

# CAUSES, EFFECTS AND SOLUTIONS OF OVERSPENDING BEHAVIOR IN UNIVERSITY STUDENTS

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***Abstract:** The behavior of overspending and compulsive buying has been a great issues recently in developing countries. While this problem has been known years ago in many developed countries, it is not much talked about in developing countries. In Indonesia lately, we heard many cases related to overspending behavior, we believe that we need to find causes, effects and solutions of this problem. We surveyed students of economic faculty and found ten students that have an overspending behavior. After interviewing and observing them we find that the cause of this behavior are mainly pshychological causes such as loneliness, low self esteem and stress, peer pressure and social media influence. The effects of this behavior mostly is debt problem and conflict with family members. We try to give solutions taken from many experts such as admitting this behavior, solving the real problem and adding our academic insight by increasing economic and financial literacy for the students since they are from Faculty of Economics*

***Keywords:** overspending, compulsive buying, pshychological problems, economic literacy, financial literacy*

## 1. INTRODUCTION

Nowadays we are very familiar with the behavior of overspending. While this was an issue in many developed countries since years ago, it is now becoming a common phenomenon in developing countries. Smith et al (2011) explained that 69% of US households are in debts. Bass (2013) revealed that Americans 35 to 44 years old had the highest percentage of households in debt, with 79.6 percent reporting they owed money to someone. Only 44.4 percent of households led by people older than 65 said they were in debt. According to Cambridge Dictionary, overspending is the act of spending more money than you have or more than was planned or agreed. We often hear news about an overspending behavior that causes debt. In Indonesia, out of the banking problems, more than half are cases of credit cards debts. As many as 601 cases of the payment system during the first two months of 2015, while for 2014 there are 1,729 cases. From the 601 complaints, credit card cases dominate, ie 73%; followed

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by 12.3% of cases of ATM and debit cards, 9.9% of the cases of transfer of funds, and the remaining cases of electronic money (e-money) and foreign exchange (forex) (<http://berita.suaramerdeka.com>).

Penman and McNeill (2008) Came to the conclusion that young people exhibit increasingly relaxed attitudes toward debt and shopping. But this behavior also has an impact in the future. When they don't care about their debts it can give many disadvantages to their life. There are also many tragical cases related to the behavior of debts and overspending in Indonesia. In 2014, a customer become victims of debt collector. He suffered a number of severe injuries such as fractures of the jaw due to persecuted by those debt collectors (tempo.co). In 2016, allegedly in debt, Karangsembung Sector Police Chief, Kebumen Police, ended his life by hanging himself (Sinuko, 2016). Nyariman found dead hanging in his office. Also in 2016, a young man who lives in Pademangan was found dead hanging himself. The man committed suicide because of depression caused of overdebt and could not get a job for three months (Ramadhan, 2016). From these cases we can see that overspending behavior can caused many problems and we need to find the causes and solution and try to educate our children not to be an overspender or compulsive buyer so we can avoid these cases in the future.

Demographic and credit trends show that young people, and in particular students, may be the next segment of credit users that will face difficult financial times. In the United States, there are 19.1 million students who are attending colleges and universities They account for approximately 6% of a population of 308 million people. On average, students possess 4.6 credit cards. They also owe more on their credit cards than they did just a few years ago; in 2004, students owed, on average, \$2,900 on credit cards whereas in 2009 this figure soared by 78% to \$4,100. Moreover, young consumers account for the second largest rate of bankruptcy in the United States. Together, these figures suggest that young adult consumers in America spend more with their credit cards than they should. In addition, research shows that credit card debt is associated with financial stress as well as poor academic achievement (Sotiropoulos et al, 2012).

