

## OVERCOMING DOOM SPENDING THROUGH FINANCIAL LITERACY: GENERATION Z'S PERSPECTIVE IN ACHIEVING FINANCIAL WELL-BEING



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### Abstract

The phenomenon of doom spending, characterized by uncontrolled consumptive behavior in response to stress and emotional pressure, is increasingly prevalent among Generation Z. This behavior is influenced by various internal and external factors, including emotional conditions, financial constraints, social pressures, and the pervasive impact of digital media, which further encourage impulsive consumption patterns. Low financial literacy also exacerbates the tendency toward doom spending, as individuals with limited knowledge of financial management are less capable of effectively controlling their expenditures. Therefore, this study aims to analyze how Generation Z perceives doom spending, the factors influencing it, and the role of financial literacy in fostering their financial well-being. This research employs a qualitative approach through in-depth interviews with university students and young professionals who have experienced or encountered doom spending. The findings reveal that this behavior is driven by psychological stress, social media influence, and a lack of awareness regarding the importance of proper financial management. Informants with higher financial literacy levels tend to distinguish between needs and wants more effectively and adopt more rational financial strategies to avoid excessive consumption. These findings highlight the importance of more practical and experience-based financial literacy education for Generation Z. By enhancing their understanding of financial management, individuals can develop healthier financial habits and achieve long-term financial well-being. This study recommends financial education interventions through academic curricula, training programs, and increased financial awareness via digital platforms.

**Keywords:** Doom Spending, Financial Literacy, Generation Z, Financial Well-Being, Consumptive Behavior

## INTRODUCTION

The evolution of generations over time has always been a compelling topic of study, particularly because each generation exhibits distinct characteristics, thought patterns, and values. One of the most notable differences between generations lies in how they perceive and manage finances. Each generation is shaped by the prevailing economic, social, and technological conditions of its era. For instance, older generations tend to adopt a more conservative approach to spending, emphasizing the importance of saving, whereas younger generations are more open to financial innovations and experience-based consumption. According to BPS (2018), there are five generational classifications: (1) Baby Boomers (1946–1960), (2) Generation X (1961–1980), (3) Generation Y (1981–1995), (4) Generation Z (1995–2012), and (5) Generation Alpha (2012–present). A generation can be understood as a group of individuals shaped by historical events and cultural phenomena occurring during their formative years, which influence their unique behavioral patterns and preferences. Pippiia (2022) emphasizes that the definition of a generation also considers factors such as age, location, and life experiences, which significantly impact individual development. Therefore, historical events, social phenomena, and cultural influences play a crucial role in shaping a person's personality and behavioral patterns (Henrich, 2015; Shrira, 2018). The financial management habits of Generation Z differ significantly from those of previous generations. Generation Z exhibits distinct consumption patterns, having grown up in an era of fintech advancements and the digital economy. While previous generations focused on financial stability and long-term investments, Generation Z tends to be more spontaneous and open to financial innovations. However, risks such as doom spending frequently arise due to impulsive consumption tendencies. In terms of financial literacy, Generation Z faces challenges in balancing consumption and savings. Although they are more adept at utilizing financial technology, their awareness of sound financial management practices and financial protection measures, such as insurance, still needs improvement. With strong financial literacy, they are expected to avoid excessive consumption traps and achieve financial well-being in the future.

BPS survey revealed that Generation Z in Indonesia comprised approximately 60 million individuals. This demographic composition positions Indonesia within a demographic bonus phase, where the working-age population (15–64 years old) significantly outnumbers the non-working-age population (children and the elderly). If well-managed, this demographic bonus presents a significant opportunity for economic growth and national welfare, particularly in achieving Indonesia's Vision 2045. To maximize the benefits of this demographic bonus, Generation Z plays a crucial role. They possess advantages that previous generations lacked, such as high proficiency in leveraging technology, rapid access to information, multitasking abilities, social awareness, and a strong sense of empathy (Sihombing, 2022; Szymkowiak, 2021). These competencies enable Generation Z to develop into intelligent, skilled, creative, and critical individuals in utilizing technology. Such capabilities allow them to actively contribute to economic development, technological innovation, and social solutions. In the context of the demographic bonus, harnessing the potential of this generation is essential to ensuring that they serve as agents of change, driving national prosperity and sustainability.

