


Mindful Money: The Impact of Financial Literacy, Lifestyle, and Social Influence on Responsible Spending Among University Students

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ABSTRACT

Spending behavior has become a significant concern as many individuals face financial difficulties and even bankruptcy due to poor financial management. In Malaysia, the government has increasingly emphasized the importance of financial literacy among undergraduate students to address these issues. This study investigates the impact of financial literacy, lifestyle choices, social influence, materialism, and financial attitudes on responsible spending behavior among university students. Specifically, it explores how these factors influence financial attitudes and whether financial attitudes, in turn, affect responsible spending behavior. Data collected from 180 university students in Malaysia revealed that financial literacy, lifestyle choices, and social influence positively impact financial attitudes and responsible spending behavior, while materialism has a negative effect. Moreover, financial attitudes were found to influence responsible spending behavior. Our findings highlight that financial literacy, lifestyle choices, and social influence positively affect both financial attitudes and responsible spending behavior, while materialism has a negative impact. Financial attitudes also play a key role in shaping responsible spending among university students.

Keywords: Financial Attitudes; Financial Literacy; Lifestyle Choices; Materialism; Responsible Spending Behavior; Social Influence; University Students, Malaysia

INTRODUCTION

Spending is a daily activity for most individuals. In economics, it is referred to as consumption or the act of using money to acquire goods and services that fulfil personal needs or wants, such as food, shelter, clothing, healthcare, and transportation. While spending is a normal part of life, what truly matters is responsible spending, the ability to manage financial resources wisely to meet both immediate and future needs. Responsible spending encompasses not only the act of purchasing but also the broader aspects of financial management, including managing debt, saving for future goals, and maintaining financial stability (Kumar et al., 2022). In today's world, financial independence is no longer solely about earning money; it also involves managing it prudently. This responsibility benefits not only the individual but also families, higher learning institutions, and society at large. However, the current spending patterns among Malaysian university students reveal worrying trends. Due to the rising cost of living and changes in lifestyle, university students today are exhibiting more impulsive spending behaviors compared to previous generations (Kumar et al., 2022). Such reckless spending habits can lead to long-term consequences, including financial instability and debt accumulation.

Recent data demonstrate the severity of this issue. Between 2020 and 2025, a total of 5,272 Malaysian youths aged 34 and below were declared bankrupt, with 877 bankruptcy cases recorded in 2024 alone, an alarming increase from the previous year. The primary causes included personal loans, vehicle financing, housing loans, and credit card debt. Alarmingly, 83 individuals under the age of 25 were among those affected. These figures highlight the urgent need for early financial education and the promotion of responsible financial behavior among university students. A major concern among students is the mismanagement of loans, particularly the National Higher Education Fund Corporation (PTPTN) loan, intended to cover educational expenses. Instead, some students misuse these funds for non-essential spending, such as luxury goods, branded items, and high-end dining experiences. Without sound financial planning, students often resort to part-time work to sustain their lifestyles, which can adversely impact their academic performance and mental well-being (Kumar et al., 2022).

Compounding the issue is the lack of structured financial education programs within universities, leaving many students ill-equipped to manage their finances effectively. Financial stress not only threatens students' financial futures but also poses risks to their academic success and emotional health. Moreover, while financial technology (fintech) services offer innovative tools that could support financial literacy and responsible money management, their adoption and impact among university students remain underexplored (Liang, Kee, & Zainal, 2024). In the context of Malaysia, efforts to promote sustainable financial practices have begun to gain momentum, particularly through green finance initiatives aimed at supporting responsible and resilient economic behavior among SMEs and individuals (Hu & Kee, 2025). Given these challenges, it becomes critical to understand the factors that shape responsible financial behavior among university students. This study aims to examine how financial literacy, lifestyle choices, and social influence affect responsible spending behaviors among Malaysian university students. By understanding these factors, this research hopes to contribute to developing better financial education programs and support systems for university students, ultimately reducing the risk of financial distress.

LITERATURE REVIEW

Financial literacy

In today's world, financial literacy is a critical determinant of financial attitudes and spending behaviors. It equips individuals with a fundamental understanding of financial concepts and the ability to apply that knowledge to make informed financial decisions, ultimately improving their well-being (Rehman & Mia, 2024). Individuals with higher levels of financial literacy are more likely to accumulate savings, invest in stock markets, or take out private pension plans for retirement. In contrast, those with lower financial literacy tend to display detrimental behaviors such as high indebtedness, low savings, and inadequate retirement planning (Gallardo-Vázquez et al., 2024). This issue is particularly urgent for first-year college students, who are navigating the transition to financial independence but often lack the skills to manage savings, purchases, or long-term wealth accumulation. Without targeted financial literacy curricula, they risk undermining their financial stability. A study highlights those low levels of financial literacy among university students in emerging countries, making them more vulnerable to financial challenges or managing their funds. A report finds that many university students possess extremely limited knowledge of topics such as insurance, credit cards, stocks, bonds, and retirement plans. Similarly, high school students are often no better prepared, with only 27% of young adults demonstrating knowledge about inflation and the ability to compute simple interest rates (Brau et al., 2019). In Malaysia, research shows that youth exhibit particularly low literacy in areas such as investment knowledge and decision-making. According to the National Credit Counseling and Management Agency (AKPK), 53,000 youths aged 30 and below are under debt totaling nearly RM1.9 billion. These figures may reflect the widespread lack of financial literacy among Malaysian youth (Tan, 2024).

