

FINANCIAL LITERACY AND LIFESTYLE ANALYSIS ON INTEREST IN USING ONLINE LOANS AMONG STUDENTS

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ABSTRACTS

The development of technology in the financial sector, especially online loan services, is now an alternative option that many students look at to meet their financial needs. Unfortunately, there are still many students who do not have a good understanding of financial management, coupled with a consumptive lifestyle that can have negative impacts, such as being entangled in debt, disrupted in the lecture process, and mental health problems. This research was conducted using *the Systematic Literature Review* (SLR) method through a study of a number of scientific articles published on Google Scholar during the 2020–2024 period. The goal is to find out how financial literacy and lifestyle affect students' interest in using online loans. The results of the study show that students' ability to understand finance has a large and significant effect on their interest in using this service. On the contrary, lifestyle has not been shown to have a significant influence. Therefore, increasing financial literacy among students is essential so that they can make wise financial decisions, especially when it comes to utilizing online loan services.

Keywords: Financial literacy; Lifestyle; Online loans; Consumer interest.

INTRODUCTION

The development of digital technology has brought significant changes in the financial sector, including through online lending services or *financial technology (fintech) lending*. This service offers easy access to financing quickly and practically, which attracts the interest of various groups, including students. However, this convenience also carries risks, especially for individuals with low levels of financial literacy. Financial literacy is the ability to understand and manage various aspects of finance wisely (Financial Services Authority, 2022).

Students as the younger generation often face challenges in managing personal finances. A study by Lantara and Kartini (2022) shows that the level of financial literacy among Indonesian students is still relatively low, with an average of only 45.39%. This low financial literacy can affect students' ability to make the right financial decisions, including in the use of online loan services.

In addition to financial literacy, lifestyle also plays an important role in influencing financial decisions. Consumptive lifestyles influenced by social pressures and digital trends can encourage students to look for instant sources of funds, such as online loans, to fulfill their consumptive desires (Purnama Sari, Sanusi, & Fionita, 2023). This shows that the lifestyle of students can be a driving factor in the use of online loans.

Based on this phenomenon, this study aims to systematically review existing scientific findings regarding the influence of financial literacy and lifestyle on students' interest in using online loans. By using the *Systematic Literature Review (SLR)* approach, this research is expected to provide a comprehensive understanding and identify research gaps that are still open.

METHODS

This study also applies *Systematic Literature Review (SLR)*, which is a method that summarizes the results of primary research to provide a more comprehensive and balanced picture. The SLR method is able to identify journals systematically, by following the steps or protocols that have been determined at each stage (Thovawira et al., 2021). The goal of SLR is to find and synthesize research thoroughly based on specific questions, using procedures that are organized, transparent, and replicable at every step of the process (Juandi, 2021).



Figure 1. Research Framework

The data source used in this study is in the form of scientific articles obtained through Google Scholar. The search was conducted using keywords such as "student financial literacy online loans", "consumptive lifestyle and online loans", and "*student financial literacy and online loans*". The articles searched are limited to the

publication period between 2019 and 2024 to ensure the relevance and up-to-date of the data. In addition, only articles that are available in full text and come from accredited or indexed journals are considered in the analysis. Data collection was carried out with the initial step of identifying articles through search results on Google Scholar. Furthermore, the article was filtered based on title, abstract, and topic suitability. Articles that passed the initial selection were then read thoroughly to ensure their suitability with the research focus, namely the relationship between financial literacy, lifestyle, and interest in using online loans among students. Articles that do not have empirical data, do not focus on the student population, or do not discuss the variables being studied are excluded from the study. The final result was in the form of 15 selected articles which were then analyzed thematically and narratively.

RESULTS AND DISCUSSION

This study aims to review scientific findings regarding the influence of financial literacy and lifestyle on students' interest in using online loans. The study was conducted on 15 selected articles published between 2019–2025, both from national and international journals, with quantitative, qualitative, and mixed approaches. All articles discuss the relationship between financial literacy and lifestyle with students' tendency to access online loan services.