Consumptive behavior is one of the primary challenges faced by today's younger generations, particularly Generation Z. A growing phenomenon is doom spending, which

refers to impulsive and uncontrolled shopping habits, often as an escape from emotional pressure or stress. This behavior is driven by easy access to e-commerce and aggressive promotional campaigns, particularly through social media. Without adequate financial literacy, such behavior can lead to financial issues, including consumer debt, difficulties in saving, and personal economic instability. Financial literacy plays a crucial role in equipping this generation with the knowledge to make wise financial decisions, manage expenditures, and achieve financial well-being. Financial literacy has now become an essential life skill necessary for everyone, including Generation Z. It not only encompasses fundamental concepts such as saving, investing, and debt management but also the ability to make sound financial decisions amid economic shifts and technological advancements. For Generation Z, who have grown up in the digital era with instant access to information, financial literacy is crucial in helping them mitigate financial risks such as consumptive behavior and doom spending.

The Financial Services Authority (OJK) regularly conducts the National Survey on Financial Literacy and Inclusion (SNLIK) to measure public understanding and access to financial services. Since 2013, this survey has served as a benchmark for financial literacy improvement efforts in Indonesia. In 2019, SNLIK results indicated that the financial literacy index of Generation Z stood at only 32.10%. This means that out of every 100 individuals in Indonesia, only about 32 to 33 people possess an adequate understanding of financial concepts. This data underscores the fact that financial literacy in Indonesia remains relatively low, especially when compared to developed countries. In nations such as Sweden, Denmark, and Norway, financial literacy rates rank among the highest, with indexes reaching 71% (Klapper et al., 2015). This disparity highlights the urgency of improving financial literacy in Indonesia to ensure that its younger generations are better equipped to face future economic challenges.

Generation Z is currently undergoing a transition into productive adulthood, where their financial decisions will significantly impact their long-term financial well-being. This phase is critical, as individuals begin earning their own income and are expected to independently manage their finances, both for current needs and future stability. However, without adequate financial management knowledge, the risks to their financial well-being increase substantially. As noted earlier, the 2019 SNLIK survey reported that Generation Z's financial literacy index was only 32.10%, meaning that out of every 100 individuals, only around 32 to 33 people have sufficient knowledge of financial management. This low literacy level places Generation Z at risk of poor financial preparedness for both present and future economic challenges. With limited financial understanding, Generation Z is vulnerable to various financial issues, including excessive consumption (doom spending), consumer debt, and difficulties in building wealth. Enhancing financial literacy among Generation Z is crucial to increasing their awareness of the importance of financial planning and management. A better understanding of finance enables them to develop budgeting habits and save consistently, avoid consumer debt and utilize financial products wisely, start investing early to achieve future financial independence.

The Theory of Planned Behavior (TPB) explains how attitudes, subjective norms, and perceived behavioral control influence an individual's intention and decision-making processes. In the context of financial literacy, TPB can be used to understand financial behaviors and how attitudes toward money shape decisions regarding saving, spending, and

investing. According to TPB, an individual's beliefs and attitudes toward financial management influence their acceptance or rejection of responsible financial behavior. Social norms and perceived behavioral control also affect how capable individuals feel in adopting financial habits, such as saving consistently or avoiding consumer debt. Therefore, financial literacy is not merely a matter of knowledge but also involves motivation, attitudes, and self-control in financial management.

Addressing the challenges and potential of Generation Z, this study aims to explore their perspectives and understanding of financial well-being, including the prevalent phenomenon of doom spending among them. Understanding the factors that influence their financial well-being is essential, especially given that Generation Z exhibits distinct mindsets, behaviors, and financial habits compared to previous generations. Financial well-being is not solely determined by the amount of wealth an individual possesses but also by their ability to manage expenses, save, handle debt, and make informed financial decisions for economic stability.

Previous studies on financial well-being have predominantly employed quantitative approaches. Only a few studies, such as those by Rea (2019), Riitsalu (2024), and Muir (2017), have adopted qualitative methods to understand individual perspectives on financial well-being. However, these studies have yet to specifically examine Generation Z's viewpoint on financial well-being. This research gap is crucial to address, considering the strategic role of Generation Z in shaping a nation's economic and social future. By leveraging technology and fostering financial literacy, Generation Z has the potential to drive financial innovation. However, without adequate financial education, they face significant risks, including excessive consumption, consumer debt, and poor financial decision-making.

## REVIEW OF LITERATURE

Research on financial well-being and financial literacy has been extensively conducted, with various focuses on the relationship between financial knowledge, financial well-being, and the demographic factors influencing it. However, studies specifically examining financial behaviors such as doom spending remain limited. Doom spending refers to spending patterns triggered by financial anxiety or uncertainty, which can negatively impact an individual's financial well-being. Although financial literacy is considered to have a positive effect on financial well-being, no research has specifically investigated doom spending behavior, especially among younger generations such as Gen Z. While studies on financial literacy and financial well-being are extensive, research specifically investigating doom spending remains scarce. To date, no study has comprehensively examined doom spending as a distinct financial behavior, particularly among younger generations such as Gen Z. This gap in the literature highlights the need for further exploration into how doom spending affects financial well-being and what factors contribute to its occurrence.

