

The Phenomenon of Young People's Advanced Consumption and Analysis of Financial Management Countermeasures

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Abstract

Digital finance, mobile payment tools and e-commerce platforms have developed rapidly in recent years. These digital tools have significantly changed young residents' consumption patterns. Advanced consumption refers to the behavior that consumers use credit financial products to spend beyond their current disposable income. This consumption pattern has become increasingly common among young groups. Installment shopping, buy now pay later services and other digital credit products provide consumers with more flexible shopping options. These products can help users solve short-term financial shortages. However, excessive dependence on credit tools may lead to accumulated personal debt. It can also create continuous financial pressure and weaken individuals' long-term wealth management abilities. This paper reviews the development process and main characteristics of young people's advanced consumption. Several theories are applied in the analysis, including financial literacy theory, financial socialization theory, present bias theory, behavioral life cycle theory and consumer credit theory. These theories help explain the internal and external factors influencing this consumption trend. Existing studies indicate that external factors, such as the convenience of digital credit access and intensive commercial marketing, have an important impact on young people's consumption decisions. Meanwhile, internal factors, including insufficient financial knowledge, personal psychological biases and consumption-oriented social values, also contribute to the popularity of advanced consumption. Based on the above analysis, this paper proposes multi-dimensional financial management strategies involving individuals, families, universities and market supervision departments. This study argues that the governance of young people's advanced consumption should not only focus on restricting consumption behaviors. Instead, relevant parties should improve young people's overall financial capabilities and guide the young to establish more sustainable consumption habits.

Keywords

advanced consumption, young consumer groups, digital finance, financial literacy, financial management

1. Introduction

Digital technology has developed rapidly in recent years. It has greatly changed the overall consumption environment faced by young people. Mobile internet, online shopping platforms and digital financial services have achieved deep integration. These developments reduce the participation threshold of consumer activities and provide young consumers with unprecedented convenience. Traditional consumption modes mainly depend on current income and accumulated savings. However, modern young groups increasingly use different consumer credit products in their daily lives. Credit cards, online lending services, installment shopping platforms and buy now pay later services are common examples. These financial innovations expand consumers' consumption possibilities. Buyers can obtain goods and service experiences before buyers have accumulated sufficient savings. At the same time, these products also make advanced consumption more popular among young people.

Advanced consumption refers to a consumption behavior in which individuals spend money beyond their current financial capacity by using future income or credit resources. Moderate advanced consumption can improve residents' living standards, reduce the impact of temporary income changes and promote economic efficiency. However, excessive and continuous dependence on credit tools may create various hidden financial risks. Previous studies show that young consumers often lack sufficient financial planning and risk management experience. As a result, youngsters may make irrational borrowing decisions and accumulate debt more easily [1]. Digital credit products further reduce borrowing difficulties. Loan application processes become faster, and users experience less psychological pressure when borrowing. This situation may further increase the above-mentioned risks.

Young people's advanced consumption is not only an individual financial issue. It has gradually developed into a broader social and economic problem with multiple impacts. First, excessive borrowing increases personal financial pressure and weakens long-term financial stability. Young consumers who frequently use credit products may underestimate repayment responsibilities and overestimate their future income growth. This attitude can gradually lead to long-term dependence on debt. Second, advanced consumption may reduce individuals' financial management abilities. Young people may have lower motivation to save money and face difficulties in long-term wealth accumulation. Third, social media and digital marketing have changed the social meaning of consumption. Shopping behaviors have become an important way for individuals to express personal identity and obtain recognition from peers. Young consumers may make consumption decisions not only to meet practical needs but also to improve social status and gain acceptance from their social groups.

Financial literacy theory suggests that personal financial knowledge directly affects daily budget management, borrowing decisions and long-term financial planning [1]. Financial socialization theory emphasizes that family education, school training and social environments influence young people's financial attitudes and consumption values [2]. Behavioral economic theories, including present bias theory and behavioral life cycle theory, explain why individuals often prefer immediate consumption satisfaction while ignoring future financial costs [3]. Consumer credit theory and liquidity constraint theory further explain the dual effects of credit consumption. Credit tools can help individuals overcome short-term financial difficulties. However, overly convenient credit access may encourage excessive consumption and increase financial vulnerability.

