

The Effect of Fear Of Missing Out and Financial Literacy on Student Financial Behavior

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ABSTRACT

Students today face a number of difficulties when it comes to handling their finances in the digital age. Anxiety or worry about missing out on exciting opportunities or social interactions is known as FOMO, and it is one of the newer phenomena. FOMO is frequently brought on by social media, where people can be influenced to engage in consumerist behavior by seeing their friends buying new things or taking part in different activities. The mental health of Generation Z is significantly impacted by FOMO as well. High levels of stress, anxiety, and feelings of inadequacy can result from the pressure to constantly be online and actively participate in social media. They constantly compare themselves to others they observe in their daring lives, which frequently leads them to conclude that many aspects of their lives that are shared on social media are representations that are dissimilar from reality. Fear of Missing Out (FOMO) has a positive and significant impact on financial behavior. Financial literacy has a positive and significant impact on financial transactions. The research methodology used is quantitative research employing validity tests, reliability tests, linear regression, t-tests, correlation, and determination of significant and positive influence in the financial management study of the Management Study Program at the Faculty of Economics and Business at Universitas Kristen Indonesia Paulus. The variable X1, or fear of missing out, has a significant impact on the financial performance of the students in the Program of Study Management at the Faculty of Economics and Business at Universitas Kristen Indonesia Paulus. The financial literacy variable, also known as X2, has a significant and positive impact on the financial literacy of the Program Study Management Faculty of Economics and Business at Universitas Kristen Indonesia Paulus.

Keywords: Fear of Missing Out, Financial Literacy, Financial Management

INTRODUCTION

In the current digital era, students are faced with various challenges in managing their finances. One of the emerging phenomena is Fear of Missing Out (FOMO), which is the feeling of anxiety or worry about missing out on social experiences or exciting opportunities. FOMO is often triggered by the influence of social media, where individuals see their friends participating in various activities or buying new items, which can encourage them to engage in consumerist behavior.

The majority of Generation Z is tempted to participate in all online activities and stay connected at all times. They worry that they will be ignored or even viewed as irrelevant by their friends if they don't stay up to date with the newest events, trends, or advancements. Generation Z frequently spends hours on social media in an attempt to stay in touch with the outside world and avoid these emotions.

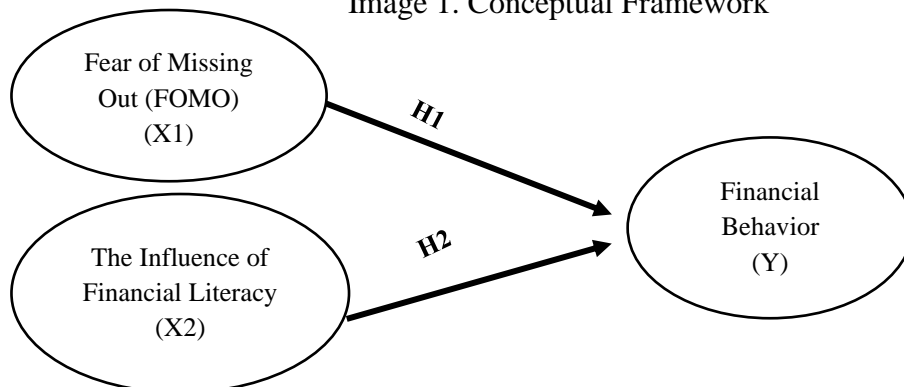
FOMO affects Generation Z's mental health significantly. The pressure to be constantly online and engaged on social media can cause high levels of stress, anxiety, and feelings of inadequacy. They frequently compare themselves to others they see online, forgetting that many aspects of life depicted on social media are filtered representations of reality (Lestari, 2024).

According to the DataIndonesia.id survey, Instagram is the most popular social media platform among Generation Z. This was stated by 91.1% of respondents aged 11 to 26 years. According to the McKinsey survey, 58% of Generation Z respondents spend more than an hour on social media. Details are as follows: 35% of respondents spend more than two hours on social media, while 23% spend 1-2 hours per day. In this context, it is critical that we understand the FOMO phenomenon and help Generation Z develop a healthy balance between the virtual and real worlds. Offline socialization, the development of interpersonal skills, and awareness of the impact of social media are all steps that can help them overcome FOMO and improve their well-being.