Researchers in this area believe two factors lead to compulsive shopping. Dittmar (2005) suggests two factors are important. The first she describes as self-discrepancy: this is, in effect, the difference between your perceived actual self and your desired ideal or possible self. The discrepancy idea has been implicated in alcohol abuse, eating disorders and sexual promiscuity. The theory is that possessions fill the gap: they reduce the discrepancy; they offer compensation or repair. That is why certain goods seem to appear high on the must-have list for problematic shoppers (clothes, body care, shoes, electrical, leisure goods). The second is good old-fashioned material values. Materialists believe that possessions are the key to self definition and happiness. They are an indicator of success and hence a major life goal. Non or post materialist values would offer quite different suggest as to how to deal with these problems (Furnham, 2014).

Studies have shown that problem shoppers are motivated in part by an attempt to change mood and to improve self image as much as to obtain useful goods at good value. Buying does improve their self image and self evaluation, but the effect soon wears off. Hence the need to carry on: hence its addictive nature. And these shoppers do suffer regret. The buying process is deeply psychologically motivated and meaningful. A comparison of the compulsive and the ordinary non addicted consumer shows striking differences. The non-addicted placed value and use as primary motives, while the addicted mood changing as the top priority. The addicted placed product uniqueness and status well above that of non-addicted consumers. All studies point to strong sex differences. Females do identity repair through shopping much more than men. The male form may be in the hoarding of very expensive items or frequent indulgence in competitive auctions (Furnham, 2014).

Compulsive buyer can be seen as a person who can not control the desire to buy something. Compulsive buying will lead to an overspending behavior. Compulsive buyer did not get satisfaction from the use of goods but the process of buying goods. It has not been widely researched in Indonesia because the phenomenon is not as common as other developed countries since the average income of Indonesia is so much less than other developed countries but by seeing many cases related to overspending, this topic is very interesting to be observed. The behavior of compulsive buying will lead to overspending and bring many effects such as over debt, fraud, crime, or even suicide. We can see from the cases we mention earlier.

According to Kellett and Bolton (2009) compulsive buying is experienced as an irresistible uncontrollable urge, resulting in excessive, expensive and time-consuming retail activity that is typically prompted by negative affectivity and results in gross social, personal and/or financial difficulties. Compulsive buying may be viewed as a part of a broader category of compulsive consumption behaviors. Compulsions are repetitive and seemingly purposeful behaviors that are performed according to certain rules or in a stereotyped fashion. They are often excessive and ritualistic behaviors designed to alleviate tension, anxiety or discomfort aroused by an obtrusive thought or obsession (O'Guinn and Faber, 1989). If compulsive buying is a form of compulsive consumption, it should appear as chronic, repetitive purchasing that occurs as a response to negative events or feelings.

According to (Deil, 2015), some of the impact of excessive spending are credit card debts will pile up. When shopping many times, people will not be realized if all their credit cards has reached its limit. People can also be running out of money in the middle of the month. The shopper should also be ready to seek loans from other people, unable to bear any look of interesting things in their eyes. Shopping frequently can drain all their income in the middle of the month. It can bring conflicts with the family because of excessive spending habits, their family will feel that they have a financial disorder. People can also be hallucinating about income. Simply for the pleasure of shopping, they will find it very worthy of a raise. They would see the company provide

decent wages and hallucinating that the monthly income should be doubled. Sometimes they can be hating anyone who does not like shopping and hate people who judge you as a shoppaholic.

Overspender or compulsive buyer can be associated to mental illness. Medical researchers believe that the human brain associates with feeling like floating when shopping, similar to that felt by those who consume illegal drugs. That's why they feel the urge to shop again and again. The joy appears shopping appears and triggers endorphins and dopamine that can make a person happy. Shopping addiction can also be referred to as compulsive buying disorder (CBD) or compulsive shopping disorder, also known as shoppaholism. CBD itself is defined as an irresistible desire to buy goods with the amount of spending excessively large and timeconsuming that ultimately only bring negative influences in terms of finances and family. Compulsive buying disorder (CBD) attracted little attention over the following decades except among consumer behaviorists and psychoanalysts (Krueger, 1988). Based on the symptoms, the disorder may even be categorized as bipolar disorder, obsessive-compulsive disorder, clinical addiction, or on impulse control disorders.