H1: Financial literacy influences responsible spending behavior among university students.

H5: Financial literacy influences financial attitudes among university students.

Lifestyle choices

Lifestyle refers to the ways individuals live within a society and is influenced by environmental factors. It significantly and directly influences consumer behavior, particularly spending behavior. It demonstrates how individuals manage their time, engage in social activities, and allocate their financial resources (Zahra & Anoraga, 2021). Daily decisions, including choices of dining, clothing, and leisure activities, further shape individual expenditure (Harper, 2024). However, the budget to fulfill one's lifestyle may break one's budget if the amount dedicated to maintaining a lifestyle exceeds the allocation for savings and investments. Among university students, lifestyle choices such as staying trendy, socializing, and following peer behavior often led to impulsive or unplanned spending. In recent years, the rapid growth of technology and the rise of online marketing have further influenced lifestyle-based spending (Zahra & Anoraga, 2021). Students are increasingly willing to spend money on paid entertainment, which they reason out as necessary due to the pressure of university life. This includes expenses like movies, concerts, and subscriptions to platforms such as Netflix (Kumar et al., 2022).

Moreover, technology makes work simpler and life more comfortable, but it also influences spending behavior. It increases productivity and income, which in turn raises the capacity and tendency to spend (Cobla & Osei-Assibey, 2017). Similarly, (Chan et al., 2020) highlight that lifestyle choices, especially in the context of food and dining habits, can significantly challenge individuals' efforts to maintain a healthy and financially sustainable lifestyle. Features such as one-click purchases, mobile banking, and e-

wallets minimize barriers to spending, making it easier, especially for students with limited financial literacy, to engage in impulsive purchases, ultimately reducing their likelihood of saving or investing (Koay et al., 2024). We hypothesize that lifestyle has a direct link with spending behavior. The higher an individual's lifestyle standard, the greater their tendency to engage in frequent and possibly excessive consumption (Zahra & Anoraga, 2021).

H2: Lifestyle choices influence responsible spending behavior among university students.

H6: Lifestyle choices influence financial attitudes among university students.

Social Influence

Social influence is a powerful factor in shaping individuals' thoughts, feelings, and behaviors. It refers to the process by which a person's decisions are shaped by the people around them, including family, friends, and social groups. A common outcome of social influence is that individuals' beliefs and behaviors tend to align with those of their social circle, often occurring spontaneously or without deliberate intention. Among university students, peers exert considerable influence, as students spend much of their time within peer environments (Kumar et al., 2022). Peer pressure, both direct and indirect, encourages students to adopt the attitudes, values, and behaviors deemed acceptable by their peer groups (Mir et al., 2020). Frequently, students comply with peer expectations without critically assessing whether these behaviors are beneficial or detrimental. The "fear of missing out" (FOMO) intensifies this influence, driving students to engage in spending on trendy clothing, gadgets, entertainment, and dining experiences to maintain their social belonging (Hussain et al., 2023). Furthermore, students are more likely to spend impulsively when shopping with friends compared to shopping alone, influenced by a desire for group validation and adaptation to shared preferences (Gulati, 2017). In addition to peer influence, social media has emerged as a dominant source of social influence, especially among university students. Social media platforms such as Instagram, TikTok, and YouTube amplify spending behavior through exposure to social media influencers, who act as independent endorsers, shaping consumer attitudes and encouraging purchase decisions (Schaffer & Schaffer, 2024; Lok et al., 2024).

Studies have shown that social media can significantly impact consumer behavior by promoting brand loyalty and creating aspirational lifestyles (Lok et al., 2024; Nair et al., 2022). In times of COVID-19, social media has also heightened emotional vulnerability, influencing behaviors, including impulsive and compensatory spending, due to increased anxiety and depression (Anwar, Kee, Salman, & Jabeen, 2022; Kee, Al-Anesi, & Al-Anesi, 2022). Social media bullying and negative experiences online can affect psychological well-being, indirectly shaping spending habits as individuals seek retail therapy to manage emotions (Anwar, Kee, & Ijaz, 2022). Beyond individual consumption, social media has also been shown to enhance business performance and innovation among SMEs, highlighting its pervasive role in shaping both consumer and organizational behaviors (Teh & Kee, 2021; Teh, Kee, Zahra, & Paul, 2021).

