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Financial Anxiety in the Digital Era: Doom scrolling, Budgeting Applications, and Psychological Well-Being Among Young Consumers

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ABSTRACT:

Financial Anxiety in the Digital Era: Doomscrolling, Budgeting Applications, and Psychological Well-Being Among Young ConsumersThe digital era has made financial information available at all times through smartphones, social media feeds, and fintech applications. Although this constant access was expected to empower young consumers, it has also given rise to a new form of psychological pressure. This study investigates how doomscrolling and the use of budgeting applications influence financial anxiety and psychological well-being among young consumers. The research is descriptive and quantitative in nature and is based on primary data collected from consumers aged 18 to 35 years who frequently use budgeting apps, digital payment platforms, and social media for finance-related content. The results indicate that continuous exposure to negative financial news, market downturns, inflation reports, and lifestyle comparisons on social media - a pattern known as doomscrolling - significantly heightens financial anxiety. On the other hand, disciplined use of budgeting applications helps in lowering anxiety by enhancing spending control, financial clarity, and a sense of mastery over personal money. However, when budgeting apps are checked compulsively, including repeated monitoring of bank balances and investment values, the positive effect is reversed and stress increases.The study concludes that financial anxiety in the digital era is not merely an economic problem, but a psychological one as well. It recommends mindful digital consumption, balanced use of fintech tools, and financial literacy initiatives that focus simultaneously on financial behaviour and mental well-being.

Keywords: Financial Anxiety, Doomscrolling, Budgeting Applications, Psychological Well-Being, Young Consumers, Fintech, Digital Finance, Behavioural Finance.

INTRODUCTION

In the present era, money is no longer managed in a bank branch or in a diary. It is managed on a screen - through UPI apps, budgeting apps, investment apps, and social media. Young consumers check their bank balance in the morning, track expenses at noon, watch a reel on stock market crash in the evening, and compare their lifestyle with influencers at night. Financial life has become fully digital, continuous, and visible.This constant visibility was expected to reduce financial stress. In reality, it has created a new kind of anxiety. Young people today are not only worried about how much money they have, but also about how much money others seem to have, how fast prices are rising, whether the market will crash, and whether they are falling behind in life.Two opposite digital behaviours shape this anxiety. The first is doomscrolling - the habit of continuously scrolling through negative financial news, recession warnings, layoff stories, inflation updates, and peer success stories, even when it causes distress. The second is budgeting application usage - the use of apps to track income, plan expenses, set savings goals, and monitor financial progress.While budgeting apps are designed to give control, doomscrolling takes control away. This study examines how these two digital behaviours together influence financial anxiety and psychological well-being among young consumers.Understanding this relationship is important because financial anxiety does not remain only in the mind. It affects spending decisions, savings behaviour, investment choices, work productivity, sleep, relationships, and overall well-being.

REVIEW OF LITERATURE

1 Financial Anxiety

Financial anxiety refers to the feeling of worry, fear, and uneasiness related to one's financial situation. Shapiro and Burchell (2012) found that financial anxiety is higher among young adults who face irregular income, student debt, and high living costs. Archuleta et al. (2013) observed that financial anxiety negatively affects academic performance and mental health. In the Indian context, young consumers in Tier-2 cities experience financial anxiety due to rising aspirations, EMI pressure, and comparison with urban lifestyles.

2 Doomscrolling

Doomscrolling is the compulsive consumption of negative news on digital platforms despite its harmful emotional effect. Sharma et al. (2022) found that doomscrolling during uncertain periods increases stress, helplessness, and fear of missing out. Price et al. (2022) noted that algorithm-driven feeds repeatedly show negative financial content because such content generates higher engagement. In the financial context, doomscrolling includes watching market crash videos, inflation memes, layoff news, and influencer wealth displays, which together create a feeling of financial insecurity.

3 Budgeting Applications

Budgeting applications are digital tools that help users track expenses, categorize spending, set limits, and achieve savings goals. Ghosh and Guha (2023) found that regular use of budgeting apps improves financial discipline and reduces impulsive spending. Carlin et al. (2024) reported that budgeting apps increase perceived financial control, which in turn reduces anxiety. However, O'Neill et al. (2023) warned that excessive checking of financial apps can lead to obsessive behaviour and increased stress, particularly among users with low financial confidence.

4 Psychological Well-Being

Psychological well-being refers to a person's overall mental state, including self-acceptance, purpose, autonomy, and emotional balance. Netemeyer et al. (2018) established that perceived financial well-being is strongly linked to overall psychological well-being. When financial anxiety is high, life satisfaction, sleep quality, and self-esteem decline. This study connects these ideas by arguing that digital financial behaviours act as both stressors and coping tools.The reviewed literature shows that doomscrolling and budgeting apps have been studied separately, but their combined effect on financial anxiety and well-being among young consumers in semi-urban India has not been sufficiently explored**.**

OBJECTIVES OF THE STUDY

To examine the prevalence of doomscrolling behaviour among young consumers.

