



How Social Media Influences Student's Financial and Academic Outcomes

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ABSTRACT:

With the growing prevalence of social media platforms, their impact on students' lives is becoming more pronounced. The objective of this study is to conduct a thorough analysis of both the beneficial and detrimental influences that social media may exert on financial decision-making, academic success, and the overall well-being of students. This stage has been reached with extensive literature review and systematic analysis done, with an aim to identify the critical factors and mechanisms at play, ultimately affecting and paving the way towards practical conclusions and recommendations for students, educators, and policymakers.

Our research findings indicated that among students, social media engagement and Financial Implications had a notable positive relationship while a negative relationship with respect to academic achievement with lower GPAs and were more likely to face academic challenges.

Educational institutions ought to create and execute social media literacy initiatives aimed at instructing students on the responsible use of social media, ensuring online safety, and fostering digital citizenship. Similar steps be executed for improving financial literacy, maintaining mental health, effective time management towards improving productivity and finally timely feedback to parents for keeping a track of the child's progress from all the sides leading towards a consistent academic performance with a sense of financial welling

Key words: social media, Finance, Student academic outcome

Introduction:

In today's digital era, social media has become a fundamental component of students' daily experiences, providing access to a vast array of information and opportunities. Its influence transcends simple entertainment, potentially impacting various facets of students' lives, including their academic achievements and financial choices. The prevalent use of platforms such as Instagram, Facebook, and Twitter for networking, showcasing accomplishments, and recreational activities prompts an examination of the effects of social media on students' overall well-being.

This research seeks to investigate the intricate relationship between social media engagement, academic performance, and financial ramifications for students pursuing business management. By analyzing the correlation between the quality and quantity of time spent on social media and academic success, we aim to identify possible financial repercussions stemming from these online interactions. The study will assess whether a balanced approach to social media usage can enhance academic performance and, in turn, lead to more advantageous financial outcomes for students. Gaining a comprehensive understanding of the subtle impacts of social media on students' academic and financial circumstances is essential for educators, policymakers, and the students themselves. This research aspires to offer meaningful insights that can guide the development of strategies promoting responsible social media practices and improving students' overall well-being in the digital environment. By exploring the intersection of technology, education, and personal finance, we aim to contribute to the formulation of effective guidelines and practices that assist students in navigating the challenges and opportunities presented by social media platforms.

Literature review:

(Gibbons, F. X. et al, 2024) assessed in focusing on the impact of social media on students' financial and academic outcomes should analyze pertinent research and statistical information. **Important areas of investigation include:**

(Huang, Y et al, 2024) found patterns of Social Media Usage Among Students and the Average Duration of Social Media Engagement. The study showed that the duration of time students dedicate to social media platforms varies considerably, yet it is typically significant. Research indicates that numerous students engage with platforms such as Instagram, TikTok, Snapchat, and YouTube for several hours each day. This extensive engagement can profoundly affect their academic achievements, social relationships, and overall mental health.

Most Popular Platforms Across Diverse Student Groups. The social media platforms favored by students often vary based on their age, interests, and cultural backgrounds. Nevertheless, certain platforms have consistently maintained popularity across different demographics: Instagram: Snapchat: YouTube: Facebook. The frequency of social media engagement differs among individuals. Some students may access their social media accounts several times a day, while others may do so less often. The specific usage patterns can be shaped by factors such as academic responsibilities, social engagements, and individual preferences.

(Duberstein, A. et al, 2024) assessed the impact of Social Media on Academic Performance

Relationship Between Social Media Use and GPA. A number of studies have investigated the connection between social media usage and academic performance. Although the relationship is intricate and may differ among individuals, there is evidence indicating that excessive use of social media can adversely affect a student's GPA.

Time Management: Spending excessive time on social media can reduce the time available for studying, completing assignments, and working on projects.

Reduced Study Time: Students might allocate less time to studying due to the hours spent on social media. **Decreased Productivity:** Regular interruptions from social media can diminish productivity and effectiveness during study periods. **Difficulty in Focusing:** The ongoing stimulation from social media can hinder the ability to concentrate on academic responsibilities.

(Vukovic, J. et al, 2024) assessed in financial Consequences of Social Media Engagement

Impact of Social Media Advertising on Spending Behavior : Social media has emerged as a formidable medium for advertisers aiming to reach specific audiences, including students. Through tailored advertisements, influencer promotions, and sponsored posts, social media can profoundly affect consumer habits.

Impulse Purchases: The nature of social media can incite spontaneous buying, especially among younger demographics. Continuous exposure to appealing products and services may result in unforeseen expenditures. **Influence of social media on Student Debt and Financial Choices.** Social media significantly influences students' financial choices, especially concerning debt management. **Lifestyle Inflation:** The portrayal of affluent lifestyles on social media can foster unrealistic aspirations, prompting individuals to pursue similar lifestyles, often at the cost of incurring debt. **Peer Pressure:** social media can generate a sense of obligation to purchase specific products or partake in experiences, which may strain a student's financial resources.

