Peer Pressure and Lifestyle Inflation: Analyzing the Impact of Social Comparison on Financial Behavior Among High School Students.

Abstract: This study examines the influence of peer pressure and social comparison on lifestyle inflation and financial behaviour among high school students. With the increasing impact of social media, digital consumer culture, and peer influence, adolescents are becoming more susceptible to impulsive spending and unnecessary consumption. Using a quantitative, cross-sectional research design, primary data were collected from 63 respondents through a structured questionnaire employing a five-point Likert scale. Descriptive statistics, reliability analysis, validity assessment, and Pearson correlation analysis were used to examine the proposed relationships. The findings reveal a significant positive relationship between social comparison and lifestyle inflation, indicating that students who frequently compare themselves with peers and influencers tend to increase their spending. Peer pressure also showed a positive relationship with impulsive spending among high-school-aged respondents, although the relationship was only partially supported across the full sample. The study highlights the importance of financial literacy, responsible social media engagement, and parental guidance in promoting healthy financial habits among adolescents.

Keywords:

Peer Pressure, Social Comparison, Lifestyle Inflation, Financial Behaviour, High School Students, Impulsive Spending, Social Media, Financial Literacy

1. Introduction

Central banks around the world aim to anchor inflation expectations and use it as a policy measure (Coibion et al., 2020). Inflation expectations not only affect the current inflation level in the economy (Malikane, 2024), but also impact the consumption decisions of households (Bachmann et al., 2015, Sheen and Wang, 2023). Thus, it becomes important to understand the factors that affect inflation expectations.Tsiaplias (2021) finds an inverse relationship between inflation expectations and changes in personal income for Australian households. Does the inverse relationship always hold? This paper revisits this relationship for the Indian data. In addition, inflation expectations of Indian households are not rational and have an upward bias(Das et al., 2019), as can be seen in Fig. 1. The inflation expectations captured using the Inflation Expectations Survey of Households (Household Expectations, green line) are higher than actual inflation (Actual Inflation, blue line) throughout. Therefore, this paper investigates the factors that drive this upward bias and the heterogeneous responses of Indian households.

1.1 Background of the Study

In recent years, high school students have been exposed to consumer culture at a much earlier age than before. Advertisements, branded content, and online promotions constantly influence what they see and want. Because of this, many students start associating success and popularity with the things they own, such as clothes, gadgets, or accessories. This early exposure can shape their habits and attitudes toward money, often making them focus more on spending rather than saving. As a result, lifestyle inflation begins to develop, where students feel the need to keep upgrading their lifestyle to match what they see around them and also compare themselves with their friends, which can create a strong desire to fit in. This often leads to spending money just to maintain a certain image or social status. Together, digital influence and peer pressure make students more likely to adopt unhealthy financial habits, focusing on short-term satisfaction instead of thinking about long-term financial stability.

1.2 Rise of Social Comparison Culture

Social comparison is one of the most ubiquitous features of human social life. This fundamental human tendency to look to others for information about how to think, feel, and behave has provided us with the ability to thrive in a highly complex and interconnected

modern social world. Despite its prominent role, however, a detailed understanding of the cultural foundations of social comparison is lacking. The current research aims to fill this gap by showing that two prominent cultural dimensions, tightness–looseness and individualism–collectivism, uniquely explain variation in social-comparison proclivity across individuals, situations, and cultures. We first demonstrate the yet-undocumented link between cultural tightness and comparison proclivity across individuals, and further show that perceptions of ambient tightness and inter-dependence are uniquely associated with stronger social-comparison tendencies. Next, we show that these associations arise across social settings and can be attributed to properties of the settings them- selves, not solely to individual differences. Finally, we show that both tight and collectivistic US states show a propensity to engage in Google searches related to specific social-comparison emotions, but that the tightness–comparison link arises from a unique psycho- logical mechanism. Altogether, these findings show that social comparison a fundamental aspect of human cognition is linked to cultural practices based both in prevalence and strength of social
norms as well as the tendency to construe the self in relation to others. (Susan,T. 2017)

1.3 Youth Consumption Behaviour

Youths between 12 and 22 years old dwell at the confluence of economic compulsions and digital exposure. They feel inflation both in the abstract sense and as day-to-day changes impacting allowance, pocket money, and discretionary purchases. The real-time nature of UPI transactions, e-commerce purchases, and influencer-fueled trends makes inflation a lived, ongoing reality. Measurement of this interaction cannot be done with a generic tool that examines both economic and behavioural aspects, which are missing in available adult-oriented research. Social media appears to have become a defining aspect of how teenagers understand and manage money, including those in senior high. Lin (2023) notes that constant exposure to social media content leads to money illusions and increases spending propensities since it encourages higher consumerist mindsets despite their financial realities. The spending behaviour of the youth is highly influenced by marketing strategies on these platforms, such as high advertisement frequency, trending fashion endorsements, influencer promotions, and branded content, which creates a pattern of consumption driven by external cues rather than personal financial planning (Johan et al., 2022). This is, obviously, significantly influencing teenage school-going since a proper knowledge of handling money is developed, or lacks at this age, which such teenagers find themselves within. Besides, these social media websites are quite engrossing towards influencing young minds towards getting highly influenced by what friends around them are purchasing or buying products for because these spaces, social media are found as areas of constructing societal- approved consumption standards for one and all by youths around the world, (Beri & Kumari,2022). This has been proven to enhance consumer preferences that conform to perceived social expectations for young users between 22 and 25 years of age, a trend that also applies to the younger cohorts who want to emulate the same consumption models (Erokhina & Fedorov, 2022). Thus, the more senior high school students are immersed in social media and its advertisements promoting such engagement, the more likely they are to adopt spending behaviours based on their desire to be socially desirable and up-to-date. These students have become the new face of online business. There is a need to understand this dynamic to address the financial management needs of such young consumers moulded by such strong influences through social media.

1.4 Problem Statement

This research explores how peer pressure and social comparison lead to lifestyle inflation among high school students, examining their subsequent impact on spending, saving, and budgeting behaviors. Specifically, the study investigates the extent to which adolescents alter their spending to conform to peer norms, the role of social media in accelerating this lifestyle inflation, and how these factors collectively undermine long-term financial literacy and wellness. The following questions to assess the influence of social media on the spending behaviour of senior high school students:

1. How does social media influence the spending behaviour of senior high school students in terms of:

1.1. Attitudes and behaviour of senior high students?

4. What is the proposed financial management plan for senior high students based on the

1.2. Subjective Norms

1.3. Perceived Behavioral Control

2. What is the spending behaviour of the senior high school?

3. Is there a significant relationship between social media influence and the spending findings?

1.5 Research Gap

Social media has become an extremely influential tool in making financial decisions because it is a readily available gateway to financial information and also increases communication between users (Subramanian & Prerana, 2021). Recently, it has dominated spending and investment decisions among the youth. Ferah and Sumer (2023) claim that social media advances financial literacy by increasing access to information, creating peer-to-peer discussions, and presenting various investment opportunities. YouTube, Instagram, and Facebook are now learning platforms like quick tips on investing in stocks, where young adults share insights about different investment options that appeal to them, and such insights shape the financial decisions they make (Subramanian & Prerana, 2021). This trend shows how social media evolved from being a mere networking site to becoming an influential tool in shaping users' awareness and trends in investment. Social media has its disadvantages, though. Prolonged exposure to carefully crafted content makes them believe that wealth is an issue of how much they spend, thus making adolescents adopt consumerist habits that encourage overspending. According to Lin (2023), it increases spending behaviours among teenagers and makes them have unhealthy attitudes about money.This is enhanced with attractive advertisements and convenience through increased buying interest and facilitated decisions by factors of attentiveness, engagement, and information exchange (Budiyanto et al., 2022). Influence towards consumers and investment decision- making on social media remains a potent and frequent habit-forming attribute between millennials and Gen Z populations, especially towards expensive and impactful habits (Hasanudin, 2023). The platforms continue to shape financial behaviours, and it becomes necessary to understand the impact on spending habits to develop suitable financial literacy initiatives.

1.6 Significance of the Study

Peer influence is a phenomenon where an individual follows his friends. Adolescence tends to follow it blindly than any other age group. They even share their secrets with their classmates and strive to believe them as role models. Adolescence is a delicate stage that must be handled with caution because it is such a pivotal time in everyone’s life. During this time, the individual is bursting with energy and passion. It is a period of growth and development in all streams of life. It is a period where one can transform into a better self by molding their character and personality that influences a person's destiny. At the same time, it is a time when people are more likely to engage in nefarious behaviors such as drug misuse and other habits. Teachers in schools and colleges could play an essential role in detecting role shifts in their pupils and guiding them in the proper route. The study focuses on how undergraduates’attitudes and behaviors develop over time. Youth can have a beneficial or harmful impact on their peers. The study focuses on the extent of peer influence on undergraduate’s lifestyle behaviors. As a result, the study may raise awareness among youngsters about the positive and negative impacts of peer influence. Peers are the ideal people with whom one may readily talk and interact. They are critical in the lives of all young people. As they spend most of their time together during the day, they would like to observe and imitate each other’s activities, character, behaviors, and so on.Adolescence is when one’s personality is still developing; peer influence would aid in physical and mental growth by assisting one another. However It could have a detrimental effect on them at times. They may be prone to vices such as drunkenness, smoking, and drug misuse. As a result, maintaining a balance in peer Influence is critical. According to the Social Learning Theory, teenagers do not need to see and adopt a particular behavior; instead, they need to believe that their peers approve it to pick similar acts. Peers can significantly impact how an adolescent looks, speaks, eats, acts sexually, utilizes social media, adopts and accepts violent, anti-social behavior, and many other elements of their lives. According to various research findings, peers play a critical role in various areas of adolescence lives positively or negatively. It is nearly impossible to get through adolescence without being impacted somehow.(Jane, L. et al. 2022)

2. Review of Literature

2.1 Social Comparison and Consumer Behaviour

Consumptive behavior in adolescents has become an increasing concern in the context of financial management. Today's teens face intense pressure from various external factors, such as aggressive marketing, social media, and social pressure from peers, which drives them to have a high desire to shop and follow consumption trends. In this literature, we will review theories and concepts relevant to understanding consumptive behavior in adolescents. a. Shopping Dependence Theory: Shopping dependence theory presents an understanding that adolescent consumptive behavior can be a form of psychological dependence on shopping activities. According to this theory, teens may experience temporary satisfaction and excitement through the purchase of goods or services. They may develop emotional needs that depend on shopping as a way to cope with stress, boost self-esteem, or fulfill social desires. Understanding this theory provides insight into the motivations and drives underlying consumptive behavior in adolescents. Consumptive behavior in adolescents is influenced by a variety of complex factors. Understanding the factors that influence consumptive behavior in adolescents can help identify underlying causes and design effective intervention strategies. In this literature, we will review some relevant influencing factors in consumptive behavior in adolescents.(Thursina, F. et al. 2023)

