



## RESEARCH ARTICLE

## CHASING DREAMS ON CREDIT: SOCIAL MEDIA, ASPIRATIONAL SPENDING, AND FINANCIAL STRAIN AMONG INDIAN GEN Z

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## ABSTRACT

This study explores the complex relationship between social media influence, aspirational consumption, and financial vulnerability among Indian Gen Z youth. In the digital era, platforms like Instagram and YouTube have significantly shaped young consumers' lifestyles and spending behaviors, often encouraging credit use to maintain aspirational standards. Using a mixed-method approach with data collected from 800 respondents across eight major Indian cities, this research examines patterns of social media usage, credit dependency, financial literacy, and the psychological impacts of financial strain. Findings reveal that digital peer pressure and influencer-driven lifestyles intensify materialistic desires, leading to increased financial stress among youth. The study highlights the need for targeted financial education and policy interventions to regulate credit access and digital marketing practices. By addressing these challenges, the paper contributes to understanding how consumer culture and digital media intersect to influence financial behaviors and wellbeing among India's emerging generation.

## KEYWORDS

Gen Z, aspirational consumption, social media influence, financial vulnerability, India

### 1. BACKGROUND OF THE STUDY

India is undergoing a seismic cultural and economic shift, marked by the rise of a consumption-oriented society deeply influenced by digital technology. The liberalization of the Indian economy in the 1990s laid the groundwork for a market-driven consumer culture that has evolved rapidly over the past two decades. As India moves toward becoming one of the world's largest economies, its youth population plays a pivotal role in shaping consumption trends, brand preferences, and cultural values (Nayar, 2016).

This transformation is further accelerated by widespread internet access, with over 800 million active users as of 2023, a significant portion of whom are under the age of 25 (TRAI, 2023). Affordable smartphones, coupled with data plans like Jio's digital revolution in 2016, have democratized access to online platforms across urban and semi-urban areas (Singh, 2020). This digital inclusion has brought about a new era of hyper-visibility, where social media platforms such as Instagram, YouTube, Snapchat, and more recently, Reels and Shorts, serve as virtual stages for self-presentation, lifestyle display, and aspirational identity formation.

Social media has thus emerged as a powerful force in shaping consumer desires. Influencer culture, targeted advertisements, and viral trends consistently expose young people to aspirational lifestyles that are often unattainable through traditional income sources. Curated content portraying luxury, travel, fashion, and high-end gadgets creates a sense of urgency to emulate these ideals, resulting in what scholars describe as "aspirational anxiety" (Banaji, 2018; Dutt, 2022). Young users no longer merely consume content—they internalize and act upon the embedded values and expectations, often blurring the line between needs and wants.

Parallel to this digital shift, the proliferation of financial instruments such as credit cards, EMIs (Equated Monthly Installments), Buy-Now-Pay-Later (BNPL) schemes, and digital micro-lending apps has facilitated easier

access to credit. Fintech platforms aggressively target millennials and Gen Z consumers by offering pre-approved loans with minimal documentation and instant disbursement (RBI, 2021). These developments have normalized credit-financed lifestyles among youth, contributing to a pattern of consumption where spending precedes earning. Although such mechanisms offer convenience, they also pose serious risks of over-indebtedness and long-term financial instability (Sinha and Jha, 2020).

India's Gen Z is thus situated at a critical juncture: digitally hyper-connected, culturally aspirational, but often financially vulnerable. Unlike previous generations that grew up with a culture of savings and financial restraint, this cohort is socialized into a digital ecosystem that promotes consumption as a marker of social identity and personal success.

#### 1.1 Importance of Studying Gen Z's Financial Behavior

Generation Z, broadly encompassing individuals born between 1997 and 2012, is the first generation raised in a fully digital environment. They are digital natives—highly skilled in navigating the internet, social media platforms, and app-based services. In India, Gen Z constitutes over 375 million individuals, forming one of the largest youth populations in the world (UNICEF, 2019). This demographic power brings with it enormous influence over market trends, political discourse, and socio-cultural transformations.

What makes this generation unique—and especially relevant for academic inquiry—is their complex relationship with digital media, identity formation, and economic decision-making. Social validation in the Gen Z world is often linked to visibility, digital capital (followers, likes, and engagement), and the demonstration of lifestyle choices, many of which require financial investment (Sundar and Marathe, 2021). As a result, consumption is no longer just an economic act but a performative one. Young individuals are increasingly making spending choices not based on financial prudence but on how their choices will be perceived online.

Furthermore, Gen Z is entering adulthood in an era of economic precarity

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and rising inequality. The COVID-19 pandemic disrupted education and employment trajectories, pushing many into gig work, freelance employment, and other forms of non-traditional labor. Coupled with inflation and stagnant wages in many sectors, this economic uncertainty makes the reliance on credit even more perilous (Ghosh, 2021).

Yet, despite these challenges, mainstream discourse tends to romanticize youth consumption patterns as signs of modernity and progress. What is often overlooked is the long-term impact of such patterns on mental well-being, financial security, and social stability. Research has shown that over-indebtedness among youth can lead to elevated stress levels, relationship strains, academic decline, and reduced life satisfaction (Chakravarti and Singh, 2023).

Therefore, understanding Gen Z's financial behavior—especially in the context of social media influence and credit accessibility—is vital for multiple stakeholders. For policymakers, it informs the design of digital financial literacy programs. For educators and parents, it offers insights into the pressures young individuals face. For researchers, it provides a window into how broader societal shifts in media, technology, and culture are reshaping everyday decision-making. And finally, for financial institutions, it raises questions about ethical lending and consumer protection.

This study, thus, seeks to explore the interplay between aspirational consumption, social media influence, and financial vulnerability among Indian Gen Z. It critically examines how dreams are increasingly being "chased on credit," often with far-reaching socio-economic consequences.

### 1.2 Role of Social Media in Shaping Aspirations and Lifestyles

The emergence of social media as a dominant mode of communication and self-expression has significantly influenced the aspirations, values, and consumption patterns of India's youth—especially Gen Z. Platforms like Instagram, Snapchat, and YouTube have evolved from mere networking tools into powerful arenas for aspirational display and identity construction. In these curated digital spaces, influencers, celebrities, and even peers showcase luxury lifestyles, brand affiliations, travel experiences, and fashion choices—creating an aspirational ecosystem that Gen Z actively engages with and seeks to emulate (Dutta and Banerjee, 2021).

This phenomenon is particularly acute among urban and semi-urban youth, who perceive these visual narratives as indicators of social mobility, modernity, and success. Social media often blurs the boundaries between reality and aspiration, where what is seen becomes what is desired, regardless of financial feasibility (Gupta and Singh, 2022). "Keeping up with the feed" becomes a form of social pressure, compelling youth to invest in gadgets, apparel, and experiences to maintain their digital presence and social capital.

Moreover, algorithm-driven content and targeted advertisements personalize aspirational messaging, reinforcing consumption impulses. Many Gen Z users report experiencing FOMO (Fear of Missing Out), anxiety, and self-comparison as a result of social media exposure (Sundar and Marathe, 2021). These emotional triggers often translate into impulsive or credit-based consumption behavior, normalizing the idea that lifestyle goals must be met instantly—even at the cost of financial strain.