Various studies have explored financial well-being and financial literacy, focusing on the correlation between financial knowledge, financial well-being, and demographic factors. Jappelli & Padula (2013) found that financial literacy is associated with increased household wealth. Their study, conducted through a multi-period analysis in 11 European countries in 2003 and 13 countries in 2006, demonstrated that improved financial literacy

positively correlates with household financial well-being across both periods. Similarly, Taft (2013) emphasized that financial literacy has a positive impact on financial well-being. The researchers also examined the relationship between financial literacy, financial awareness, financial well-being, and the influence of demographic factors such as age, gender, marital status, and education. Their findings indicated that age, marital status, and education significantly affect financial well-being and literacy. Although existing studies have examined financial literacy and financial well-being across different demographics, research focusing on the specific financial behaviors that contribute to financial distress such as doom spending is still lacking. Most studies primarily explore financial literacy's impact on financial well-being without addressing compulsive or stress-induced spending behaviors that may undermine financial stability.

Rakhman (2023) investigated financial well-being among low-income communities in Klang Valley, Malaysia. Using SEM-PLS analysis, their findings revealed that financial behavior was the primary determinant of financial well-being, followed by financial stress and financial literacy. To enhance the well-being of this group, a balance between spending and income, financial stress management, and improved financial knowledge supported by government and financial institutions is necessary. Some studies, such as those by Riitsalu (2024), have shown that perceptions of financial well-being differ between young and middle-aged groups. Young individuals perceive financial well-being as a combination of maintaining their current lifestyle, meeting their needs, achieving an ideal lifestyle, and attaining financial freedom. In contrast, middle-aged individuals prioritize sustaining their lifestyle and providing for their families in the present and future. A study among Gen Z university students in Greece also found that male students with well-documented expenses or those with fathers who had higher education levels tended to have better financial literacy. Students who could manage their finances were also more resilient in facing financial crises, reinforcing the conclusion that financial literacy is a key factor in financial well-being.

In Indonesia, research by Brillianti (2020), using IFLS data, found that households with knowledge of official lending institutions and bank accounts were more likely to avoid poverty. Several theories recognize that financial well-being involves not only material aspects but also non-material factors such as satisfaction, security, and the ability to meet needs. Brügger (2017) defined financial well-being as an individual's ability to maintain their standard of living and achieve financial freedom. Additionally, Netemeyer (2018) divided financial well-being into two components: present money management and future financial security. Some researchers use objective indicators (such as savings and debt ratios), while others use subjective indicators (such as financial anxiety or concerns). Research also shows that financial well-being has a significant impact on mental health and overall life satisfaction. Netemeyer (2018) found that financial well-being affects an individual's life to the same extent as the combined influence of various other life domains. Poor financial well-being can lead to health issues, low productivity, and stress, thereby affecting performance and short-term decision-making.

### **Financial Well-Being**

The concept of well-being encompasses various aspects. Van Praag (2015) stated that individual satisfaction is influenced by six main factors: business, finance, housing, leisure, health, and environment. Meanwhile, McGregor and Goldsmith (2018) emphasized

that well-being includes economic, physical, social, emotional, environmental, political, and spiritual dimensions. One crucial aspect of well-being is material well-being. Fergusson (1981) defined financial well-being as the accumulation of an individual's assets and income, whereas Williams (1983) highlighted that financial well-being includes both material and spiritual aspects of a person's financial condition.

Financial well-being can be analyzed as a single component or two components, but most research tends to adopt the latter approach, distinguishing between current and future financial well-being. Salignac (2020) identified three dimensions of financial well-being: the ability to meet expenses and save money, having control over finances, and feeling financially secure. Netemeyer et al. (2018) divided financial well-being into two components: current money management and expected future financial security. Several approaches exist for measuring financial well-being; some use objective measures, such as savings and debt ratios, while others rely on subjective measures, such as Likert scale assessments of financial anxiety, concerns, or financial stress (de Bruijn & Antonides, 2022; Netemeyer, 2018; Strömbäck, 2020). Some researchers advocate combining both approaches (OECD, 2020a; Porter & Garman, 1993). The subjective approach appears to receive more support as it better reflects individual perceptions and values compared to objective measurements (Riitsalu & van Raaij, 2022).