H3: Social influence positively affects responsible spending behavior among university students.

H7: Social influence positively affects financial attitudes among university students.

Materialism

Materialism refers to how paramount acquisition of material goods is to an individual, with the implication that these material possessions will lead to their happiness and life satisfaction. Thus, this trait has always been strongly identified with consumption. It is a prominent feature of modern cultures, appearing in the form of possessiveness, envy,

and lack of generosity. Among university students, materialism has been linked to behaviors such as compulsive buying and status consumption. Individuals with high materialistic values tend to associate possessions with success and happiness, making them more likely to spend excessively or form emotional attachments to products. Materialistic individuals generally hold three interrelated beliefs: (a) the accumulation of material goods is a key indicator of success and social status; (b) acquiring possessions is a central life goal; (c) material goods are essential for achieving happiness.

Research has shown that materialistic university students engage more in purchase-related behaviors and are more susceptible to advertising and promotions. Additionally, they tend to enjoy school less and perform more poorly academically. They are also more likely to purchase impulsively to maintain their social status or to be perceived as prestigious, driven by a desire to become popular within their social groups. However, it is important to note that materialism does not always result in negative behaviors such as impulsive buying. Rather, it is typically irrational individuals who suffer the drawbacks of overvaluing physical possessions. Interestingly, a study found that students with lower incomes, as well as those who received financial support such as federal work-study aid, scholarships, or tuition waivers, were significantly less materialistic than those without income or financial assistance.

H4: Materialism negatively influences responsible spending behavior among university students.

H8: Materialism negatively influences financial attitudes among university students.

Financial attitudes

Attitude refers to the extent to which a person has a favorable or unfavorable opinion or appraisal of a particular behavior. In the context of personal finance, financial attitudes encompass one's perspective on managing money, including cash flow, investments, and financial planning.

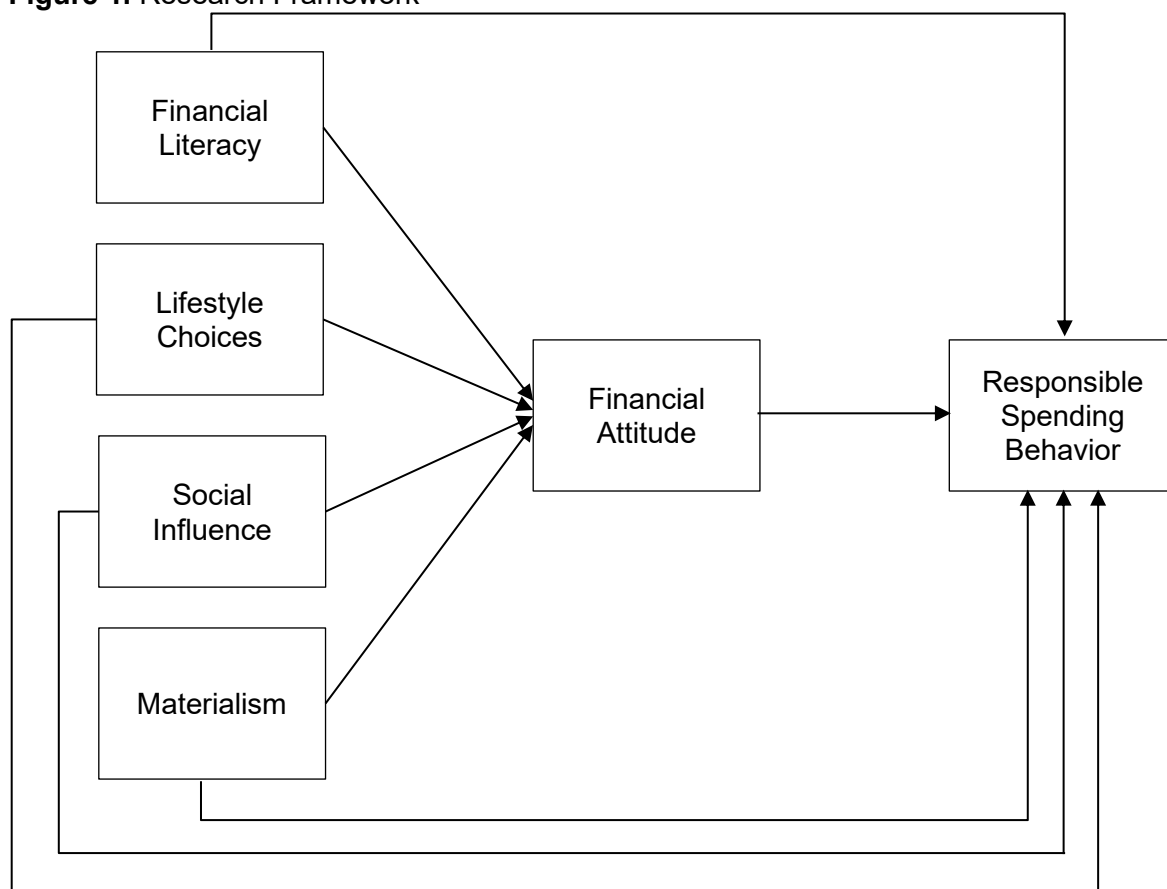
A positive financial attitude is typically associated with effective cash flow management, sound investment decisions, and strategic financial planning. These attitudes are shaped by various factors such as economic status, psychological well-being, career goals, and lifestyle. One of the common financial attitudes is viewing money as a symbol of power, where individuals associate money with autonomy, with the freedom to express oneself, and the ability to attract social connections. Individuals with this mindset may either increase their spending to reinforce their sense of power, or adopt more restrictive spending habits. Furthermore, there is a study highlights gender-based differences in financial attitudes. Women are more likely to make unplanned or unnecessary purchases, while men report higher confidence in managing financial emergencies and greater satisfaction with their financial situation. These variations suggest that individual attitudes toward money can significantly influence financial decision-making. Additionally, parental factors, such as income, financial communication, and spending habits also can directly shape students' attitudes toward money and spending. Overall, these insights suggest that financial attitudes, shaped by both personal and social factors, positively influence the likelihood of engaging in responsible spending behavior among university students.