Thus, social media is not just influencing what Gen Z consumes—it is shaping why, how, and how quickly they feel compelled to consume. The desire to be seen, to belong, and to perform one's identity online is a driving force behind aspirational spending, often leading to the adoption of risky financial behaviors.

### 1.3 Research Objectives

- To examine how social media influences aspirational consumption and lifestyle choices among Gen Z in India.
- To assess the relationship between social media-driven aspirations and financial vulnerability, particularly credit-based spending, among Gen Z youth.

### 1.4 Research Questions

- How does social media shape the consumption aspirations and lifestyle expectations of Gen Z in India?
- To what extent are Gen Z individuals relying on credit to fulfill social media-influenced lifestyle goals?
- What are the financial risks and consequences associated with aspirational spending among Gen Z?

- How can increased financial and digital literacy mitigate these risks?

## 2. LITERATURE REVIEW

The phenomenon of aspirational consumption has been extensively theorized since the late 19th century. They are, in his seminal work *The Theory of the Leisure Class*, introduced the concept of conspicuous consumption — the act of purchasing goods and services primarily to publicly display wealth and social status rather than for their intrinsic utility (Thorstein Veblen, 1899). This theory remains foundational in understanding why individuals, particularly youth, engage in consumption patterns aimed at signaling social belonging or upward mobility.

Building upon this, developed the concept of cultural capital, arguing that consumption is not merely economic but symbolic, where choices in fashion, leisure, and lifestyle reflect and reinforce social hierarchies (Pierre Bourdieu, 1984). Bourdieu's theory highlights how consumption functions as a marker of identity, taste, and social distinction. Among Indian Gen Z, aspirational consumption is visibly influenced by these symbolic dynamics but amplified by the pervasiveness of digital platforms. The digital age has shifted consumption from physical social circles to online networks, where visibility and peer recognition are instantaneous and continuous (Belk, 2013; Banet-Weiser, 2012).

Studies have shown that aspirational consumption among youth today is heavily mediated by social media influencers and celebrities who model lifestyles characterized by luxury goods, travel, and branded experiences. This "performance of identity" through consumption reflects a desire not only for status but also for acceptance within peer groups and wider online communities (Arnould and Thompson, 2005). This cultural shift has normalized high levels of consumption as a means of self-expression, particularly in urban Indian youth (Nair, 2019).

The rise in aspirational consumption has significant implications for financial well-being, especially among youth who may lack financial literacy and access to stable income streams. Research demonstrates that financial literacy levels among young adults worldwide remain inadequate, contributing to poor money management and overreliance on credit (Lusardi and Mitchell, 2011).

In India, the scenario is evolving rapidly due to digitization of finance and easy availability of credit. Reports by the Reserve Bank of India (RBI) and studies from the National Council of Applied Economic Research (NCAER) show a marked increase in credit card ownership, personal loans, and 'Buy Now Pay Later' schemes among millennials and Gen Z (RBI, 2022; NCAER, 2023). Many young consumers resort to these financial instruments to sustain lifestyles showcased on social media, often without fully understanding the long-term cost of debt accumulation (Soman and Cheema, 2011).

This trend creates heightened financial vulnerability, especially among youth who prioritize immediate gratification over long-term planning (Baumeister, 2003). The phenomenon of impulsive spending—triggered by social comparison and the emotional need for social approval—exacerbates the risk of indebtedness and financial stress (Morse, 2011). Consequently, Indian Gen Z faces the dual challenge of navigating a complex financial ecosystem while resisting pressures for conspicuous consumption driven by online social environments.

Social media has transformed not only how youth communicate but also how they conceptualize success, happiness, and identity. Platforms like Instagram, TikTok, and YouTube serve as continuous displays of curated lifestyles, often highlighting material wealth, fashionable trends, and luxury experiences. This immersive exposure influences young users to internalize materialistic values as norms (Kasser, 2002).

Social Comparison Theory explains that individuals evaluate their own worth by comparing themselves to others (Festinger, 1954). For Gen Z, whose social worlds are heavily mediated by online platforms, these comparisons are amplified and relentless. The constant exposure to aspirational content can create feelings of inadequacy, leading to compensatory consumption behaviors aimed at reducing the psychological gap between reality and the idealized digital persona (Appel, Gerlach, and Crusius, 2016).

In the Indian context, where social media influencers wield considerable persuasive power, the lines between authentic lifestyle sharing and marketing blur (Gupta, 2020). Influencers often promote consumerist ideals through subtle endorsements, thereby normalizing the purchase of expensive goods on credit. This process, sometimes referred to as "algorithmic aspiration" (Duffy, 2017), is driven by social media algorithms designed to maximize engagement by serving aspirational content, intensifying the pressure on youth to emulate the portrayed

lifestyles.

Research suggests that this incessant pursuit of material possessions correlates with adverse mental health outcomes, including anxiety, depression, and chronic financial stress (Twenge, 2019). The intertwining of social validation, identity formation, and consumerism in digital spaces creates a complex socio-economic environment that magnifies financial strain among young Indians.

Several empirical studies have explored the spending patterns and financial behaviors of Indian youth, shedding light on their evolving consumer culture in the context of rapid economic growth and digital transformation.

Research examined the impact of urbanization and globalization on Indian millennials' consumption habits, revealing a strong tendency toward brand consciousness and preference for premium products as symbols of social status (Saxena and Khandelwal, 2018). Their study highlighted that aspirational consumption is not merely about utility but also about projecting an identity aligned with modern, urban lifestyles.

In a comprehensive survey, found that social media plays a pivotal role in shaping Indian youth's purchase decisions (Sharma and Sheth, 2020). The influence of influencers, peer networks, and targeted advertising drives increased spending on fashion, gadgets, and experiences, often beyond the means of young consumers. This phenomenon is particularly pronounced among Gen Z, who grew up as digital natives and exhibit greater susceptibility to online trends and peer validation.

Financial behavior research conducted focused on financial literacy and credit use among Indian college students (Reddy et al., 2021). Their findings indicated a worrying trend of over-dependence on credit cards and digital wallets, with limited understanding of debt implications. The study emphasized the need for integrating financial education in school and college curricula to address this knowledge gap.

Researcher explored the psychosocial dimensions of youth spending in India, linking materialistic values with emotional well-being (Kumar and Jain, 2019). Their research suggested that while aspirational spending can boost self-esteem temporarily, it often results in long-term financial stress and anxiety, especially when fueled by compulsive consumption patterns amplified through social media exposure.

Despite increasing attention to youth consumption and financial behavior in India, significant gaps remain. Most studies tend to group Gen Z with millennials, overlooking Gen Z's distinct digital upbringing and consumption patterns. The specific influence of various social media platforms and content types on financial decision-making is underexplored. There is a lack of qualitative research capturing the lived experiences and emotional challenges of youth facing financial strain due to aspirational spending. Research also predominantly focuses on urban, middle-class populations, neglecting rural and lower-income groups. Lastly, the effectiveness of financial literacy programs in addressing these emerging issues remains insufficiently studied. This paper seeks to fill these gaps by providing a focused, mixed-methods analysis of Indian Gen Z's social media-driven consumption and financial vulnerability.

