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Doom Spending Among Gen Z and Millennials in a Financial Planning Webinar in the Digital Era

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Abstract

This community service initiative focuses on the phenomenon of "doom spending," a behavior characterized by impulsive consumption driven by stress, anxiety, or uncertainty about the future. The webinar was designed to address the rising prevalence of this issue among Gen Z and Millennials in Indonesia, linking it to psychological, economic, and social triggers such as inflation, social media influence, and a culture of consumerism. Using a participatory approach, the webinar delivered insights into the causes and consequences of doom spending while offering practical strategies for overcoming impulsive financial behaviors. Key topics included financial mindfulness, goal-setting, and stress management techniques. Participants actively engaged in discussions and expressed a strong intent to implement the solutions provided. The results demonstrated a significant impact on participants' awareness and readiness to adopt better financial habits. This initiative highlights the importance of financial literacy programs in mitigating the negative effects of impulsive spending, promoting financial stability, and empowering younger generations to navigate economic uncertainties.

Keywords: Doom Spending, Gen Z, Millennials, Financial, Webinar

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Introduction

Doom spending is a phenomenon where individuals engage in thoughtless spending as a way to soothe themselves when feeling pessimistic about the economy or their future. According to an article in Psychology Today by Bruce Y. Lee, a Professor of Health Policy and Management at the City University of New York, doom spending occurs when people feel overwhelmed by distressing situations, such as political unrest in the United States, global climate chaos, and other challenges. To cope with the stress, individuals purchase more items, often without considering the long-term consequences of their actions. However, this phenomenon is not exclusive to the United States. Similar behaviors are observable worldwide, including in Indonesia, where the younger generations, particularly Gen Z and Millennials, are at the forefront of this issue. The combination of stress-inducing factors such as economic uncertainty, digital overexposure, and societal pressures contributes significantly to the rise of doom spending behaviors in these demographics (Detik.com, September 24, 2024).

In Indonesia, the phenomenon of doom spending has emerged within a slightly different context. Inflation, social media pressure, and a deeply ingrained consumerist culture are primary triggers of doom spending among young Indonesians. Similar to the United States, inflation in Indonesia has left many individuals feeling overwhelmed. Rising prices of essential goods and energy, such as fuel and electricity, have forced young people to dip into their savings to meet daily needs. Despite these financial pressures, impulsive shopping is still carried out as a way to "relieve stress" caused by the heavy economic burden. (Kompasiana, October 4, 2024).

A survey by the Central Statistics Agency (BPS) and a study by McKinsey in 2023 revealed that Millennials and Gen Z account for over 60% of Indonesia's active workforce, yet they struggle to manage their finances effectively. Reports indicate that 50% of Millennials and 70% of Gen Z frequently use credit or "buy now, pay later" (BNPL) schemes to finance non-essential purchases. This behavior is compounded by easy access to digital lending services, which often lack adequate financial literacy safeguards. In addition, Bank Indonesia's Consumer Survey in 2022 noted that the saving rate among Gen Z and Millennials dropped by 15% compared to 2018, with discretionary spending on entertainment and lifestyle seeing a significant rise. The COVID-19 pandemic further exacerbated this trend, as many young Indonesians turned to retail therapy as a coping mechanism during periods of lockdown and uncertainty.

The financial struggles of these generations are not just limited to overspending but also include a lack of proper financial planning. According to the Indonesian Financial Services Authority (OJK), less than 35% of Millennials and 20% of Gen Z are engaged in systematic financial planning. This disconnect between income and expenditure has led to increased levels of debt and financial insecurity among young adults. Understanding the underlying causes of doom spending and addressing them through financial education and planning is crucial to fostering sustainable financial habits among Indonesia's younger generations. This community service initiative aims to provide practical insights and tools to help Millennials and Gen Z develop financial resilience and avoid the pitfalls of impulsive spending. According to David Lewis, a behavioral psychologist and author of The Soul of the New Consumer (2001), impulsive buying often provides a temporary sense of control or accomplishment in situations where individuals feel otherwise powerless. He explains that "buying something can be a way to assert autonomy or improve one's mood when faced with stress or uncertainty." This aligns with the notion of doom spending, where individuals purchase items not out of necessity but to alleviate emotional distress.