H9: Financial attitudes positively influence responsible spending behavior among university students.

Conceptual Framework

The study framework model is depicted in [Figure 1](#).

Figure 1. Research Framework



RESEARCH METHOD

Sample and Procedure

Researchers conducted an online survey by using Google Forms to gather quantitative data from 180 university students across Malaysia. The questionnaire was designed to explore university students' views on how financial literacy; lifestyle choices and social influence affect their responsible spending habits. We shared the survey both in person and through social media platforms like Instagram, Facebook, and WhatsApp to reach a wider group of participants.

Measures

The questionnaire is made up of sections on demographic information, financial literacy, lifestyle choices, social influence, materialism, financial attitudes and responsible spending behavior. The demographic section uses simple multiple choice and short answer questions, while the other sections use a 5-point Likert scale. Most sections use a scale where "1" represents strongly disagree to "5" represents strongly agree. However, for the responsible spending behavior section, the scale is adjusted to "1" represents never to "5" represents always, to better match the type of questions asked.

Financial Literacy

An 8-item scale was adapted to assess financial literacy among university students. The scale reported a Cronbach's alpha of 0.816. Participants responded to the following statements: I am confident in managing my monthly budget and expenses; I save money regularly, even if it's a small amount; I have an emergency fund for unexpected expenses; I understand basic financial concepts such as interest rates and inflation; I know how credit cards, Buy Now Pay Later (BNPL) and personal loans work; I contribute to a

saving/investment/retirement plan; I use digital financial services like online banking and e-wallets; and I am aware of common financial scams and how to avoid them.

Lifestyle Choices

A 5-item scale was adapted to assess lifestyle choices among university students. The scale reported a Cronbach's alpha of 0.816. Participants responded to the following statements: I often buy trendy items to fit in with my peers; I spend impulsively when I see something interesting online; I believe socializing usually requires spending money; I adjust my lifestyle to stay in trend with fellow students; and I shop or dine out even when I can't afford to do so.

Social Influence

A 14-item scale was adapted to assess social influence among university students. The scale reported a Cronbach's alpha of 0.875. Participants responded to the following statements: I feel pressured by friends to spend when we hang out; I follow my friends' buying habits, even if I can't afford it; seeing others buy new gadgets or clothes makes me want to do the same; my friends' opinions affect my spending decisions; I feel judged if I don't spend like my peers; social media influencers affect the way I spend; ads on social media often tempt me to buy things; I compare my lifestyle with those I follow online; social media gives me ideas of what to buy; my parents taught me to manage money wisely; my parents encourage saving habits; my parents monitor how I spend; I follow my parents' financial advice; and I practice the money habits my parents modeled for me.

Materialism

A 5-item scale was adapted to assess materialism among university students. The scale reported a Cronbach's alpha of 0.713. Participants responded to the following statements: I believe having money is a sign of success; I feel better when I can buy things I want; I admire people who own expensive things; I enjoy showing off the things I buy; and owning the latest gadgets makes me feel happy.

