

The Impact of a Consumptive Lifestyle on the Household Economy in Indonesia

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Abstract: *This study aims to analyze the impact of a consumptive lifestyle on household economics in Indonesia. The rapid development of technology, social media, and digital shopping platforms has influenced people's consumption patterns, shifting spending from primary needs to secondary and tertiary desires. Using a qualitative descriptive method with literature study, observation, and semi-structured interviews of households in urban and semi-urban areas, this research reveals that consumptive behavior significantly weakens household financial stability. Excessive spending on non-essential goods and services reduces the ability to meet primary needs such as education, health, and savings, while also increasing the risk of household debt and financial stress. On a macroeconomic level, excessive consumption of luxury and imported goods contributes to trade deficits and decreases domestic economic resilience. Furthermore, low financial literacy exacerbates this problem, as many households struggle to differentiate between needs and wants, leading to poor financial management. The findings highlight that households with higher financial literacy and education levels are better at balancing consumption and maintaining economic resilience. Therefore, improving financial literacy, strengthening social awareness, and developing government policies that encourage productive and sustainable consumption are essential to mitigate the negative impact of a consumptive lifestyle.*

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Introduction

In the era of globalization, technology, society, and culture are changing rapidly. These changes have a significant impact on people's lifestyles. One striking phenomenon is the tendency of Indonesians to consume more goods and services than before. A consumer lifestyle is defined as a person's tendency to purchase goods or services based more on desire, prestige, and social influence than on basic needs. (Belay, 2022) The rise of advertising, social media, and easy access to various products through online platforms reinforce this behavior. Previous studies have found that overconsumption is not always driven by functional needs, but rather by psychological satisfaction, social recognition, and status symbols. (anggasari, 2018).

This situation has a significant impact on the household economy. The national economic system consists of households, which are the smallest but most important component. Household consumption accounts for more than 50% of Indonesia's Gross Domestic Product (GDP) from a macroeconomic perspective, and has increased to between 60 and 75 percent in recent years. (Afifah, 2019) This shows that national economic growth will be directly influenced by any changes in household consumption patterns, both consumptive and productive.

However, household consumer behavior can lead to numerous economic problems. Excessive spending on non-essential items can reduce each household's ability to meet their basic needs, such as food, medical care, and education. National Economic Survey (Susenas) data also shows a shift in household spending from basic necessities to non-food consumption, particularly in cities. (Umaroh & Vinantia, 2018) If this pattern is not managed properly, households will experience financial difficulties, which will result in low levels of well-being.

Furthermore, a lack of financial literacy and self-control are linked to a consumerist lifestyle. Many households are unable to differentiate between needs and wants, leading to unproductive and wasteful consumption behavior. Previous studies have also found that individuals living a consumerist lifestyle are more likely to make impulsive purchases, overuse credit, and pay less attention to long-term financial planning. (Belay, 2022) This can certainly cause financial instability in households, especially for lower-middle-income families.

Household consumer behavior can also pose problems in the context of a country's economic growth. While increased public consumption drives industrial and trade growth, excessive consumption of imported goods, luxury goods, and secondary needs has the potential to increase the trade deficit and reduce households' ability to invest. Nevertheless, household investment in productive businesses, savings, and education is a crucial component in supporting sustainable economic growth. (Sofyan, 2017).

Therefore, research is needed to examine the impact of a consumerist lifestyle on the household economy in Indonesia. This research is crucial not only to understand how a consumerist lifestyle shapes household spending patterns, but also to understand its impact on family well-being and its contribution to the economy. The research findings are expected to provide a more comprehensive understanding of the consumerist lifestyle phenomenon and serve as a basis for formulating financial literacy strategies, wise consumption policies, and strengthening the household economy in Indonesia.

Research Methods

This research uses a descriptive qualitative method with a literature review and case study approach. The qualitative approach was chosen because it allows for understanding complex social and economic phenomena by exploring the meaning behind household consumption habits.(Imanina, 2020)Qualitative research focuses on narrative descriptions, context, and interpretations of behavior and social interactions to understand social phenomena holistically. This differs from quantitative approaches, which focus on numbers and statistical measurements. This method is used when researchers want to understand "why" and "how" a phenomenon occurs, not just "how much."