The causes of the FOMO phenomenon in Generation Z can be attributed to a number of complex factors. The frequency with which people use social media is one of the most significant factors. Generation Z grew up with easy access to social media platforms such as Instagram, Facebook, Twitter, and TikTok. They are exposed to a wide range of content that depicts their friends' lives through various exciting and interesting activities. This encourages curiosity and the desire to participate in all aspects of their lives. Furthermore, the culture of instant news and information consumption has a significant impact. Generation Z grew up with fast-changing news and trends on social media. They feel compelled to keep up with the most recent information, current news, and hottest trends in order to avoid missing out on anything.

Framework of Thought

Image 1. Conceptual Framework



Hypothesis

Based on the above framework, it can be concluded that the hypothesis in this research is:

- H1 = Fear of Missing Out (FOMO) has a positive and significant impact on financial behavior.
- H2 = Financial literacy has a positive and significant impact on financial behavior

METHOD

To collect the necessary data for this study, the researcher interviewed students enrolled in the management study program at the Faculty of Economics and Business, Universitas Kristen Indonesia Paulus Makassar. October through December 2024.

Population and Sample

Suharsimi and Arikunto's 2003 research focuses solely on the population. This study's population consists of 385 students enrolled in the management study program at the Faculty of Economics and Business at Universitas Kristen Indonesia Paulus. The sample for this study was determined using the Slovin formula. So the sample size was 79 students.

Type and Source of Data

The type of research used is quantitative research. According to (Sugiyono 2017:8) Quantitative investigation refers to: "A research method based on the philosophy of positivism, used to study a specific population or sample, data collection using research instruments, data analysis is quantitative or statistical in nature, with the aim of testing the established hypothesis." Quantitative research is a research method based on the positivist philosophy that is used to study a specific population or sample. Data is collected using research instruments and analyzed quantitatively/statistically with the goal of testing the established hypothesis.

Data Collection Method

Data for this study were gathered through interviews and questionnaires.

1. Questionnaire.

A questionnaire is a data collection technique in which respondents are given a set of written questions or statements to answer. A questionnaire is an effective data collection technique when the researcher is clear about the variables to be measured and what can be expected from the respondents.

2. Observation

Observation is defined as the systematic observation and recording of phenomena occurring on a research object. Direct observation refers to the observation and recording of an object at the location where the event occurs or takes place, so that the observation is carried out alongside the object under investigation. Meanwhile, indirect observation refers to observations made outside of the time frame of the event under investigation.

Operational Variables

a. Indicator of Fear of Missing Out (FOMO)

According to (Ananda Afif Nur Adnan Fauzan, 2022) Someone's Fear of Missing Out is indicated by the following:

- Social Anxiety: The level of anxiety felt when seeing friends participate in social activities.

- Urge to Engage: Feeling compelled to participate in activities or trends to avoid missing out.
- Social media's impact on the desire to engage in trending activities.
- Emotional Reaction: Negative emotions (e.g., disappointment or anxiety) that occur when unable to participate in an event.

b. Indikator Pengukuran Literasi Keuangan

The measurement indicators used to assess the financial literacy of MSME actors are based on research findings. (Puspitasari & Astrini, 2021) According to the research, financial literacy is measured using three (three) indicators, among others:

1. Financial knowledge (pengetahuan keuangan) This financial knowledge refers to a business actor's understanding of formal financial institutions, formal products and services, and product characteristics.
2. Financial Behavior This financial behavior examines how business actors save, invest, or take out loans, among other activities, in order to achieve financial goals.
3. Financial Attitudes. This financial attitude is related to how entrepreneurs' lifestyles influence their use of money. This financial attitude includes the entrepreneur's short-term financial goals, such as meeting basic needs and sustaining life.

According to (Putri & Rahmi, 2019) There are two indicators that are used to monitor financial variables:

- a. On-time payment of tags
- b. Establishment of payment and communication channels
- c. Streamlined ordering and delivery
- d. Non-stop supply of goods
- e. Adjusting f. Changing prices.