Just like addiction in other areas of the shopping addicts may attempt to hide their problem. Some shoppers sought to give the impression that they have unlimited money and wealth, when in fact, they accumulate debt. People who have this disorder are generally less able to understand their own feelings and less able to manage a bad feeling. In some cases, triggers to shopping addiction comes from depression, mental health disorders, or emotional problems. Shopping addiction can also be rooted in childhood experiences. For example, children who do not get enough attention from their parents may be feeling insecure because they feel unimportant. As a result, they will grow up to buy items that are expected to make them no longer feel alone.

The existence of many shopping centers, convenience of shopping online, and ease of using a credit card further facilitate shopaholic tendencies. From the perspective of social psychology, people who do not have a strong identity tend to be looking for identity and recognition through excessive shopping habits.

McElroy et al (1994) offer the following four diagnostic criteria when attempting to diagnose compulsive buying:

- frequent preoccupation with shopping, spending and impulses to buy that are intrusive and thought to be uncontrollable;
- the money spent is often on unneeded items and more than one can afford;
- the buying causes feelings of anxiety, shame, guilt; and
- the time spent shopping and spending interferes with work, family and normal functioning

In this research, we studied the behavior of university students since the behavior of overspending can start at a really young age. In the university at the age of 17-18

years old, they started to manage their own money from their parents and sometimes this lead to confusion. Sometimes it can lead to overspending and debt. If we can find the causes and effect of this behavior, we can find solutions and try to fix the problems so that they become a wiser consumers and they can educate and give examples to others and it will reduce problems related to excessive debts in society.

## **2. METHOD**

This research is a qualitative research with the purpose to find and explore the causes and effect of overspending behavior among students and at the end, we will come up with a solution to reduce this behavior and to help them overcome their problems. At first we conducted an observation to see whether there are overspender in the Faculty of Economics. We assumed that since they are studying economics and understand about rational behavior in economic, we will find not many students have overspending problems. To find those who have problems, we try to identify them by questionnaire and see their appearances in daily lives. What they wear, what they drive and how they look. After a deep observation we find 10 overspenders and try to conduct an indepth interview and observations further about their behavior.

We asked several questions related to their shopping frequency, their reason for shopping, the amount of money they have and the amount of money the spent, are they conducting a budgeting and apply it in their daily lives, their most favorite purchases, their feeling before and after shopping (their self esteem, fantasies, materialism, possessiveness, jealousy, giving habit, euphoria, anxiety, guilt, shame, obsession, loneliness, attachment to purchases), are they shopping for relieving stress, are they obsessed to buy goods every week or even every day, do they have credit cards, do they have debts, the amount of goods they have, things they could not avoid, are they shopping when they are sad or angry, is there any conflicts with family members related to their shopping behavior, how often they think about money, how often they buy things they don't need, will they lie to their family about their shopping behavior, does social media influence them to buy or not buy things, does their friends or family opinion influence them to buy or not buy things, do they spend funds beyond the nominal limit credit card, do they continue to buy goods that are ultimately not used, do they keep shopping though it was not able to pay the bills, do they keep shopping while feeling guilty after buying a lot of stuff, do they not consciously limit their own financial capabilities and continue to buy goods even exceed the price they can afford, do they continue to buy more stuff. We also observe their behavior to prove their answer. We try to find their causes of overspending and try to find solution and educate them to reduce their compulsive buying behavior.

## **3. RESULT AND DISCUSSION**

We find ten students that admitted that they have an overspending behavior. They are constantly spent more money than what they have and are having debt to their

friend, sisters, brothers or other relatives. Compared to other students, their parents give them money more than other students in average. In average, students have one million rupiahs per month from their parents but all of the overspenders we interviewed have more money. Their parents give them Rp.1,5 million up to Rp.3 million with the average for these ten students is Rp. 2,1 million.