### **Financial Literacy**

Financial literacy refers to an individual's ability to understand and evaluate various financial options, plan for the future, and respond effectively to financial situations. This ability also enables individuals to participate in economic activities through increased savings, appropriate investments, asset management, use of guarantees, debt management, and financial well-being. Chahal (2015) defined financial literacy as the essential capability required to achieve financial well-being. Remund (2010) added that financial literacy encompasses an individual's ability to comprehend and manage their financial matters.

According to Hung et al. (2019), financial literacy is defined as "knowledge of basic economic and financial concepts, as well as the ability to apply financial knowledge and skills to effectively manage financial resources throughout one's lifetime." Huston (2010) stated that financial literacy consists of two aspects: understanding (knowledge of personal finance) and application (implementation in personal financial contexts).

### **Grand Theory**

The Theory of Planned Behavior (TPB) originates from the Theory of Reasoned Action (TRA), introduced by Ajzen (1985). This social theory aims to predict human behavior as a result of considerations influenced by norms, attitudes, and behavioral control. Attitude serves as the primary factor in decision-making. Human behavior is influenced by various reasons, including the perceived consequences of actions, expectations from others, and factors that may hinder the behavior (Putri, 2016:180). In this context, an individual's attitude toward a particular behavior is a crucial component in predicting their actions. However, it is important to note that an individual's attitude is also shaped by behavioral control and subjective norms. When a positive or supportive attitude emerges, environmental support becomes highly significant. Additionally, if individuals perceive no barriers to their behavior, their intention to act becomes stronger (Sugianto, 2019).

TPB is highly relevant in explaining financial literacy levels as it helps to understand how individuals behave and react, considering that attitudes and beliefs can influence the acceptance or rejection of certain behaviors. This theory, as proposed by Ajzen (1991), has been widely used by researchers to understand individual behavior and reactions. A person's belief in something, along with their efforts, is ultimately influenced by financial literacy, which encompasses financial knowledge, behavior, and financial perspective. An individual's actual behavior in performing a particular action is directly influenced by behavioral intention, which is determined by attitude and perceived behavioral control. Behavioral intention reflects the extent of an individual's willingness to engage in a specific behavior to direct their efforts (Ratih, 2016).

## RESEARCH METHOD

This research is a descriptive qualitative study that explores the phenomenon of doom spending among Generation Z. This approach was chosen because the study aims to describe and understand the phenomenon of doom spending, as well as the factors underlying uncontrolled consumer behavior. This phenomenon is subjective and complex, making it unsuitable for quantitative measurement. Instead, it must be understood through the perspectives of individuals who experience it. Paradigmatically, this study falls within the interpretive paradigm, which emphasizes that social reality is constructed through individuals' meanings and interpretations of a phenomenon. In this research, doom spending is understood not only as a form of consumer behavior but also as a subjective response to social, psychological, and economic factors that influence how Generation Z perceives money and financial well-being. The interpretive paradigm posits that knowledge is obtained through the meaning assigned to individual experiences rather than through objective measurement, as in the positivist approach. Therefore, this study does not aim to test hypotheses or generate broadly applicable generalizations but instead seeks to explore the unique interpretations and experiences of Generation Z regarding the impact of doom spending on their financial well-being. According to Windasari (2024), the quality of theory within the interpretive paradigm is measured by its ability to provide meaning and understanding of a phenomenon within a specific social context. Thus, this study focuses on local and contextual findings that offer deep insights into how Generation Z interprets their financial behavior when facing economic and social challenges.

This research was conducted in Malang, chosen as the study location due to its status as one of Indonesia's major educational centers. The city has a large student population from both public and private universities, as well as a significant number of young workers, most of whom belong to Generation Z. With the high number of students and young professionals, Malang is an ideal setting for exploring the phenomenon of doom spending, as this group has unique consumption patterns often influenced by social factors, lifestyle, and the ease of access to financial technology. Furthermore, the rapid growth of the digital economy in Malang plays a crucial role in this research. The city has seen significant developments in the digital sector, including e-commerce, digital payment services, and technology-based financial platforms, which contribute to the consumer behavior of Generation Z. The ease of access to online shopping applications, pay-later services, and digital banking enables young people to conduct transactions more quickly and conveniently, potentially increasing the risk of impulsive and uncontrolled spending.

Malang also has a distinctive consumption culture, characterized by numerous cafés, shopping centers, and an evolving urban lifestyle. These factors reinforce Generation Z's tendency to spend money to fulfill social and entertainment needs, which often trigger doom spending behavior. Additionally, academic and professional pressures faced by students and young workers can also drive excessive consumption as a coping mechanism or stress relief.

