



THE IMPACT OF A CONSUMPTIVE LIFESTYLE ON THE ECONOMIC STABILITY OF MILLENNIALS

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Abstract

Millennials, as a dominant demographic group in the global economy, are significantly influenced by modern consumerist tendencies. This study explores the impact of a consumptive lifestyle on the economic stability of millennials, focusing on their financial management, saving patterns, and long-term economic security. The research highlights that the pervasive influence of social media, advertising, and peer pressure has exacerbated impulsive spending habits, reducing the financial resilience of millennials. By analyzing various factors, such as income levels, debt accumulation, and investment preferences, the study uncovers the challenges faced by millennials in achieving sustainable financial growth. Furthermore, the findings emphasize the need for effective financial literacy programs to counteract the negative effects of consumerism, enabling millennials to make informed financial decisions. This study concludes by recommending practical strategies to balance lifestyle aspirations with economic stability, aiming to foster a more sustainable approach to personal finance among millennials.

Keywords: Millennials, consumptive lifestyle, economic stability, financial management, impulsive spending



Introducing

Millennials, also known as Generation Y, represent a significant proportion of the global population and play a pivotal role in shaping economic trends. Born between 1981 and 1996, this generation is characterized by its unique approach to lifestyle, technology adoption, and consumer behavior. As digital natives, millennials have grown up in a rapidly advancing technological landscape, (Jumantini, 2017) where access to information and online shopping platforms has revolutionized traditional consumption patterns. While these developments have brought convenience and connectivity, they have also fostered a culture of instant gratification and heightened consumerism. This phenomenon has profound implications for the economic stability of millennials, as their financial behaviors and priorities are often shaped by external influences rather than long-term planning.

The consumptive lifestyle embraced by millennials is deeply intertwined with societal and cultural dynamics. The pervasive influence of social media platforms, such as Instagram, TikTok, and YouTube, has redefined the way individuals perceive success, happiness, and fulfillment. Advertisements, influencer endorsements, and aspirational content create a narrative that equates material possessions with personal value and social status. As a result, millennials are more likely to engage in impulsive spending, prioritizing short-term desires over long-term financial security. This behavior not only strains individual finances but also contributes to systemic challenges, such as increased debt levels and reduced savings rates.

Economic stability is a cornerstone of personal and societal well-being. It encompasses the ability to manage financial obligations, accumulate savings, and invest in future opportunities without excessive stress or dependence on external support. For millennials, achieving economic stability is particularly challenging due to several factors, including rising living costs, stagnant wage growth, and the burden of student debt. These financial pressures are further compounded by their consumptive tendencies, (Mahendra et al., 2023) which often lead to a mismatch between income and expenditure. The allure of luxury goods, frequent dining out, and an emphasis on experiential consumption, such as travel and entertainment, are common traits that define this generation's spending habits.

One of the key drivers of a consumptive lifestyle among millennials is the psychological phenomenon of social comparison. Social media platforms serve as a constant reminder of others' achievements and possessions, creating a cycle of envy and the desire to keep up with perceived standards. This behavior, commonly referred to as "keeping up with the Joneses," can lead to financial overextension as individuals strive to emulate the lifestyles they see online. Credit cards and buy-now-pay-later schemes further facilitate this cycle, enabling millennials to spend beyond their means without immediate consequences. However, the long-term implications of such financial decisions can be detrimental, leading to mounting debt and a lack of financial resilience.

The economic challenges faced by millennials are not solely a result of their lifestyle choices; they are also influenced by broader structural and economic factors. The global economy has undergone significant shifts over the past few decades, including the rise of the gig economy,



Journal of Islamic Banking

Volume 5, Nomor 2 Desember 2024

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automation, and economic volatility. These changes have altered the traditional pathways to financial stability, making it more difficult for millennials to secure stable employment and build wealth. Additionally, the rising cost of housing, healthcare, and education has placed further strain on their financial resources, leaving little room for savings or investments. In this context, a consumptive lifestyle exacerbates existing vulnerabilities, creating a vicious cycle that undermines economic stability.

Financial literacy plays a critical role in addressing the challenges associated with a consumptive lifestyle. (Rif'ah & Yunikawati, 2024) Despite their high levels of education and tech-savviness, many millennials lack the knowledge and skills needed to make informed financial decisions. This knowledge gap often leads to poor budgeting, inadequate retirement planning, and an overreliance on credit. To counteract these issues, there is a pressing need for targeted financial education programs that empower millennials to take control of their finances. By understanding the principles of budgeting, saving, and investing, millennials can develop healthier financial habits that support long-term stability.