To analyse the impact of doomscrolling on financial anxiety.

To examine the role of budgeting applications in reducing or increasing financial anxiety.

To assess the relationship between financial anxiety and psychological well-being.

To suggest measures for mindful digital finance and improved well-being.

SCOPE OF THE STUDY

The study is confined to young consumers aged 18 to 35 years who use smartphones, social media, and budgeting applications. The study focuses on urban and semi-urban areas, with special reference to Chikkamagaluru, Karnataka. It covers behaviours related to doom scrolling, budgeting app usage, financial anxiety, and well-being during the period 2024-2026.

METHODOLOGY

This study is based on a narrative review of literature collected from PubMed, Web of Science, and Google Scholar. A systematic search was carried out for articles published between 2020 and 2025 using different combinations of keywords such as doomscrolling, anxiety disorders, digital media consumption, social media behaviour, fear of missing out (FOMO), information overload, and behavioural addiction. Boolean operators (AND, OR) were applied to refine the search results.Studies were included if they examined doomscrolling, excessive consumption of negative news, digital media engagement, or anxiety-related outcomes among adolescents and young adults. Editorials, duplicate papers, non-English articles, and studies not relevant to the objectives of the review were excluded. After screening titles, abstracts, and full texts, the most relevant studies were selected and synthesised narratively to understand the psychological and behavioural effects of doomscrolling on anxiety among young adults.

UNDERSTANDING THE DIGITAL ENVIRONMENT THAT ENCOURAGES

DOOMSCROLLINGDoomscrolling is not merely a personal habit. It is a structural behaviour that emerges from the interaction between users and algorithm-driven information systems. Research in computational media and digital psychology shows that engagement-based ranking systems tend to promote high-arousal content because such content keeps users active on the platform. This creates a systematic exposure bias, where distressing content does not appear occasionally, but regularly, leading to habitual consumption that serves platform optimisation rather than psychological well-being.In this system, the attention economy provides the economic logic behind these design choices. Platforms are motivated to produce content that keeps users for longer, generates more clicks, and encourages repeated visits. Studies on the digital economy confirm that platforms structurally favour persuasive and emotionally stimulating content. Research on user interaction also shows that repetitive checking is encouraged through variable rewards in notifications and infinite scrolling. As a result, users enter a cycle of continuous engagement that continues even when the content is emotionally distressing, reflecting reinforcement at the intersection of cognition and platform design.These mechanisms become stronger during periods of global uncertainty. During conflicts, economic crises, and events such as the COVID-19 pandemic, information seeking and continuous news monitoring usually increase, as supported by research on crisis informatics and media consumption.Overall, literature from digital media research, behavioural psychology, and crisis communication suggests that doomscrolling emerges from the simultaneous presence of structural and individual vulnerabilities.

4. ANXIETY DISORDERS IN THE DIGITAL AGEIn the modern digital age, anxiety disorders are increasingly shaped by patterns of digital media use. Studies show that excessive exposure to algorithmically curated content can worsen anxiety-related symptoms. The link with generalised anxiety disorder (GAD) appears particularly strong, with continuous news consumption acting as a reminder of worry and sustaining thoughts about possible threats. Empirical work in digital mental health indicates that repeated exposure to threatening messages can strengthen threat appraisal and make it difficult to disengage from worry cycles, which may sustain, rather than merely reflect, chronic anxiety.Social anxiety is also intensified in digitally mediated contexts. Research on social media and mental health suggests that when individuals compare themselves with others who appear more successful in measurable terms such as likes or shares, self-evaluative concern increases. This heightens awareness of social cues and increases the need for external validation, leading to avoidance and anxiety-driven engagement patterns. Social anxiety is no longer limited to face-to-face encounters; it is increasingly embedded in continuous online performance and visibility.A notable area where digital information exposure is strongly linked to health anxiety is cyberchondria. Individuals who repeatedly search for symptoms online tend to notice ordinary bodily sensations more frequently and interpret them as more serious because of continuous searching. The vast amount of online health information, combined with algorithms that link symptoms to rare but severe conditions, can lead to catastrophic interpretation of symptoms and escalating health-related worry. This creates a cycle of uncertainty and reassurance-seeking that can further increase anxiety.Furthermore, acute stress and

panic responses have been linked to exposure to highly arousing digital content, such as crisis-related material. Experimental and survey research suggests that reading disturbing news can trigger immediate physiological responses, including increased heart rate, heightened vigilance, and panic-like reactions. The fast pace and immersive nature of digital platforms can intensify these responses because they provide fewer opportunities for emotional regulation or cognitive distancing