The Effect of Financial Literacy on Students' Interest in Using Online Loans. Of the 15 articles reviewed, 11 articles consistently showed that financial literacy had a significant negative effect on students' interest in using online loans.

Table 1. Articles That Support the Negative Influence of Financial Literacy on Online Loan Interest

No	Article Title	Author & year	Technique	Material
1	The Effect of Financial Literacy and Lifestyle on Interest in Using Online Loans	Alie et al. (2023)	Regresi Linier Berganda	Financial literacy suppresses students' intention to use loans
2	The Influence of Financial Literacy on Generation Z's Consumptive Behavior in Students	Oktaviani et al. (2022)	Descriptive Survey & Correlation	Low literacy is related to consumptive behavior & lending interest
3	The Influence of Financial and Lifestyle Literacy on the Use of SPayLater in Gen Z	Silvalorensa et al. (2024)	Regression Analysis	Literacy reduces interest in digital credit services
4	Digital Financial Literacy on QRIS Lifestyle Moderating Usage Decisions	Natver & Algifari (2024)	Moderation Test	Digital literacy as a control of digital consumption behavior
5	Financial Literacy and Demand for Human Financial Advice	Aristei & Gallo (2025)	Structural Equation Modeling (SEM)	High literacy, more rational financial decisions, avoid loans
6	Lifestyle and Financial Literacy for Personal Financial Management	Mardianto et al. (2024)	Descriptive Quantitative Analysis	Literacy plays an important role in debt management & consumption
7	Financial Literacy and Lifestyle for Financial Management of UNESA Students	Wibowo et al. (2023)	Inferential Statistical Analysis	Literacy prevents students from borrowing for the sake of a consumptive lifestyle

No	Article Title	Author & year	Technique	Material
8	Financial Literacy, Lifestyle, E-Money, and Self-Control of Consumptive Behavior	Haq et al. (2022)	Return Line	Literacy as a control of consumption & borrowing decisions
9	Literacy as a control of consumption & borrowing decisions	Yue et al. (2022)	Literature Review	Low literacy, debt risk increases in the digital era
10	Education on the Dangers of Online Loans due to a Consumptive Lifestyle	Latifah et al. (2025)	Educational Case Studies	Financial literacy is important in building awareness of loan risk
11	Keeping an Eye on the Rise of Online Loans Among Students	Hidayah et al. (2024)	Qualitative Interview	Lack of financial understanding triggers the use of impulse loans

Financial literacy in this context is defined as the ability of individuals to understand basic financial concepts, make rational financial decisions, and understand the risks and benefits of financial products, including digital loans. Studies by Alie et al. (2023) and Oktaviani et al. (2022) show that students with a good level of financial literacy tend to avoid using online loans because they are more aware of long-term implications such as high interest rates, the risk of default, as well as aspects of the legality of loan services that are often not supervised by the OJK.

Empirical data support the argument. In a study by Silvialorensa et al. (2024), it was found that the regression coefficient between financial literacy and interest in using online loans was -0.421 with a p value of < 0.05, which means that the relationship is negative and statistically significant. This shows that the higher the level of financial understanding of students, the less likely they are to be interested in using digital loans as a financial solution. Financial literacy has also been proven to strengthen students' self-control in managing personal consumption and budget. Research by Aristei and Gallo (2025) in a global context reinforces these findings, stating that highly literate individuals tend to prefer professional financial advice and avoid high-risk sources of debt such as app-based loans.

The lifestyle of students is also an equally important factor. A total of 12 out of 15 articles studied stated that lifestyle has a significant positive influence on students' interest in using online loans. The lifestyle in question includes hedonistic consumption patterns, the desire to look trendy, following the lifestyle of celebrities and social media influencers, and impulsive shopping habits online. The habit of following trends, social demands, and existence on social media encourages them to consume excessively. When income or pocket money is insufficient, online loans are an instant solution to meet these needs (Wijaya et al., 2023; Nugraha & Lestari, 2021). The following table illustrates the factors that affect the lifestyle of students in Indonesia:

Table 2. Factors Causing Onilne Loans (Wijaya et al., 2023; Nugraha & Lestari, 2021).

