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SWIPE, SCROLL, SPEND: UNCOVERING THE IMPACT OF FOMO AND DIGITAL LITERACY ON GENERATION Z'S FINANCIAL BEHAVIOUR

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Abstract

The financial behavior of Generation Z has changed significantly as a result of the advancement of digital technology and the pervasive use of social media. One of the psychological elements that pushes people to spend impulsively in order to keep up with the expanding trends in cyberspace is the Fear of Missing Out (FOMO) phenomena. However, it is anticipated that digital literacy will act as a counterbalance in the form of more sensible financial choices. The purpose of this study is to examine how digital literacy and FOMO affect Gen Z's financial behavior in Purwokerto. 171 Generation Z students who are frequent social media users participated in a survey as part of the quantitative research methodology. Multiple linear regression was used to analyze the data and find the association. Multiple linear regression was used to analyze the data in order to ascertain the influence and relationship of each variable. The findings demonstrated that whereas digital literacy significantly and favorably influences students' financial behavior, FOMO has no effect on it. This research demonstrates the value of raising digital literacy as a tactic to lessen FOMO's detrimental effects on Generation Z's financial behavior in the digital age.

Keywords: Fear of Missing Out (FOMO), Digital literacy, Financial behaviour.

INRODUCTION

Financial management has changed significantly as a result of technological advancements in many facets of life. Students are used to using information and communication technology in their daily lives because they are members of a generation that was raised with digital technology. Every type of information is readily available and can be taken into account while making judgments. This has an impact on how they save, invest, make purchases, and get financial information. Even though financial information is readily available, many Indonesian students still do not practice sound financial practices. Data presented by the Otoritas Jasa Keuangan (OJK, 2022) , found that the level of financial literacy among Indonesian students was only 39.94%, which shows that the majority of students do not have an adequate understanding of good financial management. Furthermore, according to the Indonesia Millennial Report poll (IMR, 2022) 51.1% of students choose to spend their money on social media and lifestyle necessities over investing or saving. According to this statistics, students' financial behavior does not yet demonstrate responsible, logical, and forward-looking decision-making, even in spite of more access to technology. In order to properly filter information and make informed financial decisions, it is crucial that students possess sufficient digital literacy abilities (Siregar and Hidayati, 2023).

The ability to use technology is simply one aspect of digital literacy; another is the capacity to critically comprehend a variety of digital content, such as financial data disseminated via social media and other online channels (Firmansyah, et.al, 2022). Students who possess a high degree of digital literacy are able to recognize trustworthy financial sources, comprehend the possible dangers of conducting business online, and refrain from making snap decisions brought on by deceptive digital ads or promotions. Understanding financial technology (fintech), such as digital wallets, online loans, and digital investing platforms, is another aspect of this literacy. Conversely, students who lack digital literacy are more susceptible to risky and detrimental financial behaviors, like getting caught up in illicit online loans, using e-commerce platforms to consume excessively, or following investment trends without fully comprehending the risks (Sulistianingsih, Maivalinda and Riski, 2021). It is anticipated that students with high levels of digital literacy will be able to weigh the advantages and disadvantages of the financial choices they make online. On the other hand, students who lack digital literacy may be more susceptible to false information, financial fraud, and unrestrained consumption (Susetyo and Firmansyah, 2023).

Fear of Missing Out (FOMO) is a new problem in the digital age that has been brought on by the quick growth of digital technologies. FOMO is the anxiety that comes from feeling excluded or uninvolved in activities that other people find significant or pleasurable. High levels of social media use, where students are exposed to hedonistic lifestyles, buying trends, and consumptive lifestyle content, frequently cause FOMO among college students. Even while one's own financial situation does not justify it, exposure to this type of content fosters social pressure and the desire to follow trends. 62% of college students have made impulsive purchases after reading friends' posts on social media, according to research by (Apolo and Kurniawati, 2023). According to this research, FOMO might cause students to change their consumption habits from genuine needs to social pressure-driven behaviors meant to keep up with the times.

Because university students are intimately associated with digitalization, it is crucial to examine their financial behavior. Additionally, students are beginning to learn how to handle their own money, including how to budget their income, spending, savings, and investments. Their long-term financial situation may be impacted by poor financial decisions. Thus, it's critical to comprehend the elements influencing students' financial behavior. The development of prudent financial behavior is positively impacted by digital literacy, according to several earlier research. On the other hand, because FOMO tends to promote impulsive consumption, it exhibits a negative association. Only a small number of research, particularly in Indonesia's digital society, have thoroughly examined the relationship between these two variables in the context of students' financial behavior. This research gap highlights the necessity for more thorough investigations.