Considering these factors, this study positions Malang as a relevant social and economic context for understanding doom spending behavior among Generation Z. This environment provides a rich and diverse perspective on how the digital economy, consumption culture, and social pressures influence young people's spending habits. In this research, the role of the researcher is crucial as the primary instrument and data collector. The researcher is directly involved in every stage of the study, from data collection, observation, and interviews to the analysis of informants. The researcher's presence is essential for collecting information accurately and thoroughly without overlooking minor details that may hold significance.

In qualitative research, informants are not merely respondents; they are individuals with in-depth experience and knowledge of the phenomenon being studied. Therefore, the selection of informants in this study is based on several key criteria, 1) having close involvement with the phenomenon being studied, 2) possessing sufficient and intensive understanding, 3) having direct experience with the researched activities and 4) providing information honestly and without fabrication.

The sample in this study consists of individuals categorized as Generation Z, those born between 1995 and 2012. This generation has unique consumption patterns, particularly influenced by digital technology, social media, and easy access to technology-based financial services. As a result, they are the most vulnerable group to doom spending, especially within the context of consumerist lifestyles, the use of digital credit facilities, and impulsive buying tendencies. This study uses purposive sampling, a sampling technique that deliberately selects participants based on specific criteria relevant to the research objectives. The key criteria for informants in this study include, 1) aged between 18 and 29 years (Generation Z members who have financial independence in decision-making), 2) having direct experience with doom spending, whether in the form of impulsive spending, uncontrolled use of pay-later services, or excessive shopping as a psychological compensation mechanism, 3) being a student or a young worker, as both groups face financial and social pressures that may influence their consumption patterns, 4) willing to openly share their experiences to provide deeper insights into the studied phenomenon.

In addition to purposive sampling, this study also employs snowball sampling, where initial informants recommend other individuals with similar experiences. This technique allows the researcher to access informants with diverse doom spending experiences until data saturation is reached—when additional informants no longer provide significantly different insights from those already obtained. Based on these criteria, the study involves three primary informants: two students and one employee who have experienced doom spending. Including these two categories of informants is crucial for obtaining a broader perspective from both academic (students) and professional (young

workers) viewpoints, allowing for an analysis of doom spending patterns in different contexts.

**Table 1.**  
**Informant Data**

<b>Name</b>	<b>Position</b>
Zainur Rozikin	Employee
Nufi	Student
Ahmad Zainuddin	Student

This study relies on primary data obtained directly from interactions and interviews with informants. Primary data is crucial as it provides more accurate and relevant information regarding doom spending behavior and its impact on Generation Z's financial well-being. To collect primary data, the researcher employs several methods to gain deeper insights into the topic under study. These methods include:

1. Interviews

Semi-structured or in-depth interviews are conducted with selected informants—members of Generation Z who have experience and understanding of doom spending behavior. These interviews help the researcher explore individuals' views, understanding, and experiences related to financial anxiety, money management, and the impact of doom spending on their well-being.

2. Observation

The researcher also conducts observations to directly examine how Generation Z manages their finances in daily life. This observation provides additional data on spending habits and consumption patterns that may not be revealed in interviews.

3. Documentation

Data collection through documentation involves analyzing relevant records or documents, such as personal financial reports, spending records, or social media content that illustrate Generation Z's consumption behavior and financial concerns.

Data analysis is a crucial stage in research, as its results form the basis for drawing conclusions accepted by the academic community. According to Moleong (2011), data analysis involves organizing, selecting, simplifying, identifying patterns, discovering significant aspects, and determining what information to present. The data analysis model used in this study follows the framework proposed by Miles and Huberman (1992), which consists of three main steps, 1) data reduction, 2) data display, 3) conclusion drawing. To ensure data validity, this study employs two key techniques, persistent observation and triangulation. The research process consists of three main stages is preparation, execution, and report writing.

## **RESULTS AND DISCUSSION**

These research findings are based on interviews conducted with three informants from different backgrounds. In-depth interviews were carried out to explore their

understanding of doom spending behavior and how they manage their finances in daily life. The results indicate that doom spending does not necessarily occur in every individual, but those experiencing emotional instability or significant social influence tend to be more vulnerable to this behavior. Additionally, financial literacy plays a crucial role in determining how individuals manage their expenses. Informants with a better understanding of financial management tend to spend their money more wisely, whereas those with lower financial literacy are more easily influenced by emotional and social impulses. The following is a presentation of findings based on interviews with each informant.