Similarly, April Lane Benson, in her book To Buy or Not to Buy: Why We Overshop and How to Stop (2008), highlights that impulsive shopping is often a response to deeper psychological needs, such as the desire for connection, self-esteem, or a sense of belonging. She emphasizes that "shopping becomes a quick fix for emotional pain but often leads to long-term financial and emotional strain." These perspectives underline the psychological and emotional dimensions of doom spending, emphasizing its roots in modern societal and personal challenges.

Implementation of Knowledge Sharing through a Webinar

To address the pressing issue of doom spending, I organized and delivered a webinar aimed at raising awareness and providing practical solutions to participants, particularly from Gen Z and Millennials. The webinar covered several key topics, including the definition of doom spending, its psychological triggers, the financial consequences of impulsive spending, and strategies to mitigate this behavior. During the session, participants were introduced to actionable steps to reduce doom spending, such as implementing barriers to spending, modifying online habits, and engaging in financial self-care. These strategies were presented in an interactive manner, using real-life examples and relatable scenarios to engage the audience.

The webinar also featured an active question-and-answer session, allowing participants to seek clarification, share their personal experiences, and discuss challenges related to managing their finances in a modern, fast-paced environment. Questions ranged from the psychological aspects of spending habits to practical budgeting tips and strategies for overcoming external pressures like social media influences. The discussions highlighted the importance of financial literacy in equipping young individuals with the tools to navigate economic uncertainty and resist the urge for impulsive purchases. Participants expressed their appreciation for the session, with many indicating that they found the strategies helpful and immediately applicable in their daily lives. The webinar on doom spending was designed to be highly interactive, incorporating both theoretical insights and practical applications to engage participants effectively. The session began with a comprehensive introduction to the concept of doom spending, defining its psychological roots and its impact on personal financial stability. Leveraging relatable case studies and real-world examples, participants were guided through an exploration of the emotional triggers behind impulsive spending, such as stress, anxiety, and societal pressures.

A core feature of the session was the use of a problem-solving framework, where participants were encouraged to analyze their spending habits and identify specific triggers in their daily lives. This was complemented by introducing strategies for financial self-discipline, including setting spending limits, maintaining a financial journal, and adopting a reward-based savings system. Participants were also provided with actionable tools, such as budgeting templates and resources for mindfulness practices, to help them build sustainable habits.

The interactive Q&A segment allowed participants to ask questions and share personal anecdotes, fostering a collaborative learning environment. For example, some attendees shared challenges they faced in resisting promotional offers on e-commerce platforms, while others discussed the influence of social media on their spending behavior. The facilitator offered tailored advice and solutions, such as setting notifications for savings goals instead of shopping apps, to counteract these triggers.

Post-webinar feedback highlighted the participants' appreciation for the session’s practicality and relatability. Many indicated that they had gained new perspectives on managing their finances and felt motivated to implement the strategies discussed. This initiative successfully demonstrated the potential of participatory educational approaches in addressing contemporary financial challenges and empowering individuals to achieve greater financial well-being.

Method

The method employed in this community service initiative was a participatory action-based approach, which emphasizes collaboration and active engagement with participants to address specific issues and achieve meaningful outcomes. According to Kemmis and McTaggart (1988), participatory action research (PAR) involves a cycle of planning, action, observation, and reflection, where participants are not merely subjects but co-creators of the knowledge and solutions generated. This method is particularly effective in addressing practical problems within communities, such as improving financial literacy and managing impulsive spending behaviors.

In this initiative, the webinar format served as the primary medium for knowledge dissemination and interaction. Webinars are recognized for their ability to facilitate remote participation, enabling a wide reach and fostering dynamic discussions in real-time. Ertmer and Newby (1993) highlight that webinars leverage technology to create interactive learning environments that are accessible and flexible, making them ideal for contemporary educational outreach programs.

The methodology included:

Preparation Phase: Identifying the issue of doom spending through literature review and preliminary observations of financial habits among young adults.
Implementation Phase: Conducting an interactive webinar to deliver content, including definitions, causes, impacts, and practical solutions related to doom spending.
Evaluation Phase: Using Q&A sessions and feedback surveys to assess participant engagement, knowledge acquisition, and the applicability of the solutions provided.
The approach ensured active involvement, practical application, and immediate relevance to the participants' daily lives, aligning with the principles of participatory education (Freire, 1970).