Given this context, the purpose of this study is to examine how students' financial behavior is impacted by digital literacy and FOMO. It is intended that the results of this study would both theoretically advance academic research and practically aid in the creation of more successful financial and digital literacy initiatives for the next generation.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Financial Behavior

One's actions to control and manage all financial resources are referred to as financial behavior (Handrijaningsih, et.al, 2024). Individual responsibility for money management is intimately tied to financial arrangements (Brilianti and Lutfi, 2020). A person's financial behavior is influenced by their personal habits and viewpoints (Akbar and Armansyah, 2023). Accordingly, (Indriani and Harimurti, 2025) contend that the study of financial behavior examines psychological factors that affect financial choices. Future financial planning and decision-making can be based on the combination of psychological and financial management skills (Jamal, et.al, 2023) An individual with financial management expertise will be more equipped to handle and make wise financial choices (Pangesti and Anggita, 2025). Lifestyle also has an important role in making financial decisions (Martaningrat and Kurniawan, 2024). Various factors can have an impact on the way a person manages finances to make financial decisions. Indicators that can be used in determining a person's financial behaviour according to Brilianti and Lutfi (2020) include controlling expenses, paying bills, financial planning, saving and allocating personal funds.

Digital Literacy

According to (Hernawati, et.al, 2025) digital literacy is the cognitive capacity to find, comprehend, use, evaluate, produce, and engage with digital information in an ethical and intelligent manner. Mastering technology is only one aspect of digital literacy; another is knowing how it functions, its advantages and disadvantages, and how to utilize it sensibly. Digital literacy, according to (Naufal, 2021), is the capacity to methodically arrange knowledge and choose data from multiple sources to create trustworthy information. All people today, but particularly Generation Z, enjoy digitalization in many aspects of life, which has altered social and financial behavior. A person with strong digital literacy can access and use a variety of platforms and information to assist manage their finances more readily.

A person's financial behavior improves with their level of digital literacy (Susetyo and Firmansyah, 2023). Digital literacy has an effect on students' financial well-being by influencing their confidence in making financial decisions. But. One possible drawback of digital literacy is the propensity for invasive and consumptive behavior due to the convenience of online buying (Kumanireng and Bayu Utomo, 2023). without appropriate supervision. Financial behavior may be negatively impacted by digital literacy. Digital literacy is measured by factors including speed, convenience, security, and innovation (Sulistianingsih, et.al, 2021).
H1: Digital Literacy influence on financial behaviour

Fear of Missing Out (FOMO)

These days, handling personal funds presents new difficulties for college students. Fear of Missing Out (FoMO) is one psychological phenomenon that influences students' financial behavior. Anxiety about losing out on anything is known as "fear of missing out" (FoMO) (Przybylski *et al.*, 2013). This phenomenon refers to a feeling of worry or anxiety that overtakes a person, motivated by the thought that they might miss out on entertaining activities, events, information, or interesting experiences that are taking place among people, particularly those that are frequently shared on social media. Tusers have real-time access to data about other users' activity (Djamhari *et al.*, 2024). The FoMO phenomenon is also closely related to the need for increasing social validation, so that a person's financial decisions are not based on their functionality but avoid the feeling of being left behind. (Indriani and Harimurti, 2025) revealed that financial health among students is influenced by the FOMO lifestyle. Financial decision making without careful consideration is driven by the FOMO phenomenon (Ananta *et al.*, 2025)(Ananta *et al.*, 2025). Social media also strengthens the impact of FoMO on financial decisions with other people's lifestyle standards (Hernawati et.al, 2025). Different things are shown by (Djamhari *et al.*, 2024) that FoMO is not significantly moderated by the use of payleter on implusive behaviour.
H1: Fear of Missing Out (FOMO) influence on financial behaviour

RESEARCH METHODS

This research uses quantitative research. The population in the study were 171 students and a sample of 120 students. The purposive sampling technique was used to determine the research sample with the criteria of active students of FEB UNSOED, aged 15 to 28 years and getting financial management courses. Data collection using a questionnaire with a Likert scale. Validity and reliability tests were used to ensure that the questionnaire statement items were accurate and consistent. The data analysis used in this study used multiple regression analysis with the help of SPSS software to determine the effect of independent variables and dependent variables.

RESULTS AND DISCUSSION

RESULT

Multiple regression analysis is used to test the effect of digital literacy on student financial behaviour and the effect of FoMO on student behaviour which is H1 and H2. Before testing the hypothesis using multiple linear regression, the normality test and multicollinearity test were first carried out as a pre-requisite test. The results of the pre-requisite test are presented below:

Normality test

Table 1.1 Normality Test

		Unstandardized Predicted Value
N		118
Normal Parameters[a.b]	Mean	20.6016949
	Std. Deviation	.98562442
Most Extreme Differences	Absolute	.066
	Positive	.066
	Negative	-.048
Test Statistic		.066
Asymp. Sig. (2-tailed)		.200[c.d]

Source: data processed, 2025

Based on the normality test through the One-Sample Kolmogorov-Smirnov test, the result shows that the significance value is 0.200> 0.05, which indicates that the data is normally distributed. So that the data can be continued for the next test.

Multicollinearity test

Multicollinearity test is used to ensure that in a multiple linear regression model there is a strong correlation or relationship between independent variables. The following are the results of the multicollinearity test:

Table 1.2. Multicollinearity Test

Variable	Collinearity Statistics		Multikolinearitas
	Tolerance	VIF	
	0,912	1,106	
	0,912	1,106	

Source: data processed, 2025

Based on the table above, it is known that the Tolerance value> 0.10 and the VIF value < 10, it can be concluded that there are no symptoms of multicollinearity.