Table 1. Assessment and Scoring Measurement of Perception

Number	Category	Score
1	Strongly Agree	5
2	Agree	4
3	Doubtful	3
4	Disagree	2
5	Strongly Disagree	1

Source: (Sugiyono, 2018)

Data Analysis Techniques

Validity is a measure that indicates how valid or authentic an instrument is. A valid or authentic instrument has high validity, while a less valid instrument has low validity. Reliability testing assesses the consistency and stability of data or findings. According to the positivistic (quantitative) viewpoint, data is considered reliable if two or more researchers on the same object produce the same data, the same researcher at different times produces the same data, or a group of data when divided into two shows no difference. A reliable instrument is one that produces the same data when measured the same object multiple times. The correlation coefficient test is used to assess the relationship between variables. Multiple Linear Regression Analysis is used to assess the impact of independent variables,

namely Physical and Mental Workload, on the dependent variable, Performance. The goal of regression analysis is to predict changes in the value of the dependent variable as a result of the independent variable's influence. The coefficient of determination (R^2) measures how well the model can explain the variation in the dependent variable. In a linear regression model, the total coefficient of determination (R^2) is used to assess the extent to which the independent variables collectively contribute to the dependent variable. If the obtained (R^2) approaches 1 (one), it can be concluded that the model is better explaining the relationship between the independent variables and the dependent variable. Conversely, as R^2 approaches zero (zero), the influence of the independent variables on the dependent variable weakens. The t-test is used to determine the extent to which individual independent variables explain the variation in the dependent variable. If the calculated t value is greater than the table t value, it can be concluded that each independent variable has a positive effect on the dependent variable. If the t-statistic value is lower than the t-table value, it indicates that the independent variable has no effect on the dependent variable.

RESULT

Data Validation

Tabel 2. Data Validation

VARIABLE	INSTRUMEN	R count	R table	DESCRIPTION
X1	1	0.577	0,221	Valid
	2	0.621	0,221	Valid
	3	0.634	0,221	Valid
	4	0.539	0,221	Valid
	5	0.635	0,221	Valid
X2	1	0.602	0,221	Valid
	2	0.543	0,221	Valid
	3	0.634	0,221	Valid
	4	0.675	0,221	Valid
	5	0.553	0,221	Valid
Y	1	0.331	0,221	Valid
	2	0.488	0,221	Valid
	3	0.445	0,221	Valid
	4	0.557	0,221	Valid
	5	0.475	0,221	Valid

Source: Data processed in 2024

The variable X1, or fear of missing out, has a significant impact on the financial performance of the students in the Program of Study Management at the Faculty of Economics and Business at Universitas Kristen Indonesia Paulus. The financial literacy variable, also known as X2, has a significant and positive impact on the financial literacy of the Program Study Management Faculty of Economics and Business at Universitas Kristen Indonesia Paulus.

Reliability

An instrument is considered reliable if it consistently yields the same results when measuring the same object.

Tabel 2. Reliability

Reliability Statistics	
Cronbach's Alpha	N of Items
.833	15

Source: Data processed in 2024

The findings indicate that all of the variables used are reliable because the Cronbach's Alpha value > 0.06.

Correlation Coefficient

The degree to which financial literacy (X2) and fear of missing out (X1) impact financial behavior (Y) is ascertained using the correlation coefficient.

Tabel 4. Correlation Coefficient

Correlations				
		X1	X2	Y
X1	Pearson Correlation	1	.342**	.420**
	Sig. (2-tailed)		.002	<.001
	N	79	79	79
X2	Pearson Correlation	.342**	1	.409**
	Sig. (2-tailed)	.002		<.001
	N	79	79	79
Y	Pearson Correlation	.420**	.409**	1
	Sig. (2-tailed)	<.001	<.001	
	N	79	79	79

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data processed in 2024

A variable's relationship can be assessed using the correlation coefficient test. Decision-making in this test is based on comparing the p-value < 0.05 or the Asymp.Sig.(2-tailed) value.

Multiple Linear Regression Test

Tabel 4. Multiple Linear Regression Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.465	1.556		5.439	<.001
	X1	.242	.080	.318	3.018	.003
	X2	.256	.090	.301	2.859	.005

a. Dependent Variable: Y

Source: Data processed by SPSS29

1. The following explanation can be drawn from the equation's results: The coefficient values of the financial literacy (X2) and fear of missing out (X1) variables are zero because a = 8.465 (positive), which indicates that the value of the student financial behavior variable (Y) will be a constant and positive amount.