#### **Informant Ahmad Zainuddin**

Ahmad Zainuddin is a student who has a high awareness of managing finances wisely. In the interview, he emphasized that he always prioritizes needs over wants in every expenditure. For him, financial awareness is a key factor in avoiding excessive consumer behavior, including doom spending. This indicates that financial literacy plays an important role in determining how individuals manage their expenses in a more rational and planned manner. Ahmad stated that he does not engage in doom spending because he adheres to the principle of only purchasing essential items. He expressed:

*"I don't feel like I've ever experienced doom spending because I usually only buy things that I really need. In my opinion, it is wiser to shop according to needs rather than just following trends."*

This statement reinforces that wise financial management contributes to an individual's financial well-being. Ahmad emphasized that rational purchasing decisions should be based on actual needs rather than impulsive desires driven by emotions or social trends. If someone tends to buy items based on emotional impulses or just to follow trends, they risk experiencing doom spending, which can disrupt their financial stability in the long run.

Furthermore, Ahmad acknowledged the correlation between internal and external factors in influencing doom spending behavior. He stated that social media and trends significantly shape an individual's consumption patterns.

*"I often get influenced by what's on social media and trending topics. Sometimes, even if I don't really need something, I buy it just because I see others using it or because it's a trend. There's no denying that social media has a huge influence."*

Based on this statement, it can be concluded that social media and evolving consumer trends within society can drive individuals to make purchases even when there is no urgent need. This aligns with the concept of social influence, where individuals tend to adapt their lifestyles and consumption patterns to their social environment to gain validation or recognition from others. Consequently, social pressure arising from exposure to social media trends has the potential to encourage unplanned and excessive spending, which can negatively impact financial well-being.

However, Ahmad has a strategy to maintain financial balance by only shopping according to his needs, ensuring long-term financial stability. He explained:

*"I usually only shop for necessities because if I buy too many unnecessary things, my finances won't be stable in the future."*

This statement illustrates that Ahmad applies self-control principles in managing his personal finances. He recognizes that uncontrolled spending, even in small amounts, can

significantly impact financial conditions over time. Therefore, he adopts a more systematic financial planning strategy, allocating his budget solely for essential needs such as food, housing, and other necessary expenses.

This approach reflects a high level of financial awareness in avoiding excessive consumer behavior. Ahmad understands that to achieve sustainable financial well-being, individuals must align their expenses with actual priorities and resist external consumer influences. Thus, a financial management strategy based on needs and self-awareness can be an effective solution to prevent doom spending and maintain individual financial stability.

#### **Informant Zainur Rozikin**

Zainur Rozikin has a different experience compared to Ahmad Zainuddin regarding financial management. In the interview, he admitted that he had experienced doom spending, especially during emotionally unstable moments. One example he shared was his habit of purchasing items as a form of self-entertainment when experiencing psychological stress.

*"So, I once bought food just for entertainment when I was in a bad mood. Although it didn't seem like a big financial issue at the time, I realized that the habit messed up my savings."*

This statement shows that while doom spending may not immediately cause financial hardship in the short term, it still affects overall financial stability. In Zainur's case, even though impulsive purchases did not directly endanger his financial condition, they hindered his ability to save, which is crucial for long-term financial planning. Without good control over emotionally driven expenditures, individuals may struggle to build sustainable financial stability.

Aside from emotional factors, Zainur also highlighted the role of social media as an external factor influencing his impulsive shopping decisions. He revealed that the pressure to stay relevant on social media encouraged him to make unnecessary purchases.

*"I often feel influenced by what I see on social media. Seeing people buy trendy items makes me feel like I should buy them too, just so I don't fall behind. If my emotions are unstable, shopping becomes a way to feel better."*

This statement indicates that social media serves as an external factor that increases the tendency for unplanned spending. The concept of social comparison explains how individuals compare themselves with others and try to align their lifestyles with prevailing social standards. Among Generation Z, high exposure to consumption trends on social media can trigger herd behavior, where individuals feel compelled to follow others' spending habits even if the purchases do not provide significant benefits to their well-being.

#### **Informant Nufi**

Nufi, a student, shared her personal experiences regarding doom spending, which often occurs when she is emotionally unstable. She explained that when she feels stressed, she tends to make impulsive purchases, even if the items are not truly necessary. This condition contributes to difficulties in controlling expenses, ultimately affecting her ability to save and manage finances effectively.

*"There was a time when I was emotionally unstable, and I ended up experiencing doom spending. It felt like, when I was stressed, I would buy things I didn't really need. As a result, I found it hard to manage my expenses and struggled to save money."*

This statement highlights how emotional instability can influence an individual's consumption patterns and increase the risk of doom spending. Although Nufi is aware of the negative impacts of this behavior, such as difficulty saving and financial mismanagement, she also acknowledges that poor financial management can have long-term consequences on financial well-being.