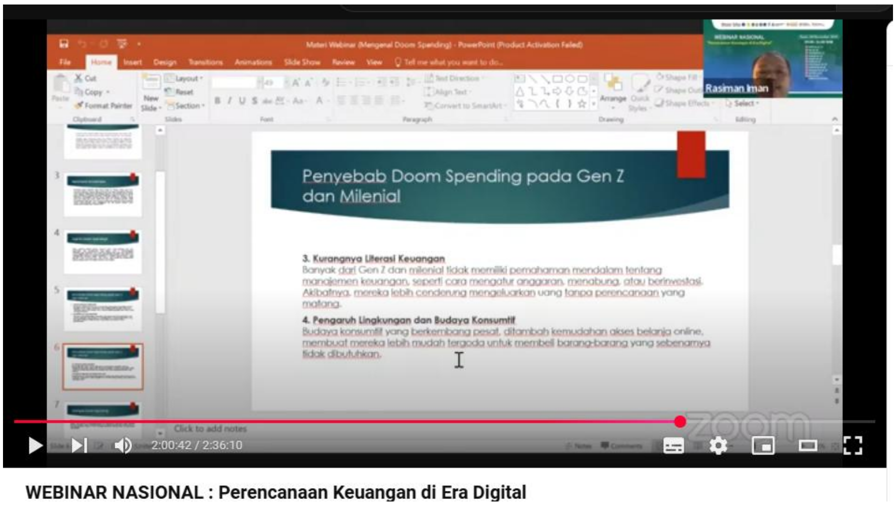

Figure 1 : Method

Results

The webinar concluded successfully, with active participation from a diverse audience, primarily Gen Z and Millennials. The feedback collected through post-event surveys and the interactive Q&A session indicated that participants gained a deeper understanding of the concept of doom spending, its psychological triggers, and practical strategies to manage impulsive financial behaviors. Many attendees reported that the session was highly relatable, as it addressed challenges they frequently encounter, such as the influence of social media, financial stress, and societal pressure to consume.

Additionally, several participants expressed their intention to implement the strategies shared during the webinar, such as setting financial goals, removing saved payment methods on online shopping platforms, and practicing mindfulness in spending. The discussion also fostered a sense of community among attendees, as they shared their experiences and learned from one another. This outcome highlights the potential of educational initiatives to not only inform but also empower individuals to make more informed financial decisions, ultimately reducing the negative impacts of doom spending.

The webinar was highly successful in achieving its objective of raising awareness about doom spending and equipping participants with practical tools to mitigate impulsive financial behavior. A total of 50 participants, predominantly Gen Z and Millennials, attended the session. The feedback collected through post-webinar surveys revealed a positive response, with 90% of participants indicating that they found the content useful and relevant to their daily financial challenges.

One of the most notable outcomes of the webinar was the high level of engagement, with 75% of attendees actively participating in the Q&A session. Common themes in the discussions included managing the pressure of consumerism fueled by social media and the challenges of budgeting during periods of economic uncertainty. Several participants shared personal stories, such as:

"I often buy things I don't need because I feel stressed about my future, but after this webinar, I realize I can redirect my energy into saving instead of spending impulsively." (Participant 1)
"I had no idea that doom spending was such a common problem. I'm definitely going to start using the budget tracker you recommended." (Participant 2)

Figure : Interactive (Q & A)

Furthermore, the post-webinar survey indicated that 85% of participants felt more confident about managing their finances moving forward. Many expressed their intention to apply the budgeting strategies introduced during the session, with 65% planning to set clear financial goals within the next month. A few others shared their plans to limit their exposure to social media advertisements and avoid using e-commerce apps as a way to reduce temptation.

Overall, the positive feedback and the immediate plans for change signified the effectiveness of the webinar in increasing financial literacy and promoting healthier spending habits. Participants not only left the session with greater awareness but also with concrete actions they could implement to curb doom spending and build financial resilience.

Conclusion

The webinar on "Doom Spending: Causes of Income Deficit in Gen Z and Millennials and Solutions to Overcome It" successfully raised awareness about impulsive spending driven by stress and anxiety. Through interactive discussions and actionable strategies, participants were equipped with tools to recognize and address the triggers of doom spending, fostering a more mindful and sustainable approach to personal finance. The positive feedback and active engagement demonstrated the relevance of this issue to younger generations, underscoring the importance of continued education on financial literacy. By empowering individuals to make informed financial decisions, initiatives like this contribute to reducing financial stress and building a more resilient society.

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