Factor	Description
Consumptive Lifestyle	College students tend to have a lifestyle that prioritizes excessive consumption.
Use of Onine Loans	Students are more interested in using online loans to meet consumptive needs.
Trend Keeping Habits	The demand to keep up with trends and lifestyles on social media encourages unnecessary consumption.

Socializing Demands	The demand to keep up with trends and lifestyles on social media encourages unnecessary consumption.
Existence on social media	Students feel the need to show a certain lifestyle on social media to get validation (recognition).
Instant Solutions	When there is not enough pocket money, online loans are an option to meet your needs.

The results of the table show the various factors that affect the lifestyle of students in Indonesia and how these factors are interrelated with their consumptive behavior. First, many college students get caught up in excessive consumption patterns, where they focus more on buying goods and services that are not really necessary. This is often influenced by the social environment and media. Many of them are interested in using online loans to meet their consumptive needs, although these loans are often used for unproductive things. The ease of access and fast process make online loans an attractive option (Wijaya et al., 2023).

In addition, the habit of following the latest trends in fashion, technology, and lifestyle also encourages students to buy unnecessary items in order to maintain their self-image in the eyes of their peers. Pressure from social environments, such as friends and peer groups, can influence students' decisions in shopping. They feel the need to buy certain items in order to be accepted in their social group (Nugraha & Lestari, 2021). Social media also plays an important role in shaping students' perspectives. They often feel the need to show an attractive and glamorous lifestyle on social media platforms, which can make them spend more money.

When the allowance or income is insufficient to meet consumptive needs, students tend to look for quick solutions, such as online loans. This can create a dangerous debt cycle if not managed properly. Overall, the lifestyle of students in Indonesia is greatly influenced by social and economic factors. The tendency to adopt a consumptive lifestyle, coupled with the ease of access to online loans, can lead to serious financial problems if not balanced with good financial management. This research emphasizes the importance of financial literacy education for students so that they can make wiser decisions regarding spending and using loans.

So, interest in online loans is not only influenced by these two main factors, but also by the intensity of exposure to promotions from loan applications, the influence of the social environment and weak regulations that limit students' access to digital loans. Thus, the combination of low financial literacy, high consumptive lifestyle, and exposure to digital advertising is the main driver of students' increasing interest in online loans.

In the study, financial literacy did not significantly affect the use of online loans in young people in big cities. This difference can be due to the characteristics of the respondents and the data collection methods used in the study. In terms of lifestyle, these findings are consistent with the results of Nugraha and Lestari (2021) research, which show that a consumptive lifestyle is positively correlated with the use of loan services. College students who are more likely to follow trends and have a lavish lifestyle are more likely to be interested in using online loans, regardless of whether they can afford to repay them or not. However, Yuliana (2020) found that family financial support can be a factor inhibiting students from using online loans, even though they have a consumptive lifestyle.

This research confirms that increasing financial literacy among students must be a priority in higher education policy. In addition, the need for a preventive approach in educating students about a simple lifestyle and consumption management is very important in preventing dependence on digital loans. The results of this

review reinforce the findings of previous studies that stated that financial literacy has a negative relationship with interest in using online loans. Students who have basic financial knowledge are better able to evaluate the long-term consequences of using loans. These results are in line with the research of Sari and Nugroho (2023), which shows that students with good financial ability tend to avoid illegal online loans.

CONCLUSION

Financial literacy has a positive and significant impact on students' interest in using online loan services. This means that the better the student's understanding of finance, the wiser they will be in utilizing online loan facilities. These findings are supported by several previous studies that show that financial literacy substantially influences financial behavior and loan-related decisions. However, it's worth noting that there are also studies that have found that financial literacy isn't always the sole deciding factor, with the reputation of the loan provider also playing an important role in students' decisions.

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