2.2 Peer Pressure and Spending Patterns

Nowadays, as the internet and social media are closely watching the rapid improvement of technology, teenagers spend most of their free time surfing on the internet. They try to progress the relationships between their peers, relatives and also strangers by sharing video clips, photos, opinions and situations, online. Also, by following their peers' photos and video clips, they try to buy and own the products and brands that their peers have. Besides, while teenagers try to buy the products that their peers have and like to use, they also avoid the ones that their peers dislike them. With this approach, without being aware, they form the subdivision of marketing, known as social media marketing. By using social media marketing, companies make their advertisements for free. This is the most important advantage that word of mouth communication provides the companies. On the other hand, besides their successful advertisements, a little mistake, wrong services and imperfect product they did, affect lots of their customers. Especially like the internet, the biggest platform for teenagers, these mistakes affect the companies' images because teenagers communicate with their peers about everything at any time. Peers' ownership of a certain product or service constitutes a modeling process; to be like peers, the consumer can buy the same brand or avoid other brands . The potential for peer pressure also motivates the focal consumer to like or purchase the product, which can prompt rewards (e.g., more intimate relationships) from peers, whereas a lack of purchase can lead to punishment (e.g., exclusion from the group). For this learning process, peers exert influences in written messages, such as positive and negative reviews, comments, suggestions,discussions,or experiences. But even if the influence of peers is stronger in more conspicuous consumption activities, although it varies according to the type of products it is even stronger with regard to luxury products than it is with regard to daily consumption goods and although it is mainly related to material values, it is nevertheless noticeable that the value of the product, as perceived by the child, is not determined by its marketing value, but by the enthusiasm derived from this product among a group of peers.

2.3 Social Media and Aspirational Consumption

Social media fuels aspirational consumption by constantly exposing users to idealized lifestyles, luxury items, and curated experiences. This creates a cycle of upward social comparison and Fear of Missing Out (FOMO), where users purchase goods to emulate influencers and achieve perceived social validation, often leading to overspending and financial strain. Viewing content from aspirational influencers or peers creates a gap between one's current reality and the desired lifestyle. Purchases become a way to bridge this self-discrepancy and project a curated identity. The "Consumption Competition": Because social media operates on visible metrics (likes, views, follower counts), digital spaces naturally turn into a consumption competition. Users subconsciously equate purchasing popular or high-status items with social inclusion and success.Aspirational Debt;The desire to maintain a picture-perfect digital image can result in financial strain, particularly among younger demographics who may finance these aspirational purchases through credit.

2.4 Lifestyle Inflation Among Youth

Inflation in India has shown remarkable volatility in the past decade, having a drastic effect on consumption and savings habits at the household level. Although a large body of literature has addressed the financial habits of adults, addressing financial practices among Generation Z (Gen Z), a population growing increasingly accustomed to digital payment systems, electronic shopping portals, and social networking-consumerism, has surprisingly been sparse. Given inflation’s pervasive presence in the economic lives of the youth, its actual externalities on the financial habits of the young population have yet to be studied comprehensively. The present study presents the Youth Inflation Index (YII), a new measure conceived for the purpose of exploring the dynamics between inflation and consumption, saving, and financial decision-making habits among Indian youth aged between 12 and 22. As distinct from research targeting adults, the YII combines economic and behavioural components, bringingtolightthedynamicsbetweenpriceincreases, digitalpayment systems, electronic shopping, social networking-consumerism, and peer pressure in shaping the financial strength of teenagers and young adults.

2.5 Financial Literacy and Behaviour

Financial literacy means making efficient decisions concerning the utilisation of money. Financially literate investors can make better investment decisions and make a clear decision regarding the spending of cash and its management (Noctor et al., 1992). Organisation for

Economic Cooperation and Development (OECD.), defined financial literacy as "A combination of knowledge, awareness, skill, attitude, and behaviour necessary to make better financial decisions and ultimately achieve individual financial well-being" (OECD INFE3, 2011). Measuring the level of knowledge in finance and attitude and assessing behaviour in finance of respondents requires identifying obvious needs and gaps in specific areas of literacy in finance. Financial literacy is measured through financial knowledge, skill, attitude, and financial behaviour is measured through financial planning, decision-making, and financial control. The RBI set up financial literacy and counselling centres in India in 2007 to enhance financial education and counselling for urban and rural populations across the country.Financial behaviour is the skill to capture and comprehend the overall effect of decisions in finance on one's circumstances (i.e. person, family, community, country) and make decisions about proper cash management, precautions, and planning opportunities. IGI. Global stated that financial behaviour as human actions relevant to the management of cash, credit and savings (IGI Global, 2019). In the past, many studies have undertaken to know the impact of literacy in finance on financial behaviour.

2.6 Psychological Drivers of Spending

Psychological factors play a major role in influencing spending behavior, especially among teenagers and young adults. Many individuals spend money not only based on necessity but also because of emotions, social influence, and personal habits. One important psychological driver is impulse buying, where people make unplanned purchases without proper thinking due to attractive discounts, advertisements, online sales, or social media trends. Young consumers are particularly affected because they are highly influenced by peer pressure and changing fashion trends. Emotional triggers also contribute significantly to spending habits, as people often shop to reduce stress, improve their mood, or experience temporary happiness. Feelings such as boredom, sadness, loneliness, excitement, or anxiety can encourage emotional spending, often referred to as “retail therapy.” Social media further increases this behavior by creating comparisons with others’ lifestyles and encouraging individuals to maintain a certain image. In addition, lack of self-control is another major factor that affects financial decisions. Many individuals prefer instant satisfaction instead of saving money for future needs, leading to unnecessary spending. The increasing use of digital payments, credit cards, and “buy now, pay later” services has made spending easier and less noticeable because people no longer physically handle cash. As a result, individuals may lose track of their expenses, which can lead to overspending, debt, and financial instability. Therefore, understanding these psychological drivers is important for improving financial awareness, self-discipline, and responsible spending behavior among young consumers.

2.7 Research Gap in School-Level Studies

One major research gap in studies related to financial behavior and spending patterns is the limited empirical focus on adolescents and school-level students. Most existing research has primarily concentrated on adults, college students, or working professionals, while the financial attitudes and spending behavior of teenagers remain comparatively underexplored. Adolescents are highly influenced by peer pressure, social media, lifestyle trends, and emotional factors, yet there is insufficient research examining how these influences shape their financial decisions during school years. Additionally, very few studies analyze the impact of digital payments, impulsive spending, and financial awareness specifically among high school students. Since adolescence is an important stage for developing long-term financial habits, the lack of focused research in this area creates a significant gap in understanding youth consumption behavior and financial discipline.

3. Theoretical Background

3.1 Social Comparison Theory

Social Comparison Theory explains that individuals often compare themselves with their peers in order to evaluate their social status, achievements, lifestyle, appearance, and self-worth. People naturally observe the behavior, possessions, and success of others around them and use these comparisons to judge their own position in society. Among teenagers and young adults, social comparison becomes especially strong because they are highly influenced by friends, classmates, social groups, celebrities, and social media platforms. During adolescence, individuals strongly desire social acceptance and recognition, which increases their tendency to compare themselves with others. In today’s digital world, social media has intensified the process of social comparison. Platforms such as Instagram, Snapchat, and other online networks constantly expose young people to images of fashionable lifestyles, branded products, expensive gadgets, vacations, and luxury experiences. When students see their peers displaying these lifestyles online, they may feel pressure to maintain similar standards in order to avoid feeling left out or socially inferior. As a result, many individuals begin to associate material possessions with popularity, confidence, and success. This constant comparison significantly influences spending behavior. Teenagers may purchase unnecessary items, spend excessively on fashion or entertainment, or follow trends simply to fit into their social circles. Such behavior often leads to impulsive buying and lifestyle inflation, where individuals gradually increase their spending habits to match the lifestyles of others even if it exceeds their financial capacity. In many cases, students spend money not because of actual need, but because of the desire to gain approval, improve their social image, or avoid social exclusion. Continuous social comparison can also negatively affect emotional and financial well-being. Individuals who are unable to match the lifestyles they observe may experience stress, dissatisfaction, low self-esteem, or feelings of inadequacy. Over time, this may reduce financial discipline and encourage unhealthy spending patterns. Therefore, Social Comparison Theory plays an important role in understanding how peer influence and societal expectations shape the financial decisions and consumption behavior of adolescents and young consumers.

3.2 Theory of Planned Behavior (TPB)

This study investigates the extent to which communication variables, namely, interpersonal communication and attention to mass media, as well as the key components in the theory of planned behavior (TPB), including, attitudes, social norms, and perceived behavioral control, are associated with healthy lifestyle intention in Singapore. Healthy lifestyle intention was conceptualized and operationalized in terms of individuals' proclivity for physical activity and healthy diet. Data came from a nationally representative computer-assisted telephone interview (CATI) of 1055 Singaporeans aged 21 years and above. Hierarchical regression analysis was conducted. Results show that both communication and planned behavior variables were positively related to behavioral intention. The study is important for both theory and practice. Theoretically, it demonstrates the possibility to extend the TPB with two more variables: interpersonal communication and attention to mass media. On the practical front, the results inform health authorities and marketers on ways to promote public adoption of healthy lifestyles in Singapore.

3.3 Behavioural Economics

Behavioral economics research faces a series of biases, methodological errors, and analytical limitations that must be identified and corrected to ensure accurate interpretation of economic behavior. Measurement bias occurs when self-reported data, survey responses, or experimental outcomes reflect subjective perceptions rather than actual preferences or behavior.

Sample-selection bias in laboratory experiments often involving university students limits the generalizability of results to broader populations. Confirmation bias may also influence researchers, leading them to interpret ambiguous findings through the lens of expected behavioral patterns. Model-specification errors arise when psychological variables are excluded or misrepresented in econometric models, causing distorted estimates of behavioral effects. External validity is another challenge, as controlled experimental environments rarely capture the complexity, pressure, uncertainty, and emotional variability of real markets. Behavioral data may also be affected by cultural differences, situational constraints, and social desirability effects that obscure true preferences. Addressing these limitations requires rigorous experimental design, robust cross-cultural replication, triangulation of multiple data sources, transparent reporting standards, and incorporation of real-world field experiments that better reflect authentic decision environments; measurement error; sampling limitations; model-specification issues; external-validity problems; researcher bias; cultural-behavioral variability; real-world experimental rigor; methodological reliability. (Salah, A. 2025)

3.4 Self-Control Theory

The level of financial literacy of an individual has a major impact on saving attitudes, which promote trust in planning and a willingness to save and invest money. Financial literacy often improves one’s understanding of how to manage one’s personal finances effectively, reducing the likelihood of making bad financial decisions. Formal education, social networks, parents, friends, and the media all help one gain financial literacy. This knowledge helps people make well-informed decisions and supports their personal well-being; without it, people are burdened by a lack of understanding of financial issues. As a result, financial knowledge, skill and ability are important factors in improving financial conduct and promoting personal financial well-being for people with/with no prior financial experience. According to the findings of this study, Those who have a better understanding of personal finance are more likely to save effectively. On this basis, we hypothesize that financial literacy can predict micro and small business owners' savings behavior (H01). Self-control is the ability to control one’s urges, thoughts, desires, and behavior in order to preserve a valued target (having a financially stable retirement) or avoid a temptation (spending money on non-essential items).Personal financial management requires a prioritized lifestyle and self-awareness to obey the rules and the ability to adjust to changes that have explicitly touched self-control. There is a need for impulse management to help people behave remotely and show self-regulation (Lindner, Nagy, & Retelsdorf, 2015).

