

Impact of Fear of Missing Out and Social Media Engagement on Investment Decision among Gen Z

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Abstract

The fast growth of money systems and the huge amount of short videos and ads about money on sites like Instagram, YouTube and Telegram have changed how people born between 1997 and 2012 handle their own money. This study looks at how the fear of missing out and how much people use media affect the way young people invest. The study used data from 154 people who filled out a detailed survey. It checks how pressure from feelings and being active online affect the way they invest. The study used math tests like One-Way ANOVA and Simple Linear Regression to check the main ideas. The results show that though seeing a lot of social media and feeling like you are missing out has a big effect on how young people invest talking to others in online groups is not very common. Also how relevant the content. How it makes people feel are very important, in deciding where to put money and these factors explain 17.6% of the choices people make. The results show that even though fear of missing out gets young people interested they still check sources before putting their money into something.

Keywords: Fear of Missing Out (FOMO), Social Media Engagement, Gen Z Investment Behavior, Investment Decision-Making

Introduction

Financial inclusion and retail market participation among adults have gone up a lot in recent years. This is mostly because of digital sign-ups, apps that let people trade without paying fees small ways to invest money and more financial information available on social media. Generation Z is the group of people born from the 1990s to the early 2010s. They are the group that grew up with the internet. Before people used to rely on advisors, banks or family for help.. Now Gen Z gets most of their financial information from short videos, online groups and social media posts that show up on their feeds. These platforms include Instagram, YouTube and Telegram. This constant exposure to trends stories about investing and popular trading moves has made financial knowledge easier for young people to get. It has made the stock market more accessible to investors, than ever before.

The thing is, when digital social platforms and personal finance meet it gets really complicated. Social media is run by algorithms. It shows everyone how some people are getting rich quick and making money fast. This makes people feel like they are missing out which is called the Fear of Missing out. The Fear of Missing out is a feeling that makes young investors want to invest their money quickly without thinking it through so they do not feel left out.

When young investors are active on media they share posts follow people who talk about money and join online groups to talk about investments. This can make it hard for them to know what an investment is and what is not. The Fear of Missing out and social media can make people invest in things that're not safe.

It is really important to understand how the Fear of Missing out and social media make people invest their money. Social media can be a place to learn about money but it also has a lot of bad information that can hurt young investors. They might see things that're not true or they might invest in things that are not safe. So it is necessary to figure out if social media and the Fear of Missing out are making people invest their money in a way or if they are making people do things that are not good for them. This is important for people who teach about money for organizations like SEBI and RBI and, for people who want to build wealth that will last.

Objectives

1. To assess the effect of key factors influencing Gen Z individuals in investment decision making.
2. To assess the influence of the factors on Gen Z individuals in investment decision making.

Review of Literature

1. Dabas & Nagvanshi (2024) investigated social media usage and adoption of stock investment mobile applications among 204 digital natives in India, finding that social media engagement affects adoption through attitude and TAM constructs.
2. Shah et al. (2024) demonstrated that high social media usage frequency combined with personal trust in online reliability predominantly drives investor action across modern financial systems.
3. Susanto et al. (2025) examined 125 Gen Z investors using PLS-SEM and found that financial literacy and mature financial attitudes significantly influenced investment decisions, whereas technological access alone had no significant effect.
4. Safitri et al. (2025) evaluated educational level, financial literacy, and Instagram content as predictors of gold investment decisions among 74 respondents, showing that financial literacy and social content significantly predict investment choices.
5. Zainordin et al. (2025) integrated the Theory of Planned Behavior and Behavioral Finance Theory to study Gen Z stock market participation, identifying financial literacy, herding behavior, and social media influence as primary drivers.
6. Tania & Tjhin (2025) studied Gen Z retail investors using TAM and TPB, establishing that social media literacy, digital literacy, and data security significantly enhance financial attitudes and mobile app usage intentions.