Financial Attitudes

A 5-item scale was adapted to assess financial attitudes among university students. The scale reported a Cronbach's alpha of 0.803. Participants responded to the following statements: I believe it is important to save money regularly; I think twice before spending on non-essential items; I feel anxious when I spend beyond my means; I try to avoid debt whenever possible; and I consider long-term consequences before making financial decisions.

Responsible Spending Behavior

A 7-item scale was adapted to assess responsible spending behavior among university students. The scale reported a Cronbach's alpha of 0.852. Participants indicated how often they engaged in the following behaviors: I track my daily or monthly expenses; I avoid unnecessary purchases; I follow a monthly budget; I think twice before spending on luxury items; I prioritize needs over wants; I save money regularly before spending; and I make sure I can afford something before buying it.

RESULTS

Table 1. Summary of Respondents' Demographic Information (N =180)

Response	Category	Frequency	Percentage (%)
Age	Below 20 years old	5	2.8
	20 - 22 years old	145	80.6
	23 - 25 years old	25	13.9

	Above 25 years old	5	2.8
Gender	Male	41	22.8
	Female	136	75.6
	Prefer not to say	3	1.7
University level	Bachelor's Degree	163	90.6
	Diploma	12	6.7
	Foundation	1	0.6
	Master's Degree	1	0.6
	Phd	1	0.6
	STPM	2	1.1
Race	Race		
	Chinese	134	74.4
	Indian	23	12.8
	Malay	22	12.2
	Siam	1	0.6
Student Status	International	7	3.9
	Local	173	96.1
Monthly Allowance / Income	Below RM500	74	41.1
	RM501 - RM1000	69	38.3
	RM 1001 - RM 1500	21	11.7
	Above 1500	16	8.9
University Name	Universiti Sains Malaysia	99	55.0
	Universiti Malaya	17	9.4
	Aimst University	13	7.2
	Universiti Putra Malaysia	7	3.9
	University Technology Malaysia	5	2.8
	University Utara Malaysia	4	2.2
	SMK DZM	4	2.2
	Universiti Sultan Zainal Abidin	3	1.7
	TARUMT	3	1.7
	Universiti Technology MARA	2	1.1
	University Kebangsaan Malaysia	2	1.1
	Universiti Malaysia Kelantan	2	1.1
	Mahsa University	2	1.1
	University Malaysia Terengganu	2	1.1
	Polytechnic Seberang Perai	2	1.1
	The One Academy	2	1.1
	Monash University	1	0.6
	International Medical University	1	0.6
	University Tecnology Petronas	1	0.6
	Polytechnic Port Dickson	1	0.6
	Sunway University	1	0.6
	Swinburne	1	0.6
	Technische Hochschule Ingolstadt	1	0.6
UCSI University	1	0.6	

	University Malaysia Sabah	1	0.6
	University of Reading Malaysia	1	0.6
	Universiti Malaysia Sabah	1	0.6

Table 1 shows that most respondents are aged 20–22 years (N = 145, 80.6%), while the least are either below 20 or above 25 years (both N = 5, 2.8%). Most respondents are female (N = 136, 75.6%), and the fewest preferred not to state their gender (N = 3, 1.7%). In terms of education, the highest number hold a Bachelor’s Degree (N = 163, 90.6%), while the lowest is shared among Foundation, Master’s Degree, and PhD holders (each N = 1, 0.6%). Chinese respondents form the majority (N = 134, 74.4%), and Siamese the minority (N = 1, 0.6%). Most are local students (N = 173, 96.1%), with international students being the fewest (N = 7, 3.9%). Regarding monthly allowance, the majority earn below RM500 (N = 74, 41.1%), while the fewest earn above RM1500 (N = 16, 8.9%). Most respondents are from Universiti Sains Malaysia (N = 99, 55.0%), followed by Universiti Malaya (N = 17, 9.4%). The lowest representation (N = 1, 0.6%) comes from several institutions such as International Medical University, Monash University, UCSI University, and others.

Table 2. Descriptive Statistics, Cronbach's Coefficients Alpha, and Zero-order Correlations for All Study Variables

Variable	1	2	3	4	5	6
Financial Literacy	0.816					
Lifestyle Choice	0.142	0.816				
Social Influence	0.176*	0.732**	0.875			
Materialism	0.092	0.565**	0.601**	0.713		
Financial Attitude	0.395**	-0.068	-0.003	0.099	0.803	
Responsible Spending Behavior	0.638**	-0.062	0.067	0.051	0.577**	0.852
Number of items	8	5	14	5	5	7
Mean	3.9910	2.8478	3.0937	3.4878	4.3100	4.0913
Standard Deviation	0.64216	0.89202	0.74844	0.76052	0.60622	0.65296

Note: N = 180; *p < .05, **p < .01, ***p < .001. The diagonal entries represent Cronbach's coefficients alpha.