4. Objectives of the Study

4.1: To examine the relationship between social comparison and lifestyle inflation among high school students

4.2: To analyze the impact of peer pressure on financial behaviour, particularly impulsive spending patterns

5. Hypotheses

H1: There is a significant positive relationship between social comparison and lifestyle inflation among high school students

H2: Peer pressure has a significant positive impact on impulsive financial behaviour among students

6. Method

6.1 Research Design

The present study adopted a quantitative research design to investigate the relationship between peer pressure, social comparison, lifestyle inflation, and the financial behaviour of students. A quantitative approach was considered the most suitable because it enables the collection of numerical data that can be systematically analysed using statistical methods. This approach allows researchers to identify patterns, measure relationships between variables, and draw objective conclusions based on empirical evidence.The research followed a cross-sectional design, meaning that data were collected from participants only once during the study period rather than over a prolonged duration. This design was appropriate as the study aimed to understand students' current financial behaviours and perceptions regarding peer influence and social comparison at a particular point in time. After the data were collected, they were analysed using descriptive statistics to summarize the responses. In addition, reliability testing through Cronbach's Alpha, validity assessment, and Pearson correlation analysis were conducted to evaluate the quality of the research instrument and to examine the relationships among the variables included in the study.

6.2 Sample and Population

The population for this research comprised high school students between the ages of 14 and 18 years. This age group was selected because the study focuses on understanding how peer pressure and social comparison affect the financial behaviour of adolescents, who are generally more susceptible to social influences during this stage of life.Although the primary focus remained on high school students, a limited number of respondents aged 19 years and above also participated in the survey. Including these participants helped increase the overall response rate and provided additional perspectives on the research topic.A total of 63 valid responses were obtained and included in the final analysis. Out of these, 45 respondents (71.4%) belonged to the intended target group of students aged 14–18 years, while the remaining 18 respondents (28.6%) were aged 19 years or above. Even though responses from the older participants were considered during the analysis, the findings were interpreted mainly with reference to the high school age group, as they represented the primary population of interest. Participation in the study was voluntary, and informed consent was obtained from every respondent before they completed the questionnaire.

6.3 Sampling Method

This study used the random sampling method to select participants for the survey. Under this technique, every eligible student had an equal opportunity to become part of the research, which helped minimize the possibility of selection bias. Random sampling was considered appropriate because it improves the fairness of the selection process and increases the likelihood of obtaining responses from students with different backgrounds, experiences, and opinions.Using this method also enhanced the credibility of the study, as it reduced the influence of personal preference in selecting participants. Consequently, the sample was able to provide a broader representation of the target population, making the research findings more reliable and objective.

6.4 Sample Size

The study was conducted using a final sample of 63 respondents who completed the questionnaire with valid and usable responses. Before beginning the analysis, the collected data were carefully reviewed to ensure that all responses were complete and suitable for statistical examination. Any incomplete or invalid responses were excluded from the final dataset.The sample size of 63 respondents was considered appropriate for carrying out the statistical techniques used in this research, including descriptive statistics, reliability analysis through Cronbach's Alpha, validity assessment, and Pearson correlation analysis. The data collected from these respondents provided sufficient information to examine the relationships between peer pressure, social comparison, lifestyle inflation, and financial behaviour, thereby enabling the researcher to test the proposed hypotheses effectively.

6.5 Measurement Scale

To measure the opinions and perceptions of the respondents, the study employed a five-point Likert scale. This scale is widely used in behavioural and social science research because it provides a simple and effective way of measuring attitudes, beliefs, and behavioural tendencies. It allows respondents to express the degree to which they agree or disagree with a particular statement, thereby generating quantitative data that can be statistically analysed.

The response categories used in the questionnaire were coded as follows:

- 1 – Strongly Disagree
- 2 – Disagree
- 3 – Neutral
- 4 – Agree
- 5 – Strongly Agree

Every statement included in the questionnaire was measured using this scale. The statements were designed to assess various aspects of social comparison, direct peer pressure, lifestyle inflation, and impulsive spending behaviour among students. After data collection, the numerical responses assigned to each option were entered into the dataset and analysed to calculate descriptive statistics such as mean scores and standard deviations. Furthermore, the data were used to assess the reliability and validity of the measurement instrument and to examine the correlations among the study variables.

6.6 Data Collection Procedure

The study was based on primary data collected directly from respondents through a structured questionnaire. The questionnaire was specifically designed to examine the financial behaviour of students and the influence of peer pressure, social comparison, and lifestyle inflation on their spending decisions. Before preparing the questionnaire, relevant books, research articles, and previous studies related to the topic were reviewed to ensure that the survey statements were appropriate and aligned with the objectives of the research. All questions were close-ended and measured using a five-point Likert scale.Data collection was carried out through both online and offline modes to reach a larger number of participants. The online version of the questionnaire was circulated through digital platforms, while printed copies were distributed personally to students wherever possible. This combination of methods helped improve accessibility and increased the overall response rate.Participation in the survey was entirely voluntary. Before completing the questionnaire, respondents were informed about the purpose of the research and assured that their participation was optional. They were also informed that all information provided would remain confidential and anonymous and would be used solely for academic research. These measures were taken to encourage honest and unbiased responses.

After the questionnaires were collected, the responses were carefully examined to identify any incomplete or inconsistent entries. Only complete and valid questionnaires were retained for analysis, resulting in a final sample of 63 respondents. The responses were then coded and entered into the statistical software for analysis. Descriptive statistics were used to summarize the data, while Cronbach's Alpha was applied to examine the reliability of the measurement scale. Validity assessment was conducted to ensure the quality of the research instrument, and Pearson correlation analysis was performed to determine the strength and direction of the relationships among the variables and to evaluate the proposed research hypotheses.

7. Data Analysis

This section presents the analysis of primary survey responses collected for the study on peer pressure, social comparison, lifestyle inflation, and financial behaviour among students. The responses were coded using a five-point Likert scale, where 1 represented Strongly Disagree and 5 represented Strongly Agree. A total of 63 valid responses were included in the dataset. Since the study focuses on high school students, the correlation analysis also gives specific attention to the 45 respondents aged 14-18. The remaining 18 respondents were aged 19 or above; therefore, findings should be interpreted as evidence from a student/young respondent sample, with some caution in generalising exclusively to high school students.

The analysis was conducted in three stages: descriptive statistics, reliability and validity analysis of the scale, and Pearson correlation analysis for the two hypotheses.

Table 7.1: Sample Profile

Category	Count	Percentage
Total valid responses	63	100.0%
High-school-aged respondents (14-18)	45	71.4%
Older respondents (19+)	18	28.6%
Voluntary consent	63	100.0%

Detailed age distribution: 14 years: 2; 15 years: 2; 16 years: 12; 17 years: 13; 18 years: 16; 19 years: 12; 20 years: 2; 21 years: 2; 25 years: 1; 27 years: 1.

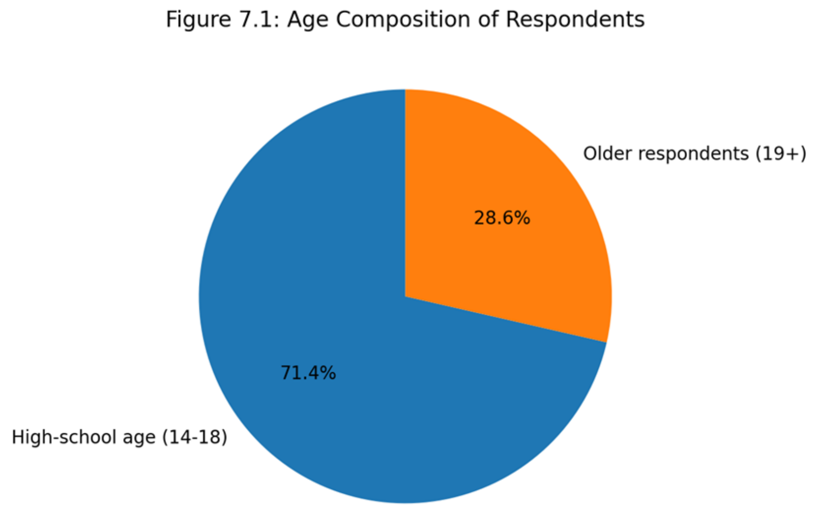

Figure 7.1: Age composition of respondents

Construct	Survey Indicators Used
Social Comparison	Comparison with friends, influencer/celebrity influence, and pressure to maintain lifestyle due to social media.
Lifestyle Inflation	Increase in expenses, prioritising wants over needs, upgrading lifestyle to match others, and increased spending with higher allowance/income.

Direct Peer Pressure	Perceived negative effect of peer pressure, willingness to reduce spending if social pressure reduced, and guilt/stress after socially influenced spending.
Impulsive Spending Tendency	Regret after impulsive purchases and feeling of spending more money than one should.

Table 7.2: Construct Operationalisation

7.1 Descriptive Statistics

Descriptive statistics were used to understand the central tendency and variation in students' responses. Mean scores closer to 5 indicate stronger agreement with the statement or construct, while mean scores closer to 1 indicate stronger disagreement. Scores around 3 indicate a neutral or moderate level of agreement.

Construct	N	Mean	SD	Minimum	Maximum	Interpretation
Social Comparison	63	3.51	0.81	1.33	5.00	Moderate
Lifestyle Inflation	63	3.75	0.44	2.75	4.75	High
Direct Peer Pressure	63	3.60	0.77	1.00	5.00	Moderate
Impulsive Spending Tendency	63	3.65	0.62	2.00	5.00	Moderate

Table 7.3: Construct-level Descriptive Statistics (Full Sample)

The highest construct mean was observed for Lifestyle Inflation (M = 3.75), indicating that many respondents reported increased expenses, a tendency to spend more when allowance or income rises, and some inclination to prioritise wants over needs. Direct Peer Pressure also showed a relatively high mean (M = 3.60), suggesting that social pressure is a visible factor in students' financial behaviour.

