

EXAMINING THE IMPACT OF FINANCIAL INFLUENCERS ON STUDENT FINANCIAL BEHAVIOR

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Abstract

Financial influencers play a growing role in shaping how students manage their money. With easy access to social media, students are increasingly turning to these influencers for advice on saving, spending, and investing. This study explores how financial influencers impact students' financial decisions and behavior. Understanding the influence of financial influencers helps identify patterns in student financial behavior. It provides insights into improving financial literacy and decision-making among students, helping educators and policymakers develop better financial education programs. The study aims to explore how much students trust financial influencers for financial advice and how this trust affects their saving and investment habits. It also seeks to compare the financial behaviors of students who follow financial influencers with those who don't, highlighting the influencers' impact on student financial decisions. Survey Method – Conduct structured questionnaires to gather data on students' trust in financial influencers and their financial behavior. Statistical Analysis – Use tools like SPSS or Excel to analyze survey results and identify patterns or correlations. Trust in Financial Influencers: Many students trust financial influencers for advice, especially on budgeting, saving, and investing.

Impact on Financial Behavior: Students who follow financial influencers are more likely to engage in saving and investment activities compared to those who don't.

Difference in Financial Decisions: Followers of financial influencers tend to make more informed financial decisions, showing better financial awareness and management skills.

Challenges and Risks: Some students reported being misled by unverified advice, highlighting the need for better financial literacy education. Financial influencers have a significant impact on students' financial behavior, influencing their saving and investment decisions. While many students benefit from improved financial awareness, some face risks from unreliable advice. Strengthening financial literacy programs can help students make more informed and balanced financial decisions.

Keywords

Financial Influencers, Student Financial Behavior, Social Media Influence, Personal Finance Management, Financial Literacy,

Introduction

Financial influencers, sometimes referred to as “financial influencers,” have become increasingly important in influencing people’s financial attitudes and behaviors in recent years, especially among students. These influencers offer clear and interesting financial guidance on subjects like debt management, investing, budgeting, and financial literacy thanks to the growth of social media sites like YouTube, Instagram. The effect of these online personas can significantly affect students’ financial decision-making, since they frequently deal with financial obstacles including school fees, student loans, and limited income. This study looks at how financial influencers impact students’ financial behavior and whether or not their recommendations result in prudent financial practices or dangerous choices. Additionally, it looks into how students see online financial content’s dependability and authenticity. This study intends to shed light on the function of financial influencers in order to determine whether social media is a useful instrument for financial education and how students manage financial literacy in the digital era. Social media has revolutionized how people obtain information in the digital age, particularly financial expertise. The so-called financial influencers have become very popular among the many content creators on these platforms. These individuals offer financial guidance, pointers, and tactics on subjects including debt management, budgeting, investing, and saving. Since their material is frequently geared toward younger audiences, students who could be negotiating financial independence for the first time will find it especially pertinent. Financial influencers can have a significant impact on how students behave financially given the difficulties they encounter, including paying for tuition, student loans, and everyday costs on a tight budget. However, depending on the audience’s level of financial literacy and the reliability of the advice they provide, these influencers can have both positive and bad effects.

Review of literature

How kids learn about money and make financial decisions has altered as a result of the development of social media financial influencers. Financial literacy is defined by Hung,

Parker, and Yoong (2009) as possessing financial behavior, attitude, and knowledge—all of which are critical for long-term financial stability. Lusardi and Mitchell (2011, 2014)

discovered that financial literacy aids individuals in making better financial decisions regarding investing, budgeting, and saving—all of which are subjects frequently discussed by financial influencers. Furthermore, according to Huston (2009), financial literacy involves more than just knowing; it also entails having the self-assurance to use financial knowledge in practical situations. Understanding the function of financial influencers grown more crucial as a result of the fact that many students now turn to social media for financial advice. The impact of social media on financial behavior has been the subject of numerous research.

According to Kadoya and Khan (2020), people can make better financial judgments by using online financial content. According to Kaiser et al. (2021), financial education enhances financial habits, which implies that students who follow financial influencers might become more adept at managing their money. Nevertheless,

Mottola (2015) cautions that young adults frequently struggle to make wise financial decisions while having access to financial information, indicating that simply following financial influencers is insufficient to guarantee wise financial decisions. The Theory of Planned Behavior (TPB), developed by Ajzen in 1991, is frequently used to analyze how social media influences financial behavior. It illustrates how attitude, societal standards, and financial management confidence all affect financial decisions.

According to Coskun and Dalziel (2020), students are more likely to make wise financial decisions if they have a positive attitude toward money management and are frequently impacted by financial influencers. This theory is supported by Radianto et al. (2021), who demonstrate that improved financial habits are a direct result of having confidence in managing funds. In a similar vein, Principato (2022) discovered that students trust financial influencers due to their relatability and clarity. Financial decision-making is influenced by financial influences, according to recent studies. 78% of respondents stated that financial influencers encouraged them to purchase financial products, demonstrating the increasing effect of social media on financial decisions (Sortlist Data Hub, 2022).

