *infaq* spent before and after Program
- d. The average of *infaq* increase is 52 percent

*Sixth*, two third of respondents said that *Sakofa Program* has a role in increasing their prosperity. The others also do admit that *Sakofa Program* takes part in increasing their prosperity, but not much. Most of respondents admit that *Sakofa Program* is very useful to their life. There is nine percent who do not feel any benefit from the *Program*. Depth interview should be conducted to know the reason.

### **Discussing the Effectiveness**

Effectiveness of *zakat* distribution will increase the *zakat* payer's satisfaction and increase public confidence to *zakat* institution (Hassan, Halim, & Rom, 2012). To be more effective, *zakat* institution needs to collaborate with other parties. Shariff, Noor, & Wan (2011) propose a robust *zakat* system which required collaboration between *zakat* institutions and governments. *Zakat* collection could be enhance by involve Islamic bank. It facilitates many types of *zakat* payment over the counter. In term

of productive *zakat* distribution, *zakat* institution could collaborate with microfinance institution. *Sakofa Program* of Dompot Dhuafa Yogyakarta is an example of such collaboration. Ismail & Possumah (2013) discusses the theoretical model for *zakat*-based microfinance institution. The model brings together the weakness of microfinance institution in the term of lack of fund and the advantages of *zakat* that has big potential in providing fund. It minimizes indebtedness and helps the poor to be more productive. Lembaga *Zakat* Selangor has experience that could be learnt. It has *Zakat* Micro Finance (ZMF) program with two recipient categories: (1) hardcore poor who do not have to repay and (2) applicants who need load. The second category receives fund in term of soft-loan (*qardhul-hasan*) and has to repay (Ibrahim & Ghazali, 2014).

*Sakofa Program* is a kind of *zakat* distribution in productive scheme that gives quasi-loan to beneficiaries, similar to such program as discussed by Nurzaman (2016). Although there is significant positive difference in income, turnover, profit, *infaq*, and saving experienced by beneficiaries after the program, we could not conclude that this increase is caused by *Sakofa Program*. There is a need to do impact evaluation if we want to come with such conclusion (more on the impact evaluation strategy, see Khandker et al. (2010)). Factors affect the program outcome other than *Sakofa Program* should be considered. This is a limitation of this study and other study that assess the *zakat* distribution impact using parametric or non-parametric mean test.

International Standard *Zakat* Management (ISZM) 2017 launched in World *Zakat* Forum 2017 comprises seven criteria of *zakat* management. The disbursement criteria comprises monitoring, evaluation, and sustainable program development (Zainal, 2016). This study critically analyzes how the outcome of *Sakofa Program* in the Operational Evaluation concept. *Zakat* institution should design such a program complete with

monitoring and evaluation schedule to ensure that program outcome is in line with expectation. Only 74 percent beneficiaries are qualified to be *Sakofa* participant in the terms of income requirement. This does not mean that there exists improper *zakat* distribution. There are other considerations to choose *mustahiq* candidate beyond income consideration such as the number of dependants and health condition.

Improvement of mind and attitude is one three of basic focus of *zakat* assistance (Ibrahim & Ghazali, 2014; Ahmed, 2016). The non-material aspect explored in this study is saving behavior, altruism, and entrepreneurship spirit (Bhuiyan, 2017). Saving behavior is important as it has association with investment level. Altruism measured by nominal of *infaq* spent by beneficiaries is one of well-being determinants in the economic of happiness (Meng, Luo, Liu, Hu, & Yu, 2015). Saving and *infaq* after the program are increased significantly. The *zakat* distribution increases the income and profit so that respondents could save more and spent more for *infaq*.

Entrepreneur is a character exemplified by our role model the prophet Muhammad. Muslim performs business to fulfill *fardhu kifayah*, not only for money (Vargas-Hernández, 2010). Joseph Schumpeter is known for his theory that entrepreneurs are important for economic development. In the process of economic development, entrepreneurial actions are the main mechanism (Croitoru, 2012). Unfortunately, majority of beneficiaries has no entrepreneur character. The lack of discipline is one of issues that have to be taken into account for future program implementation. Such program should instill the characters to make the program benefit sustainable.

There are five materials of counseling explored from the respondents. They are entrepreneurship spirit, accounting/financial management, marketing, and religiosity. It is found that training material in religiosity is

far from effective. Religiosity is the utmost important basic needs of humans in sharia. It can act as a buffer in difficult circumstances and motivation to have many good character related to entrepreneurship. Empirical evidence in Malaysia found that there is significant correlation between personality of *taqwa* and entrepreneur achievement (Yaacob & Azmi, 2012). Spiritual aspect includes aspects that are monitored in the implementation of ZMF (*Zakat* Micro Finance) discussed in Ibrahim & Ghazali (2014). Officer of LZS (Lembaga *Zakat* Selangor) with responsibility in monitoring will update the beneficiaries' status continuously.

Training facilities, place, media, time duration, and form of counseling material are factors affecting counseling effectiveness. The way material delivered to respondents is crucial. Team of counseling from Dompot Dhuafa told that they have tried their best to be creative to make beneficiaries understand to the material given because most of beneficiaries are village people. The way to communicate and the terminology used have to be appropriate with background, age, and social condition of beneficiaries. Besides individual deficiencies, cultural belief system is one of five factors causing poverty (Bradshaw, 2007). *Zakat* institution need to consider this aspect to resolve poverty problem in society.

## **Conclusion**

Coverage target group represented by headcount ratio is 74 percent. In the terms of the use of fund, there is only one respondent who does not use the money for capital. This study found that *mustahiq* economy level is higher after *Sakofa Program* based on poverty indices. The formal statistical test of Wilcoxon Matched Pairs Test shows that *mustahiq's* income, profit, and turnover after the Program are higher than before. Performance of *Sakofa Program* in the aspect of *mustahiq's* economic level is good based on the poverty indices and the significant betterment of the income, profit, and turnover after *Sakofa*.



Effectiveness of counseling material on religiosity is the lowest among the other materials. In terms of philanthropy aspect, from six *mustahiqs* who do not give *infaq* before *Sakofa*, four of them become *munfiq* after finishing *Sakofa Program*. The amount of *infaq* increases 52 percent on average. Saving behavior shows a positive changing after doing the *Sakofa Program*. The increase of average saving is 174 percent. The Wilcoxon Matched Pairs Test concludes that *infaq* and savings after *zakat* distribution is higher than before. Most of respondents admit that *Sakofa Program* has positive contribution to their life. Related to standard of living, as many as 19 respondents said that the existence of *Sakofa Program* does increase their prosperity. Dompot Dhuafa Yogyakarta should take an action to improve the effectiveness of counseling especially on the aspect of discipline and religiosity.

Such a program should be routinely evaluated to optimize the real benefit gained by beneficiaries. It is our obligation to increase the quality of *zakat* distribution evaluation. Concept of impact evaluation has been implemented in many government program in poverty alleviation. It has not be taken as an agenda to evaluate the impact program in *zakat* institution yet. Comparing before and after condition solely without any control group can not be used to measure the program impact. Procedure of impact evaluation is needed.

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