Eighty percent of these students do not have a budget planning or write their expenses so it is hard to track where their money goes. But they believe that a big portion of their money goes to purchases at the mall and hang out at a cafe. According to Garrison et al, (2007) Budgeting is a detailed plan for the future that is usually expressed in formal quantitative forms. There is the sales budget as well as the cash budget. Averkamp (2003) budgeting is the process of creating a plan to spend your money. This spending plan is called a budget. Creating this spending plan allows you to determine in advance whether you will have enough money to do the things you need to do or would like to do. If you don't have enough money to do everything you would like to do, then you can use this planning process to prioritize your spending and focus your money on the things that are most important to you. Since budgeting allows you to create a spending plan for your money, it ensures that you will always have enough money for the things you need and the things that are important to you. Following a budget or spending plan will also keep you out of debt or help you work your way out of debt if you are currently in debt. We can conclude that if we want a good finance, we need budgeting.

Their frequencies to go to the mall are quite often. Five respondents admitted to go to the mall four to six times a month and three respondents said that they go to the mall seven to ten times a month while the other two respondents go to the mall more than ten times a month. It's quite interesting because it's a quite huge frequency since things at the mall are usually a long lasting things that we can buy once in a month.



Figure 1: Causes of overspending

We interviewed them and find why did they go very often and find surprising answer that they go to the mall mostly when they feel bored and have a spare time. They felt like they have nothing to do at home because most of them live in a boarding house and far away from their parents. We can see that loneliness is a great part in motivating these students to go to the mall. The other interesting facts that we found was in Malang they tend to go to the mall near campus especially when they need to spend time between classes, but whenever they go home to their hometown, they will spend the weekend at the mall with their family even though the nearest mall in their hometown is about one hour drive. Family behavior tend to increase their wants to go to the mall. Most of them said that their mother or father likes to go shopping so they have the urge to go shopping since an early age. This is in accordance to Engel et al (1994) that one of the factors that influence consumption behavior is family. The consumption attitude and behavior developed by habit and example from the family.

We can see that family influence the behavior of shopping at the mall. Ninety percent of the students have a self esteem issue. They did not feel confidence about their appearances and look for approval from the society especially their friends and tried to keep up with the latest trend so they keep making purchases. Their friends compliment and approval are very important for example if they buy clothes and their friend said it's not good, they will not wear it anymore. If their friend said that an item is good even when they think it's not good, they will buy it. Sixty percent of the students have fantasies about they can look like their idol if they buy clothes or shoes or anything else that is worn by their idol. They have the fantasy that people will like them more if they wear certain things and it can make them happier. Related to materialism, fifty percent of the students admitted that since they are overspenders, they are sometimes materialistic and thinking about money a lot. Sixty percent of the students are very possessive of their belongings and admitted that they would not lend their belongings to others even if it their own friends. Jealousy sometimes becoming the motive for them to shop so sometimes they buy things because their friends have the things and they want to look the same or even better than their friends. Fifty percent of the students said that they will give the things they have to others if they have already bored with what they have and they feel that they can not wear it anymore.

Only two students admitted that they have an euphoria after buying more things. If they get out from the mall carrying many items, they will feel like they have overcome and achieve something even though this feeling doesn't last long. And when they want this feeling to be back again, they need to make more purchases. Shopping also becoming a way for seventy percent of these students to fight their anxiety related to personal issues. Some anxiety related to their appearances, their relationships with their loved ones or family, their study in college and other problems. All of them feel guilty after a shopping haul. At first it becomes a retail therapy for them but after they have to pay everything and realizing that some of these things are things they don't need, their guilty feelings started to come.