Hypothesis Test

Hypothesis testing in this study used the SPSS-assisted multiple linear regression test. The effect of the two independent variables on the dependent variable can be seen from the results of multiple regression analysis as follows:

Table 1.3 t Test Results

1	Model	Unstandardized coefficients		Standardized coeficients	t	Sig.
		B	Std. error	Beta		
	(Constant)	10,274	3.132		13.281	.001
		.338	.105	.285	3.204	.002
		.056	.062	.081	.911	.364

a. Dependent Variable: Perilaku Keuangan

Source: data processed, 2025

Based on the table above, it can be seen that:

1. Variable X1, namely digital literacy, positively and significantly affects financial behaviour. This is indicated by a significance value of 0.002 (<0.05) and a t value of 3.204. So that the first alternative hypothesis can be accepted.
2. Variable X2, namely FOMO, does not affect financial behaviour. This is indicated by a significance value of 0.364 (>0.05) and a t value of 0.911. So that the second alternative hypothesis is rejected.

Table 1.4 R^2 Test Result

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. eror of the Estimare
1	0,695	,535	,0527	2,207

a. Predictors: (Constant), Literasi digital, FoMO

b. Dependent Variable: Perilaku Keuangan

The R2 test shows how well the regression model explains variations in the dependent variable (bound) based on the independent variables (free) used. From the table above, it is known that the adjusted R2 value is 0.527 or 52.7%, this shows that Financial Behaviour can be explained by the independent variables in the regression model, namely digital literacy and FoMO by 52%, the remaining 48.3% is explained by other variables outside the model.

DISCUSSION

The Effect of Digital Literacy On Student Financial Behaviour

With a significance value of 0.002 (<0.05), the test results demonstrate that digital literacy significantly and favorably influences students' financial behavior. This implies that students' financial behavior improves with their level of digital literacy. Behavior is also greatly influenced by digital literacy, which is the capacity to obtain, comprehend, and use knowledge via modern technology. Digital literacy is the skill and knowledge to use technology to support all activities, including business management, according to (Wahdiniwaty *et al.*, 2022). Because they may easily access and learn safe and profitable ways to invest through digital sources, students with strong digital literacy are more likely to start saving or investing early, according to research by (Martaningrat and Kurniawan, 2024). Accordingly, (Hernawati, et.al, 2025) found that students who possess a sufficient level of digital literacy are more cautious when selecting financial platforms and when conducting transactions online, which can lower the risk of financial loss.

As a generation that grew up with technology advancements, students are particularly susceptible to the effects of digitalization in a variety of contexts, particularly when it comes to the digital marketing of different goods. The impulse to purchase or consume is stimulated by how simple it is to obtain information about the desired goods. Thus, one element influencing students' financial behavior is digital literacy (Sulistianingsih, et.al, 2021). Additionally, (Kumanireng and Bayu Utomo, 2023) claimed that students' interest in investing and sound money management is influenced by their capacity to handle digital information. his shows that with a good understanding, students can utilise technology to support their financial stability. Digital literacy is proven to mediate digital transactions and financial behaviour (Susetyo and Firmansyah, 2023). Different things are shown by (Anggraini and Sari, 2024) that students who are often exposed to digital advertisements or promotions tend to be more impulsive in making purchases, which in turn can interfere with their financial management.

The Influence Of Fomo On Student Financial Behaviour

The significance value is greater than 0.05, indicating that the FoMO variable has no direct impact on students' financial behavior, according to the findings of hypothesis testing using multiple regression tests. This indicates that their money management is not directly impacted by their fear over missing the moment because of what others are doing. Students can still effectively manage

their finances even when they are affected by the FoMO trend. This suggests that despite being exposed to the FoMO phenomenon and actively using social media, Generation Z students are still able to manage their money well enough. This is in line with research conducted by Indriarti and (Indriani and Harimurti, 2025) that the FoMO lifestyle has no effect on students' financial health, financial limitations such as income or pocket money are taken into consideration in managing expenses. In addition, good financial awareness among students may be one of the factors that the FoMO phenomenon in students has no effect on their financial behaviour. So that the ability to consider financial conditions is key before making financial decisions.
On the other hand, the FOMO lifestyle the fear of falling behind or losing the moment to a product or condition can serve as a catalyst for impulsive purchases. This is corroborated by research findings that indicate the community's FoMO tendency supports students' consumptive behavior (Pangesti and Anggita, 2025). Accordingly, (Indriani and Harimurti, 2025) contend that Generation Z's purchasing habits in Surakarta City are significantly impacted by FOMO. Additionally, Rahmani et al. (2023) noted that social media significantly influences students' consumption patterns. People make rash financial judgments due to a lack of self-control and fear of missing a trendy moment.

CONCLUSION

Digital literacy is proven to have a significant effect on student financial behaviour, while FoMO has no direct effect on student financial behaviour. Increasing financial awareness among students is highly recommended so that they have strong principles to manage finances properly, so that the impact of consumptive behaviour on students can be avoided.

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