This paper focuses on the phenomenon of young people's advanced consumption. Multiple theoretical perspectives are applied to systematically analyze its causes and consequences. The study examines the development process and main characteristics of advanced consumption. It also identifies the financial risks caused by this behavior and explains the related mechanisms through economic theories. Finally, this paper proposes targeted financial management strategies for individuals, families, universities and regulatory authorities. This research does not consider advanced consumption as a completely negative behavior. Effective governance should focus on improving individuals' financial abilities and developing rational consumption awareness, rather than simply restricting the use of credit products.

2. Theoretical Framework

Existing research on young people's advanced consumption has examined the phenomenon from multiple perspectives, including financial knowledge, social environment, behavioral psychology, and consumer

finance. These theories provide complementary explanations for why young consumers increasingly rely on credit-based consumption and why such behavior may create financial risks. Szmigin and O'Loughlin examine the relationship between young student groups and consumer credit markets; and find that young consumers have gradually become important participants in credit consumption activities [4]. This research indicates that the expansion of consumer credit availability changes young people's consumption patterns and creates new challenges for financial management and social policy.

2.1 Financial Literacy Theory

Financial literacy theory provides an important perspective for analyzing individual financial behaviors. Financial literacy refers to individuals' ability to understand financial information and apply this knowledge in daily financial decision-making. Lusardi, Mitchell, and Curto emphasize that financial literacy has significant effects on young people's budget management, borrowing decisions, saving behaviors and investment planning [1].

In the context of advanced consumption, financial literacy determines whether young people can correctly evaluate the costs and potential risks of using credit products. Individuals with higher financial literacy can better understand repayment responsibilities, compare different credit products and avoid unnecessary borrowing. In contrast, individuals with insufficient financial knowledge may underestimate debt risks and overestimate their future repayment abilities.

Insufficient financial literacy is an important internal factor contributing to advanced consumption. Digital credit products provide external borrowing opportunities, while individual financial literacy determines whether these tools can be used properly. This theory also explains why young people may show different consumption behaviors under the same digital credit market environment.

2.2 Financial Socialization Theory

Financial socialization theory focuses on how individuals develop financial attitudes and behaviors through social interactions. Family communication, school education and social environments all play important roles in this process. Jorgensen and Savla demonstrate that parental financial communication and early financial education significantly influence young adults' financial literacy and daily financial behaviors [2].

From this theoretical perspective, young people's consumption habits do not develop naturally. Instead, youngsters are gradually shaped by long-term social experiences. Families that encourage children to make budgets and develop saving habits can help kids establish rational consumption awareness. However, young people who lack early financial education may have weaker financial risk awareness after entering adulthood.

2.3 Behavioral Life-Cycle Theory

Behavioral life-cycle theory suggests that individual self-control ability and psychological factors influence daily consumption decisions. Strömbäck et al. find that self-control ability can predict individuals' financial management outcomes and long-term financial well-being [3]. Young people with weaker self-control are more likely to make impulsive consumption decisions and experience negative financial consequences.

Behavioral theories explain the internal psychological mechanisms behind advanced consumption. These theories also indicate that improving financial knowledge alone cannot completely solve the risks caused by advanced consumption. Effective financial management strategies should consider both individual self-control improvement and the correction of irrational consumption psychology.

2.4 Consumer Credit Theory and Liquidity Constraint Theory

Credit tools can generate positive effects when being used in a reasonable and standardized way. Kumar, Salo, and Bezawada find that buy now pay later services reduce payment barriers and increase online shopping completion rates [5]. These services improve consumption convenience, but may also encourage excessive consumption when users ignore future repayment pressure.

Liquidity constraint theory explains how consumer credit can improve economic efficiency. Individuals can use credit borrowing to adjust consumption levels across different stages of life. Young people often face

unstable income sources and limited savings accumulation. Therefore, credit products can provide necessary financial flexibility for their daily consumption needs.