Table 2 presents descriptive statistics, measures of reliability, and zero-order correlations among the study variables. All tested variables demonstrate high levels of reliability, with Cronbach's alpha coefficients ranging from 0.71 to 0.88.

Hypothesis 1 examines the relationship between financial literacy and responsible spending behavior among university students. The correlation result showed a statistically significant positive relationship (r = 0.638, p < 0.01), supporting H1.

Hypothesis 2 assesses the relationship between lifestyle choices and responsible spending behavior. However, the result was statistically insignificant (r = -0.062, p > 0.05), and thus H2 was rejected. Hypothesis 3 predicts that social influence positively affects responsible spending behavior. The result showed an insignificant relationship (r = 0.067, p > 0.05), and H3 was rejected. Hypothesis 4 suggests that materialism negatively influences responsible spending behavior. The results were not statistically significant and showed a slightly positive relationship (r = 0.051, p > 0.05), so H4 was rejected. Hypothesis 5 evaluates the relationship between financial literacy and financial attitudes. The results showed a significant positive correlation (r = 0.395, p < 0.01), supporting H5. Hypothesis 6 examines whether lifestyle choices influence financial attitudes, but the

relationship was insignificant ($r = -0.068$, $p > 0.05$), rejecting H6. Hypothesis 7 tests whether social influence affects financial attitudes. The correlation was near zero and insignificant ($r = -0.003$, $p > 0.05$), so H7 was rejected. Hypothesis 8 proposes that materialism negatively influences financial attitudes, but the result showed a positive, insignificant correlation ($r = 0.099$, $p > 0.05$), leading to the rejection of H8. Hypothesis 9 predicts that financial attitudes positively influence responsible spending behavior. The result ($r = 0.577$, $p < 0.01$) was statistically significant, and H9 was supported.

Table 3. Regression Analysis

Variable	Financial Attitude	Spending Behavior
Financial Literacy	0.414***	0.651***
Lifestyle Choice	-0.209**	-0.281***
Social Influence	-0.480	0.105
Materialism	0.207*	0.086
R ²	0.198	0.444
F value	10.806	34.952
Durbin-Watson Statistic	1.868	1.974

Note: N = 180; * $p < .05$, ** $p < .01$, *** $p < .001$

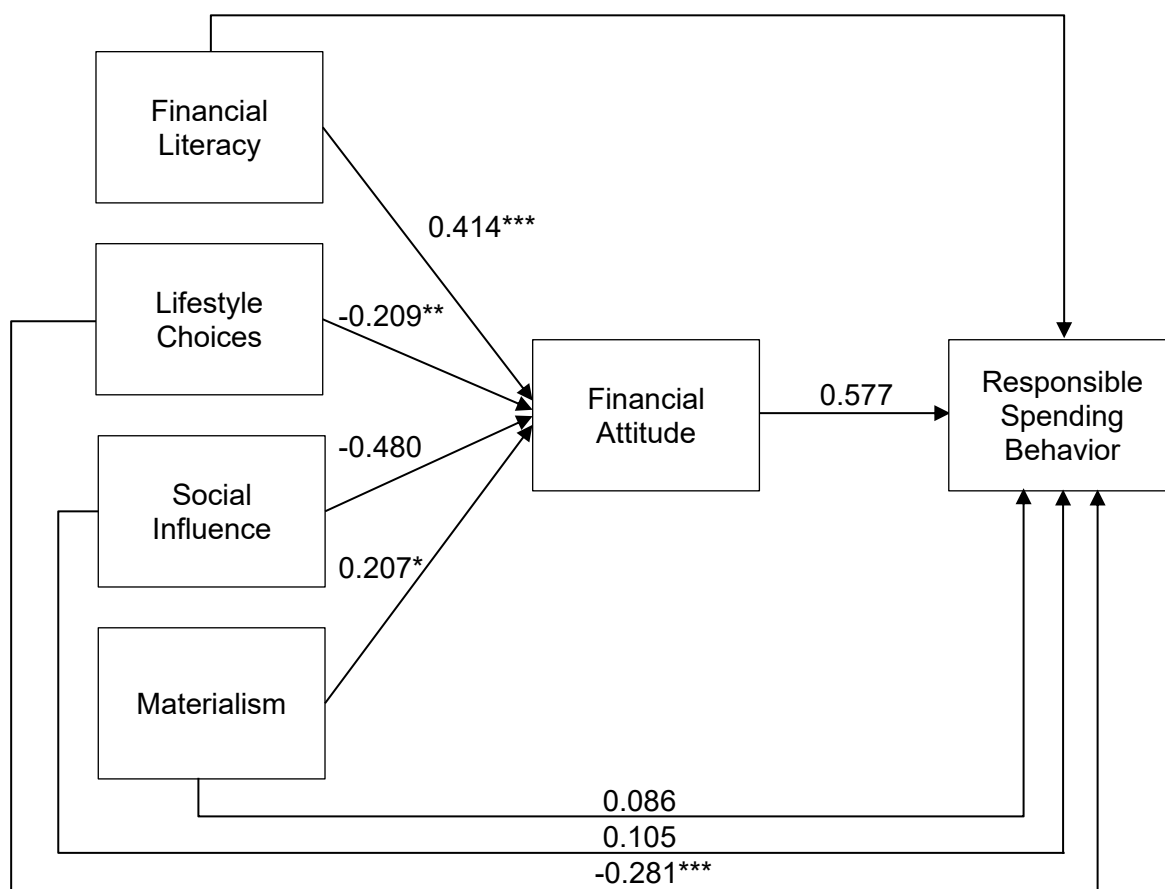
The results of the regression analysis are shown in Table 3, exploring how perceived financial literacy, lifestyle choice, social influence, and materialism affect two dependent variables: financial attitude and responsible spending behavior among university students.