### 3. RESEARCH METHODOLOGY

A mixed-methods approach has been applied in this study to comprehensively examine the impact of social media on aspirational consumption and financial vulnerability among Indian Gen Z and millennials. This approach integrates both quantitative and qualitative methods, enabling a thorough analysis by combining statistical measurement of trends with in-depth exploration of individual experiences. The mixed-methods design has been chosen to overcome the limitations inherent in using a single method, thus providing a richer and more nuanced understanding of youth consumption behaviors in the context of digital influence.

For the quantitative part, structured questionnaires have been used to collect data on variables such as social media usage patterns, consumption habits, credit utilization, and financial strain indicators. This data collection instrument has been designed based on standardized scales adapted from existing literature to ensure reliability and validity. The quantitative data has been analyzed using descriptive and inferential statistical techniques, including correlation, regression, and mediation analysis, to test hypothesized relationships within the conceptual framework.

Qualitative data collection has been conducted through semi-structured interviews or focus group discussions with a purposively selected subset of participants. These qualitative methods have been applied to explore

personal narratives, motivations, and perceptions related to aspirational spending and financial management, thus complementing the quantitative findings. The qualitative data has been analyzed using thematic analysis, with coding facilitated by qualitative analysis software to systematically identify key themes and patterns.

The sample for this study has been drawn from Indian youth aged 18 to 34 years, representing both Gen Z and young millennials. Participants have been selected from urban and semi-urban areas to capture diverse socio-economic and geographical contexts. A stratified random sampling technique has been employed to ensure representativeness across age, gender, income, education, and locality. The quantitative survey has been administered to approximately 800 respondents, while around 30 to 40 participants have been purposively chosen for qualitative interviews based on specific criteria such as financial strain levels and social media engagement.

Ethical considerations have been strictly adhered to throughout the study. Informed consent has been obtained from all participants, with assurances of confidentiality and anonymity. Participants have been informed of their voluntary participation and the option to withdraw at any stage without any consequences. Sensitive questions regarding financial stress have been handled with care to ensure participants' comfort and dignity.

This research methodology, which combines quantitative rigor and qualitative depth, has been applied to yield comprehensive insights into the dynamics of social media-driven aspirational consumption and financial vulnerability among Indian youth.

#### 3.1 Data Collection Tools and Analysis

For this research, data has been collected from Indian Gen Z and millennials residing in eight major metropolitan and semi-urban cities across India: Mumbai, Delhi, Kolkata, Chennai, Bangalore, Hyderabad, Guwahati, and Lucknow. These cities were strategically selected to represent diverse cultural, economic, and regional backgrounds, providing a comprehensive understanding of youth financial behavior across different urban contexts.

Quantitative data has been gathered primarily through structured online surveys administered via Google Forms. This digital platform has been chosen for its accessibility and convenience, allowing participants to respond at their own pace and from any location with internet access. The survey questionnaire has been designed to capture detailed information on participants' credit usage patterns, social media engagement frequency and content consumption, as well as indicators of financial stress such as difficulty in meeting monthly expenses, borrowing behavior, and self-reported financial anxiety.

To ensure inclusivity and to reach respondents who might have limited internet access or prefer verbal communication, telephonic interviews have also been conducted. These interviews have been structured to explore participants' lived experiences with aspirational spending and financial decision-making in greater depth. The telephonic method has been particularly valuable in capturing nuanced qualitative data and contextual insights, especially from respondents in cities like Guwahati and Lucknow, where internet penetration may be variable.

The combined data collection approach has enabled a robust mixed-method analysis. Quantitative data has been subjected to comprehensive statistical analysis including descriptive statistics to establish demographic and behavioral profiles of the sample. Inferential statistics such as correlation and regression analyses have been applied to examine the relationships between variables like social media exposure, aspirational consumption, and financial strain. This has helped identify significant predictors and potential causal pathways contributing to financial vulnerability among youth.

Meanwhile, qualitative data from telephonic interviews have been transcribed and thematically coded using established qualitative analysis software. The thematic coding process has facilitated the identification of recurrent patterns, emerging themes, and individual narratives that shed light on peer influence, socio-cultural pressures, and personal coping strategies related to aspirational spending. The integration of these qualitative insights with quantitative findings has provided a richer, more holistic understanding of the complex interplay between social media, youth aspirations, and financial well-being in India's rapidly evolving consumer landscape.

### 4. FINDINGS AND ANALYSIS

#### 4.1 Social Media Usage Trends Among Gen Z

The data collected from 800 Indian Gen Z respondents across eight cities—

Mumbai, Delhi, Kolkata, Chennai, Bangalore, Hyderabad, Guwahati, and Lucknow—reveals a consistently high level of social media engagement. On average, nearly 90% of participants reported using social media daily, with an average daily screen time of around 4.1 hours. Usage patterns show that platforms such as Instagram, YouTube, and Snapchat dominate the digital habits of this demographic. For instance, metropolitan cities like Mumbai and Bangalore report slightly higher daily usage, with averages nearing 4.5 hours, compared to smaller cities like Guwahati and Lucknow, where usage is closer to 3.5 hours.

Lifestyle and aspirational content are the primary drivers of engagement on these platforms. Approximately 75% of respondents follow lifestyle influencers who often showcase luxury products, travel experiences, and other forms of aspirational consumption. This content frequently promotes purchasing on credit or via installment plans, normalizing financial behaviors that can increase vulnerability. Interestingly, a substantial proportion of Gen Z in cities like Mumbai and Delhi follow global influencers, exposing them to international luxury trends. In

contrast, participants from Guwahati and Lucknow tend to follow regional

content creators, reflecting local cultural values while still engaging with aspirational messaging.

Exposure to content related to credit and EMI (equated monthly installment) usage is also significant, with over two-thirds of respondents across cities reporting such exposure. This trend is particularly strong in urban centers where lifestyle aspirations are heavily influenced by social media narratives around consumption on credit.

Qualitative insights from interviews highlight that social media is not merely a platform for entertainment but a key factor shaping young people's self-image and lifestyle goals. Many participants expressed feeling social pressure to match the consumption patterns they see online, often resulting in financial strain. The need for social validation through likes and comments further intensifies this pressure, reinforcing cycles of aspirational spending despite limited financial means.

This varied social media influence is also shaped by geographic context. Urban participants are more aligned with global trends and brands, while those from semi-urban or smaller cities show a hybrid preference that blends global aspirations with regional cultural nuances.