3. Literature Review: Prominent Problems of Young People's Advanced Consumption

3.1 Low Threshold of Digital Credit Products Expands Debt Hidden Dangers

The development of fintech has greatly reduced the access barriers of consumer credit. Traditional bank loans and credit card applications usually require complex review procedures and supporting documents. In contrast, digital credit products can complete user assessment and approval within a short period through mobile applications. Young consumers can use installment payment, online lending and buy now pay later services, through simple operations. This convenience encourages some individuals to consume beyond their actual income levels.

Consumer credit theory suggests that credit tools can improve consumption efficiency. Consumers can use future income to support current consumption and overcome temporary liquidity constraints. Moderate credit use can help maintain stable consumption conditions. However, overly convenient credit access may encourage users to increase consumption without fully considering future repayment pressure. Ji, Zhang and Chen point out that buy now pay later services can provide temporary financial support and help users solve short-term funding problems [6]. However, users with weak financial self-control may increase shopping frequency and gradually develop strong dependence on credit products.

Digital credit platforms reduce the psychological distance between consumption decisions and repayment responsibilities. Buy now pay later services make borrowing appear less like a financial decision and more like a normal shopping process. E-commerce platforms also combine credit services with promotional strategies, including product discounts, flash sales and personalized recommendations. These marketing approaches further increase consumers' willingness to purchase. Over time, some young people may develop the habit of using future income to support current consumption.

3.2 Decline of Personal Financial Ability Threatens Long-term Financial Stability

Financial capability includes two major aspects. The first aspect refers to individuals' financial knowledge and theoretical understanding. The second aspect represents their ability to apply financial knowledge in daily decisions. Activities such as budget management, saving, borrowing evaluation and investment planning are all important parts of practical financial capability.

Lusardi, Mitchell and Curto conduct related research and find that young adults generally have relatively low levels of financial literacy [1]. This situation creates negative effects on their daily financial behaviors. Compared with middle-aged and older groups, young consumers often lack sufficient experience in income and expenditure management. Therefore, the young may fail to accurately evaluate the long-term costs caused by credit consumption. Insufficient financial knowledge can make individuals ignore interest expenses, misunderstand repayment responsibilities and fail to establish reasonable consumption budgets.

The widespread use of digital credit products further strengthens these problems. Convenient borrowing channels allow young people to use credit products for daily expenses instead of developing systematic financial planning habits. Some young users maintain their previous consumption levels through continuous installment payments rather than adjusting spending according to their actual income. If this behavior continues for a long time, it may reduce individuals' ability to accumulate wealth and prevent people from achieving long-term financial goals.

3.3 Social Comparison and Identity Consumption Trigger Irrational Consumption Values

Social media platforms have developed rapidly in recent years. Young users receive large amounts of lifestyle content, product information and consumption-related content shared by online communities every day. Their consumption decisions are influenced not only by personal preferences but also by social comparison and implicit expectations from society.

Young consumers may choose certain products not only because of their practical value. These products often represent social status, personal image and group identity. Luxury products, fashion items and experience-based consumption have gradually become important tools for expressing identity. Under this influence, psychological satisfaction and social recognition may become more important factors in consumption decisions than rational financial evaluation.

Present bias theory and behavioral life-cycle theory help explain this consumption pattern. Strömbäck et al. argue that individuals with weaker self-control tend to focus more on immediate satisfaction and are more likely to develop irrational financial behaviors [3]. Young consumers may emphasize the pleasure brought by shopping while ignoring future repayment pressure. Therefore, repeated credit consumption may continue even when individuals are aware of potential financial risks.

4. Key Findings

4.1 Digital Financial Innovation and Commercial Marketing Act as External Driving Forces

Digital financial technology has significantly changed the consumption decision-making environment of young people. Mobile payment services, online lending platforms and buy now pay later products greatly improve consumers' access to credit resources. Liquidity constraint theory suggests that credit products allow individuals to use future income for current consumption and provide additional financial flexibility. Digital finance itself does not create only negative effects. These financial tools can help individuals overcome temporary financial difficulties and improve overall consumption efficiency.