7. Klana & Muttaqin (2025) applied Exploratory Factor Analysis to extract key factors shaping youth investment intentions, confirming digital media and influencer content as primary external catalysts.
8. Joshi & Rawat (2025) investigated online networking platforms in Nepal's capital market across 384 participants, finding strong positive correlations between social media interaction and financial decision-making.
9. Das et al. (2025) assessed how digital conversations and finfluencers impact ESG choices among Gen Z, finding that subjective norms driven by finfluencers were strong predictors despite respondent skepticism regarding creator expertise.
10. Maheshwari (2026) applied TPB and Behavioral Finance Theory to 291 respondents, finding social media engagement to be a major driver of FOMO, while digital financial literacy weakened the FOMO-to-investment pathway.

Research Gap

While modern books and articles talk a lot about ideas like general digital skills using financial technology and how much people use social media there's still a clear missing part when it comes to how feeling of missing out (FOMO) and how much people interact with social media specifically affect how Generation Z people who invest their own money decide where to put their money. Most studies look at what people plan to do before they invest or their general feelings. They don't often check how the high amount of digital content people consume really affects the actual act of making trades. Also in markets where more people are investing the results are not clear. Some people say that when social media shows trends made by algorithms it makes people feel emotional and trade in a hurry because they don't want to miss out. Others say that young people who grow up with the internet are naturally not sure, about the advice they see online. This disagreement shows that more real research is needed to find out if social media content makes people trade away or if it just helps them find new ideas and then they check them again before making a move.

The thing is, most of the time people look at media factors like how believable a Finfluencer is or how much attention they get on a platform and even the fear of missing out one by one. They do not look at how all these things work. We do not really know if talking to people on media makes the fear of missing out worse or better when young people decide to invest their money. Usually people making models forget to think about how people check what they see online with what official groups, like the SEBI or RBI say. This study tries to fill in these gaps by looking at how the fear of missing out talking on media and if the things people say online are true all work together to affect how Gen Z retail investors make decisions.

Hypotheses

Hypothesis 1

H0₁: There is no significant effect of the key factors (social media content exposure, finfluencer credibility, FOMO, engagement) on investment decision among Gen Z.

H1₁: There is a significant effect of the key factors (social media content exposure, finfluencer credibility, FOMO, engagement) on investment decision among Gen Z.

Hypothesis 2

H0₂: The perceived relevance of social media financial content does not significantly influence investment decision among Gen Z.

H1₂: The perceived relevance of social media financial content significantly influences investment decision among Gen Z.

Research Methodology

Research Design: Quantitative and Descriptive Research Design.

Research Approach: Deductive Empirical Survey Approach.

Nature of Data: Primary Data collected via Structured Google Forms Questionnaire.

Measurement Scale: 5-Point Likert Scale (1 = Strongly Disagree to 5 = Strongly Agree).

Sampling Technique: Non-Probability Convenience Sampling supported by Snowball Sampling.

Sample Size: 154 valid Gen Z respondents (aged 18–27).

Data Analysis Tool: Microsoft Excel.

Statistical Techniques: One-Way ANOVA (to test Objective 2) and Simple Linear Regression (to test Objective 3).

Statistical Analysis

1. ANOVA Result

ANOVA was conducted across representative items capturing Social Media Content Exposure, Finfluencer Credibility, FOMO, Engagement, and Investment Decision.

**Table 1 – Table showing the results of ANOVA
SUMMARY**

Groups	Count	Sum	Average	Variance
I regularly come across financial/investment-related content on social media.	154	526	3.415584	0.911128
I believe the finfluencers have adequate financial expertise/qualifications.	154	510	3.311688	0.947967
I feel anxious when I see others profiting from investments I haven't made.	154	470	3.051948	1.212970
I participate in discussions or comment threads on investment-related posts.	154	447	2.902597	1.264960
Social media financial content has influenced my recent investment decisions.	154	484	3.142857	1.142857

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	25.6311	4	6.407	5.8466	0.0001	2.3835
Within Groups	838.4220	765	1.095			
Total	864.0532	769				

Interpretation:

The One-Way ANOVA was conducted to test whether the key social media dimensions exert significantly different levels of influence on Gen Z investors. The statistical results reveal a calculated F-statistic of 5.84665, which substantially exceeds the critical threshold value of 2.38357. Furthermore, the associated p-value is 0.00012, which is far below the standard statistical significance alpha level of 0.05. The null hypothesis H_{01} is decisively rejected, and the alternative hypothesis H_{11} is accepted.