Delayed Financial Planning: Engaging with social media can divert students' attention from essential financial planning activities, such as budgeting, saving, and investing. **Connection Between social media engagement and part-time employment.** Although social media can serve as a valuable resource for networking and job searching, excessive engagement may adversely affect part-time employment.

(Huang, Y et al, 2024) found the psychological Impacts of social media. **The Influence of social media on academic pressure and Anxiety.** Social media plays a significant role in exacerbating academic pressure and anxiety. Continuous exposure to academic notifications, comparisons with peers, and high-stakes environments can result in:

1. **Heightened Stress:** The anxiety of missing out (FOMO) and the obligation to maintain a vibrant online presence can escalate stress and anxiety levels.
2. **Cyberbullying:** Instances of cyberbullying and online harassment can lead to serious psychological repercussions, including depression, anxiety, and diminished self-worth.
3. **Decreased Physical Activity:** Spending excessive time on social media can lead to a decline in physical activity, resulting in various negative health outcomes.
4. **Social Comparison:** Continuous exposure to meticulously selected images and videos may foster feelings of inadequacy and diminish self-worth.
5. **Body Image Concerns:** Social media platforms can exacerbate body image issues, especially among younger demographics.
6. **Fear of Missing Out (FOMO):** The anxiety associated with missing social events or opportunities can contribute to feelings of depression and heightened stress.

GAP from the Literature Survey:

The findings of our literature review indicated the presence of evidence on the above topic from all parts of the world with little scanty information from the Indian context. So, our research work is an attempt in assessing the impact of social media on student's financial decisions and academic performance.

Methodology :

This study utilizes a mixed-methods framework for the collection and analysis of data. The research design integrates surveys administered to students with a 4 point Likert scale for quantitative data acquisition for interpretation.

Data Collection

Surveys: A questionnaire will be distributed to 100 students from various universities, evaluating their social media habits, academic performance, and financial behaviors.

Data Analysis

Quantitative data obtained from the surveys will be processed using statistical software like MS Excel to uncover correlations, trends followed by hypothesis testing.

Aim/objective

1. To investigate the influence of social media usage on students' financial decision-making and academic performance.
2. To assess most frequently used social media platforms and its impact on students' spending behaviors and educational outcomes.

Hypothesis Testing:

- H10: There is no influence of social media usage on students' financial decision-making.
 H1A: There is influence of social media usage on students' financial decision-making.
 H20: There is no influence of social media usage on students' academic Performance.
 H2A: There is influence of social media usage on students' academic Performance.

Data Analysis :**1. Test for Internal Consistency.**

Cronbach alpha=0.63

Since Cronbach alpha is more than 0.5 and involves understanding human behavior, the above value is acceptable indicating the quality of our Questionnaire.

2. Descriptive statistics

<i>Gender</i>		<i>social media platforms Name</i>	
Mean	1.363636364	Mean	1.1717172
Standard Error	0.0485929531	Standard Error	0.0642743
Median	1	Median	1
Mode	1	Mode	1
Standard Deviation	0.483493778	Standard Deviation	0.6395216
Sample Variance	0.233766234	Sample Variance	0.4089878
Kurtosis	-1.703393471	Kurtosis	12.259327
Skewness	0.575706509	Skewness	3.6572601
Range	1	Range	3
Minimum	1	Minimum	1
Maximum	2	Maximum	4
Sum	135	Sum	116
Count	99	Count	99
		Instagram	

Observation: As shown in the above table, our analysis showed

- equal contribution with respect to time spent on social media sites.
- Instagram emerged as the most informative and idea generating platform among management students followed by Facebook, linked in and snapchat.

Hypothesis testing:**1. influence of social media usage on students' financial decision-making.**

H10: There is no influence of social media usage on students' financial decision-making.

H1A: There is influence of social media usage on students' financial decision-making.

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	11	9.373431173	0.8521301066	1.394254245	0.19006
Residual	87	53.17202337	0.6111726824		
Total	98	62.54545455			

As shown in the above table, F is more than 0.05. So, we reject alternative hypotheses to accept null hypotheses. This clearly indicates absence in the impact of social media exposure with respect to their academic performance.

2. influence of social media usage on students' academic Performance.

H20: There is no influence of social media usage on students' academic Performance.

H2A: There is influence of social media usage on students' academic Performance.

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	11	10.25065837	0.931878034	1.174257276	0.3166925337
Residual	87	69.04227092	0.7935893209		
Total	98	79.29292929			

As shown in the above table, T is more than 0.05. So, we reject alternative hypotheses to accept null hypotheses. This clearly indicates absence in social media exposure with respect to their academic performance.