The first model, predicting financial attitude, reveals that perceived financial literacy ($\beta = 0.414$, $p < .001$) and perceived materialism ($\beta = 0.207$, $p < .05$) are significant positive predictors. However, perceived lifestyle choice ($\beta = -0.209$, $p < .01$) has a significant negative relationship, and social influence ($\beta = -0.480$) shows a non-significant effect. The model explains 19.8% of the variance ($R^2 = 0.198$), with a significant F-value of 10.806 and acceptable Durbin-Watson statistic (1.868), suggesting no autocorrelation concerns.

The second model examines responsible spending behavior and shows that perceived financial literacy again plays a dominant role ($\beta = 0.651$, $p < .001$), followed by a significant negative effect of lifestyle choice ($\beta = -0.281$, $p < .001$). The impact of social influence ($\beta = 0.105$) and materialism ($\beta = 0.086$) are not statistically significant in this model. The overall model explains a substantial 44.4% of the variance ($R^2 = 0.444$) and is statistically significant ($F = 34.952$), with a Durbin-Watson value of 1.974.

These findings indicate that financial literacy is a consistently strong and positive predictor of both financial attitude and responsible spending. In contrast, lifestyle choices negatively affect financial outcomes, suggesting that indulgent or unsustainable lifestyles may hinder financial responsibility. Social influence and materialism show limited or no direct impact in these models.

Figure 2. Hypothesized Model



DISCUSSION

Financial Literacy and Responsible Spending Behavior (H1)

The results strongly support H1, in which financial literacy positively influences responsible spending behavior among university students ($\beta = 0.651, p < .001$). The finding implies that students who are more financially knowledgeable—e.g., budgeting, saving, e-banking, and credit usage—tend to have a greater chance of having responsible spending. The students will most likely develop budgets, track expenses, and categorize expenses as needs or wants. Financial literacy appears to impart not only knowledge but also financial decision-making habits and confidence to students. This is in line with earlier studies that found financial education leading to better economic outcomes through decision-making.

Lifestyle Choices and Responsible Spending Behavior (H2)

Rather than H2, lifestyle choices were found to have a significant and negative relationship with responsible spending behavior ($\beta = -0.281, p < .001$). This suggests that students who frequently engage in trendy consumption, impulsive web shopping, or spend to maintain a specific social identity will be less likely to be financially responsible. Although lifestyle habits were expected to have a positive effect, the result captures the trade-off between aspirational social lifestyles and thrifty financial behaviors. At student life, social pressure to conform can lead to overspending, which suggests that even financially literate students may be ready to sacrifice good habits for lifestyle pressures.

Social Influence and Responsible Spending Behavior (H3)

There is no evidence supporting H3 as no significant relationship between social influence and responsible spending behavior is demonstrated ($\beta = 0.105, p > .05$).

Though strongly related to other factors, peer and social media pressure is not a direct predictor of responsible spending behavior of students. It may be because of the changing nature of social influence in the information era, where students may be drawing more on internal values or family role-modeling than overt peer pressure. Parental counseling and money role-modeling may act as buffers against peers' and online pressure.

Materialism and Responsible Consumer Spending Habits (H4)

The results fail to support H4 because materialism did not significantly influence spending behavior in a way that could be labeled as irresponsible ($\beta = 0.086$, $p > .05$). This is opposite to what might be expected, where wanting possessions would lead to irresponsible spending. However, the result shows that envy of wealth doesn't necessarily mean irresponsible financial behavior. Students could be idolizing achievement and standing while financially responsible—possibly due to strong personal money values or constraints such as limited finances.

