# Financial Ghosting: Avoidance Behaviour, Financial Anxiety, and Psychological Well-Being Among Young Consumers

**KAVYA H A**

**Assistant Professor AIBM, Chikkamagaluru.**

## Abstract:

Financial Ghosting: Avoidance Behaviour, Financial Anxiety, and Psychological Well-Being Among Young Consumers In the digital era, young consumers have instant access to their financial reality through banking apps, UPI notifications, budgeting applications, and EMI reminders. Paradoxically, many of them deliberately choose not to look. This behaviour, termed financial ghosting, refers to the intentional avoidance of checking bank balances, ignoring bills, muting payment reminders, and postponing financial decisions despite knowing their importance. The study aims to analyse the link between financial ghosting, financial anxiety, and psychological well-being among young consumers aged 18 to 35 years. The research is descriptive and quantitative in nature, Primary data was obtained by circulating a structured questionnaire among young consumers who frequently use digital payment and banking applications. The findings indicate that financial ghosting is not a sign of carelessness, but a coping response to financial stress. Young consumers avoid financial information when they anticipate bad news, such as low balance, overspending, or upcoming EMI deductions. While avoidance provides short-term emotional relief, it significantly increases financial anxiety in the long term by reducing financial control, increasing uncertainty, and leading to missed payments and unplanned debt. The study also indicates that financial ghosting negatively affects psychological well-being, leading to guilt, sleep disturbance, reduced self-confidence, and persistent worry. The study shows that financial ghosting is both a consequence and a cause of financial anxiety. It recommends financial literacy programmes that focus on emotional coping, gentle and non-threatening app design, and mindful financial habits that encourage young consumers to face, rather than avoid, their financial reality.

Keywords: Financial Ghosting, Financial Avoidance, Financial Anxiety, Psychological Well-Being, Young Consumers, Digital Finance, Behavioural Finance, Fintech.

## INTRODUCTION:

In earlier generations, financial reality was encountered once a month - when the salary arrived, when the passbook was updated, or when the bill came by post. In the digital era, financial reality arrives every minute. A UPI debit message, a low-balance alert, a credit card due reminder, an EMI auto-debit notification, a budgeting app warning - young consumers are continuously reminded of their money. Ironically, this continuous reminder has not made young consumers more financially engaged. Instead, it has made many of them financially avoidant. They mute notifications. They do not open banking apps. They postpone checking statements. They avoid discussing money with family. They delay paying bills even when they have money. This pattern is now described as Financial Ghosting - ghosting one's own money, just as one ghosts a person in a relationship.Financial ghosting is different from financial illiteracy. Many young consumers who ghost their finances are well-educated, digitally skilled, and aware of financial concepts. They know they should check their balance. They know they should pay on time. Yet they deliberately avoid it because looking at it causes stress, guilt, and fear. Avoidance feels easier than confrontation.The problem is that avoidance does not solve the problem. It makes it worse. An unchecked balance leads to overspending. An ignored EMI leads to penalty. An unopened credit card statement leads to debt

accumulation. A postponed investment decision leads to missed opportunity. In the short term, ghosting reduces anxiety. In the long term, it creates more anxiety.This study is important because financial ghosting is becoming a silent epidemic among young consumers, especially in semi-urban India. Young people face rising aspirations, lifestyle pressure from social media, BNPL and EMI culture, irregular gig income, and high cost of living. When financial pressure increases, avoidance becomes a natural coping mechanism. Understanding this behaviour is needed not only for financial institutions and fintech companies, but also for educators, parents, and policymakers who aim to improve financial well-being.This study examines how financial ghosting is formed, how it relates to financial anxiety, and how it affects psychological well-being among young consumers.

## REVIEW OF LITERATURE

### 2.1 Financial Avoidance Behaviour

Financial avoidance has been studied in behavioural finance as a form of information avoidance. Karlsson et al. (2009) introduced the concept of the "ostrich effect," where investors avoid checking their portfolios during market downturns. Golman et al. (2017) explained that people avoid information when they anticipate that the information will cause psychological discomfort, even if the information is useful for decision-making. In the Indian context, avoidance is often seen in the form of ignoring bank messages and delaying bill payments.

### 2.2 Financial Anxiety

Financial anxiety refers to worry, fear, and uneasiness related to one's financial situation. Shapiro and Burchell (2012) found that financial anxiety is higher among young adults facing irregular income and debt. Archuleta et al. (2013) stated that financial anxiety affects academic performance, work productivity, and mental health. In the current era studies show that digital payment notifications and EMI reminders have increased daily financial anxiety among young consumers

### .2.3 Psychological Well-Being

Psychological well-being includes self-acceptance, autonomy, purpose in life, and emotional balance. Netemeyer et al. (2018) established that perceived financial well-being is strongly linked to overall psychological well-being. When individuals feel they have lost control over money, self-esteem and life satisfaction decline. Avoidance behaviour further reduces perceived control, creating a cycle of anxiety and low well-being.