This result confirms that the evaluated social media dimensions do not affect Generation Z investors uniformly. Content Exposure recorded the highest mean score ($M = 3.41558$), demonstrating that young individuals are continuously exposed to financial content. Finfluencer Credibility also scored moderately high ($M = 3.31169$), followed by FOMO ($M = 3.05195$) and actual Investment Decisions ($M = 3.14286$). Notably, Discursive Engagement recorded the lowest mean ($M = 2.90260$). This indicates a distinct behavioral dynamic: Gen Z functions primarily as passive consumers of financial feeds influenced by emotional FOMO, rather than as active participants in public online financial discussions.

2. Regression Analysis

Regression was conducted with Perceived Content Relevance as the independent variable and Investment Decision as the dependent variable.

Table 2 – Table showing the results of Regression Analysis
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.420066978
R Square	0.176456266
Adjusted R Square	0.171038215
Standard Error	0.97333699
Observations	154

ANOVA

	df	SS	MS	F	Significance F
Regression	1	30.8546	30.8546	32.5682	0.00
Residual	152	144.0025	0.9473		

Total	153	174.8571			
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Interpretation:

The Regression model evaluated the predictive capacity of social media engagement and content relevance on investment decision-making. The model yields a Multiple R value of 0.42007, indicating a moderate, positive linear correlation between the variables. The Coefficient of Determination (R^2) is 0.17646, signifying that 17.65% of the total variance in Gen Z investment decisions is directly explained by perceived social media content relevance and engagement.

The Overall Model Significance test yields an F-statistic of 32.56822 with a Significance F value of 5.85×10^{-8} ($p < 0.001$), confirming that the regression model is statistically significant. It indicates that for every 1-unit increase in perceived social media content relevance and engagement, Gen Z investment decision scores increase by 0.43810 units.

Because the p-value is significantly below 0.05, the null hypothesis H_0 is decisively rejected, and the alternative hypothesis H_1 is accepted.

Overall Findings

Social media really matters to Gen Z when they make investment decisions. It has an impact and we can see that it affects about 17.65% of the things that influence their choices.

Gen Z investors spend a lot of time looking at media content with an average of 3.42 and they somewhat trust the people who talk about money online with an average of 3.31. However they do not really like to talk about money on media with an average of 2.90. Most young investors just look at what's on their social media feeds and do not really discuss financial topics online.

The Fear of Missing Out is something that Gen Z investors feel at a level with an average of 3.05. This fear is like a trigger that gets their attention when the market is moving. It makes them want to look into the assets that are popular.

Even though the Fear of Missing Out makes Gen Z investors feel like they need to do something 76.62% of them still check the information from sources before they invest their money. Gen Z investors trust content more when it quotes rules from official groups, like the SEBI and RBI which shows that they are trying to balance looking at things online and making sure they are safe.

Limitations of Study

The study uses a group of 154 people from Generation Z. These people were mostly found through student groups and online networks in regions. Because of this the results might not fit all kinds of people with levels of income and backgrounds.

The way the study picked people was not random. It used convenience sampling and snowball sampling. This means the people who took part might be more likely to be active online and young.

The study mostly asked people to tell about their feelings and actions. This kind of data can be affected by how people want to look in front of others or how well they remember things.

The study looks at how much people use media and how much they worry about missing out. It does not look at things that can affect people lives, like how much money they have to spend, changes, in the econ-

omy or where they come from.

Suggestions

Regulatory authorities like SEBI and RBI need to create digital verification badges and required disclosure tags for financial influencers who are certified. Adding conflict-of-interest disclaimers on any promotional content can help protect regular investors from false information.

Schools and financial companies should create short learning modules about money for Generation Z. Programs that focus on managing risks spreading investments out and controlling emotional fear of missing out can help turn watching content into good investing habits.

Social media sites, like Instagram, YouTube and Telegram should add disclaimers and warnings on posts that use popular investment words. Making people get reminded to check facts before they trade can stop actions caused by trending topics.

Future studies should look at places and track people over time to see how using social media changes how well their investments do during different periods of the market.

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