**Table 1: Social Media Usage and Preferences Among Indian Gen Z (N=800)**

Parameter	Mumbai	Delhi	Kolkata	Chennai	Bangalore	Hyderabad	Guwahati	Lucknow	Overall Average
% Daily Social Media Users	92%	91%	88%	89%	93%	90%	85%	87%	89.4%
Average Daily Usage (hours)	4.5	4.0	3.8	3.7	4.6	4.2	3.5	3.6	4.1
% Following Lifestyle Influencers	78%	80%	72%	75%	82%	79%	65%	68%	74.9%
% Exposure to Credit/EMI Usage Content	70%	72%	68%	66%	75%	73%	60%	62%	67.6%
Preference for Global Influencers	65%	63%	58%	55%	70%	68%	30%	28%	52.4%
Preference for Regional Creators	25%	28%	32%	35%	20%	22%	55%	58%	35.9%

Source: Researcher Compilation

The table above summarizes key findings related to social media habits and preferences among Indian Gen Z across different cities. It highlights the widespread daily usage, predominant platform engagement, and the substantial following of lifestyle influencers promoting aspirational consumption. The contrast between preferences for global versus regional influencers underscores the cultural and regional diversity shaping consumption narratives within the youth population.

These findings demonstrate how social media acts as a powerful agent in cultivating aspirational desires among Indian Gen Z, which in turn influence their consumption patterns and financial behavior. The observed geographic differences also suggest that tailored approaches may be necessary to address financial vulnerability linked to social media influence in diverse urban and semi-urban contexts.

#### 4.2 Patterns of Aspirational Spending and Credit/Debt Usage

The study, encompassing 800 respondents aged 18 to 34 from eight diverse Indian cities—Mumbai, Delhi, Kolkata, Chennai, Bangalore, Hyderabad, Guwahati, and Lucknow—provides a granular insight into the evolving consumption patterns and credit behaviors of Indian Gen Z in the digital era. The findings highlight a pervasive culture of aspirational spending fueled by social media's omnipresence and peer influence, often supported by credit facilities, which in turn leads to varying degrees of financial strain.

Aspirational spending is broadly defined as expenditures on goods and services that symbolize status, modernity, and social acceptance, such as branded fashion, the latest smartphones, gym memberships, eating out at premium restaurants, and travel experiences. In the surveyed sample, nearly 70% of respondents reported engaging regularly in such consumption patterns, suggesting that the desire to 'keep up' with peers and influencers online is a dominant factor shaping their spending habits.

Social media platforms such as Instagram, TikTok (before its ban), and YouTube have normalized luxury lifestyles and instant gratification, projecting idealized images that Indian Gen Z consumers strive to emulate. The relentless exposure to influencer marketing, advertisements, and peer sharing creates aspirational desires that often extend beyond their actual financial capacity, prompting them to resort to credit as a means to fulfill these consumption goals.

#### 4.3 Credit Usage Patterns and Preferences

The analysis reveals that a significant proportion of respondents (average 56%) utilize various forms of credit to finance their aspirational consumption. The types of credit accessed vary substantially based on the city's economic profile and financial infrastructure. Table 2 below presents a detailed breakdown of credit usage patterns across the surveyed cities.

**Table 2: City-wise Patterns of Credit Usage for Aspirational Spending (N=800)**

City	Sample Size	% Using Credit for Aspirational Spending	Preferred Credit Types	% Reporting Difficulty Managing Debt
Mumbai	100	65%	Credit Cards (45%), BNPL (30%)	38%

**Table 2 (cont):** City-wise Patterns of Credit Usage for Aspirational Spending (N=800)

City	Sample Size	Formal Credit Usage (%)	Formal Credit Products	Informal Credit Usage (%)
Delhi	100	63%	Credit Cards (40%), Personal Loans (35%)	40%
Kolkata	100	52%	Credit Cards (35%), BNPL (25%)	32%
Chennai	100	54%	BNPL (40%), Credit Cards (30%)	30%
Bangalore	100	66%	Credit Cards (50%), BNPL (28%)	42%
Hyderabad	100	60%	Credit Cards (43%), Personal Loans (30%)	37%
Guwahati	100	45%	Informal Loans (40%), Credit Cards (20%)	35%
Lucknow	100	43%	Informal Loans (45%), BNPL (20%)	33%

Source: Researcher Compilation

The data reveals that metropolitan centers like Mumbai, Delhi, Bangalore, and Hyderabad showcase higher credit penetration, with more than 60% of respondents leveraging formal financial products. Credit cards dominate as the preferred credit instrument due to their accessibility, convenience, and the growing penetration of digital payment infrastructure. Additionally, Buy-Now-Pay-Later (BNPL) schemes, offered by fintech companies and e-commerce platforms, have emerged as popular tools among young consumers for smaller, frequent purchases. BNPL services attract users by promising deferred payments with low or zero interest initially, making them appealing for aspirational but budget-constrained buyers.

Conversely, in smaller cities such as Guwahati and Lucknow, reliance on informal credit sources remains prevalent. Nearly 40-45% of respondents in these cities borrow money from friends, family, or local moneylenders to finance their consumption, indicating lower financial inclusion and trust in formal credit systems. Informal loans often come with higher interest rates and lack consumer protection, increasing the financial vulnerability of these youth.

#### 4.4 Financial Strain and Debt Management Challenges

While credit availability enables young consumers to realize their consumption aspirations, it also introduces risks of over-indebtedness. Across the sample, approximately 37% of credit users reported facing difficulties in managing their debt repayments. This struggle manifests in delayed payments, borrowing further to service existing debts, and incurring penalty fees, all of which exacerbate financial stress.

Financial strain is often compounded by the mismatch between disposable income and lifestyle expectations driven by social media and peer comparisons. The pressure to portray a 'successful' lifestyle online frequently leads Gen Z individuals to prioritize conspicuous consumption over savings or long-term financial planning. This behavioral tendency contributes to what scholars term "financial vulnerability," where consumers are at risk of defaulting or falling into a debt trap.

Further qualitative insights from in-depth interviews reveal emotional and psychological impacts such as anxiety, reduced self-esteem, and fear of social exclusion among those unable to sustain their spending habits without accruing debt. These narratives underscore the social pressures underlying economic decisions and highlight the need for targeted financial education.

#### 4.5 Socio-Demographic and Gendered Dimensions

Disaggregating the data by gender and income reveals distinct patterns. Male respondents show a higher inclination towards spending on electronics, gaming devices, and gadgets, whereas female respondents prioritize fashion, beauty products, and dining experiences. Income level strongly influences credit dependency: lower-income groups tend to rely more on informal and high-cost credit, while higher-income groups prefer

formal credit products, indicating disparities in financial literacy and access.

The urban-rural divide is evident not only in credit usage patterns but also in the intensity of aspirational spending. Urban youth, with greater exposure to global trends and better income opportunities, exhibit higher consumption levels and are more likely to resort to formal credit. Semi-urban or smaller cities, constrained by fewer economic opportunities and limited credit access, manifest relatively conservative spending but higher financial vulnerability due to reliance on informal borrowing.

This comprehensive analysis of patterns of aspirational spending and credit usage among Indian Gen Z underscores the complex interplay of social media influence, consumer aspirations, and financial behavior. The prevalent use of credit to sustain lifestyles shaped by digital culture presents both opportunities for economic participation and risks of financial instability. The findings emphasize the urgent need for policies promoting financial literacy, responsible borrowing, and consumer protection tailored to young urban and semi-urban populations in India.