According to OECD INFE (2011, 2022), financial literacy encompasses knowledge, attitude, and behavior; therefore, it is crucial to investigate the ways in which financial influencers impact these domains. Additionally, Yanto et al. (2021) discovered that social media significantly influences how students handle their money. Nevertheless, not every study concurs that financial influencers are beneficial. Fessler, Silgoner, and Weber (2020) contend that although financial literacy can enhance financial practices, students who are unable to distinguish between trustworthy and deceptive content on social media may make poor financial choices.

Financial influencers may not always offer the greatest financial advice, as Salim and Pamungkas (2022) discovered that students occasionally rely on peer recommendations rather than reliable information when making financial decisions. In summary, financial influencers can teach students how to manage their money, but there are drawbacks as well, such as false information. Future studies should concentrate on the long-term effects of financial influencers and whether or not they actually assist students in making better financial decisions, even though social media is quickly emerging as a significant source of financial education.

Research Gap

Existing research focuses on financial literacy and social media influence but lacks insight into how financial influencers specifically shape student financial behavior. There is limited analysis of their impact on budgeting, saving, and investment decisions. More studies are needed to assess trust levels and long-term financial habits influenced by digital financial advice.

Research problem

In the modern digital environment, social media financial influencers are increasingly influencing students' financial actions, attitudes, and understanding. When looking for financial guidance on debt management, investing, saving, and budgeting, students commonly resort to websites like YouTube. Although financial influencers increase the accessibility and interest of financial education, questions are raised about the veracity, accuracy, and possible hazards of their recommendations. Research on the actual effects of financial influencers'

content on students' financial behavior is scarce, despite the growing dependence on them. Do financial influencers help students make better financial decisions and increase their financial literacy, Furthermore, students could find it difficult to distinguish between reliable financial counsel and false information, which could result in their making decisions that are not in line with their long-term financial security. This study aims to investigate how financial influencers affect students' financial behavior in light of these uncertainty. It seeks to ascertain if exposure to financial influencers produces financial risks through false information and rash financial actions, or whether it has a positive impact on financial literacy and responsible financial habits. Assessing the function of financial influencers in financial education and determining if students require more tools to make wise financial decisions require an understanding of this impact.

Research objectives

- To examine the extent to which students trust financial influencers for financial advice.
- To evaluate the impact of financial influencers on students' investment and savings behavior
- To compare the financial behaviors of students who follow financial influencers with those who do not.

Research hypothesis

H₀: There is no significant relationship between following financial influencers and student saving habits.

H₁: There is a significant relationship between following financial influencers and student saving habits.

Research methodology

This study will use a mixed-methods approach, combining surveys, to examine how financial influencers impact student financial behavior. The target population includes university students aged 18-30 who follow financial influencers on social media. A survey will be conducted with 50-60 students to gather quantitative data on their financial habits and reliance on influencers. Additionally, interviews with 10-1 students will provide deeper insights. The study will also analyze content from popular financial influencers to understand the type of advice they provide. Data will be analyzed using statistical tools for surveys and thematic analysis for interviews. Ethical considerations, such as informed consent and confidentiality, will be ensured. While this study provides valuable insights, limitations include potential biases in self-reported data and the rapidly changing nature of social media content.

Discussion of the table

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.924 ^a	6	.091
Likelihood Ratio	14.784	6	.022
Linear-by-Linear Association	.028	1	.867
N of Valid Cases	62		

a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is 1.29.

The Chi-Square test shows no significant relationship between the variables because the p-value (0.091) is greater than 0.05. The Likelihood Ratio ($p = 0.022$) suggests a relationship, but it is less commonly used. The Linear-by-Linear Association ($p = 0.867$) shows no clear pattern. However, a major issue is that 66.7% of the expected counts are too small, which makes the results less reliable. This means the test may not be accurate due to the small sample size. A larger dataset or combining categories could improve the results.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.458 ^a	12	.826
Likelihood Ratio	8.012	12	.784
Linear-by-Linear Association	.106	1	.745
N of Valid Cases	62		

a. 15 cells (75.0%) have expected count less than 5. The minimum expected count is .06.

The Chi-Square test shows no significant relationship between the variables because the p-value (0.826) is much greater than 0.05. The Likelihood Ratio ($p = 0.784$) also supports this result, and the Linear-by-Linear Association ($p = 0.745$) shows no clear pattern. However, 75% of the expected counts are too small, meaning the test results are not very reliable. This suggests that the small sample size may be affecting accuracy, and a larger dataset or combining categories could give better results.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.373 ^a	9	.404
Likelihood Ratio	10.833	9	.287
Linear-by-Linear Association	.474	1	.491
N of Valid Cases	62		

a. 10 cells (62.5%) have expected count less than 5. The minimum expected count is .10.