2. b_1 = Coefficient value (X1) 0.318 (positive), which indicates that, assuming all other factors stay the same, students' financial behavior improves as their fear of missing out rises.
3. b_2 = Coefficient Value (X2) 0.301 (positive) indicates that, under the assumption that all other factors stay the same, students' financial behavior improves as their financial literacy rises.

T-test

Tabel 5. T-test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.465	1.556		5.439	<.001
	X1	.242	.080	.318	3.018	.003
	X2	.256	.090	.301	2.859	.005

a. Dependent Variable: Y

Source: Data processed by SPSS29

The following conclusions can be drawn from the data above:

1. I tried to perdense algo (X1).

With a t-value of $3.018 > t\text{-table } 1.990$ and a significant value of $0.003 < 0.05$ for the variable Fear of Missing Out (X1), H_1 can be accepted while H_0 is rejected. Therefore, the findings of the study's first hypothesis—that students' financial behavior (Y) is influenced by their fear of missing out (X1)—are validated.

2. Knowledge of finance (X2)

With a calculated t value of $2.859 > t\text{ table } 1.990$ and a significant value of $0.005 < 0.05$ for the Financial Literacy variable (X2), H_1 is accepted and H_0 is rejected. As a result, the study's second hypothesis—that financial literacy (X2) influences students' financial behavior (Y)—is supported by the data.

Coefficient of Determination(R^2)

Tabel 7. Coefficient of Determination(R^2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.507 ^a	.257	.237	2.87122

a. Predictors: (Constant), X2, X1

Source: Data processed by SPSS

A coefficient of determination (Adj.R²) value of 0.237, or 23.7%, was determined using the data in the above table. It is known that 23.7% of students' financial behavior can be explained by financial literacy and fear of missing out, with other factors not covered in this study accounting for the remaining 76.3% (100%–76.3%). Based on the previously provided data, the following conclusions can be drawn:

Fear of missing out (X1)

Universitas Kristen Indonesia Paulus's Faculty of Economics and Business's Management

Study Program students' financial behavior is significantly impacted by the variable Fear of Missing Out, or X1.

Knowledge of finance (X2)

The financial behavior of students enrolled in the Management Study Program at the Faculty of Economics and Business, Universitas Kristen Indonesia Paulus, is significantly and favorably impacted by the financial literacy variable, or X2.

Discussion

Fear of Missing Out's Effect on Students' Financial Behavior

According to the research findings, the coefficient value (X1) is 0.242 (positive), which indicates that, assuming all other factors stay the same, students in the Faculty of Economics and Business's Management Study Program will behave more financially if their fear of missing out rises. H1 can be accepted because the variable fear of missing out (X1) has a significant value of $0.003 < 0.05$ and a t-value of $3.018 > t\text{-table } 1.990$. The study's hypothesis, that fear of missing out (X1) has a positive value and influences the financial behavior of students in the Faculty of Economics and Business's Management Study Program (Y), is thus validated.

The Influence of Financial Literacy on Students' Financial Behavior

The findings indicate that, assuming all other factors stay the same, student financial behavior improves as financial literacy rises, with a coefficient value (X2) of 0.256 (positive). H1 is accepted since Financial Literacy (X2) displays a significant value of $0.005 < 0.05$ and a t-value of $2.859 > t\text{-table } 1.990$. As a result, the study's hypothesis—that Financial Literacy (X2) has a positive value and influences the financial behavior of students in the Faculty of Economics and Business's Management Study Program (Y)—is validated.

The Influence of Fear of Missing Out and Financial Literacy on Student Financial Behavior

The study's findings demonstrate that variables X1 and X2 have an impact on variable Y at the same time. Students' financial behavior is greatly influenced by their financial literacy and fear of missing out. Research in the field demonstrates that, on average, all research variables received positive responses, supporting this.

CONCLUSION

The following conclusions can be made in light of the research's findings and the discussion that followed:

- a. Students in the Management Study Program at the Faculty of Economics and Business, Christian University of Indonesia Paulus, exhibit notable financial behavior influenced by the variable Fear of Missing Out, or X1.
- b. The financial behavior of students enrolled in the Management Study Program at the Faculty of Economics and Business, Universitas Kristen Indonesia Paulus, is significantly and favorably impacted by the financial literacy variable, or X2.

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