However, the convenience of digital credit also increases the possibility of excessive borrowing. Compared with traditional credit channels, digital financial products reduce both the practical and psychological barriers to borrowing. Users can complete credit applications quickly without conducting sufficient assessments of their own financial risks. This convenient process may weaken young people's awareness of debt responsibilities. The negative effects are especially significant among users who lack financial management experience.

Relevant studies on buy now pay later services support this argument. Ji, Zhang and Chen find that buy now pay later services can act as temporary financial support tools and reduce users' short-term funding pressure [6]. Kumar, Salo, and Bezawada further point out that these services reduce payment barriers and stimulate additional consumption demand [5]. Therefore, the final impact of digital credit products depends largely on users' financial capability and self-control level.

4.2 Insufficient Financial Literacy and Weak Daily Financial Planning Ability Form Internal Restrictive Factors

Insufficient financial literacy is an important internal factor contributing to the development of advanced consumption. Digital credit products provide opportunities for expanding consumption, while individuals' ability to evaluate and manage these financial tools determines whether consumption behavior can remain sustainable.

Financial literacy theory suggests that individuals with sufficient financial knowledge can make more rational decisions regarding borrowing, saving and investment. Lusardi, Mitchell and Curto indicate that young adults generally have deficiencies in financial knowledge and financial decision-making abilities [1]. Due to limited life experience, many young consumers cannot accurately calculate borrowing costs and may ignore the long-term losses caused by continuous credit use.

Youth is an important stage for developing personal financial habits. Reasonable budgeting, regular saving and long-term investment planning formed during this period can provide a foundation for future financial stability. Excessive dependence on consumer credit may prevent young people from developing essential financial management skills. Some users maintain their previous consumption levels through continuous installment payments instead of adjusting their spending according to actual income.

Financial socialization theory provides additional explanations for this issue. This theory argues that family environments, educational experiences and social surroundings influence individuals' financial behaviors.

Jorgensen and Savla suggest that early financial education and rational parental guidance can shape young adults' financial attitudes [2]. Therefore, developing healthy consumption habits requires both individual efforts and supportive financial education environments.

4.3 Consumer Culture and Social Comparison Psychology Trigger Individual Psychological Biases

Young people's consumption decisions are influenced by personal identity needs, emotional satisfaction and peer comparison. Social media platforms continuously provide large amounts of consumption-related information. Luxury lifestyle displays, fashion product promotions and influencer recommendations often connect consumption behaviors with personal achievement and social recognition in young people's minds.

Strömbäck et al. demonstrate that self-control ability can predict individuals' long-term financial conditions [3]. Individuals with weaker self-control are more likely to make impulsive consumption decisions and experience negative financial consequences in the future. Therefore, the management of advanced consumption should not only improve financial knowledge but also address individual behavioral tendencies and psychological motivations. Joireman, Kees, and Sprott further explain that individuals who focus more on immediate consequences are more likely to develop compulsive buying tendencies and accumulate credit card debt, which provides evidence for the influence of present bias on young consumers' irrational credit consumption behaviors [7].

Existing studies indicate that young people's advanced consumption is formed through the combined influence of internal and external factors. Digital financial innovation provides external channels for credit consumption. Insufficient financial literacy reduces individuals' ability to control credit risks. Meanwhile, psychological biases further encourage irrational consumption decisions.

5. Discussion: Multi-level Financial Management Countermeasures

5.1 Individual Layer: Upgrade Budget Management Ability and Strengthen Financial Self-control

From an individual perspective, young consumers need to improve their overall financial management abilities. Enhancing financial literacy is the foundation for developing rational consumption behaviors. Sinnewe and Nicholson find that healthy financial habits among young adults are closely related to active participation in financial management and personal financial knowledge [8]. Therefore, improving financial capability requires individuals to accumulate financial knowledge and develop regular personal fund management habits.