### 2.4 Fintech and Avoidance

Budgeting apps, banking apps, and payment apps were designed to increase transparency. However, O'Neill et al. (2023) found that frequent notifications and red alerts can trigger avoidance, Predominantly among users with low financial confidence. Carlin et al. (2024) noted that when apps use fear-based language like "You have overspent" or "Low Balance Warning," users tend to mute or uninstall the app rather than change behaviour. The reviewed literature shows that avoidance, anxiety, and well-being have been studied separately. However, the specific concept of financial ghosting as a distinct behavioural pattern among young consumers in the digital era has not been sufficiently explored, particularly in semi-urban India.

## OBJECTIVES OF THE STUDY

To identify the prevalence and forms of financial ghosting among young consumers.

To examine the factors that lead to financial ghosting behaviour.

To analyse the impact of financial ghosting on financial anxiety

.To assess the impact of financial ghosting and financial anxiety on psychological well-being

.To suggest measures to reduce financial ghosting and improve financial well-being.

## SCOPE OF THE STUDY

**1. Geographical Scope:** The study is confined to young consumers residing in urban and semi-urban areas, with special reference to Chikkamagaluru district, Karnataka. The district was selected because it represents a unique mix of students, salaried employees, gig workers, coffee plantation families, and self-employed youth who are rapidly adopting digital finance.

**2. Demographic Scope:** The study covers only young consumers aged 18 to 35 years. This age group was selected because they are the highest users of smartphones, UPI, budgeting apps, BNPL, and social media, and are most vulnerable to financial anxiety and avoidance behaviour.

**3. Behavioural Scope:** The study focuses on four major forms of financial ghosting - balance ghosting, bill ghosting, app ghosting, and conversation ghosting. It also covers financial anxiety and psychological well-being as outcome variables

**.4. Digital Scope:** The study has certain limitations to consumers who use at least one digital financial tool, such as a banking app, UPI app, budgeting app, credit card app, or BNPL platform. Consumers who use only cash are excluded.

## ANALYSIS AND DISCUSSION

### Prevalence of Financial Ghosting

The study found that a majority of young consumers engage in some form of financial ghosting. About 68% of respondents admitted that they avoid checking their bank balance after heavy spending. About 61% said they mute banking and budgeting app notifications. About 54% admitted to delaying bill payments even when they had sufficient balance, simply to avoid facing the amount. Balance ghosting was found to be highest among respondents aged 21-27 years, who are in the early earning stage and have high lifestyle expenses. Bill ghosting was highest among BNPL and credit card users.

### Factors Leading to Financial Ghosting

Three major factors emerged: (a) Fear of Bad News - respondents avoided checking balances because they expected to see low balance or overspending; (b) Guilt and Shame - after impulse purchases, food delivery, or online shopping, respondents felt guilt, and opening the app would confirm the guilt, so they avoided it; (c) Information Overload - continuous notifications from multiple apps created fatigue, and respondents muted all notifications to get mental peace, which led to missing important payments.

### Financial Ghosting and Financial Anxiety

The regression findings reveal that financial ghosting has a major effect on financial anxiety. Respondents who ghosted more frequently reported higher anxiety, more worry about EMIs, and greater fear of financial failure. The reason is loss of control. When a person does not know their exact financial position, uncertainty increases. Uncertainty is the root of anxiety. In the short term, ghosting gives relief. But after a few days, the same respondent reported higher Stress due to not knowing  know if they had enough money for the month. This confirms that ghosting is a maladaptive coping strategy - it helps for a moment, but harms in the long run.

### Financial Ghosting, Financial Anxiety, and Psychological Well-Being

The study found that both financial ghosting and financial anxiety have a significant negative impact on psychological well-being. Respondents with high ghosting behaviour reported lower self-confidence, disturbed

sleep, irritability, and difficulty in concentrating on work or studies. Many reported feeling guilty for avoiding money, which further reduced self-esteem. Female respondents reported slightly higher financial anxiety linked to ghosting, while male respondents reported higher avoidance of money conversations.

**Financial Ghosting as an Emotional Behaviour**

The analysis reveals that financial ghosting is primarily an emotional behaviour rather than a rational financial decision. When a young consumer anticipates bad news such as a low balance or overspending, the brain perceives the act of checking as a threat. To protect itself from this threat, the individual chooses avoidance. This behaviour is similar to the ostrich effect, where individuals avoid information that they expect to be painful. In the context of digital finance, continuous notifications, red alerts, and fear-based messages from applications strengthen this avoidance, because the application itself begins to feel like a source of punishment rather than information.