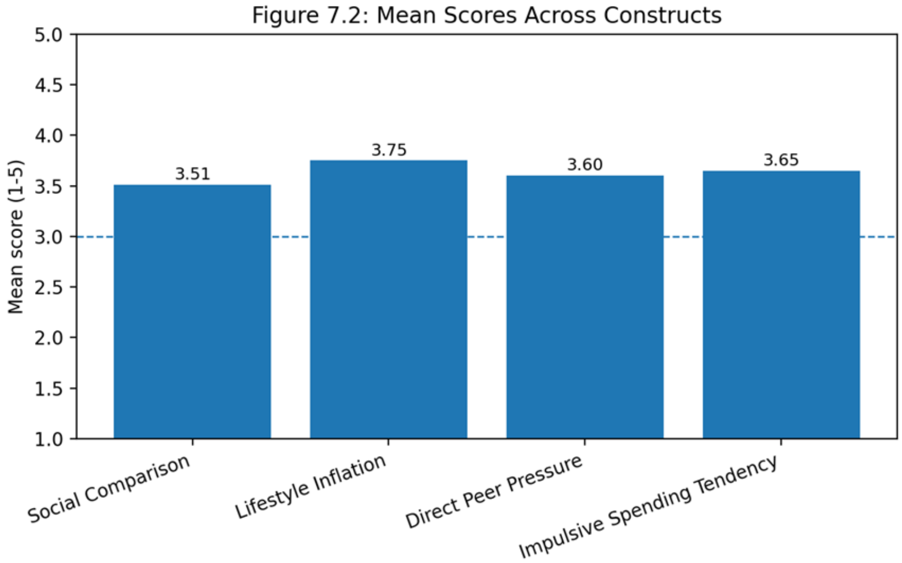

Figure 7.2: Mean scores across constructs

Survey Item	Mean	SD	Agree/Strongly Agree	Interpretation
Expenses increased	4.11	0.86	71.4%	High
Plans expenses	3.86	0.80	73.0%	High
Allowance-spend link	3.83	0.87	63.5%	High
Would spend less	3.78	1.04	65.1%	High
Hard to say no	3.78	1.07	68.3%	High
Overspending	3.75	0.86	60.3%	High
Stress/guilt	3.63	0.92	58.7%	Moderate
Compares lifestyle	3.63	1.02	58.7%	Moderate
Wants over needs	3.59	0.89	47.6%	Moderate
Impulse regret	3.56	0.95	47.6%	Moderate
Social media pressure	3.49	1.08	47.6%	Moderate
Upgrades to match	3.48	1.00	49.2%	Moderate
Satisfied habits	3.46	0.91	47.6%	Moderate
Influencer effect	3.41	1.03	58.7%	Moderate
Peer pressure impact	3.40	1.07	54.0%	Moderate

At the item level, the strongest agreement was seen for increased expenses compared to the previous year, planning expenses in advance, allowance-linked spending, and difficulty saying no to spending plans with friends. This suggests that students are aware of financial planning, but still experience pressure-linked and lifestyle-linked spending tendencies.

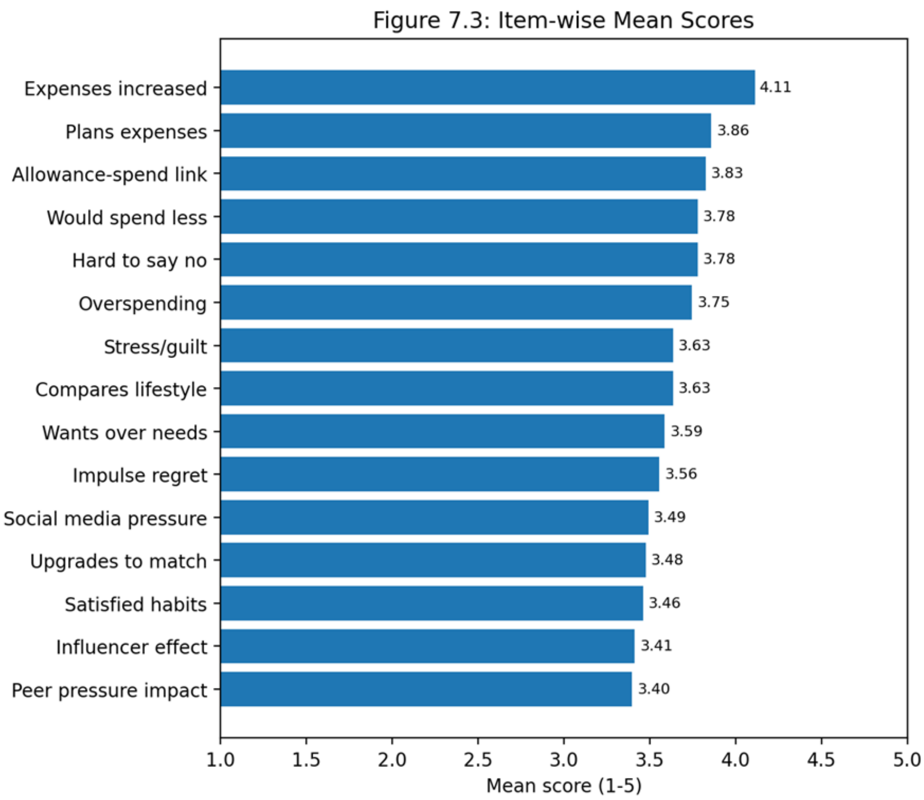

Figure 7.3: Item-wise mean scores

7.2 Reliability and Validity of the Scale

Reliability was assessed using Cronbach's alpha. A value of 0.70 or above is generally treated as acceptable, while values between 0.60 and 0.69 may be considered usable for exploratory student research. Values below 0.60 suggest that the items may not be measuring a single internally consistent construct.

Construct	**No. of Items**	**Cronbach's Alpha**	**Interpretation**
Social Comparison	3	0.664	Borderline; usable for exploratory work
Lifestyle Inflation	4	-0.071	Not reliable; item-level caution required
Direct Peer Pressure	3	0.638	Borderline; usable for exploratory work

Impulsive Spending Tendency	2	-0.131	Not reliable; item-level caution required

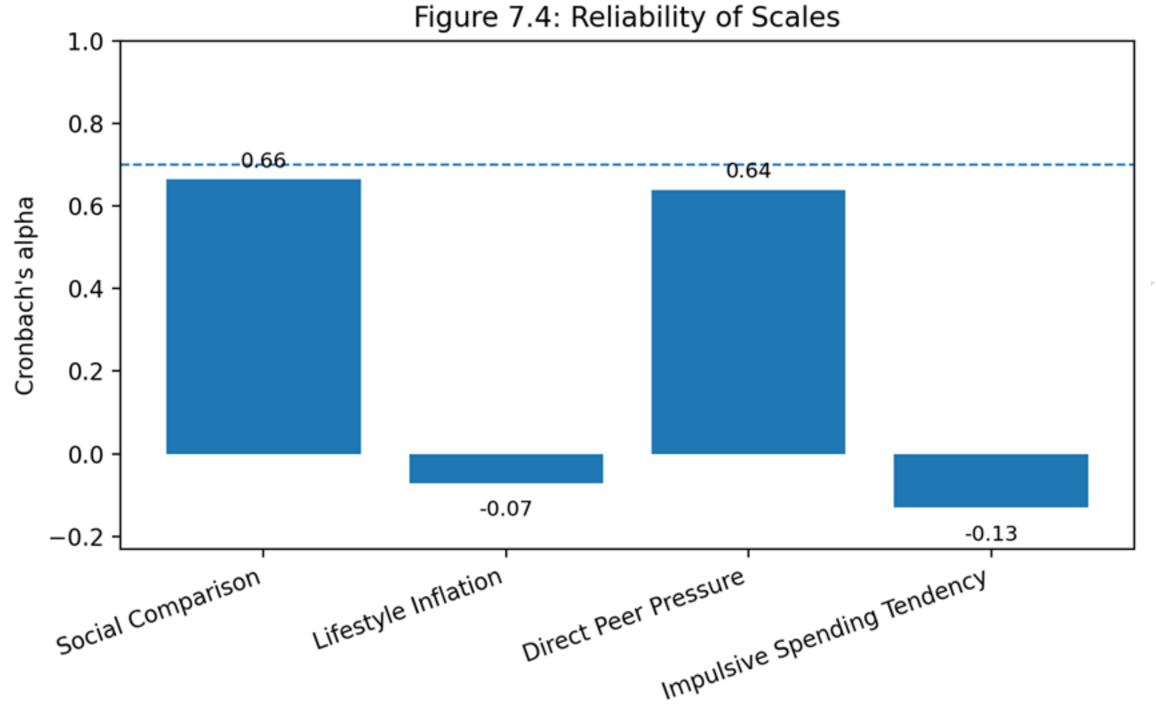

Figure 7.4: Reliability of scales

The Social Comparison scale showed borderline reliability (alpha = 0.664), which is acceptable for exploratory research. The Direct Peer Pressure scale was also borderline. However, the Lifestyle Inflation and Impulsive Spending Tendency scales showed weak or negative alpha values. This indicates that these constructs may be multidimensional in this dataset. For example, an increase in expenses, spending more with higher allowance, and upgrading lifestyle to match others may not occur together for every respondent. Similarly, regret after impulsive purchases and feeling that one spends too much did not operate as a strongly consistent two-item scale.

Therefore, the results should be interpreted with caution. The survey has strong content relevance because the items directly address the study objectives, but future research should improve scale reliability by adding more focused items for lifestyle inflation and impulsive spending.

Validity Area	**Assessment**

Content validity	The questionnaire items directly covered the study variables: social comparison, lifestyle upgrading, peer pressure, overspending, and impulsive purchase regret.
Face validity	The statements were easy to understand and aligned with everyday financial behaviour among students.
Construct validity	Correlation analysis showed theoretically expected relationships for H1 and partial support for H2 in the high-school-aged subgroup.
Sampling validity limitation	The sample included 45 high-school-aged respondents and 18 respondents aged 19 or above, so high-school-only generalisation should be cautious.
Reliability limitation	Some constructs showed weak internal consistency, suggesting that future versions of the questionnaire should use more items per construct and avoid mixing different behavioural dimensions.

Table 7.6: Validity Assessment

7.3 Correlation Analysis

Pearson correlation analysis was used to test the relationships proposed in the hypotheses. Since the central objective refers to high school students, the main hypothesis interpretation uses the 45 respondents aged 14-18. Full-sample results are also reported for transparency.