The two primary sources of research data were semi-structured interviews conducted with several households in urban and semi-urban areas. This interview method was chosen because it allowed respondents to comprehensively describe their experiences managing finances and coping with the pressures of a consumerist lifestyle.(Romdona, 2025)Semi-structured interviews are a data collection method that uses a questionnaire as a guide. However, researchers can still change the order of questions or dig deeper according to respondents' responses. This model differs from structured interviews (which have a fixed list of questions) and unstructured interviews. Secondary data comes from academic articles, scientific journals, e-books, and official statistical data related to consumer lifestyles and household economics.

According to(Sugiyono, 2023)Qualitative research is research based on the philosophy of postpositivity, used to examine the natural conditions of objects, where the researcher is the key instrument, data collection is carried out through triangulation, data analysis is inductive, and research results emphasize meaning rather than generalization. This definition supports the research objective because the researcher wants to understand how the meaning of excessive consumption is interpreted by households and how it affects family economic stability, not just measuring statistical numbers.

Data collection techniques were conducted through observation and in-depth interviews. Observations were conducted directly in the respondents' households to determine how daily consumption activities were carried out, both in the form of shopping habits at traditional markets and the use of online shopping applications. In line with the opinion(Hotimah, 2022)Observation is a method of collecting data by observing the behavior of subjects in a realistic context, allowing researchers to understand the social situation as it exists. Through observation, researchers can record consumption habits, spending intensity, and even spontaneous behaviors that indicate a consumerist lifestyle.

In addition to observation, interviews were also used as the primary technique in this research. In-depth interviews were conducted with several households from different socioeconomic backgrounds to obtain varied perspectives.(Wijoyo, 2022)An interview is a communication interaction in the form of a conversation between an interviewer and a source with the aim of eliciting information, thoughts, and experiences relevant to the research topic. In this study, the researcher used semi-structured interviews, a combination of directed questions and the freedom for respondents to describe their experiences in detail. Through this approach, the researcher can adjust questions to suit the dynamics of the conversation, resulting

in richer and more contextual information.

During the interviews, researchers explored various aspects related to a consumerist lifestyle, such as motivations for purchasing goods that are not always based on need, the tendency to follow trends, the influence of social media on consumer behavior, and the impact of excessive spending on family finances. Data collected from the interviews were then combined with observations to provide a comprehensive understanding of how a consumerist lifestyle is formed and how this pattern disrupts or even weakens household economic resilience.

To maintain data validity, researchers apply triangulation techniques, namely comparing information from interview results with observation data and reviewing field notes so that the data obtained is truly accurate and relevant to the research objectives. (Nurfajriani et al., 2024) In this way, researchers can ensure that the data generated is not only based on subjective perceptions, but is also confirmed through various sources.

Results and Discussion

Research on the impact of a consumerist lifestyle on the household economy in Indonesia shows that excessive consumption behavior influenced by trends, advertising, and the development of digital technology has had significant implications for family financial stability. Based on interview and observation data, most respondent households showed a tendency to purchase non-essential items such as branded clothing, the latest electronic devices, and recreational lifestyles such as frequent dining out and short vacations, even though the family's financial situation is not always sufficient. This phenomenon shows that consumption is no longer driven by basic needs, but rather is influenced more by desires and social pressures to keep up with the times.

According to (Munawaroh & Firmania, 2024) Consumptive behavior can be understood as the tendency of individuals or groups to consume goods and services excessively without considering their actual needs. This aligns with findings in the field, where households with consumptive tendencies often allocate a large portion of their income to tertiary goods, neglecting expenditures on primary needs such as education, health care, and savings. As a result, families' economic resilience weakens and they are vulnerable to financial shocks, such as emergencies or rising prices of basic goods.

From a social perspective, consumer lifestyles are also influenced by modernization and the penetration of digital media. According to (Ranika et al., 2024) Lifestyle is a person's pattern of living expressed through their activities, interests, and opinions. In the context of Indonesian households, this pattern is evident in the increasing use of social media and online shopping platforms, which encourage impulsive consumption behavior. Discount offers, massive promotions, and installment payment options often make families unaware of their high spending. This situation has implications for increasing household debt burdens, further limiting family financial flexibility.