Another aspect to consider is the cultural shift towards experiential consumption. Unlike previous generations, millennials place a higher value on experiences rather than material possessions. This trend, while enriching in many ways, can also contribute to financial instability if not managed wisely. For instance, frequent travel, dining at upscale restaurants, and attending expensive events can strain budgets and limit the capacity for saving. While these experiences contribute to personal fulfillment, they must be balanced with financial prudence to ensure long-term economic well-being.

Policymakers and financial institutions also have a role to play in promoting economic stability among millennials. By offering affordable financial products, such as low-interest loans and accessible investment options, they can support millennials in managing their finances more effectively. Moreover, workplace initiatives, such as employer-sponsored retirement plans and financial wellness programs, can provide the tools and resources needed to build financial resilience. (Permata & Sudarmiatin, 2024) Governments can also implement policies that address the structural challenges faced by millennials, such as affordable housing initiatives and measures to curb predatory lending practices.

The relationship between a consumptive lifestyle and economic stability is complex and multifaceted. While the desire for instant gratification and societal pressures contribute to consumptive behaviors, underlying economic and structural factors exacerbate these tendencies. Addressing these issues requires a holistic approach that combines individual responsibility, financial education, and systemic reforms. By fostering a culture of financial literacy and promoting sustainable consumption habits, it is possible to mitigate the negative impact of a consumptive lifestyle and enhance economic stability for millennials.

Research Method

The research employs a qualitative methodology to explore the impact of a consumptive lifestyle on the economic stability of millennials. This approach is chosen to gain a deep



understanding of the underlying behaviors, perceptions, and influences that shape millennials' financial decisions. Data collection is conducted through semi-structured interviews with millennials from diverse socioeconomic backgrounds, allowing for rich, nuanced insights into their spending habits, financial management practices, and the societal pressures they face.

In addition to interviews, observational techniques are utilized to analyze patterns of consumption and decision-making in real-world contexts, such as shopping malls, online marketplaces, and social media platforms. Document analysis is also incorporated, examining financial reports, lifestyle studies, and social media content to identify recurring themes and trends.

The data analysis process follows thematic analysis, where patterns and themes emerging from the collected data are systematically identified, coded, and interpreted. This process enables the research to uncover not only the explicit behaviors associated with a consumptive lifestyle but also the implicit factors, such as emotional and psychological motivations. Triangulation is applied to enhance the validity and reliability of the findings by cross-verifying data from multiple sources.

Research Findings

The study revealed that millennials' economic stability is heavily influenced by their consumptive lifestyle, a behavior largely shaped by societal norms, technological advancements, and personal aspirations. The data collected through interviews and observations highlighted several critical themes that illustrate how these factors interact to affect their financial decisions.

Firstly, the pervasive influence of **social media** emerged as a dominant driver of consumptive behavior. Platforms such as Instagram, TikTok, and Facebook serve as a constant source of aspirational content, promoting a culture of materialism and luxury. Participants admitted to being influenced by advertisements, influencer endorsements, and curated lifestyles portrayed online. (Rif'ah & Yunikawati, 2024) This phenomenon fosters a "fear of missing out" (FOMO), which compels millennials to spend impulsively on items and experiences that align with perceived societal standards of success and happiness. As a result, they often prioritize immediate gratification over long-term financial planning.

Financial instability was another key finding, with many participants reporting difficulties in managing their income and expenditures. Despite having steady sources of income, a significant portion of millennials expressed challenges in saving for future needs or emergencies. Instead, their earnings are frequently allocated to discretionary spending on non-essential items, such as branded clothing, dining out, or entertainment. For instance, respondents noted that they often exceeded their budgets to maintain a certain social image or lifestyle, leading to increased reliance on credit cards and loans.

The research also highlighted the **role of credit systems** in enabling a consumptive lifestyle. Buy-now-pay-later schemes and easily accessible credit facilities provide millennials with the financial flexibility to acquire desired goods without immediate financial burden. However, this convenience comes at a cost, as many participants admitted to accruing substantial debt over time. The study found that high-interest rates and the inability to manage repayments



effectively further exacerbated their financial instability, creating a cycle of dependency on borrowed funds.

Psychological factors also play a significant role in shaping millennials' spending habits. The interviews revealed that emotional triggers, such as stress, boredom, or the desire for self-reward, often led to impulsive purchases. (Cobey, 2021) Retail therapy was a common coping mechanism, with participants acknowledging that shopping provided temporary emotional relief. However, this behavior often resulted in regret and financial strain, highlighting the complex interplay between emotional well-being and economic decisions.