Variable	Social Comparison	Lifestyle Inflation	Direct Peer Pressure	Impulsive Spending Tendency	Overspending Tendency	Direct Impulse Regret
Social Comparison	1.00	0.44	0.33	0.38	0.41	0.10
Lifestyle Inflation	0.44	1.00	0.33	0.31	0.38	0.04
Direct Peer Pressure	0.33	0.33	1.00	0.38	0.36	0.15

Impulsive Spending Tendency	0.38	0.31	0.38	1.00	0.60	0.70
Overspending Tendency	0.41	0.38	0.36	0.60	1.00	-0.15
Direct Impulse Regret	0.10	0.04	0.15	0.70	-0.15	1.00

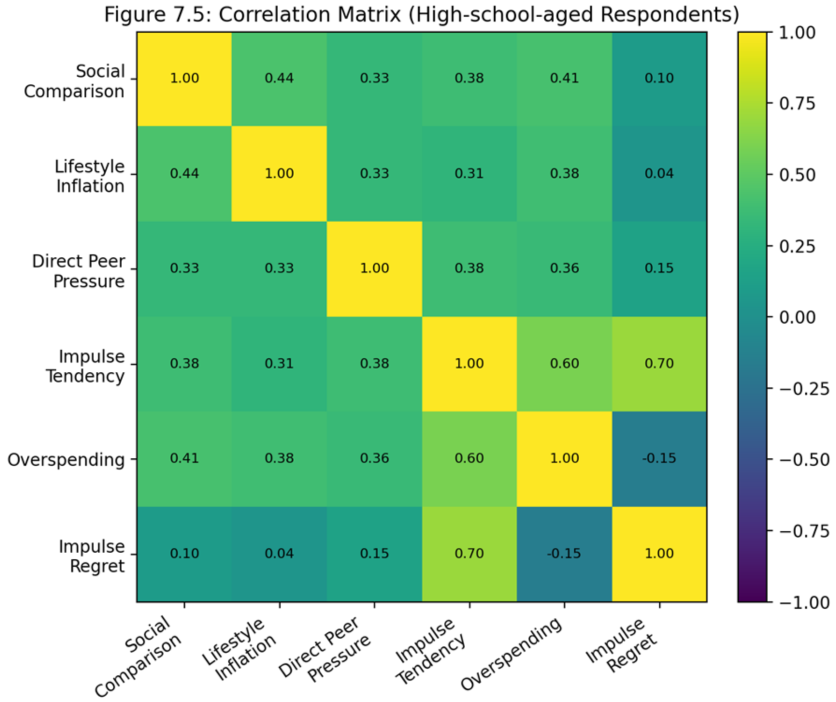

Figure 7.5: Correlation matrix for high-school-aged respondents

Hypothesis 1

H1 stated that there is a significant positive relationship between social comparison and lifestyle inflation among high school students. In the high-school-aged subgroup, Social Comparison and Lifestyle Inflation were positively and significantly correlated, r(43) = .437, p = .003. The full-sample result was also significant, r(61) = .310, p = .014. This supports H1. Students who reported stronger comparison with friends, influencers, and social media lifestyle standards also tended to report higher lifestyle inflation.

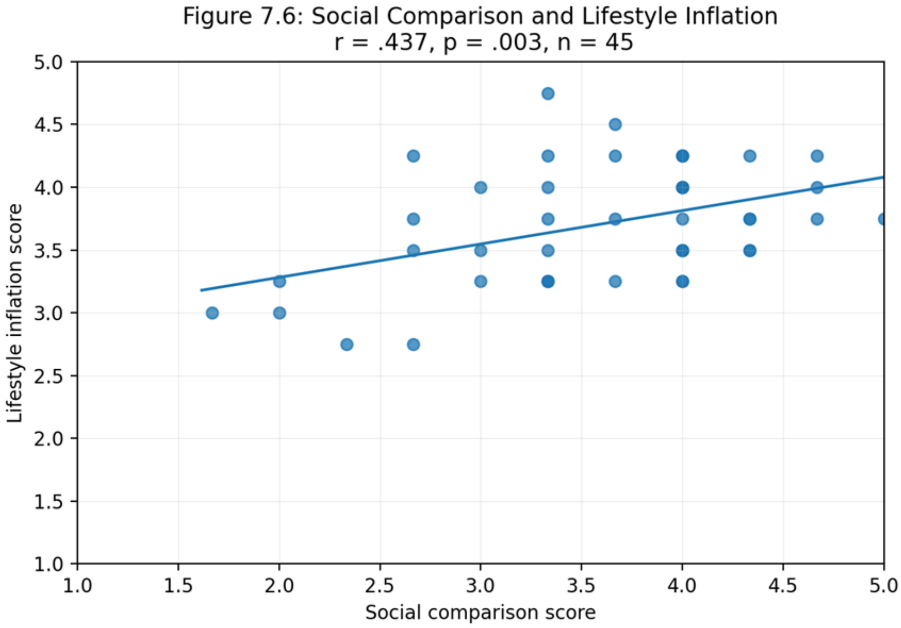

Figure 7.6: Scatterplot for H1

Hypothesis 2

H2 stated that peer pressure has a significant positive impact on impulsive financial behaviour among students. In the high-school-aged subgroup, Direct Peer Pressure and Impulsive Spending Tendency showed a positive and significant relationship, $r(43) = .380$, $p = .010$. However, the full-sample relationship was weaker and not statistically significant, $r(61) = .189$, $p = .138$. This means H2 receives partial support: the relationship is visible among high-school-aged respondents, but it is not equally strong across the entire mixed-age sample.

As an additional item-level check, Direct Peer Pressure was significantly related to the overspending item among high-school-aged respondents, $r(43) = .359$, $p = .015$. However, it was not significantly related to the direct regret-after-impulsive-purchases item, $r(43) = .149$, $p = .328$. This suggests that peer pressure is more clearly associated with overspending tendency than with post-purchase regret in this dataset.

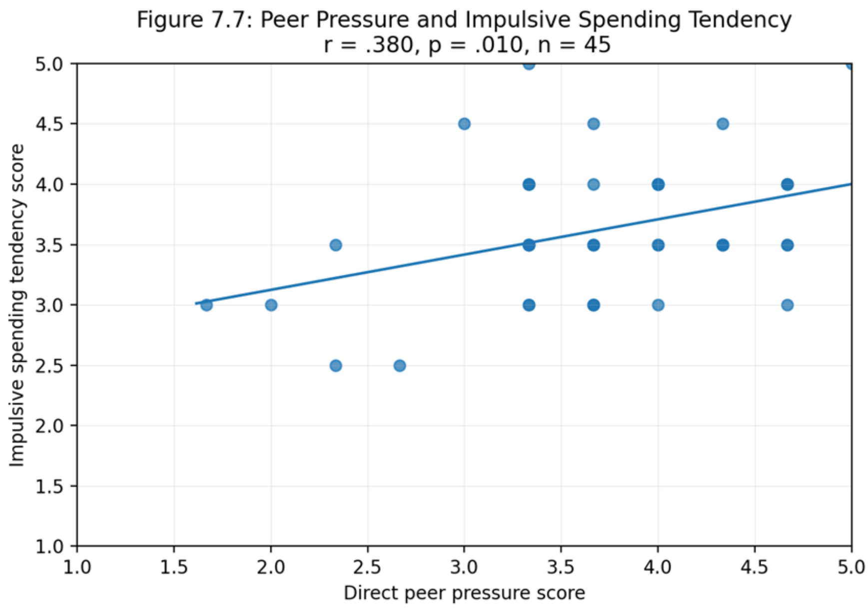

Figure 7.7: Scatterplot for H2

Hypothesis	Relationship Tested	Statistical Result	Decision
H1	Social comparison and lifestyle inflation	High-school subgroup: r = .437, p = .003; Full sample: r = .310, p = .014	Supported
H2	Peer pressure and impulsive financial behaviour	High-school subgroup: r = .380, p = .010; Full sample: r = .189, p = .138	Partially supported

Table 7.8: Hypothesis Testing Summary

Overall, the analysis indicates that social comparison is meaningfully associated with lifestyle inflation among students, especially within the high-school-aged subgroup. The influence of peer pressure on impulsive financial behaviour is present but less consistent. The findings suggest that social comparison may be a stronger and more stable predictor of lifestyle inflation than peer pressure is of impulsive financial behaviour in the current dataset.

8. Results and Discussion

8.1 Demographic Profile

The study was conducted using responses from 63 participants, all of whom completed the questionnaire and provided valid responses for analysis. Although the primary focus of the research was on high school students, the sample also included a small number of respondents above the target age group to increase participation and obtain broader perspectives. Among the total respondents, 45 students (71.4%) were between 14 and 18 years of age, representing the intended population of the study, while 18 respondents (28.6%) were aged 19 years or above. The age distribution reflected a diverse student sample. The largest group consisted of 18-year-old respondents (16 participants), followed by 17-year-olds (13 participants) and 16-year-olds (12 participants). Smaller numbers of respondents belonged to the age groups of 14, 15, 20, 21, 25, and 27 years. Since the main objective of the research was to understand the financial behaviour of adolescents, greater emphasis was placed on the findings obtained from the 14–18-year age group during hypothesis testing and interpretation. The survey was voluntary, and every participant provided informed consent before completing the questionnaire. Respondents came from different educational backgrounds and personal experiences, allowing the study to capture a variety of opinions regarding peer pressure, social comparison, lifestyle choices, and spending behaviour. This diversity strengthened the overall quality of the responses while still maintaining the primary focus on high school students.

8.2 Peer Influence Trends

The findings indicate that peer influence plays a noticeable role in shaping the spending behaviour of students. Several survey responses suggest that many participants experience some level of pressure to spend money in order to fit in with their friends or maintain a particular social image. The overall mean score for the Direct Peer Pressure construct was 3.60, indicating a moderate level of agreement among respondents. A considerable proportion of students admitted that they found it difficult to refuse spending when encouraged by friends. Nearly 68.3% of respondents either agreed or strongly agreed that saying "no" to friends while spending money was difficult. Similarly, 65.1% reported that they believed they would spend less if social pressure from peers was reduced. These findings suggest that peer groups have a meaningful influence on students' financial decisions, particularly in situations involving social activities or group expectations.The survey also revealed that many students experienced feelings of guilt or stress after spending money due to peer influence. Although this behaviour was reported at a moderate level, it highlights that peer pressure not only affects spending decisions but may also create emotional discomfort afterwards. Overall, the results demonstrate that peer influence remains an important factor affecting the financial behaviour of adolescents, even though its impact varies among individuals.

8.3 Social Comparison and Lifestyle Inflation

One of the major findings of the study is the strong relationship between social comparison and lifestyle inflation. Students who frequently compared themselves with friends, classmates, influencers, or celebrities were more likely to report higher levels of spending and an increased desire to maintain lifestyles similar to those they observed around them.Among all the constructs analysed, Lifestyle Inflation recorded the highest mean score ($M = 3.75$), indicating that many respondents acknowledged an increase in their spending habits. More than 71% of participants agreed that their expenses had increased over time, while 63.5% believed they spent more whenever their allowance or available money increased. In addition, many respondents admitted that they sometimes prioritised personal wants over actual needs and attempted to match the lifestyle of others.The correlation analysis further strengthened these observations. A statistically significant positive relationship was found between Social Comparison and Lifestyle Inflation among the high-school-aged respondents ($r = 0.437$, $p = 0.003$). Similar results were also obtained from the full sample. These findings suggest that students who regularly compare themselves with others are more likely to increase their spending in an effort to achieve similar lifestyles or social status.The influence of social media also appears to contribute to this behaviour. Many respondents indicated that influencers and online lifestyle content affected their perceptions of spending and consumption. Although the level of influence differed among individuals, the overall findings indicate that continuous comparison with others can encourage unnecessary expenditure and gradually lead to lifestyle inflation among students.