This study also found that a consumerist lifestyle is closely related to low financial

literacy in society.(Finance, 2017)Indonesians' financial literacy remains at 49.68%, meaning nearly half of the population is unable to manage their finances effectively. This lack of understanding of financial management makes it difficult for many families to differentiate between needs and wants, and they lack the awareness to set aside income for savings or long-term investments. This situation worsens household conditions when consumerism persists without control.

Furthermore, a consumerist lifestyle also has a psychological impact on household members. Interviews indicate that many families experience mental stress due to the ever-increasing financial burden. Anxiety arises when monthly income is unable to cover all expenses, especially those resulting from consumer habits such as purchasing trendy items or recreational activities undertaken to maintain social image. According to(Sari, 2023), psychological factors have a big role in consumer behavior, where the need for social recognition often drives individuals to make irrational consumption decisions.

From a macro perspective, the widespread consumerism phenomenon among Indonesian households also impacts economic imbalance. Households that allocate more of their spending to imported goods or non-productive consumer products actually weaken the resilience of the domestic economy. This undirected consumption not only reduces families' ability to build assets but also slows the achievement of sustainable economic prosperity. In line with the opinion(Oktavianti, 2017), healthy consumption behavior should lead to the fulfillment of needs that can improve long-term quality of life, not just momentary satisfaction.

Consumptive behavior has a negative impact on group dynamics, particularly when it concerns the stable and lower-middle class. Many people in the Adiluwih sub-district still engage in consumptive consumer behavior, namely purchasing new items for daily needs without considering their needs. As a result, household expenditures exceed income, thus decreasing their economic well-being. Excessive consumptive behavior is considered unacceptable from an Islamic economic perspective, as it adheres to the principles of efficiency and sustainability.(Yasin.YL, 2019)Lifestyle and self-control have a significant impact on consumer behavior in general. As hedonistic and self-denying lifestyles increase, so does individual consumer behavior. The goal of these practices is to increase household value without sacrificing finances, which can help stabilize the family economy. Study findings indicate that 65.8% of consumers' lives are influenced by their lifestyle and self-control.(Lindratno & Anasrulloh, 2022).

A hedonistic lifestyle and financial literacy tend to increase consumer behavior, especially among young people. They continue to pursue this momentary gratification by purchasing luxury goods, following trends, or allocating funds to non-essential needs without a significant understanding of the satisfaction of money. Poor understanding of financial management, such as decreased savings capacity, increased debt, and financial stress, can disrupt economic balance. In the household context, such consumer behavior creates long-term financial burdens that can affect the stability and economic well-being of the group because expenses exceed income and the group's needs are consistently met. When someone engages in consumptive activities solely to fulfill desires and obtain perverse pleasures, it is called consumptive behavior. Changes in mindset that are inconsistent with reality cause this behavior, and emotional and social factors often influence it, due to their desire to fit in with their

environment, follow trends, and gain social recognition from peers. College students are a young age group that often leads to consumptive behavior, as a result, they tend to buy non-essential items simply to maintain their social status or image in the eyes of others. This kind of consumption habit not only causes waste, but can also cause financial pressure, stress, and psychological problems when income is not commensurate with the desired lifestyle.(Arrezqi, 2024).

This high-income consumer group, yet also with high spending, reflects the consumerist pattern of urban society, which focuses more on social standing and lifestyle than on actual needs. They are constantly informed on topics such as technology, fashion, and entertainment, resulting in modest investment and savings. This condition affects household financial stability, enabling a more frugal approach and deprioritizing needs. In the long term, this consumer behavior can impact the group's economic well-being and make them more dependent on financial resources.(Putra et al., 2024).