Many people believe, subconsciously or not, that buying the right car, the latest electronic gadget, or an item of clothing is the key to attaining happiness and success (Doghudje, 2015). They may make purchases in anticipation of greater social acceptance, or to boost their self-image, self-esteem, or sense of self-worth. Although compulsive spending may have its roots in these cultural influences, the behavior is typically linked to more complex issues. Compulsive buying is often used as an emotion-regulation strategy so that a person can avoid or alleviate negative feelings and enhance or prolong positive emotions, at least temporarily. The cycle of compulsive spending moves from apprehension or anxiety to a temporary feeling of euphoria during the search for and acquisition of an item, and the cycle typically culminates in guilt or remorse (Black, 2007; Koran et al, 2006).

Related to shame, only one student felt ashamed of overdebt. He has been shopping and buying things with credit card without realizing that the debt piled up. Now he has a problem with debt collectors and the only thing he can do is solving this debt problem one debt at a time and not making a new debt which is very hard for him. The fear of being chased by debt collector affected his personal life and education. We also find an obsessive behavior related to things they want not things they need. When they really want something, they will try to have it even if it will make them having a debt. The presence of credit cards and other method payment really help them a lot in order of having things they want even though it gives problem later in their life.

Going to the mall can relieve their loneliness and boredom at home. Sometimes when they feel lonely, they will go to the mall without the intention to buy anything but ended up with things they don't need. It happened more than once and has become a problem since this compulsive buying often lead to overspending and debt. Fifty percent of the students feel attached to their purchase because it gives sentimental value of the struggle to buy things or the feeling when buying those things. All of the students said that they go shopping to relieve the stress they have in their lives about their relationship with their family, friends, boyfriend and girlfriend. The terms retail therapy really gets into their mind. Retail therapy is shopping with the primary purpose of improving the buyer's mood or disposition (Neff, 2012). Often seen in people during periods of depression or stress, it is normally a short-lived habit. Items purchased during periods of retail therapy are sometimes referred to as comfort buys. The fact that shopping may provide a short time of comfort (relief from dysphoria) but also imposes costs and is subject to comedown and withdrawal make it, like opioid use, either a therapy or an addiction, depending on whether each person uses it adaptively or maladaptively. Retail therapy thus exists on a spectrum with shopping addiction (compulsive buying disorder). In 2001, the European Union conducted a study finding that 33% of shoppers surveyed had high level of addiction to rash or unnecessary consumption. This habit was causing debt problems for many. The same study also found that young Scottish people had the highest susceptibility to binge purchasing. A 2013 survey of 1000 American adults found that slightly more than half had engaged



in retail therapy, with the practice being more common among woman (63.9% of women and 39.8% of men); women were most likely to buy clothing while men were most likely to buy food. Research from professors at Youngstown State University found similar results (64% of women vs. 40% of men), with relief from anxiety being the most common reason for retail therapy (<http://www.aafcs.org>).

At first they really believe that shopping can reduce their stress. But after paying the bills or the debts, the stress came back stronger and sometimes they come back to the mall to reduce this stress and start shopping again. So it is like a cycle. Five of the students admitted that they have the needs to buy things constantly even daily even if it is only small things like snacks or drinks. The urge to spend money sometimes becomes stronger if they are alone or in a stressful condition. Another fifty percent of the students said that they learn to control their purchasing habits by only buying things once a week such as food, cosmetics or other things. This will reduce their purchases if they only make one trip while shopping. Thirty percent of the students have a credit card given by their parents. Actually their parents can control their bills but one of the students has a parents that work abroad and don't check the bill so he finally has a problem with a debt collector. When his parents found out, a conflict between him and his parents emerges and it added another stress to his life. Another stress caused him to shop more and gives more problems to his life. Seventy percent of the students admitted that they are now in debt even though a small amount of debt to their friends. Only one student has a big problem of credit card and have a problem with a debt collector.