8.4 Impulsive Spending Behaviour

The study also examined whether peer pressure contributes to impulsive financial behaviour among students. Overall, the Impulsive Spending Tendency construct recorded a mean score of 3.65, suggesting a moderate tendency towards unplanned spending.Many respondents admitted that they occasionally spent more money than they originally intended. Approximately 60.3% agreed that they often overspent, while nearly 48% reported regretting impulsive purchases after making them. These findings indicate that impulsive spending is relatively common among students, although the reasons behind such behaviour may differ from one individual to another.Correlation analysis showed that peer pressure had a positive relationship with impulsive spending among high-school students. Students who experienced greater peer influence were generally more likely to engage in overspending. However, peer pressure was not strongly associated with feelings of regret after making impulsive purchases. This suggests that while peers may influence the decision to spend, the emotional response following the purchase is likely affected by other personal factors, such as financial awareness, self-control, or individual spending habits.Overall, the findings indicate that peer pressure contributes to impulsive financial behaviour, particularly in encouraging higher spending during social situations. However, it is only one of several factors that influence impulsive spending decisions among adolescents.

8.5 Hypothesis Testing

The study tested two hypotheses using Pearson correlation analysis.

Hypothesis 1 (H1) proposed that there is a significant positive relationship between social comparison and lifestyle inflation among high school students. The analysis supported this hypothesis. Among respondents aged 14–18 years, the correlation between social comparison and lifestyle inflation was positive and statistically significant ($r = 0.437$, $p = 0.003$). A significant positive relationship was also observed in the full sample. Therefore, H1 was accepted. The findings indicate that students who frequently compare themselves with friends, influencers, or people on social media are more likely to increase their spending and adopt higher consumption patterns.

Hypothesis 2 (H2) stated that peer pressure has a significant positive impact on impulsive financial behaviour among students. The results showed a significant positive relationship for the high-school-aged respondents ($r = 0.380$, $p = 0.010$), indicating that peer pressure does contribute to impulsive spending among adolescents. However, the relationship was not statistically significant when the entire sample was analysed. Consequently, H2 was only partially supported. This suggests that peer influence is stronger among school-going adolescents but becomes less consistent when older respondents are included.

Overall, the hypothesis testing confirms that social comparison is a stronger predictor of students' spending behaviour than peer pressure within the current sample.

8.6 Interpretation of Results

The findings of this study are consistent with existing theories related to Social Comparison Theory and consumer behaviour. According to Social Comparison Theory, individuals naturally compare themselves with others to evaluate their own achievements, appearance, lifestyle, and social position. The results of this study support this idea, as students who frequently compared themselves with friends or influencers also reported higher levels of lifestyle inflation. This suggests that comparison with others encourages greater spending, often in an attempt to maintain a similar lifestyle or social image.

The results also align with behavioural theories suggesting that adolescents are particularly influenced by their peer groups. During adolescence, social acceptance and a sense of belonging become increasingly important. As a result, many students may spend money on clothing, gadgets, food, entertainment, or other non-essential items simply to avoid feeling left out or to maintain their social relationships. The findings showing moderate levels of peer pressure and overspending support this theoretical perspective.At the same time, the study demonstrates that social comparison appears to have a stronger and more consistent influence than direct peer pressure. While peer pressure affected impulsive spending among high-school students, the relationship was not equally strong across the entire sample. In contrast, social comparison consistently showed a significant relationship with lifestyle inflation. This indicates that students are influenced not only by direct encouragement from friends but also by the lifestyles they observe through classmates, influencers, celebrities, and social media platforms.The study also identified certain limitations. Some of the measurement scales showed relatively low reliability, suggesting that future research should include additional survey items to improve internal consistency. Furthermore, the sample size was modest and included respondents above the target age group, which limits the generalisability of the findings. Despite these limitations, the results provide useful evidence that peer influence and social comparison contribute to the financial behaviour of students and highlight the importance of promoting financial awareness and responsible spending habits among adolescents.

9. Conclusion

9.1 Summary of Findings

The purpose of this study was to examine how peer pressure and social comparison influence the financial behaviour of students, with particular emphasis on lifestyle inflation and impulsive spending. The analysis was based on responses collected from 63 participants, of whom 45 belonged to the target age group of 14–18 years. Statistical techniques such as descriptive statistics, reliability analysis, validity assessment, and Pearson correlation analysis were used to interpret the data.The descriptive analysis showed that Lifestyle Inflation recorded the highest mean score (M = 3.75) among all the study constructs. This suggests that many respondents reported an increase in their spending habits and acknowledged spending more when their allowance or available money increased. A large proportion of students also agreed that their expenses had risen over time, indicating that changes in spending behaviour are already visible during adolescence.The results further showed that social comparison is positively associated with lifestyle inflation. Students who reported comparing themselves more frequently with friends, classmates, influencers, or social media personalities also tended to report higher levels of lifestyle-related spending. Pearson correlation analysis supported this relationship for both the high-school-aged respondents and the full sample. Therefore, Hypothesis 1 was accepted, suggesting that greater social comparison is linked with higher lifestyle inflation among students.With respect to peer pressure, the findings were comparatively less consistent. A positive relationship was observed between peer pressure and impulsive spending among respondents aged 14–18 years, but this relationship was not statistically significant when the entire sample was analysed. Consequently, Hypothesis 2 was only partially supported. These results suggest that peer influence on impulsive financial behaviour appears to be more noticeable among high school students than among the broader mixed-age sample included in this research.Although some of the measurement scales showed relatively low reliability, the overall analysis provides useful evidence that both social comparison and peer influence are related to students' financial behaviour. Among the variables examined, social comparison emerged as the more consistent factor associated with higher spending patterns.

9.2 Behavioural Insights

The findings of this study suggest that students' financial decisions are influenced not only by the money available to them but also by their social environment. During adolescence, friends, classmates, and online social networks become important sources of influence. As students interact with these groups, they may begin comparing their lifestyles, possessions, and spending habits with those of others. Such comparisons can gradually affect their own financial choices.The analysis indicates that social comparison has a stronger influence on spending behaviour than direct peer pressure in the present study. Students who compared themselves more frequently with others were also more likely to report behaviours associated with lifestyle inflation, such as increasing their spending or upgrading their lifestyle. This suggests that indirect influences, including observing others' lifestyles through social media or among friends, may shape financial behaviour even when there is no direct pressure to spend.

The findings also show that peer pressure can contribute to impulsive spending, particularly among high-school-aged students. Many respondents reported that refusing to spend money in social situations was difficult and believed that they would spend less if social pressure were reduced. At the same time, the statistical relationship between peer pressure and impulsive spending was not equally strong across the entire sample. This indicates that peer influence is only one of several factors that affect financial behaviour, and personal attitudes or individual circumstances may also play an important role.

Taken together, the results highlight that financial behaviour among students is influenced by a combination of social comparison, peer interactions, and personal spending habits. These findings emphasise the importance of encouraging financial awareness at an early age so that students are better equipped to distinguish between genuine needs and spending decisions driven by comparison or social expectations.

10. Recommendations

The findings of this study show that both social comparison and peer influence affect the financial behaviour of students, particularly during adolescence. While social comparison was found to have a stronger relationship with lifestyle inflation, peer pressure also influenced spending decisions among high-school-aged respondents. These findings suggest that promoting responsible financial habits requires efforts from multiple stakeholders, including schools, parents, and students themselves. The following recommendations are based on the results of the study and are intended to help students develop better financial decision-making skills, reduce unnecessary spending influenced by external factors, and encourage a more balanced approach towards money management.

10.1 Financial Literacy Programs

Based on the findings of this study, introducing financial literacy programmes at the school level can help students develop responsible financial habits from an early age. The results showed that many respondents experienced lifestyle inflation and admitted that their spending increased when they had more money available. This suggests that while students have access to financial resources such as pocket money or allowances, they may not always have the knowledge required to manage those resources effectively.

Schools can organise financial literacy sessions covering topics such as budgeting, saving, distinguishing between needs and wants, responsible spending, and the long-term importance of financial planning. Practical activities, including budgeting exercises, case studies, and discussions based on real-life situations, can make these programmes more engaging and relevant for students. Financial education should focus not only on theoretical concepts but also on everyday financial decisions that students commonly face. Equipping students with these skills at an early stage can help them become more confident and responsible in managing money as they grow older.

10.2 Awareness on Peer and Social Media Influence

The findings of the study indicate that social comparison has a significant relationship with lifestyle inflation and that many students compare themselves with friends, influencers, and people they follow on social media. Since digital platforms have become an important part of students' daily lives, there is a need to create greater awareness about how online content and peer interactions can influence spending behaviour.Schools and educational institutions can conduct awareness programmes that encourage students to think critically about the content they consume on social media. Discussions can focus on the fact that many online posts highlight only selected aspects of people's lives and may not reflect reality. Students should be encouraged to recognise that social media often creates unrealistic expectations regarding lifestyle, fashion, gadgets, and consumption. Such awareness can help reduce unnecessary comparisons and encourage students to make financial decisions based on their own needs and priorities rather than external influences.

10.3 Budgeting and Spending Awareness

The descriptive analysis showed that a considerable number of respondents reported increasing expenses and spending more whenever their allowance or available money increased. These findings suggest the importance of developing budgeting habits during adolescence so that students learn to manage their finances more effectively.Students should be encouraged to prepare simple monthly or weekly budgets that allow them to monitor their income and expenses. Maintaining a record of spending can help them identify unnecessary purchases and understand where their money is being spent. Schools may introduce activities that teach students how to set financial goals, prioritise essential expenses, and make informed purchasing decisions. Encouraging students to compare prices, avoid impulsive purchases, and think before spending can gradually improve financial discipline. Developing these habits at an early age can contribute to more responsible financial behaviour in adulthood.

10.4 Parental Guidance in Financial Behaviour

Parents play an important role in shaping the financial attitudes and spending habits of children and adolescents. Although students are increasingly influenced by friends and social media, parental guidance remains one of the most effective ways to promote responsible financial behaviour. Regular discussions about money management can help students develop a realistic understanding of budgeting, saving, and the value of financial responsibility.Parents can encourage positive financial habits by involving children in simple financial decisions, discussing household budgeting where appropriate, and helping them understand the difference between essential needs and discretionary wants. Providing a fixed allowance along with guidance on how to manage it can also help students develop self-control and accountability. Rather than restricting spending completely, parents should encourage thoughtful decision-making by discussing the consequences of impulsive purchases and helping children reflect on their financial choices.The findings of this study suggest that students' spending behaviour is influenced by both social comparison and peer interactions. Therefore, open communication between parents and children can provide a supportive environment in which students feel comfortable discussing financial pressures they experience at school or on social media. Such guidance can help young individuals make balanced financial decisions based on their own circumstances rather than external expectations.