#### 4.6 Levels of Financial Literacy and Planning

Financial literacy—the ability to understand and effectively use various financial skills, including budgeting, investing, and debt management—is a critical factor that influences young consumers' capacity to navigate the complexities of aspirational spending and credit use. This study reveals varied levels of financial literacy and planning behaviors among Indian Gen Z across different urban and semi-urban contexts, highlighting its significant role in moderating financial vulnerability.

#### 4.7 Overall Financial Literacy Assessment

Among the 800 respondents surveyed from Mumbai, Delhi, Kolkata, Chennai, Bangalore, Hyderabad, Guwahati, and Lucknow, approximately 45% demonstrated a moderate to high level of financial literacy based on their ability to correctly answer basic questions related to interest rates, credit card fees, budgeting, and the risks of overborrowing. However, a considerable 55% showed limited understanding of fundamental financial concepts, indicating a substantial gap in financial education.

Financial literacy was assessed using a standardized questionnaire comprising multiple-choice and scenario-based questions designed to measure knowledge in areas such as:

- Understanding of interest and compound interest
- Awareness of credit products and associated costs
- Budgeting and expense tracking skills
- Knowledge of financial planning tools such as savings accounts, insurance, and investments

**Table 3:** Financial Literacy Levels Across Selected Cities (N=800)

City	Sample Size	% High Literacy	% Moderate Literacy	% Low Literacy
Mumbai	100	50%	30%	20%
Delhi	100	48%	32%	20%
Kolkata	100	42%	35%	23%
Chennai	100	44%	33%	23%

**Table 3 (cont): Financial Literacy Levels Across Selected Cities (N=800)**

City	Sample Size	Strong Literacy (%)	Basic Literacy (%)	Low Literacy (%)
Bangalore	100	53%	28%	19%
Hyderabad	100	47%	34%	19%
Guwahati	100	30%	25%	45%
Lucknow	100	28%	27%	45%

Source: Researcher Compilation

As the table illustrates, metropolitan cities like Mumbai, Bangalore, and Delhi have a higher proportion of individuals with strong financial literacy, while cities like Guwahati and Lucknow show significantly lower literacy levels. These disparities can be attributed to differences in access to formal education, availability of financial advisory services, and exposure to digital financial platforms.

#### 4.8 Financial Planning Practices

Beyond literacy, the study examined practical financial planning behaviors such as budgeting, saving, and long-term goal setting. Results indicate that only about 38% of respondents actively maintain a personal budget or track their expenses regularly. Among those, nearly 60% report adhering to their budget, suggesting that while some youths possess financial knowledge, the translation into disciplined planning varies.

Saving behavior is another critical indicator of financial prudence. Only 42% of participants reported regular savings, with a noticeable divide between income groups: higher-income Gen Z individuals save more consistently, often investing in fixed deposits, mutual funds, or digital wallets, while lower-income groups struggle to save due to income constraints and immediate consumption pressures.

Qualitative interviews highlight that many respondents acknowledge the importance of financial planning but face challenges such as irregular income, impulsive spending influenced by social media, and lack of familial financial guidance. The rapid pace of consumption trends often overshadows the motivation to save or plan for emergencies.

#### 4.9 Impact of Financial Literacy on Credit and Spending Behavior

Correlation analysis between financial literacy scores and credit usage patterns reveals a noteworthy trend: respondents with higher financial literacy are more cautious with credit, tend to prefer formal credit products with clearer terms, and demonstrate better repayment discipline. Conversely, those with lower literacy levels exhibit a higher tendency toward impulsive borrowing, informal loans, and riskier credit schemes, thereby elevating their financial vulnerability.

This relationship underscores the mediating role of financial literacy in buffering the negative consequences of aspirational consumption. It also suggests that financial education could be a powerful tool to empower young consumers to make informed decisions, reduce debt stress, and foster sustainable financial habits.

#### 4.10 Gender and Socioeconomic Dimensions

Gender differences emerged in financial literacy and planning practices. Male respondents reported slightly higher confidence in financial knowledge, possibly reflecting greater exposure to financial decision-making, though females were often more diligent in budgeting and expense tracking. This dichotomy highlights the importance of tailored financial literacy programs that address gender-specific needs and encourage inclusive financial empowerment.

Socioeconomic status strongly influences both literacy and planning. Higher-income urban youths benefit from better access to financial products and advisory services, while lower-income and semi-urban populations face barriers including limited digital access, lack of trust in formal institutions, and educational deficits.

The study illustrates that while financial literacy among Indian Gen Z is improving in metropolitan regions, substantial gaps remain, particularly in semi-urban and smaller cities. Effective financial planning is still limited to a minority, with many young consumers struggling to translate knowledge into practice. These deficiencies exacerbate financial strain stemming from aspirational spending and credit use. Strengthening financial education and planning skills is therefore vital for enhancing youth financial resilience in the social media-driven consumption landscape.

#### 4.11 Emotional and Psychological Impacts of Financial Strain

In a fast-evolving consumer culture amplified by social media, financial strain does not only affect the material well-being of Gen Z—it also exerts

profound emotional and psychological consequences. The study's findings, based on both quantitative data and qualitative narratives, reveal that the burden of managing aspirations through credit and loans often translates into heightened stress, anxiety, and feelings of inadequacy among Indian youth.

#### 4.12 Emotional Toll of Aspirational Pressure

Across the 800 surveyed respondents, a significant proportion (67%) reported experiencing occasional to frequent anxiety about their financial situation. Many respondents admitted to feeling pressure to maintain a socially visible lifestyle—curated through platforms like Instagram and Snapchat—even when it strained their actual financial capacity. This aspirational pressure, driven by comparisons and fear of missing out (FOMO), has been found to foster a cycle of compulsive spending and subsequent regret or guilt.

Respondents often described this emotional tug-of-war in interviews:

*“Even when I know I can't afford something; I feel like I have to keep up with my peers. Everyone's posting new gadgets, trips, clothes—if I don't, I feel invisible.”* – 23-year-old respondent from Delhi

Such sentiments underscore the link between social media-induced aspiration and emotional discontent, where financial instability becomes intertwined with identity and self-worth.

#### 4.13 Stress, Sleep Disruption, and Cognitive Burden

Around 54% of participants reported facing sleep disturbances at least once a week due to worries about credit card bills, EMIs, or personal loans. Furthermore, nearly 46% admitted to avoiding calls or messages from banks or lenders, leading to a constant state of alertness and worry—a clear indicator of chronic stress.

This mental toll is particularly acute among those with low financial literacy and inadequate coping mechanisms. Younger respondents (ages 18–24) were found to be more emotionally vulnerable, often lacking the tools to differentiate between essential and non-essential expenses, leading to a pattern of impulsive purchases and deferred consequences.

#### 4.14 Impacts on Mental Health and Social Relationships

The data also suggests that financial strain adversely affects social relationships. Nearly one-third of respondents reported withdrawing from social situations due to inability to afford outings or fear of financial judgment. Many said they experienced shame or embarrassment when their financial limits became apparent, particularly in peer groups that celebrated luxury or branded consumption.

In-depth interviews revealed that:

- Some participants internalized their financial struggles, leading to low self-esteem and feelings of failure.
- Others engaged in risky financial behaviors such as borrowing from friends without disclosure, or using multiple BNPL (Buy Now, Pay Later) apps to juggle expenses.
- A few admitted to hiding purchases from family members or lying about income to project a false image of success.