According to(Ramadhan et al., 2025)The importance of household consumption in Indonesia's macroeconomic environment, where consumers spend more than 50% of their income on GDP. There has been a shift in consumer behavior from focusing on basic needs to lifestyle choices influenced by advertising and status symbols, which can lead to economic uncertainty and waste in households. In the context of Islamic economics, this is done with the principles of social sensitivity and poverty, so that more affluent consumers align with these principles. Data from Bank Indonesia consumer surveys and the Central Statistics Agency provide consumer behavior based on income levels, which can be used as a guide to analyze consumer behavior in relation to household conditions.

Various elements, including financial literacy, income, digital media, and social pressure, influence consumer lifestyles in Indonesia. According to(Lahagu et al., 2023)found that when spending is not balanced with income, a consumptive lifestyle has a negative impact, causing family economic problems such as inequality and financial stress. This finding aligns with my title, which shows that the younger generation is highly susceptible to consumptive behavior. Digital media and e-commerce also play a significant role in driving consumer behavior, particularly through various marketing tactics such as massive promotions, attractive discounts, flash sales, and payment conveniences such as installments or pay later. These strategies encourage people to shop without considering their needs and financial capabilities. Users have a strong psychological drive to continue purchasing new items because digital platforms with sophisticated algorithms can change advertisements and product recommendations based on their preferences. According to(Hapsari & Baidhowi, 2025)He stated that good digital literacy serves as a self-control tool, as people who understand how digital media and online marketing strategies work will be more critical and selective when making purchasing decisions. Therefore, increasing digital literacy must be balanced with increasing financial literacy so that people can not only manage information wisely but also manage their spending wisely and avoid excessive consumer behavior. Facing the increasingly competitive digital economy and consumer culture in today's global era, the combination of these two types of literacy is an important foundation for modern society.

However, this study also found that there are differences in consumption behavior influenced by income, residential location, and education. Families with higher levels of education and financial literacy tend to be more discerning and selective in spending their income, able to balance primary, secondary, and tertiary needs, and also have savings and investment habits. Conversely, families with lower incomes and a consumptive lifestyle are more vulnerable to economic instability because expenses often exceed income. They have difficulty prioritizing their needs and are more easily trapped in financial stress due to a lack of understanding of social and financial pressures to follow trends.

Therefore, the findings of this study indicate that a consumer lifestyle is a complex phenomenon influenced by many variables, including economic, social, cultural, psychological, and digital technological advancements. Furthermore, the consequences are diverse, ranging from decreased household financial resilience, decreased quality of life due to uncontrolled spending, to increased risk of debt, financial stress, and psychological conflict within the family, due to symbolic consumption patterns that prioritize status and prestige over real needs, consumer behavior can also increase social inequality. Therefore, when people talk about a consumer lifestyle, they must learn more about finance and increase public awareness about it. In addition, the government and educational institutions have a major role in encouraging people to be wiser, more rational, and more moral in managing their consumption patterns to achieve sustainable economic prosperity.

Conclusion and Recommendation

Research on the impact of a consumerist lifestyle on the household economy in Indonesia shows that excessive consumption has significantly impacted family financial stability. A consumerist lifestyle driven by social trends, digital advertising, social media, and the ease of online shopping encourages households to allocate more of their income to secondary and tertiary needs. As a result, many households experience a decline in their ability to meet primary needs such as education, healthcare, and long-term savings. At the micro level, consumerist behavior weakens household economic resilience, increases the risk of debt, and causes psychological stress for family members. At the macro level, excessive consumption of imported goods and luxury products can weaken national economic resilience and reduce the space for productive investment. However, this study also found that families with higher levels of financial literacy and education tend to be able to balance their consumption patterns better. This suggests that financial literacy plays a crucial role as a moderating factor in mitigating the negative impacts of a consumerist lifestyle.

StudyThis study recommends several steps to address the negative impacts of a consumerist lifestyle, including improving financial literacy in households to differentiate needs from wants and develop wise budgets; an active role for the government and educational institutions in providing financial literacy education through both formal curricula and non-formal training; encouraging the public to prioritize local products and support MSMEs so that consumption supports the domestic economy; and implementing government regulations to limit consumer credit and monitor excessive digital promotions. Synergy between households,

the government, education, and the private sector is expected to manage consumerist lifestyles wisely, reduce financial risks, and contribute to national economic growth.

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