Financial Literacy and Financial Attitudes (H5)

H5 is upheld, as financial knowledge significantly and positively affects financial attitudes ($\beta = 0.414$, $p < .001$). Students with higher financial knowledge have more favorable attitudes toward budgeting, saving, and long-term planning. This also reinforces the importance of adding financial education to university courses, as information appears to guide students' attitude toward money in a positive direction.

Lifestyle Choices and Financial Attitudes (H6)

H6 is not supported; instead, lifestyle behavior is strongly negatively related with financial attitudes ($\beta = -0.209$, $p < .01$). What this shows is that learners who embrace high-consumption lifestyles tend to embrace less positive financial attitudes toward disciplined financial behavior. High social spending could give rise to an informal or cavalier attitude towards planning and saving and imply value conflict regarding consumption culture and fiscal prudence.

Social Influence and Financial Attitudes (H7)

H7 is not supported as no significant social influence effect was found on financial attitudes ($\beta = -0.480$, $p > .05$). This once again indicates that peer pressure would be absolutely impossible to be a primary source of internal money beliefs. Students might possibly depend more on personal reflection, web content, or parental learning in the development of financial attitudes.

Materialism and Financial Attitudes (H8)

Importantly, H8 is not confirmed in direction, while materialism has a positive but modest effect on attitudes towards money ($\beta = 0.207$, $p < .05$). This contradicts the hypothesis that materialistic values will weaken attitudes towards money. Possibly the students do have respect for possessions and riches but still know that managing money is essential to acquire that status. That is, materialistic students will learn solid attitudes toward money not to save, but in order to permit later material success.

Financial Attitudes and Responsible Spending Behavior (H9)

H9 is verified, since attitudes towards finance have a strong and positive influence on responsible expenditure behavior (correlation $r = 0.577$, $p < .001$). This confirms that students with positive attitudes towards planning finances, budgeting, and saving are more likely to spend in a responsible manner. Attitudes serve as a mediating variable that facilitates the translation of knowledge to behavior.

Summary

Five of the nine hypotheses were confirmed statistically: H1, H2 (in the negative direction), H5, H6 (in the negative direction), and H9. The remaining four (H3, H4, H7, and H8) were not supported even though the findings provide us with good insight. Financial literacy was the most stable and strongest predictor in financial attitudes as well as responsible behavior. Lifestyle choices surprisingly had a negative effect, which shows that consumerism harms responsible financial behavior. Social and material influences were weaker than widely assumed, suggesting a shift in how Gen Z students approach social pressure. These findings yield valuable insights for policymakers and educators to craft targeted financial education and behavior-shaping interventions.

CONCLUSION

This study set out to explore how financial literacy, lifestyle choices, social influence and materialism affect responsible spending behavior among university students in Malaysia. The results show that financial literacy greatly affects university students' financial attitudes and responsible spending behavior. Students who understand key financial concepts like budgeting, saving and financial tools are more likely to have positive financial attitudes. Those with strong financial knowledge make more thoughtful financial decisions. This proves that it is importance of not only having financial knowledge but also must be confident in applying it in real life situations.

However, lifestyle habits showed a significant negative impact on both financial attitudes and spending behavior. Students who often buy impulsively or follow trends may struggle to manage their money well, even if they have basic financial knowledge. Surprisingly, social influence and materialism did not strongly affect spending behavior. This reflects the changing values among Gen Z students, they might be more guided by personal values and family teachings and less driven by peer pressure or material things.

For policymakers and educators, these results emphasize the need for action. Financial education programs should combine theory with hands-on training in budgeting and expense tracking. Universities could also integrate tools like spending apps or workshops to help students balance their social enjoyment with financial well-being.

While this study examined digital financial tools and parental influence, deeper investigation is needed. Future researchers should examine how specific digital platforms trigger impulse spending through algorithms and targeted ads. Besides that, researchers should carry out longitudinal studies to reveal how parental monitoring transitions to independent financial decision-making across university years. Next, comparing universities students across Asian countries would help to reveal how culture affects digital spending patterns. These studies would help create better tools to guide university students' spending habits.

Overall, this study highlights how important it is to build both financial skills and financial self-awareness among university students. By encouraging mindful money habits early on, we can help prepare students to handle their finances confidently now and in the future.

LIMITATION

This study has a few limitations. First, the sample size was relatively small and consisted only of Malaysia's university students, so the results may not apply to the general population. Second, since the data was collected using self-reported questionnaires, participants' responses could be influenced by social desirability bias, affecting the accuracy of data. Finally, the study did not consider other factors like cultural background or economic conditions, which could also affect spending behaviour.

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DECLARATION OF CONFLICTING INTERESTS

The author(s) declare(s) that there is no conflict of interest.

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