11. Limitations of the Study

Like any research, this study has certain limitations that should be considered while interpreting the findings. Firstly, the study was conducted using a relatively small sample of 63 respondents, of which 45 belonged to the target age group of 14–18 years. Although this sample was adequate for the statistical analyses carried out in the study, a larger sample drawn from different schools and regions would have improved the representativeness of the findings.Another limitation is that the study relied on self-reported responses collected through a questionnaire. Since participants answered the questions based on their own perceptions and experiences, there is a possibility of response bias. Some respondents may have underreported or overreported their spending habits or the influence of peers and social media due to personal opinions or social desirability.The study also has limited generalisability. Most of the analysis focuses on high school students; however, the sample included a small number of respondents aged 19 years and above. In addition, the respondents were selected from a limited population, which means that the findings may not fully represent the behaviour of all students in different schools, cities, or socio-economic backgrounds. Therefore, the results should be interpreted within the context of the sample used in this research.

Despite these limitations, the study provides meaningful insights into the relationship between peer pressure, social comparison, lifestyle inflation, and financial behaviour among students. Future research can strengthen these findings by including a larger and more diverse sample, using more refined measurement scales, and examining these relationships across different regions and educational settings.

12. Future Scope of Research

The present study contributes to understanding how peer pressure and social comparison influence the financial behaviour of students; however, there is significant scope for further research in this area. Future studies should consider using a larger and more diverse sample by including students from different schools, cities, states, and socio-economic backgrounds. A broader sample would improve the representativeness of the findings and allow researchers to draw conclusions that are more widely applicable. Cross-cultural studies can also be undertaken to examine whether the influence of peer pressure, social comparison, and lifestyle inflation differs across countries or cultural settings. In addition, future researchers may adopt a longitudinal research design to observe the same group of students over an extended period. This would provide a better understanding of how financial attitudes and spending behaviour evolve with age, greater financial independence, and changing social environments.

Further research can also broaden the existing framework by examining additional factors that may influence students' financial behaviour. Variables such as financial literacy, parental financial practices, self-control, materialism, digital payment usage, online shopping behaviour, and the increasing role of social media algorithms could be explored to gain a more comprehensive understanding of students' spending decisions. Future studies may also compare the financial behaviour of high school students with that of college students or young working adults to identify differences across age groups. Moreover, using a mixed-method approach that combines quantitative surveys with interviews or focus group discussions could provide deeper insights into the reasons behind students' financial choices. Improving the questionnaire by including more refined measurement items and evaluating the effectiveness of financial literacy programmes or awareness campaigns would further strengthen future research and contribute to developing practical strategies for encouraging responsible financial behaviour among young individuals.

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14. Appendices

14.1 Questionnaire

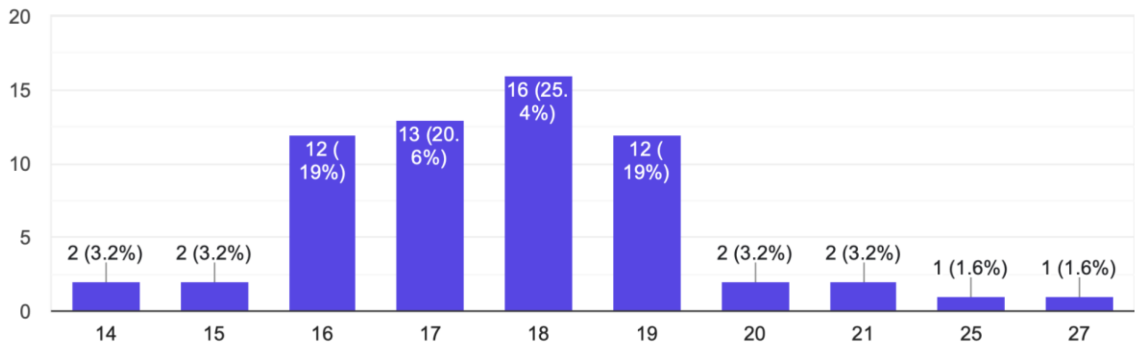
1. I plan my expenses in advance before spending money.
2. My expenses have increased compared to last year.
3. I prioritize "wants" over "needs."

4. I feel satisfied with my current financial habits.
5. I regret purchases made impulsively.
6. I think I spend more money than I should.
7. I feel uncomfortable saying "no" to spending plans with friends.
8. I compare my lifestyle with my friends.
9. I upgrade my lifestyle (clothes, gadgets, eating habits) to match others.
10. Peer pressure negatively impacts my financial habits.
11. I would reduce my spending if there was less social pressure around me.
12. Influencers or celebrities affect my spending decisions.
13. I feel pressure to maintain a certain lifestyle because of social media.
14. As my income/allowance increases, my spending also increases.
15. I feel stressed or guilty after spending money due to social influence.

14.2 Graphs and Tables

Age

63 responses

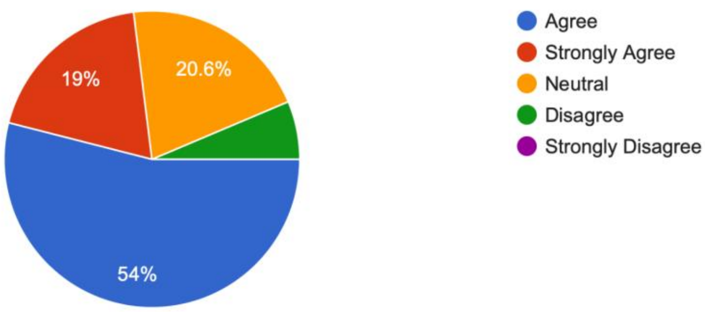


Voluntary Participation- My participation in the survey is completely voluntary and I have not been pressured or coerced in any way

63 responses

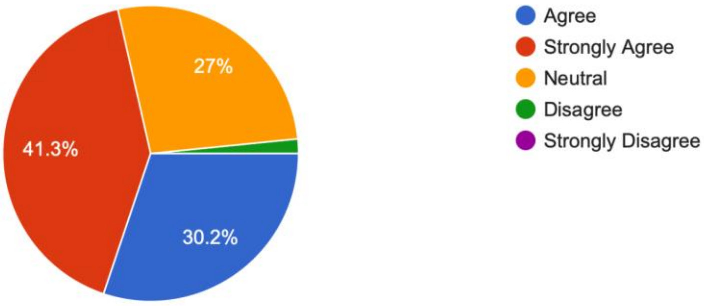
I plan my expenses in advance before spending money.

63 responses



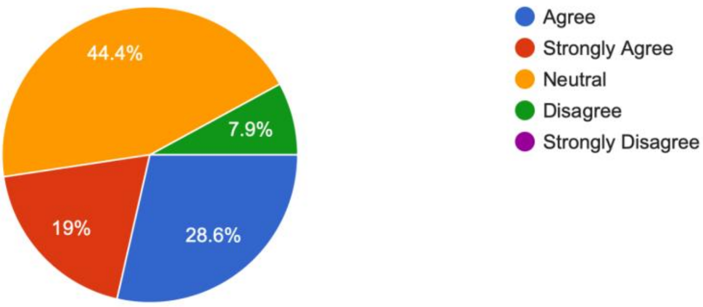
My expenses have increased compared to last year.

63 responses



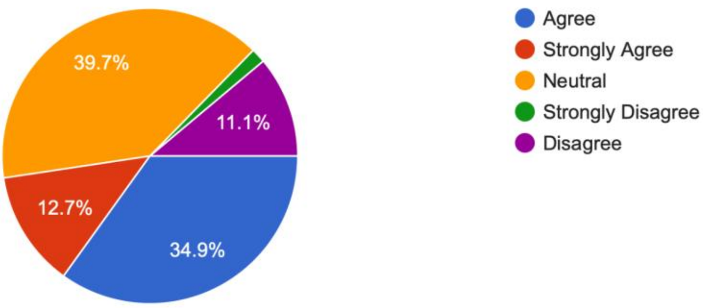
I prioritise “wants” over “needs.”

63 responses



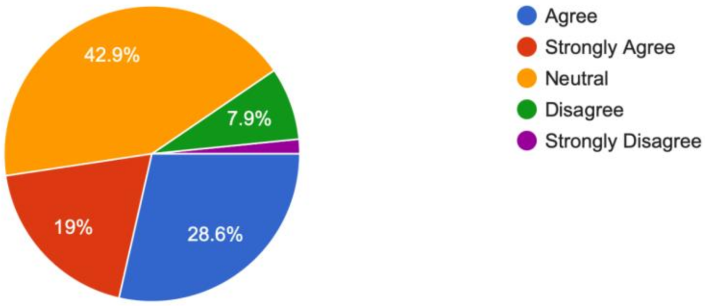
I feel satisfied with my current financial habits.

63 responses



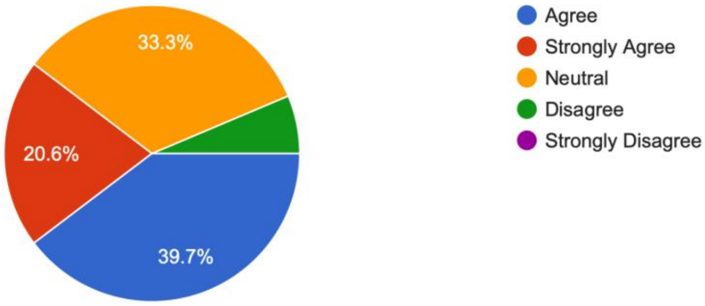
I regret purchases made impulsively.

63 responses



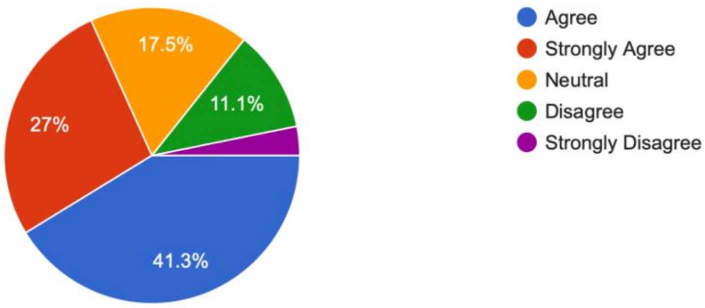
I think I spend more money than I should.