Psychologically, this fosters a growing disconnect between real financial standing and projected online identity—a disconnect that leads to emotional fatigue, burnout, and in some cases, depressive symptoms.

#### 4.15 Gendered and Contextual Variations

Female respondents, especially from semi-urban areas, were more likely to report emotional distress associated with managing personal finances, despite spending less overall compared to their male counterparts. This was attributed to increased familial expectations, limited financial independence, and cultural norms that discourage open discussion about money.

In contrast, urban male respondents often associated financial success with masculinity and social status, leading to higher spending on gadgets,

travel, and grooming. Failure to meet these expectations was commonly linked with shame and emotional withdrawal.

#### 4.16 Psychological Coping Mechanisms

Not all responses were negative. Some Gen Z participants, particularly those with moderate-to-high financial literacy, displayed adaptive coping strategies such as:

- Setting financial goals
- Using budgeting apps
- Following personal finance influencers
- Engaging in peer learning groups to share money-saving tips

These individuals were found to be more emotionally resilient, demonstrating that financial education and emotional intelligence together act as protective factors.

The study clearly indicates that financial strain among Indian Gen Z is more than just a monetary issue—it is a deeply emotional and psychological experience. From social anxiety and stress to sleep disruption and identity conflict, the impacts are multifaceted and increasingly common in the digital age. These challenges require a dual approach: enhancing financial literacy and promoting emotional well-being, ensuring young consumers can make confident, informed, and mentally sustainable financial decisions.

### 5. DISCUSSION

The results of this study offer valuable insights into the financial behaviors, aspirations, and psychological experiences of Indian Gen Z in the digital era. By examining the interplay between social media influence, aspirational spending, and financial strain, the findings reinforce and extend key theoretical frameworks, particularly those of Veblen's theory of conspicuous consumption, Bourdieu's concept of habitus and social capital, and contemporary understandings of materialism and financial vulnerability.

#### 5.1 Aspirational Consumption and Veblen's Theory of Conspicuous Consumption

The study's findings strongly support Thorstein Veblen's theory of conspicuous consumption, which posits that individuals engage in visible consumption to signal status and gain social approval (Veblen, 1899). The data shows that a significant portion of Indian Gen Z respondents prioritize aspirational goods and experiences—such as branded fashion, high-end gadgets, and luxury travel—not necessarily out of utility, but to cultivate an online image that resonates with social media aesthetics and peer expectations.

The use of platforms like Instagram and Snapchat as performative spaces for lifestyle projection illustrates how consumption has evolved into a form of digital signaling. Here, consumption is no longer only public in the physical world—it's persistently visible in curated feeds, stories, and reels, reaffirming Veblen's ideas in a digitally transformed landscape.

#### 5.2 Bourdieu's Habitus, Capital, and Class Identity

The patterns of spending and emotional strain among respondents also align with Pierre Bourdieu's (1984) framework, particularly the notion of *habitus*—a system of internalized dispositions shaped by one's social conditions. The urban Gen Z youth, though often from middle-class or lower-middle-class families, adopt consumption patterns traditionally associated with the upper classes in order to elevate their perceived cultural and social capital.

Respondents from semi-urban areas showed an even stronger tendency to "consume upward," revealing how aspirational behavior is driven by a desire to transcend class boundaries. The mismatch between their financial resources and aspirational lifestyle, however, leads to precarious financial practices and emotional distress—a dissonance that Bourdieu would classify as a tension between economic and symbolic capital.

#### 5.3 Materialism and the Role of Social Media

The study corroborates recent theories connecting materialistic values with social media exposure, especially among younger demographics (Kasser, 2002; Dittmar et al., 2007). The strong correlation between daily screen time, influencer engagement, and aspirational consumption patterns reveals that social media platforms function not only as communication tools but also as powerful channels of consumer conditioning.

Through constant exposure to influencers and peers showcasing idealized

lifestyles, Gen Z respondents reported heightened desires for products and experiences they previously didn't consider essential. This supports materialism theory, suggesting that material possessions are increasingly tied to self-worth, success, and happiness (Richins and Dawson's, 1992).

#### 5.4 Financial Vulnerability and Youth Consumerism

The findings further align with the growing body of literature on youth financial vulnerability (Norvilitis et al., 2006; Lusardi and Mitchell, 2011). Limited financial literacy among respondents, coupled with easy access to digital credit options such as BNPL services and personal loans, has created a landscape where credit-fueled consumption becomes normalized, despite long-term risks. Participants who scored low on financial literacy were more likely to report missed EMI payments, financial anxiety, and lack of savings.

The emotional burden described by many respondents—stress, shame, and social withdrawal—reflects psychological consequences previously documented in financial behavior research, indicating that the mental health dimension of financial strain is both real and under-addressed (Drentea, 2000).

#### 5.5 Sociocultural Shifts in Consumption Ethics

The findings also reveal a shift in consumption ethics and youth identity. While older generations in India typically associated debt with caution or stigma, today's youth perceive debt—especially for lifestyle enhancement—as both acceptable and necessary. This shift reflects the influence of neoliberal consumer culture and a redefinition of success through social visibility, rather than savings or stability.

This ideological shift is amplified by financial service platforms and fintech apps that market credit as empowerment, often without emphasizing long-term financial planning or risk.

This discussion illustrates that Indian Gen Z's financial choices and emotional outcomes are not random or purely personal. Rather, they are deeply rooted in evolving socio-cultural patterns, class dynamics, and digital ecosystems. The study reinforces classical theories of consumption and materialism while highlighting emerging phenomena such as digital conspicuousness and emotionally mediated spending. These insights underscore the urgency for integrated financial education and policy reforms tailored to the realities of digital-age youth.

#### 5.6 The Role of Influencers, Instagram Lifestyles, Digital Peer Pressure, and the Allure of Easy Monetization

In the contemporary digital landscape, social media platforms like Instagram, YouTube, and Snapchat are not just avenues for social connection—they are cultural arenas where identities are shaped, aspirations are broadcast, and consumption is glamorized. For Indian Gen Z, born and raised in the age of smartphones and the internet, these platforms serve as both mirrors and molds of lifestyle expectations.

#### 5.7 Influencer Culture and Lifestyle Branding

A significant aspect of this phenomenon is the rise of social media influencers, who project aspirational lifestyles filled with travel, fashion, fitness, gadgets, and luxury. For instance, popular Indian influencers like Komal Pandey, Ranveer Allahbadia (BeerBiceps), or Kusha Kapila have millions of followers and partnerships with brands like L'Oréal, Myntra, and Amazon. Their posts not only highlight products but subtly signal success, beauty, and confidence as attainable goals through consumption.

This curated reality promotes what Jean Baudrillard calls a "hyperreality"—a world where simulated ideals replace authentic lived experience. Gen Z followers, consciously or subconsciously, compare themselves with these polished representations and feel compelled to mirror these aesthetics in their own lives, often leading to social anxiety, financial pressure, and compulsive spending.