Beyond emotional factors, social pressure also plays a significant role in purchasing decisions. Nufi explained that peer influence and the fear of missing out (FOMO) on social media further motivated her to make impulsive purchases. When feeling stressed or dissatisfied with herself, she felt compelled to buy items as emotional compensation or stress relief.

*"Sometimes, when I see my friends or people on social media buying trendy items, I feel like I have to buy them too, just to keep up. Especially when I'm stressed or feeling down, shopping makes me feel better, even if it's temporary."*

This statement illustrates how social media significantly shapes consumption patterns. FOMO drives individuals to make purchases as a way of fitting in with their social environment. In this context, shopping is no longer just about fulfilling needs but also serves as a psychological mechanism to boost self-esteem or reduce stress. However, while this behavior may provide temporary satisfaction, its impact on financial stability can be detrimental if not managed properly.

### **Generation Z's Views and Understanding of Doom Spending Behavior**

Sorgente (2017) describe financial well-being as the total amount of assets and income an individual possesses. Ponchio (2019) states that financial well-being is influenced by both material and spiritual aspects of an individual's financial situation. Meanwhile, Castro (2020) explain financial well-being as an individual's feelings toward their financial condition. Silva (2023) defines financial well-being as a person's attitude toward their financial status, based on objective factors. Additionally, McGregor and Goldsmith (1998) consider well-being to encompass various aspects, including economic, physical, social, emotional, environmental, political, and spiritual factors. Financial well-being is a crucial component of overall well-being. Based on these various perspectives, it can be concluded that well-being is a multidimensional concept that includes both material and non-material aspects. An individual's well-being is influenced not only by their economic condition but also by their level of satisfaction in various aspects of life, such as employment, health, social relationships, and environment. In the context of financial well-being, this involves a balance between objective factors, such as income and asset ownership, and subjective factors, such as an individual's perception of their financial condition. Thus, financial well-being can be understood as an interaction between material and emotional aspects that shape one's perception of financial stability and security.

There are two main approaches to measuring financial well-being: objective and subjective measurements. Objective measurement typically involves quantitative indicators, such as income level, savings amount, debt level, and asset. On the other hand, subjective measurement focuses on an individual's level of satisfaction with their financial condition, including satisfaction with income, savings, and overall financial stability (Xiao, 2016; Iramani, 2021). This study measures financial well-being using a subjective approach, assessing how satisfied individuals feel with their income, savings, and general financial situation. This level of satisfaction is highly individual and varies from person to person, as

each individual has different experiences and perceptions regarding financial stability. Furthermore, financial satisfaction is reflected in how well a person can balance their needs and wants. Interviews conducted in this study reveal that doom spending behavior is more prevalent among individuals experiencing emotional instability or strong social influence in their spending decisions. Additionally, financial literacy plays a significant role in determining one's financial management patterns. Individuals with a good understanding of financial management tend to be more cautious with their spending, whereas those with low financial literacy are more vulnerable to impulsive spending driven by emotional and social factors.

### **Factors Driving Doom Spending**

In today's fast-paced digital era filled with distractions, consumerist behavior is becoming increasingly difficult to control, especially among Generation Z. One phenomenon that is widely discussed is doom spending—impulsive shopping as a response to stress, emotional pressure, or social influence. Although it initially provides instant gratification, this behavior often negatively impacts an individual's financial condition, creating an uncontrollable spending cycle. In daily life, many individuals unconsciously fall into doom spending behavior. For example, someone who feels exhausted and stressed after a long day of work or studying might open an e-commerce app or social media, be tempted by massive discounts or the latest trends, and make purchases they do not genuinely need. This activity provides temporary pleasure but can lead to more severe financial problems in the long term.

This phenomenon is influenced by two main factors, internal and external factors. On internal factors there are emotional states and financial conditions. First on emotional state plays a significant role in shaping consumption patterns. When facing psychological pressure, individuals often seek comfort through consumption, whether by purchasing goods, food, or experiences. In many cases, these purchases are not made out of necessity but as a coping mechanism to reduce stress or anxiety. Unfortunately, the satisfaction derived from impulsive shopping is temporary and often followed by regret and increased financial stress. Second on financial conditions can also trigger doom spending. Ironically, individuals with financial constraints are more vulnerable to this behavior. Those struggling financially often face a dilemma between needs and wants. Even though they are aware of their economic limitations, the urge to buy products or services for emotional satisfaction or to keep up with trends remains high. This is exacerbated by low financial literacy, which makes it difficult for them to manage their spending and set healthy financial priorities.