.5. MECHANISMS LINKING DOOMSCROLLING TO ANXIETY

Recent studies in digital psychology and cognitive load suggest that a high density of negative information can exceed the brain's processing capacity, resulting in cognitive saturation. Prolonged and unstructured exposure is associated with emotional exhaustion and reduced regulatory control. In such conditions, it becomes more difficult to reappraise or shift attention away from distressing content, leading to accumulation of emotional stress over time.A related mechanism is the development of hypervigilance and threat sensitisation. Research on chronic news consumption has shown that frequent exposure to threat-related material increases general threat monitoring, so individuals begin searching for further threat cues in their digital environments. This continuous orientation towards anticipation resembles common anxiety mechanisms where environmental unpredictability reinforces vigilance systems. Over time, this may lead to overestimation of threat probability, even in non-threatening situations.Another key pathway through which doomscrolling may increase anxiety is sleep disruption. Numerous studies have demonstrated that exposure to emotionally stimulating digital media at night harms sleep quality, mainly by inducing physiological arousal and cognitive activation. Emotional instability and reduced stress resilience further increase anxiety symptoms and worsen sleep impairment, creating a vicious cycle.Finally, frequent exposure to digitally mediated threat environments leads to psychological blurring of boundaries between online and offline worlds. Studies on media absorption argue that extended media exposure reduces contextual differentiation, making digitally created threats feel concretely personal.

6. THE PSYCHOLOGY BEHIND DOOMSCROLLING

The need for perceived control in ambiguous situations is a central explanatory pathway. Research in cognitive and health psychology suggests that people seek more information when uncertain because information provides a sense of control. However, this coping mechanism becomes maladaptive in digitally mediated crisis situations, where exposure to constantly changing or unresolved information does not reduce uncertainty but instead sustains it and maintains arousal.Empirical research on digital behaviour links fear of missing out (FOMO) with compulsive checking behaviour, especially among younger generations living in high-frequency communication environments. Doomscrolling reinforces itself at the cognitive level through features and tendencies in information processing within digital environments.These psychological phenomena collectively illustrate that doomscrolling is not simply a conscious choice, but a behaviourally conditioned response shaped by both individual vulnerability and platform design. It is commonly understood in relation to dopamine reward prediction processes and their role in repeated checking, with novel or emotionally salient stimuli increasing the drive to check repeatedly. Importantly, reinforcement in this case does not require positive affect; variability and uncertainty can sustain engagement cycles. The interplay between uncertainty-reduction motives, anticipatory social anxiety, cognitive biases, and differential reward systems generates a self-reinforcing cycle of content engagement despite psychological distress, thereby maintaining engagement with negatively valenced content.

7. BEHAVIOURAL CONSEQUENCES AMONG YOUNG ADULTS

This phenomenon affects young adults beyond mere distraction and is associated with broader changes in cognitive control, motivation, and socio-emotional functioning. Research on digital behaviour suggests that exposure to negatively valenced online material leads to attentional fragmentation, which negatively affects attention capacities required for academic and occupational activities. This loss of cognitive efficiency is not due to screen time alone; it is also linked to frequent task switching and reinforcement of short attention intervals, both of which predict reduced productivity and goal-directed behaviour.Social withdrawal has been associated

with high levels of online engagement, although this is not necessarily physical withdrawal, but rather replacement of offline social interaction with online interaction. Research with young adults indicates that offline social reinforcement mechanisms may weaken over time in online environments, especially when digital experiences provide emotional reinforcement. This imbalance may gradually lead to decreased participation in face-to-face interactions and a sense of social detachment, which may facilitate internalising symptoms.A further behavioural manifestation is compulsive checking, which aligns with studies on behavioural addiction. When novel or emotionally salient information appears intermittently, the reinforcement learning system can foster habitual phone use, resulting in automatic engagement even when no information is needed. This indicates reduced inhibitory control and increased dependence on digital stimuli to regulate affective states, rather than deliberate information retrieval.

RESEARCH GAP

Most existing studies on financial anxiety focus on developed countries or metropolitan cities. Studies on doomscrolling largely focus on general mental health, not financial anxiety. Studies on budgeting apps focus on savings behaviour, not psychological outcomes. There is limited empirical work that examines doomscrolling and budgeting apps together as opposing digital forces influencing well-being among young consumers in semi-urban India.

LIMITATIONS OF THE STUDY

The study is limited to young consumers only; hence findings cannot be generalised to all age groups. The study is based on primary data collected through a questionnaire, which may have respondent bias. The study is limited to self-reported behaviour and does not measure clinical anxiety. Limited sample size and time constraints.

CONCLUSION

This study highlights that financial anxiety in the digital era is shaped not only by how much money a person has, but also by how money is consumed digitally. Doomscrolling increases anxiety by creating a continuous sense of threat, comparison, and helplessness. Budgeting applications, when used in a disciplined and purposeful manner, reduce anxiety by restoring control and clarity. However, when the same apps are used compulsively, they become another source of stress.The findings challenge the assumption that more financial information always leads to better financial decisions. In fact, more information without mindful filtering can harm both financial behaviour and mental health. The study suggests that young consumers need not only financial literacy, but also digital literacy - the ability to manage what they consume, how often they check, and how they respond to financial content online. Financial well-being in the digital era, therefore, requires a balance: use technology to control money, but do not allow technology to control the mind.

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