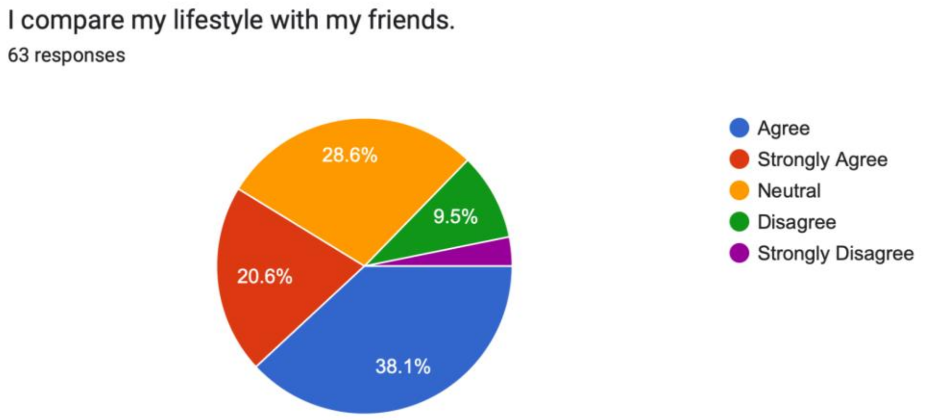
63 responses

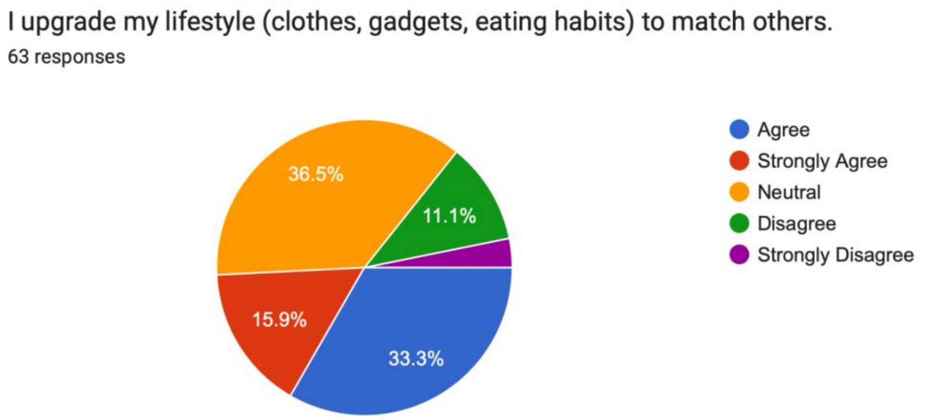


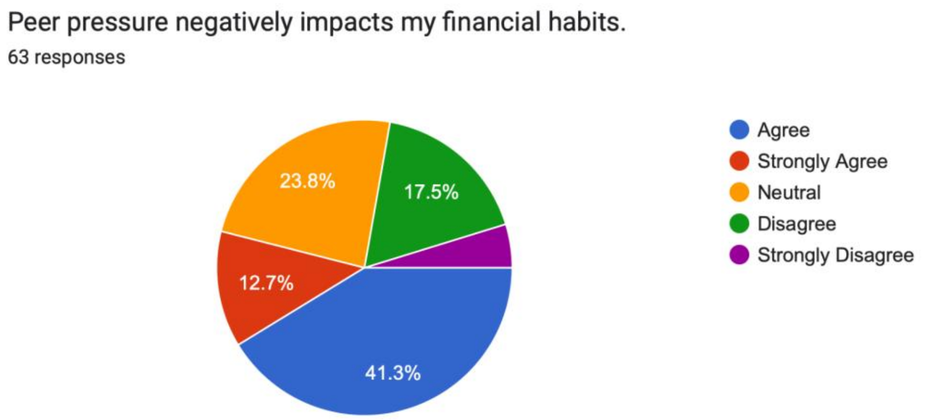
I feel uncomfortable saying “no” to spending plans with friends.

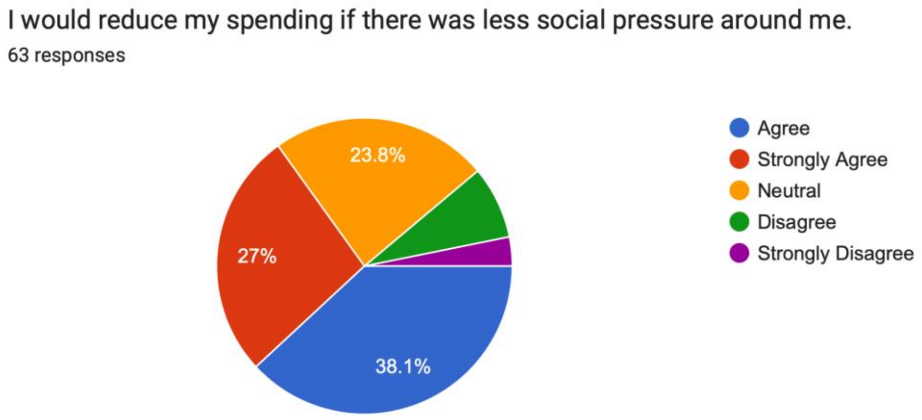
63 responses

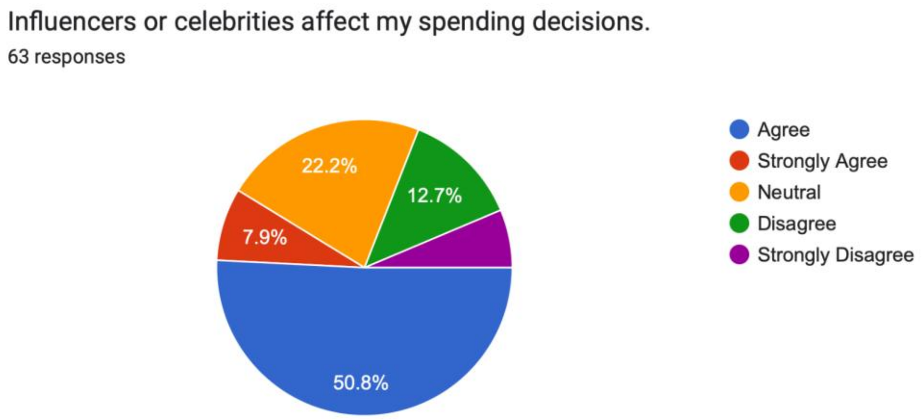


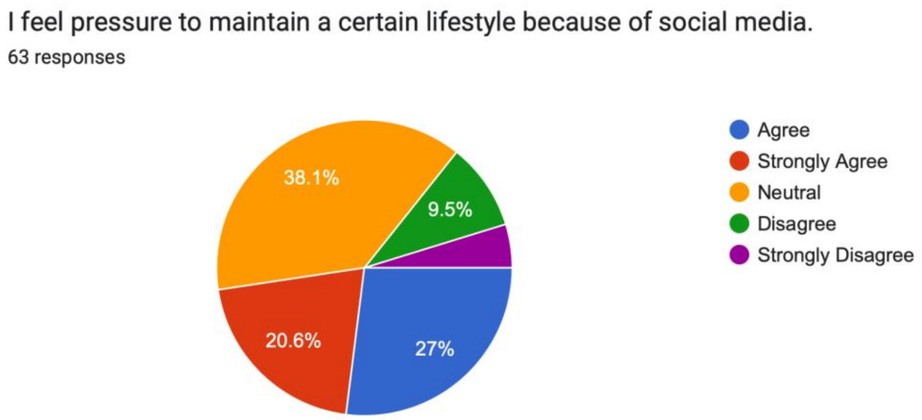

I compare my lifestyle with my friends.
63 responses
28.6%
9.5%
20.6%
38.1%
Agree
Strongly Agree
Neutral
Disagree
Strongly Disagree

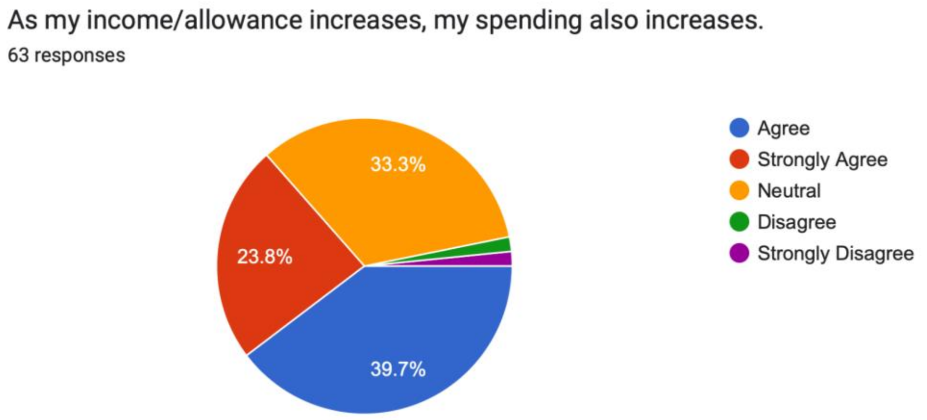

I upgrade my lifestyle (clothes, gadgets, eating habits) to match others.
63 responses
36.5%
11.1%
15.9%
33.3%
Agree
Strongly Agree
Neutral
Disagree
Strongly Disagree

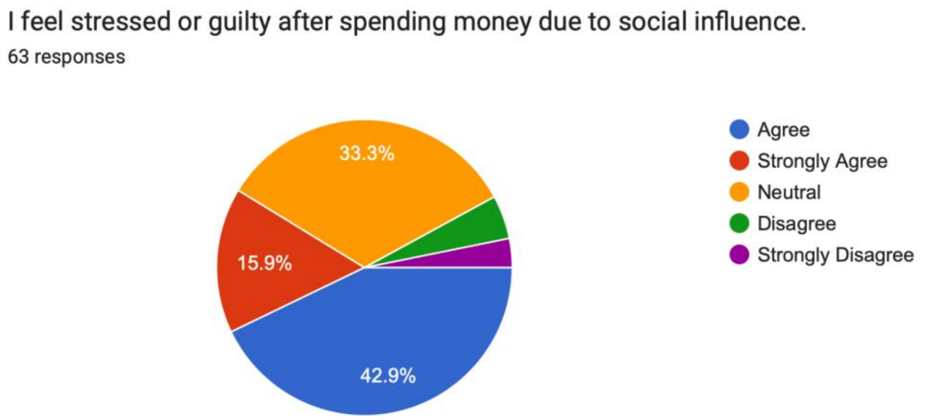

Peer pressure negatively impacts my financial habits.
63 responses
23.8%
17.5%
12.7%
41.3%
Agree
Strongly Agree
Neutral
Disagree
Strongly Disagree


I would reduce my spending if there was less social pressure around me.
63 responses
23.8%
27%
38.1%
Agree
Strongly Agree
Neutral
Disagree
Strongly Disagree


Influencers or celebrities affect my spending decisions.
63 responses
22.2%
12.7%
7.9%
50.8%
Agree
Strongly Agree
Neutral
Disagree
Strongly Disagree


I feel pressure to maintain a certain lifestyle because of social media.
63 responses
38.1%
9.5%
20.6%
27%
Agree
Strongly Agree
Neutral
Disagree
Strongly Disagree


As my income/allowance increases, my spending also increases.
63 responses
33.3%
23.8%
39.7%
Agree
Strongly Agree
Neutral
Disagree
Strongly Disagree


I feel stressed or guilty after spending money due to social influence.
63 responses
33.3%
15.9%
42.9%
Agree
Strongly Agree
Neutral
Disagree
Strongly Disagree