Furthermore, the study identified a lack of **financial literacy** as a critical barrier to achieving economic stability. Many millennials demonstrated limited knowledge of budgeting, saving, and investing, which hindered their ability to make informed financial choices. For instance, participants frequently overlooked the importance of building emergency funds or planning for retirement, focusing instead on short-term expenses. This gap in financial education was particularly evident among respondents with lower levels of formal education or those from less affluent backgrounds.

Another finding centered around the **cultural shift towards experiential consumption**. Unlike previous generations, millennials tend to value experiences, such as travel, dining, and events, over material possessions. While this trend contributes to personal enrichment and satisfaction, (Turyandi, 2024) it also poses financial challenges. Many respondents admitted to overspending on travel and leisure activities, often at the expense of their savings or investment plans. This behavior reflects a broader societal shift where experiences are viewed as markers of success and fulfillment, further reinforcing consumptive tendencies.

The **structural economic challenges** faced by millennials compound the effects of their consumptive lifestyle. Rising living costs, stagnant wages, and the burden of student debt were frequently cited as barriers to financial stability. Participants noted that despite their best efforts to manage finances, these external factors limited their capacity to save or invest. For example, high housing costs often consumed a significant portion of their income, leaving little room for discretionary spending or long-term financial planning. This imbalance highlights the need for systemic reforms to address economic disparities and support millennials in achieving stability.

The study also uncovered disparities in consumptive behavior based on **socioeconomic status** and **geographic location**. Millennials from urban areas reported higher levels of discretionary spending compared to their rural counterparts, driven by greater exposure to marketing and a higher cost of living. Additionally, respondents from higher-income brackets demonstrated a stronger tendency towards luxury consumption, whereas those from lower-income groups focused on affordable yet aspirational products. These findings underscore the importance of considering contextual factors when analyzing consumptive behaviors.

Despite these challenges, the research revealed promising opportunities for fostering **sustainable financial practices**. Participants who had access to financial literacy programs or engaged in community-based savings initiatives demonstrated better financial management and reduced reliance on credit. For instance, some respondents reported adopting budgeting apps or



participating in peer support groups to track expenses and set savings goals. These practices not only enhanced their financial resilience but also encouraged a shift towards more mindful consumption.

The study concludes that while millennials face significant economic challenges, their consumptive lifestyle is both a symptom and a contributor to financial instability. Addressing this issue requires a multifaceted approach that includes enhancing financial literacy, promoting responsible credit use, and implementing policies to address structural economic barriers. By empowering millennials to make informed financial decisions and fostering a culture of sustainable consumption, it is possible to mitigate the negative impacts of a consumptive lifestyle and support long-term economic stability.

Discussion

The findings of this study reveal a complex interplay between a consumptive lifestyle and the economic stability of millennials, highlighting several critical aspects that merit further exploration. Central to this discussion is the pervasive influence of social media and digital platforms in shaping millennials' financial behaviors. Social media has become a primary driver of consumerism, (Batubara, 2024) fostering a culture of materialism and instant gratification. The curated lifestyles displayed online create unrealistic expectations and pressure millennials to conform to societal standards of success, often measured by material possessions and luxury experiences. This "fear of missing out" (FOMO) phenomenon compels millennials to engage in impulsive spending, prioritizing short-term desires over long-term financial goals. This behavior raises questions about the ethical responsibilities of social media platforms and influencers in promoting sustainable consumer habits.

The reliance on credit systems further compounds the challenges associated with a consumptive lifestyle. The study highlights how easily accessible credit facilities, such as buy-now-pay-later schemes and credit cards, enable millennials to finance their consumption patterns. While these financial tools offer convenience and flexibility, they also create a false sense of affordability, leading to excessive debt accumulation. Many millennials fail to consider the long-term implications of high-interest rates and repayment obligations, which can significantly undermine their financial stability. This underscores the need for stricter regulations on credit offerings and increased transparency to ensure that consumers are fully aware of the potential risks involved.

Another critical aspect of the discussion is the psychological factors driving consumptive behaviors. Millennials often use consumption as a coping mechanism for stress, boredom, or the desire for self-reward, a behavior colloquially known as "retail therapy." While this offers temporary emotional relief, it often results in financial strain and feelings of regret. The cyclical nature of this behavior suggests a deeper psychological reliance on consumption, which requires targeted interventions. Mental health support and awareness campaigns could play a pivotal role in addressing the root causes of impulsive spending, fostering healthier coping mechanisms that do not rely on material consumption.