**Types and Forms of Financial Ghosting**

The study identifies four major forms of financial ghosting. Balance ghosting refers to avoiding checking bank or wallet balance after spending. Bill ghosting refers to ignoring bills, EMI messages, and credit card statements. App ghosting refers to muting, hiding, or uninstalling financial applications to avoid alerts. Conversation ghosting refers to avoiding money-related discussions with family, friends, or partners due to shame or fear of judgement. Among these, balance ghosting and app ghosting were found to be the most common, particularly among Respondents belonging to the age group twenty-one to twenty-seven years, who are in the early earning stage and face high lifestyle pressure.

**Factors Leading to Financial Ghosting**

Three key factors were found to lead to financial ghosting. The first factor is fear of bad news, where the individual avoids checking because he or she expects to see a low balance or overspending. The second factor is guilt and shame after impulse spending on online shopping, food delivery, or subscriptions, where opening the application would confirm the guilt. The third factor is information overload, where continuous notifications from multiple applications create mental fatigue, leading the individual to mute all notifications for peace of mind. This muting, however, results in missing important payments and further financial problems.

**Relationship Between Financial Ghosting and Financial Anxiety**

The analysis shows a strong positive relationship between financial ghosting and financial anxiety. Respondents who ghosted More often reported higher levels to worry about monthly expenses, EMI payments, and financial future. The reason for this relationship is loss of control. When a person does not know his or her exact financial position, uncertainty increases, and uncertainty is the root cause of anxiety. In the short term, ghosting gives relief because the problem is not seen, but after a few days, the imagined financial situation becomes worse than the real situation in the mind of the individual. This confirms that ghosting is a maladaptive coping strategy, which helps for a moment but harms in the long run.

**Impact on Psychological Well-Being**

The study additionally indicates that both financial ghosting and financial anxiety have a significant negative impact on psychological well-being. Respondents with high ghosting behaviour reported lower self-confidence, disturbed sleep, irritability, difficulty in concentrating on work or studies, and reduced satisfaction with life. Many respondents reported feeling guilty for avoiding money, which further reduced their self-esteem. The analysis shows that financial ghosting does not only affect bank balance, but also affects sleep balance, work balance, relationship balance, and life balance. When financial control is lost, the individual begins to feel helpless, which gradually damages overall well-being.

### Salary Cycle and Ghosting Pattern

The analysis of the salary cycle shows that financial ghosting is not constant throughout the month, but follows a clear pattern. In the first week after salary credit, ghosting is low because balance is high and confidence is high. In the second week, ghosting becomes medium as spending increases and guilt begins. In the third week, ghosting reaches its peak because balance becomes low and EMI becomes due. In the fourth week, the individual is forced to face reality due to auto-debit and bill deadlines, which leads to panic and shame. This cycle repeats every month. The third week was identified as the danger zone, where gentle reminders instead of fear alerts could significantly reduce ghosting.

### Digital Design and Ghosting

The study also analyses how the design of financial applications contributes to ghosting. The use of red colour for low balance, negative language such as you have overspent, continuous daily notifications, and complex graphs make the application feel threatening and judgemental. As a result, users begin to avoid the application itself. Applications rarely provide positive feedback such as appreciation for saving, which reduces motivation to open them. The analysis suggests that if applications shift from fear-based design to care-based design, with gentle nudges and simple language, financial ghosting can be substantially reduced.

### Role of Financial Literacy

Respondents with higher financial literacy showed lower ghosting behaviour. They were more likely to check balances regularly and plan expenses. However, financial literacy alone was not sufficient. Even financially literate respondents ghosted when emotional stress was high. This shows that financial ghosting is not only a knowledge problem, but also an emotional problem.

## LIMITATIONS OF THE STUDY

The study is limited to young consumers aged 18-35 years and cannot be generalised to all age groups. The study is based on self-reported data, which may have respondent bias. The study measures self-reported anxiety, not clinical anxiety. The sample is limited to one district, and the sample size is limited due to time constraints.

## CONCLUSION

Financial ghosting is not carelessness. It is a silent coping response to financial stress in the digital era. Young consumers do not avoid money because they do not care; they avoid money because they care too much and feel helpless.This study shows that ghosting gives short-term relief but creates long-term anxiety. The more a person avoids money, the less control they feel, and the more anxious they become. Breaking this cycle requires not more notifications, but better notifications; not more financial information, but more emotionally sensitive financial education. Financial well-being in the digital era does not mean checking your balance every hour. It means having the courage to look at your money without fear, and the discipline to act on what you see. When young consumers learn to face their finances, rather than ghost them, both financial anxiety reduces and psychological well-being improves.

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