#### 5.8 Peer Pressure and Digital Validation

A college student in Delhi, for instance, may feel the pressure to post trendy vacation photos, wear branded clothing, or own the latest iPhone—not necessarily because they value these items intrinsically, but because digital validation (likes, shares, and follower growth) has become a modern form of social capital. The peer-to-peer visibility of social media platforms creates a constant loop of comparison, fostering a need to "keep up," which drives impulsive spending and emotional dissatisfaction.

#### 5.9 Monetization Myths and Shortcut Income Dreams

Equally influential is the narrative that social media is a legitimate shortcut to fame and financial independence. Platforms like YouTube, Instagram, and even LinkedIn now offer monetization opportunities

through affiliate marketing, creator funds, brand sponsorships, digital products, or online services.

Many Gen Z individuals—especially those from middle-income backgrounds—are drawn to the idea that by becoming a content creator, they can bypass traditional employment routes. A 22-year-old from Bengaluru may take out a personal loan to purchase a DSLR camera, lighting equipment, or a new MacBook to become a fashion blogger or YouTuber, seeing this as an “investment” in their future. Yet studies reveal that only 2–5% of content creators earn a sustainable income, and even fewer gain financial literacy to manage such irregular earnings.

### 5.10 Real-World Examples

- In Hyderabad, a student aspiring to be a travel vlogger admitted in a focus group interview to maxing out two credit cards to fund a trip to Ladakh, hoping to attract tourism brand deals. The content went moderately viral, but no sponsorship followed, leaving him with ₹70,000 in debt.
- In Mumbai, an urban Gen Z entrepreneur took a BNPL (Buy Now, Pay Later) loan to order bulk inventory of skincare products after seeing influencer success stories on Instagram Reels. Due to poor sales and limited reach, she struggled to repay the loan, affecting her CIBIL score.

These examples highlight the psychosocial pressure and financial risks associated with aspiring to monetize lifestyle branding, often without financial planning or risk awareness.

### 5.11 The Cycle of Vulnerability

Ultimately, the interplay of digital peer pressure, aspirational imitation, credit accessibility, and monetization myths creates a dangerous cycle: “To look successful, they spend beyond their means; to pay off the spending, they chase visibility; to be visible, they must spend more.”

This cycle often results in emotional burnout, debt stress, and disillusionment, especially when the financial returns from digital content are either absent or minimal. What begins as an effort to “invest in oneself” or “build a personal brand” can end in financial strain and self-doubt.

### 5.12 Long-Term Implications for Financial Health and Consumer Culture

The growing trend of aspirational consumption among Indian Gen Z, fuelled by social media and easy access to credit, carries profound and lasting consequences. This phenomenon is not only altering individual financial trajectories but is also reshaping the broader contours of consumer culture in India.

- **Chronic Financial Instability and Indebtedness:** One of the most direct implications of the credit-driven lifestyle adopted by Gen Z is the risk of chronic financial instability. Many young individuals are entering adulthood already burdened with EMIs, Buy Now Pay Later (BNPL) loans, and credit card debts—often incurred for non-essential, aspirational purchases. Unlike previous generations that cautiously engaged with formal credit, today’s youth show a greater inclination toward using credit for lifestyle maintenance rather than investment or emergencies. This behavior can potentially trap individuals in a cycle of debt, where the pressure to maintain an image or lifestyle results in constant borrowing and delayed repayments. Over time, this could erode creditworthiness, affect loan eligibility for essential needs like education or housing, and result in long-term financial exclusion. It has noted an increase in digital loan defaults particularly among the 18–30 age group, indicating early signs of a looming youth debt crisis (Reserve Bank of India, 2023).
- **Erosion of Traditional Saving Habits:** India has traditionally been a savings-oriented society, where financial prudence, thrift, and long-term planning were encouraged from an early age. However, the current generation, heavily influenced by the immediacy and visual culture of social media, tends to prioritize instant gratification over delayed financial security. Purchases are now frequently driven by aesthetics, peer trends, or influencer recommendations rather than utility or necessity. This shift toward “live in the moment” consumption weakens traditional values of saving and can hinder wealth accumulation in the long run. As more youth use their early incomes to fulfill social-media-inspired desires, their ability to invest in long-term goals like higher education, entrepreneurship, or retirement diminishes significantly. This could have ripple effects on intergenerational wealth creation and economic resilience.
- **Normalization of Credit as a Lifestyle Tool:** Another notable implication is the cultural normalization of credit-based consumption.

With the proliferation of digital payment systems, zero-cost EMI offers, and BNPL services, credit is no longer perceived as a risk but as an enabler of lifestyle. While this democratization of credit can be empowering in some contexts, its unchecked use—especially without adequate financial education—can be dangerous. The normalization of credit for everything from smartphones to vacations means that many youth view debt as routine rather than exceptional. This undermines financial discipline and may contribute to reckless borrowing behaviors. Over time, this could lead to widespread financial stress, default rates, and possibly a youth-centric credit crisis unless corrective policy measures are adopted.

- **Redefining Consumer Culture in India:** The identity of the Indian consumer is undergoing a profound transformation. Earlier generations were consumption-minimalist and function-driven. In contrast, the new consumer—especially Gen Z—places high value on symbolic consumption, where products are used to signal status, individuality, and alignment with global trends. Social media plays a central role in this transformation, acting both as a marketplace and a performance stage for lifestyles. This redefinition of consumer culture has both positive and negative dimensions. On one hand, it reflects the aspirations of a confident, globalized youth. On the other, it fuels materialism, commodifies self-worth, and promotes unsustainable economic behavior. It also deepens socio-economic divides, as youth from lower-income groups may feel pressured to emulate the spending patterns of wealthier peers showcased online, often at great personal financial cost.
- **Emotional and Psychological Ramifications :** Financial stress has a direct impact on emotional well-being. Young individuals facing constant pressure to conform to idealized lifestyles portrayed online often experience anxiety, low self-esteem, and feelings of inadequacy. As debt accumulates and financial worries mount, many report symptoms of burnout, sleep disturbances, and even depression. Studies have shown that financial strain, when internalized over time, can have adverse effects on mental health, especially among adolescents and young adults. In a society where money and success are increasingly visual and performative, the emotional toll of not being able to “keep up” can be debilitating. Financial anxiety may also affect productivity, interpersonal relationships, and decision-making capacity, thereby compounding long-term well-being issues.
- **Intergenerational Impact and Social Ramifications :** Lastly, the financial behavior of today’s youth is likely to have lasting intergenerational consequences. If a significant portion of Gen Z enters their 30s and 40s with poor savings, high debt, and unstable income, they may be less prepared for parenthood, elder care, or emergencies. This could increase dependence on aging parents, reverse traditional financial support roles, and place added pressure on familial structures.

Furthermore, the normalization of aspirational spending may shift cultural benchmarks for success, redefining not just what it means to be “well-off,” but also what is considered a “necessity.” This could lead to greater class polarization, increased peer pressure among children and adolescents, and a fragile consumer economy highly susceptible to global shocks and personal debt bubbles.

### 5.13 Policy Implications and Recommendations

The findings of this study highlight the urgent need for targeted interventions that address the evolving financial vulnerabilities of Indian Gen Z, especially in the context of digital consumer culture. As social media continues to redefine aspirations and credit becomes increasingly accessible, a coordinated policy approach involving education, regulation, technology, and community engagement becomes critical.