The Chi-Square test shows no significant relationship between the variables because all p-values (0.404, 0.287, and 0.491) are greater than 0.05. However, 62.5% of the expected counts are too small, making the results less reliable. This means the sample size is likely too small, and a larger dataset or combining categories may improve accuracy.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.839 ^a	6	.183
Likelihood Ratio	12.274	6	.056
Linear-by-Linear Association	.547	1	.460
N of Valid Cases	62		

a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is 1.29.

The Chi-Square test shows no significant relationship between the variables because the p-value (0.183) is greater than 0.05. The Likelihood Ratio ($p = 0.056$) is close to significance but still not strong enough. The Linear-by-Linear Association ($p = 0.460$) also shows no clear pattern. However, 66.7% of the expected counts are too small, making the results less reliable. This suggests that the sample size is too small, and a larger dataset or combining categories could improve accuracy.

Conclusion and Suggestions

This study highlights the growing influence of financial influencers on student financial behavior. While social media provides easy access to financial advice, its impact on students' saving habits, investment decisions, and budgeting skills varies. Some students benefit from valuable insights, while others may be misled by unverified or biased information. The findings suggest that while financial influencers play a role in shaping financial

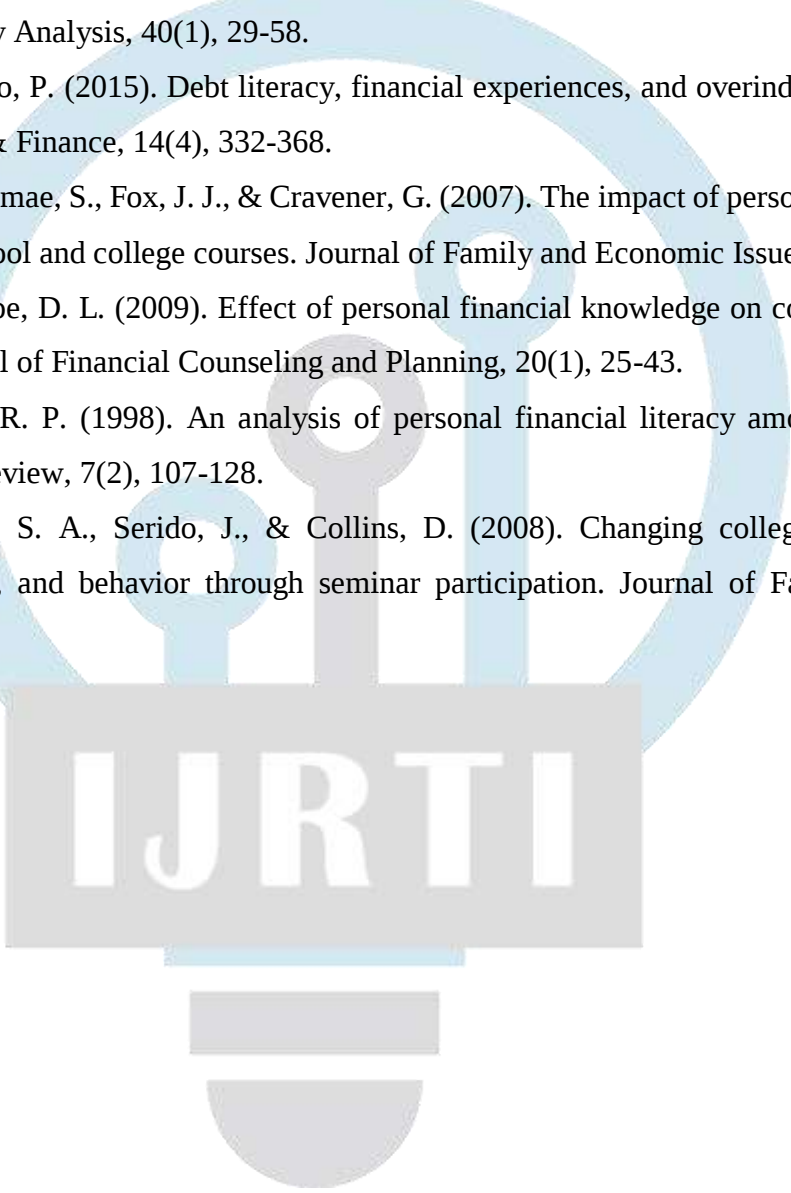
choices, their advice should be carefully evaluated before application. Trust in financial influencers does not always translate to responsible financial decision-making, emphasizing the need for financial literacy education to help students differentiate between reliable and misleading advice.

To improve the effectiveness of financial influencers in educating students, several steps can be taken. First, universities and financial institutions should promote verified financial education resources to complement online content. Second, students should be encouraged to cross-check financial advice from multiple sources, including certified financial experts. Third, financial influencers should adopt a more transparent approach by disclosing sources and potential biases in their recommendations. Finally, policymakers should consider regulating digital financial content to ensure ethical and accurate financial guidance. By implementing these suggestions, students can develop stronger financial management skills while minimizing risks associated with misinformation.

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