Related to the amount of goods they have, they say that they have favorite kinds of goods such as three students admitted that they are crazy of shoes and have more than twenty shoes at home. Four students said that they really love clothes and have hundred of clothes in their closets. One student spent much money on eating in fancy restaurants and cafes twice a week or more. One student admitted that he likes musical instruments especially a bass and bought more than three basses with a quite expensive price (above his monthly income so he have to save for a few months before finally able to purchase them). The other one student is a watch lover. He collects a quite expensive watches (in the level of students purchases). Related to going to the mall and buying things, we asked the respondents is there any thing that they could not avoid of buying even if they have no money. The majority will say food and snack at first, cosmetics and also things related to their hobbies. All of the students admitted that they sometimes went shopping when they're angry or sad. They believe that shopping will make them forget their anger and sadness. At the mall they can see many people and it makes them forget their problem. But on the other side, going to the mall means buying something even if they have no money. A conflict sometimes occurred between them and their family members, parents, boyfriend or girlfriend about their shopping behavior. Their family sometimes complain about their purchases for example if they buy things similar to things they already have or they buy unnecessary things they couldn't afford.

Fifty percent of the respondents admitted that they think about money a lot. They believe that more money will give them more happiness. They expected to have a lot of money in the future and they think money will solve all of their problems, reduce their stress level, improving their appearances and relationship with others. They expected to have a good job that pays a lot in the future and expected to find a spouse that comes from a wealthy family. Sixty percent of the respondents said that they buy things they don't need quite often almost everytime they visited the mall and feeling sorry after that. The other forty percent sometimes buy things they don't need because of advertisement by sales promotion at then mall. They admitted that every words the sales said were very convincing.

Fifty percent of the respondents responded that they have ever lied at least once to their family about their shopping habit or about the price of the goods that they bought. They are afraid that their parents will get angry if they know the real price of the things they bought. Two of the students hide their purchases because the frequency of their shopping is very often. They are afraid that if their parents find out, they will cut their stipend or refuse to give extra money. They sometimes lie when asking money for shopping and said that it is for books and school supplies.

Social media plays a big role in influencing students behavior. Kaplan and Haenlein (2009),as they have referred social media to "activities, practices, and behaviors among communities of people who gather online to share information, knowledge, and opinions using conversational media. During the stages of consumer decision process, social media is applicable as both a prompt (awareness) and as a validation (support the purchase decision takes place)(Evan 2008.)

Eighty percent of the students are really influenced by Instagram because it's easy to find the latest trend, what their idol and friends wear and do online shopping. The images they see in instagram made it easier to like and want the same thing. Another social media that influenced the students behavior is facebook where it is very easy for them to follow the latest trend. Sometimes these students don't want a thing at first but after seeing celebrity wear an item, they started to want it, look for it and buy it whether they have money or not. For sixty percent of the students, friends and family opinion influenced them to buy or not to buy a product. Even if they are already bought a product and their friends said that it doesn't look good on them, they will not wear it anymore even though it is quite expensive.

Only one student spent funds beyond the credit card nominal limit because it is hard to resist the temptation of buying. And they say since having more than one

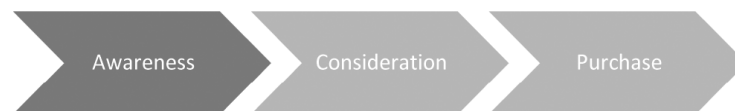


Figure 2: Classic Puchase Funnel (Evan, 2008)

credit card, they feel it's okay to spend more than their limit and regret it later. Fifty percent of the students continue to buy goods that are ultimately not used because of compulsive shopping behavior. Thirty percent of the students keep shopping though it was not able to pay the bills, do they keep shopping while feeling guilty after buying a lot of stuff. Forty percent of the students are not consciously limit their own financial capabilities and continue to buy goods even exceed the price they can afford mostly because of the urge to buy branded things and they continue to buy more stuff even if they have no money. *We can categorize this behavior as compulsive buying. According to Janice (2013) compulsive buying is overspending on overdrive. It's chronic and repetitive purchasing as a result of negative feelings. The buying is done to provide short-term gratification when negative feelings arise. it is frequently associated with other mental health struggles such as anxiety, mood disorders, eating disorders, and substance abuse.*