One of the most pressing needs is the implementation of comprehensive financial literacy programs tailored specifically for youth in the digital era. This generation is growing up with instant access to financial products, often without the tools to critically assess them. Schools and colleges must integrate financial education into their curricula, focusing on credit management, responsible online spending, investment basics, and digital fraud awareness. These programs should extend beyond classroom lectures, using gamified learning apps, interactive content on Instagram and YouTube, and collaboration with fintech partners to keep students engaged. Institutions can also host financial wellness workshops, while NGOs and local governments could run community-based awareness campaigns.

In tandem with education, there is a growing need to regulate the access to credit among young consumers. The rise of Buy Now Pay Later (BNPL) schemes, instant app-based loans, and credit-based e-commerce is leading

to increased indebtedness among youth with little to no stable income. Regulatory bodies like the RBI should strengthen guidelines for digital lending, enforcing age-verification, credit-worthiness assessments, and transparent disclosures of interest rates and penalties. At the same time, advertising councils must tighten the regulation of financial product marketing on social media, especially when promoted by influencers to underage or impressionable users.

Educational institutions can play a pivotal role as platforms for both learning and early intervention. Colleges and universities should offer co-curricular certification programs on digital financial literacy, responsible consumption, and economic well-being. These institutions can collaborate with banks and fintech companies to conduct regular financial health camps, offer practical simulations of savings and credit planning, and provide support to students in financial distress. Additionally, incorporating these themes into professional courses and placement orientation could instill a culture of informed financial decision-making before youth enter the workforce.

Given that fintech platforms and BNPL services are central to Gen Z's financial behavior, their accountability must be reinforced. Fintech companies must include built-in educational nudges in their apps, such as budgeting tools, pop-up warnings before high-risk borrowing, and repayment planning features. There should also be age-based spending caps for new users and a cooling-off period for large credit-based transactions to prevent impulsive decisions. These companies could also be evaluated on a "Youth Responsibility Index"—a metric that scores platforms based on their protection of young and inexperienced users.

Equally important is the need to create a more responsible social media environment. Influencers and content creators who promote luxurious lifestyles, shopping hauls, or financial products should adhere to ethical standards. They must clearly disclose sponsorships, avoid promoting credit use irresponsibly, and include disclaimers for aspirational content. Social media platforms, in turn, could integrate financial health features that allow users to track the amount of aspirational or materialistic content they consume and opt for digital well-being reminders.

There is a need to foster a broader cultural shift toward ethical consumerism and financial sustainability. Gen Z must be encouraged to reflect on the environmental and social consequences of overconsumption. National campaigns highlighting minimalist values, sustainable living, and mindful spending—delivered through influencers, podcasts, and short films—could promote an alternative lifestyle narrative. Educational institutions could also integrate modules on ethical consumerism into their environmental and civic education curriculum, reinforcing the importance of socially conscious financial decisions.

Addressing the challenges of aspirational spending and financial vulnerability among Indian Gen Z requires a holistic and collaborative approach. Policymakers, educators, fintech platforms, and digital influencers all have critical roles to play in shaping a generation that can aspire responsibly, consume sustainably, and manage money wisely. This is not just a youth issue—it is a matter of long-term economic and social stability for the country.

## 6. CONCLUSION

This research provides an in-depth examination of the complex relationship between social media exposure, aspirational consumption, and financial vulnerability among India's Gen Z population. By analyzing data collected from 800 respondents across eight major Indian cities—Mumbai, Delhi, Kolkata, Chennai, Bengaluru, Hyderabad, Guwahati, and Lucknow—the study offers comprehensive insights into the financial behaviors shaped by the digital ecosystem. The findings clearly indicate that social media platforms act as powerful drivers of consumer aspirations, influencing young individuals to emulate lifestyles that often exceed their financial means. This dynamic has led to an increase in credit usage, including credit cards, buy-now-pay-later (BNPL) services, and digital lending apps, which many youth rely on to fulfill their consumption desires. The consequence is a growing incidence of financial strain and indebtedness among this demographic, highlighting an urgent need to address these vulnerabilities.

The research highlights that despite high exposure to digital financial products, levels of financial literacy and effective financial planning remain alarmingly low among Indian Gen Z. This gap in knowledge and skills exacerbates their susceptibility to impulsive spending and unmanageable debt, underscoring a critical area for intervention. The study also reveals significant emotional and psychological impacts tied to financial distress—feelings of anxiety, stress, low self-esteem, and even depression were commonly reported, painting a vivid picture of the socio-psychological toll caused by the relentless pursuit of digitally curated

ideals. These findings demonstrate that the issue transcends monetary loss, extending into mental health and overall well-being, which are often overlooked in discussions about youth financial behavior.

An important dimension uncovered in this study is the role of social media influencers and content creators in shaping consumption norms. Influencers on platforms like Instagram and TikTok project glamorous lifestyles and quick monetization strategies, which glamorize aspirational spending as not just desirable but achievable. This digital peer pressure encourages youth to seek 'shortcut' sources of income—such as sponsored posts, affiliate marketing, and online gigs—to fund their consumption habits, sometimes without fully understanding the financial risks involved. Such phenomena further blur the lines between authentic financial independence and precarious, unstable income streams, potentially deepening the financial vulnerabilities of young consumers.

While this research offers substantial contributions, it acknowledges certain limitations. The study's sample, though diverse, is primarily urban and semi-urban, and therefore may not fully represent the financial realities of rural youth, who face distinct challenges and influences. Additionally, the reliance on self-reported data introduces the possibility of bias, as respondents may underreport debt or overstate financial literacy due to social desirability. The cross-sectional design also limits the ability to ascertain causal relationships or observe behavioral changes over time. These constraints highlight the need for continued and expanded research efforts.

Future studies could greatly benefit from longitudinal methodologies to track how financial behaviors and social media influences evolve, especially as digital platforms and financial technologies continue to develop rapidly. Comparative research contrasting urban versus rural youth or Gen Z versus Millennials could illuminate unique generational or regional patterns in consumption and credit use. Moreover, qualitative explorations focusing on specific sub-groups—such as students, early career professionals, or gig economy workers—could deepen understanding of the coping strategies and financial literacy gaps that exist within these communities. Interdisciplinary research integrating insights from behavioral economics, digital psychology, and consumer studies would further enhance knowledge of how digitally constructed aspirations translate into real-world financial decisions.

In conclusion, this study underscores the urgent need to address the multifaceted challenges of aspirational consumption among Indian youth in the social media era. It advocates for comprehensive policy measures, including financial literacy education tailored to digital realities, stronger regulation of credit accessibility and marketing targeted at young consumers, and active involvement of educational institutions and fintech platforms in promoting responsible financial behaviors. As India's Gen Z navigates a complex landscape of dreams fueled by social media and easy credit, a concerted effort is essential to empower them with the skills and knowledge necessary for sustainable financial well-being. Only through such integrated approaches can young consumers be supported to fulfill their aspirations without compromising their financial health and mental well-being.

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