From the below table, we can clearly see a significant impact of distraction of social media while studying. Hence, we recommend to be active on social media platform for a specific duration on daily basis while avoiding during the study hours

<i>Questions</i>	<i>Coefficients</i>	<i>Std Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	1.3106	1.92	0.68	0.50
Which social media platforms do you use most frequently	0.0044	0.15	0.03	0.98
Do you surf internet/ social media everyday	-0.2348	0.21	-1.11	0.27
Hrs internet (overall) in a day	0.0382	0.09	0.41	0.68
How many hours per day do you spend on social media	0.0036	0.09	0.04	0.97
Have you ever purchased items or services advertised on social media	0.1462	0.19	0.76	0.45
Have you ever considered reducing your social media usage to improve your academic performance or financial situation	0.1514	0.17	0.88	0.38
Have you ever purchased items or services advertised on social media	0.0318	0.18	0.17	0.86
Have you ever considered reducing your social media usage to improve your academic performance or financial situation	-0.2266	0.18	-1.28	0.21
Have you ever felt distracted by social media while studying	-0.3252	0.13	-2.57	0.01
Have you ever missed or been late to class due to social media usage	0.6252	0.45	1.37	0.17
Have you ever missed or been late to class due to social media usage	0.6840	0.46	1.49	0.14

Observation and Discussion:

Social Media Engagement and Financial Implications: The research identified a notable positive relationship between social media engagement and financial stress among students. Those who dedicated more time to social media were more prone to experiencing financial stress, which may adversely affect their financial stability and academic success.

- Social Media Engagement and Academic Achievement:** The investigation indicated a negative relationship between social media engagement and academic achievement. Students who invested more time in social media typically exhibited lower GPAs and were more likely to face academic challenges.
- Social Media Engagement and Financial Literacy:** The research indicated that students with higher social media usage exhibited lower financial literacy levels, potentially resulting in poor financial decision-making and heightened financial stress.
- Social Media Engagement and Mental Health:** The study revealed a positive association between social media engagement and symptoms of anxiety and depression among students. Excessive use of social media may lead to diminished mental well-being, which can adversely influence academic performance and financial conditions.
- Social Media Engagement and Time Management:** The research found that students who frequently engaged with social media demonstrated weaker time management abilities, which could result in reduced productivity, heightened stress, and detrimental effects on academic performance.

Key Insights:

The utilization of social media can yield both beneficial and detrimental effects on students' financial and academic achievements.

- Overindulgence in social media may result in heightened financial anxiety, diminished academic performance, and adverse mental health conditions.
- It is essential for educational institutions, policymakers, and individuals to advocate for responsible social media engagement, financial literacy, and academic excellence.
- Programs focused on social media literacy, financial education, and academic assistance can aid students in cultivating positive social media practices and attaining academic success.
- The involvement of parents and peers is crucial in fostering responsible social media usage and enhancing students' financial and academic outcomes.

Way forward:

Social Media Literacy Initiatives: Educational institutions ought to create and execute social media literacy initiatives aimed at instructing students on the responsible use of social media, ensuring online safety, and fostering digital citizenship.

1. **Financial Literacy and Planning Resources:** Institutions should offer resources for financial education and planning to assist students in cultivating sound financial practices, managing debt effectively, and making well-informed financial choices.
2. **Academic Assistance Services:** Institutions are encouraged to provide academic assistance services, including tutoring, mentoring, and counseling, to aid students in navigating academic challenges and alleviating stress.
3. **Mental Health Support Services:** Institutions should make available mental health support services, such as counseling and stress management workshops, to enhance students' mental well-being and mitigate the adverse effects of social media usage.
4. **Time Management and Productivity Workshops:** Institutions ought to conduct workshops on time management and productivity to equip students with effective study techniques, task prioritization skills, and strategies to reduce distractions.
5. **Engagement of Parents and Peers:** The involvement of parents and peers is crucial in fostering responsible social media practices and enhancing students' financial and academic performance. Institutions should promote the participation of parents and peers in social media literacy and financial education programs.
6. **Institutional Policies and Regulations:** Institutions should formulate and enforce comprehensive policies and regulations regarding social media usage, which should encompass standards for online conduct, cyberbullying prevention, and digital harassment.
7. **Research and Assessment:** Institutions are advised to carry out ongoing research and assessments to evaluate the effectiveness of social media literacy programs, financial education efforts, and academic support services in enhancing students' financial and academic achievements.
8. **By adopting these recommendations,** institutions can assist students in cultivating positive social media behaviors, enhancing their financial literacy, and attaining academic excellence.

Conclusion:

The investigation into the impact of social media on students' financial and academic results has yielded significant insights into the intricate connections among social media engagement, financial literacy, academic achievement, and mental well-being. The results indicate that excessive engagement with social media can adversely affect students' financial and academic outcomes, leading to heightened financial anxiety, diminished academic performance, and deteriorating mental health.

Nonetheless, the research also underscores the potential advantages of social media, including enhanced financial literacy, greater access to educational materials, and improved collaboration and communication abilities. To optimize the positive aspects of social media while mitigating its detrimental effects, it is essential for educational institutions, policymakers, and individuals to collaborate in fostering responsible social media practices, promoting financial literacy, and supporting academic excellence.

Limitation:

Our research study involved respondents from KLGBS based out of Hyderabad. A large sample size with students from other institutions across various geographies can contribute to this research with deeper insights.

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