Compulsive shopping or spending may result in interpersonal, occupational, family and financial problems in one's life. In many ways the consequences of this behavior are similar to that of any other addiction (Barber, 2007). Impairment in relationships may occur as a result of excessive spending and efforts to cover up debt or purchases. Persons who engage in compulsive shopping or spending may become pre-occupied with that behavior and spend less and less time with important people in their lives. They may experience anxiety or depression as a result of the spending or shopping which may interfere with work or school performance. Financial problems may occur if money is borrowed or there is excessive use of credit to make purchases. Often the extent of the financial damage is discovered only after the shopper or spender has accumulated a large debt that necessitates a drastic change in lifestyle to resolve. So if students are experiencing this problem, we need to find solution for this problem.

Many researchers and expert are giving solution for this overspending behavior. According to Seiffert (2013), if you believe you're overspending and want to stop it, the first step is to simply admit that this is what you're doing. If you concede that sometimes you spend money just to get out of that feeling of being isolated, you're halfway to a solution. However, there are some other changes that might be more challenging. Step two is to understand the results of your behavior. For example, have you damaged your financial security because of impulse spending? Are you not saving for retirement? Have you really fouled up your credit score? Have you gotten into debt? In other words, what are the results of your overspending. The purpose of this exercise is to get you fired up. You need to get mad at yourself because your behavior has been so destructive. The next step is is to get out your budget. Or if you don't have a budget create one. You just can't become financially successful without a budget. You probably won't be perfect in how you adhere to a spending plan. But it can make a huge difference when you have something to shoot for instead of just winging it. If you have a monthly budget and know where every dollar has gone, it spotlights emotional shopping so you can see what you've been doing. The next step in ending overspending is to let yourself be human. You should save some specific amount for

your emotional spending so long as you keep it reasonable. If you set aside a practical amount of money for emotional spending that you can afford and then don't go over it, you should stay in good shape. The final step in controlling your overspending is to do an emotional checkup. If you feel that much of your overspending is due a feeling of loneliness, there is an inexpensive solution. Just figure out ways to get involved with other people outside of shopping. Become a volunteer. Start a small business. Just do anything that's centered on other people instead of shelling out money. Life is not all about providing for necessities such as shelter, clothing and food. There's nothing wrong with having a little fun in life. You merit some emotional payoffs. But when you do this, do it deliberately and understand the trade-offs. This can allow you to both enjoy life and be responsible. If you find you just can't control your overspending or have a problem developing a budget, you might look for a consumer credit counseling agency in your area. If there is not one where you live, you can easily find one online. Whichever you choose, you'll be assigned a debt counselor who will go over your finances and help you develop a budget. If necessary, he or she will even contact your creditors to get your interest rates lowered. If appropriate, your counselor will even help you develop a debt management plan and then submit it to your creditors for approval.

#### 4. CONCLUSIONS

The behavior of overspending and compulsive buying has been a great issues recently in developing countries. While this problem has been known years ago in many developed countries, it is not much talked about in developing countries. In Indonesia lately, we heard many cases related to overspending behavior, we believe that we need to find causes, effects and solutions of this problem. We surveyed students of economic faculty and found ten students that have an overspending behavior. After interviewing and observing them we find that the cause of this behavior are mainly psychological causes such as loneliness, low self esteem and stress, peer pressure and social media influence. The effects of this behavior mostly is debt problem and conflict with family members. We try to give solutions taken from many experts such as admitting this behavior, solving the real problem and adding our academic insight by increasing economic and financial literacy for the students since they are from Faculty of Economics. We gave these solutions to the students above and try to add economic education and improve their financial literacy to strengthen the minds of these students especially to make them realize that this overspending behavior needed to be stopped when they're young so it will not becoming a problem when they get older and having many responsibilities.

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