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The study also sheds light on the cultural shift towards experiential consumption among millennials, who increasingly prioritize experiences, such as travel, dining, and events, over material possessions. While this trend aligns with the values of personal fulfillment and social connection, it poses unique financial challenges. (Meadows, 2021) Experiences often come with significant costs, and the tendency to over-prioritize these expenditures can detract from savings and investments. This raises the question of how millennials can strike a balance between enjoying meaningful experiences and maintaining financial security. Educational initiatives that emphasize budgeting and prioritization could help millennials align their spending habits with their long-term financial goals.

A notable finding of the research is the critical role of financial literacy in mitigating the negative effects of a consumptive lifestyle. (Herdiana & Usman, 2019) Millennials who possess a strong understanding of financial principles, such as budgeting, saving, and investing, are better equipped to manage their finances and resist the pressures of consumerism. However, the study highlights a significant gap in financial education, with many millennials lacking the knowledge and skills necessary to make informed financial decisions. This gap is particularly pronounced among individuals from lower socioeconomic backgrounds, who may have limited access to financial resources and education. Addressing this disparity requires a concerted effort from policymakers, educators, and financial institutions to integrate financial literacy programs into educational curricula and workplace training.

The structural economic challenges faced by millennials also play a significant role in shaping their financial behaviors. Rising living costs, stagnant wages, and the burden of student debt create an environment where financial stability is increasingly difficult to achieve. These external factors limit millennials' capacity to save and invest, leaving them vulnerable to economic shocks and emergencies. (Igebaeva, 2015) While individual responsibility is a critical component of financial stability, the findings underscore the need for systemic reforms to address these structural barriers. Policymakers must prioritize initiatives, such as affordable housing, equitable wage growth, and measures to reduce student debt, to create an environment where millennials can thrive economically.

The disparities in consumptive behaviors based on geographic location and socioeconomic status further enrich the discussion. Millennials from urban areas and higher-income brackets demonstrate distinct spending patterns compared to their rural and lower-income counterparts. These differences highlight the importance of context in analyzing consumption trends and designing targeted interventions. For example, urban millennials may benefit from campaigns that promote sustainable consumption and local sourcing, while rural millennials may require greater access to financial services and resources.

Despite the challenges highlighted in this study, the findings also point to opportunities for fostering sustainable financial practices among millennials. Many participants demonstrated a willingness to adopt new technologies and tools to improve their financial management, such as budgeting apps and community savings initiatives. This adaptability underscores the potential for leveraging digital platforms to promote financial literacy and encourage responsible consumption.



Financial institutions can play a key role by developing user-friendly tools and resources that empower millennials to make informed financial decisions.

Conclusion

The findings of this study highlight the significant impact of a consumptive lifestyle on the economic stability of millennials, underscoring the need for a balanced approach to personal finance. The pervasive influence of social media, psychological triggers, and easy access to credit systems has fostered a culture of impulsive spending, often prioritizing short-term desires over long-term financial security. While millennials face unique challenges, such as rising living costs, stagnant wages, and structural economic barriers, their behaviors and decisions play a critical role in shaping their financial outcomes. Addressing these challenges requires a multifaceted strategy that includes enhancing financial literacy, promoting responsible consumption, and implementing systemic reforms to support economic stability.

The study also emphasizes the importance of education and awareness in fostering sustainable financial practices. Millennials who possess strong financial knowledge and tools are better equipped to navigate the pressures of consumerism and make informed decisions that align with their long-term goals. Moreover, societal and policy-level interventions are essential to address the structural factors that exacerbate financial instability, such as unaffordable housing, student debt, and income inequality. By integrating financial education into mainstream curricula, promoting responsible marketing practices, and encouraging sustainable consumption, stakeholders can create an environment that supports millennials' economic well-being.

Ultimately, this study serves as a call to action for individuals, educators, policymakers, and financial institutions to collaborate in addressing the challenges associated with a consumptive lifestyle. By fostering a culture of mindful spending and empowering millennials with the tools and knowledge to build financial resilience, it is possible to mitigate the negative impacts of consumerism and pave the way for a more sustainable and equitable economic future. This holistic approach not only benefits millennials but also contributes to the broader goal of creating a stable and prosperous society.

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Volume 5, Nomor 2 Desember 2024

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