Then on external factors there are social media and peer pressure and social environment. Social media and peer pressure significantly influence shopping behavior. Generation Z, who are highly connected to the digital world, are frequently exposed to rapidly changing consumption trends. Social media is flooded with lifestyle promotions, product reviews, and marketing strategies designed to trigger impulsive shopping. The Fear of Missing Out (FOMO) phenomenon further amplifies this urge, where individuals feel compelled to follow trends or own specific items to avoid feeling left out. Last, social environment also plays a crucial role. Many individuals feel the need to meet certain lifestyle standards to be accepted in their social circles. This pressure can come from friends, family, or communities they belong to. In many cases, people purchase branded items, the latest gadgets, or adopt luxurious lifestyles not out of necessity but due to social

pressure to maintain a certain status. The consequences of doom spending can be severe if not controlled. Many individuals fall into consumer debt due to uncontrolled spending. Difficulties in saving and managing finances for long-term needs are also common consequences. As a result, those who engage in continuous doom spending tend to experience higher financial stress, further exacerbating their consumerist cycle.

## CONCLUSION

This study provides important insights into the phenomenon of doom spending among Generation Z, revealing that this behavior is largely influenced by emotional factors and the pervasive impact of social media. Many respondents perceive doom spending as a compulsive and often uncontrollable habit, where impulsive purchases serve as a way to cope with stress or social pressure. These purchases, however, are often unnecessary and contribute to financial instability. One of the primary factors driving doom spending is social pressure, where individuals feel the need to conform to certain lifestyle standards set by their peers. The rise of social media further amplifies this behavior, exposing young people to endless promotions, influencer marketing, and consumption trends that encourage impulsive buying. Additionally, a lack of financial literacy and weak financial management skills make it difficult for individuals to control their spending, often leading to overspending and reliance on credit or pay-later services. The study also highlights the negative consequences of doom spending, particularly its impact on financial well-being. Many respondents admitted facing difficulties in saving money due to frequent impulsive spending. Some experienced an accumulation of debt, as they relied on credit cards or installment-based payment services without proper financial planning. Over time, these financial struggles contributed to long-term instability, making it harder for them to achieve financial security. Despite these challenges, several strategies were identified as effective in managing and reducing doom spending behavior. Some respondents successfully implemented stricter budgeting measures by setting clear financial limits and prioritizing essential expenses. Others limited their use of credit cards and pay-later services to prevent debt accumulation. Additionally, increasing financial literacy played a crucial role in helping individuals gain better control over their spending habits. Those who engaged in financial education whether through books, online courses, or financial planning tools reported improved decision-making in managing their money.

Based on these findings, several recommendations are proposed to address doom spending among Generation Z. First, individuals should enhance their financial literacy through both formal and informal education, such as attending financial courses, seminars, or utilizing digital learning platforms. They should also develop better financial planning habits, such as creating a structured monthly budget and exercising greater control over impulsive spending. Educational institutions play a crucial role in fostering financial awareness among students. Universities and learning institutions are encouraged to integrate financial literacy programs into their curricula to ensure that students acquire essential financial management skills. Furthermore, governments and financial institutions should implement policies that promote financial literacy among young people. This could include educational campaigns focused on financial management and raising awareness of the risks associated with digital financial services. These initiatives can contribute to the development of a more financially responsible generation. For future researchers, it is

recommended to expand the scope of study by increasing the number of informants and employing a broader methodological approach, such as quantitative analysis. This would help strengthen the understanding of the relationship between financial literacy and doom spending behavior, providing more comprehensive insights into this phenomenon. Despite its valuable contributions, this study has certain limitations that should be considered. These limitations may affect the generalizability of the findings to a broader population. One of the primary limitations is the relatively small number of informants, which prevents the results from being fully representative of the entire Generation Z population in Indonesia. A larger and more diverse sample would provide more conclusive and applicable insights. Additionally, the qualitative approach used in this study primarily focuses on exploring individual experiences rather than producing statistically testable results. While this method offers in-depth perspectives on personal financial behavior, it does not generate quantifiable data that could be analyzed statistically to identify broader trends and correlations. Future research could incorporate quantitative methods to complement qualitative findings, allowing for a more robust analysis. Another limitation is that external factors such as macroeconomic conditions and financial policies were not analyzed in depth. These factors may have a significant influence on the financial behavior of Generation Z, and their impact remains an important area for further investigation. Examining how economic conditions and policy regulations affect doom spending behavior would enhance the overall understanding of this issue.

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