Individuals can establish personal budget systems to understand their actual financial conditions and reduce excessive dependence on credit products. Digital financial tools should be used in a reasonable and standardized way. For example, expense tracking applications and automatic saving functions can help users control daily spending. At the same time, improving self-control ability is equally important. Financial knowledge alone cannot completely prevent irrational consumption behaviors. Young people need to recognize their own psychological biases and distinguish between necessary consumption and impulsive spending caused by emotional needs or peer pressure.

5.2 Family Layer: Perfect the Whole Process of Financial Socialization Guidance

Families play an important role in shaping young people's financial attitudes and consumption behaviors. Financial socialization theory suggests that early financial experiences influence individuals' long-term financial management patterns. Parents can organize regular family discussions about financial planning, teach children basic concepts of saving and budgeting, and demonstrate responsible consumption behaviors in daily life.

Family members should not only provide financial support but also help young people develop independent financial judgment abilities. Effective financial socialization can reduce the tendency to view consumption as the only source of personal satisfaction and social recognition. Rational financial values developed during youth can help individuals use digital credit products more appropriately after entering adulthood.

5.3 University Layer: Popularize Systematic Financial Quotient Education Courses

Universities are important institutions for improving young people's financial capabilities. Many college students begin managing their personal finances independently after entering university. Therefore, universities can provide practical financial education courses to address students' knowledge gaps. Unlike traditional theoretical teaching, financial education should focus more on practical skills. Personal budget management, credit risk control, basic investment knowledge and consumer risk identification should all be included as important teaching content.

Wagner and Walstad provide empirical evidence that financial education can influence individuals' short-term and long-term financial behaviors [9]. Educational interventions can improve students' financial management abilities, help students make more reasonable financial decisions and develop sustainable consumption habits. Such education can narrow the gap between financial knowledge and actual consumption behaviors. Students can apply financial principles learned from courses to their daily consumption decisions.

5.4 Society and Supervision Layer: Guide Financial Institutions to Launch Responsible Credit Services

Social organizations and regulatory authorities should promote the standardized development of responsible consumer credit services. Digital credit products are unlikely to disappear from the market. Therefore, the goal of governance should not be the complete elimination of consumer finance products. Instead, the focus should be on guiding the sustainable development of digital credit services.

Financial institutions should improve the transparency of credit products. Repayment requirements, interest calculation methods and potential risks should be clearly displayed on product pages. Credit platforms should also reduce aggressive marketing strategies that encourage unnecessary borrowing, especially among young consumers with limited financial risk awareness.

Regulatory authorities should improve consumer protection mechanisms and promote large-scale financial education programs. Balanced supervision can maintain the innovative value of digital finance while reducing the risks caused by excessive credit borrowing.

6. Conclusion

Advanced consumption among young people has become a widespread social phenomenon under the development of digital finance and changing consumption patterns. This paper reviews existing research and finds that advanced consumption is not merely an individual behavioral issue. Instead, this phenomenon is influenced by multiple factors, including technological innovation, differences in personal financial capabilities and individual psychological factors.

Digital financial services reduce the barriers to credit consumption and improve young people's shopping convenience. However, long-term dependence on credit products may result in continuous debt accumulation, financial pressure and insufficient long-term wealth accumulation. Existing studies indicate that insufficient financial literacy, weak financial socialization education, present bias and consumption-oriented social values encourage young people to make irrational credit consumption decisions.

To reduce the potential risks caused by advanced consumption, multi-level measures should be implemented. Individuals need to improve budget management abilities and strengthen financial self-control. Families should enhance financial communication and provide early financial education. Universities can offer practical financial education courses, while financial institutions and regulatory authorities should promote responsible and standardized credit services. The goal of governance is not to completely restrict young people's consumption behavior or reject digital financial innovation. Instead, relevant measures should focus on improving young people's ability to make rational and sustainable financial decisions.

In conclusion, advanced consumption brings both opportunities and potential risks in the digital economy era. Adequate financial knowledge, responsible financial services and comprehensive financial education systems can help consumer credit products generate positive effects on young people's long-term financial well-being. Improving overall financial capability is the key approach to promoting sustainable consumption among young groups in the future.

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Conflicts of Interest

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