

Financial Literacy on PayLater for College Students to Prevent Compulsive Spending

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Abstrak

Perkembangan teknologi finansial (*financial technology*) telah menghadirkan berbagai layanan pembayaran digital yang semakin mudah diakses oleh masyarakat, termasuk fitur PayLater. Kemudahan yang ditawarkan layanan ini memberikan manfaat dalam mendukung transaksi keuangan yang fleksibel. Namun, di sisi lain, penggunaan PayLater yang tidak disertai dengan pemahaman literasi keuangan yang memadai berpotensi meningkatkan perilaku konsumtif, terutama di kalangan mahasiswa yang berada pada fase transisi menuju kemandirian finansial. Oleh karena itu, kegiatan pengabdian kepada masyarakat ini bertujuan untuk meningkatkan pemahaman mahasiswa mengenai penggunaan PayLater secara bijak, mengenalkan risiko yang mungkin timbul akibat penggunaan yang tidak terkendali, serta menumbuhkan kesadaran akan pentingnya pengelolaan keuangan pribadi. Kegiatan dilaksanakan secara daring melalui metode edukasi interaktif yang mencakup penyampaian materi, diskusi, studi kasus, dan evaluasi pemahaman peserta. Materi yang diberikan meliputi konsep dasar PayLater, manfaat dan risiko penggunaannya, pengaruh terhadap perilaku konsumtif, serta strategi pengelolaan keuangan yang sehat. Hasil kegiatan menunjukkan adanya peningkatan pemahaman peserta mengenai penggunaan PayLater yang bertanggung jawab dan pentingnya mempertimbangkan kemampuan finansial sebelum melakukan transaksi. Selain itu, peserta menunjukkan perubahan persepsi terhadap penggunaan layanan kredit digital dengan lebih memperhatikan aspek kebutuhan dibandingkan keinginan.

Kata kunci: Literasi Keuangan, Paylater, Perilaku Konsumtif, Mahasiswa, Fintech, Pengabdian Kepada Masyarakat.

Abstract

Advances in financial technology have introduced a variety of digital payment services that are increasingly accessible to the public, including the PayLater feature. The convenience offered by this service provides benefits in supporting flexible financial transactions. However, on the other hand, the use of PayLater without adequate financial literacy has the potential to encourage excessive spending, particularly among college students who are in the transition phase toward financial independence. Therefore, this community service activity aims to enhance students' understanding of the prudent use of PayLater, introduce the risks that may arise from uncontrolled use, and foster awareness of the importance of personal financial management. The activity was conducted online using an interactive educational method that included material delivery, discussions, case studies, and an evaluation of participants' understanding. The material covered the basic concepts of PayLater, the benefits and risks of its use, its impact on consumerist behavior, and strategies for healthy financial management. The results of the activity showed an increase in participants' understanding of responsible PayLater usage and the importance of considering financial capacity before making transactions. Additionally, participants demonstrated a shift in perception regarding the use of digital credit services, placing greater emphasis on needs rather than wants.

Keywords: Financial Literacy, Pay Later, Consumer Behavior, College Students, Fintech, Community Service.

1. INTRODUCTION

The digital transformation that has taken place in recent years has brought significant changes to various aspects of people's lives, including economic activities and financial transactions [1]. The emergence of financial technology (fintech) has enabled people to gain easier access to various financial services in a fast, convenient, and efficient manner. One rapidly growing innovation is the Buy Now Pay Later (BNPL) service, more commonly known as PayLater. This feature allows users to purchase goods and services using a deferred payment system or by paying in installments over a specific period [2]. The ease of the registration process, relatively simple requirements, and the integration of the service with various e-commerce platforms have made PayLater increasingly popular among the public, particularly the younger generation [3].

College students are one of the user groups with a high level of adaptability to developments in digital technology [4]. As a generation that has grown up in the digital age, students not only utilize technology for academic needs but also to meet various daily consumption needs [5]. Widespread access to online shopping platforms and digital payment services makes students a potential market segment for PayLater service providers. On one hand, these services offer flexibility in meeting urgent needs when financial resources are limited. On the other hand, the ease of obtaining credit facilities without proper financial planning risks encouraging excessive consumerist behavior [6].

Consumptive behavior refers to an individual's tendency to purchase goods or services based more on desire than on need. This phenomenon is increasingly common among students due to the rising intensity of social media use, digital promotions, and various discount programs offered by e-commerce platforms [7]. Various studies indicate that easy access to digital credit services can increase the tendency toward impulsive purchasing, particularly among individuals with low financial literacy [8]. This situation risks causing various problems, such as debt accumulation, difficulties in managing personal finances, and the emergence of financial stress that can impact students' academic and psychological well-being [9].

Financial literacy is a key factor in fostering healthy financial behavior. It involves not only understanding basic financial concepts but also making rational and responsible financial decisions [10]. Individuals with strong financial literacy are better equipped to weigh the benefits, risks, and consequences of every financial decision they make. In the context of using PayLater, financial literacy is necessary so that students can understand the service mechanism, potential additional costs, the consequences of late payments, and the impact on their long-term financial condition [11].

Although various information regarding PayLater services can be easily obtained through digital media, students' understanding does not necessarily align with their level of service usage. Many users utilize PayLater features without fully understanding the terms, fees, or associated risks [12]. This situation highlights the need for educational initiatives that can raise students' awareness of the importance of using digital financial services wisely. Structured educational efforts are expected to help students develop the ability to manage their personal finances and avoid potentially harmful consumerist behaviors in the future [13].

Given these conditions, this community service activity was organized in the form of a PayLater literacy program for students. The activity aims to improve participants' understanding of the characteristics, benefits, and risks of using PayLater, while fostering awareness of the importance of responsible financial management. Through an educational approach involving the delivery of materials, interactive discussions, and case studies, this activity is expected to make a

tangible contribution to improving digital financial literacy and fostering more rational consumption behavior among students. Thus, students will not only become active users of financial technology but will also be able to make financial decisions that are prudent, measured, and sustainable.

2. METHOD

This community service activity was carried out in the form of a digital financial literacy education program aimed at improving students' understanding of the prudent use of PayLater services to prevent compulsive spending. The activity was held online via a video conferencing platform, involving students from various academic programs as participants. The approach used in this activity was an educational-participatory approach, which emphasizes active participant engagement throughout the learning process.

The implementation of the activity began with a preparation phase that included identifying participants' needs, developing educational materials, and creating evaluation instruments. Needs assessment was conducted through an initial survey to gain an understanding of students' level of understanding regarding PayLater services, their usage patterns, and participants' knowledge of personal financial management. The results of this identification served as the basis for developing materials tailored to the participants' needs and characteristics. Additionally, the community service team prepared learning materials, pre-test and post-test instruments, and handled technical coordination regarding the online implementation of the activity.

The next phase involved the implementation of the educational activities, which formed the core of the community service program. The activities began with an administration of a pre-test to measure participants' initial understanding of PayLater concepts, the risks of using digital credit, and the principles of sound financial management. Following this, participants attended interactive sessions where the material was presented. The material covered includes an introduction to the PayLater service, its usage mechanisms, the benefits and risks of using PayLater, the service's impact on consumer behavior, and personal financial management strategies that students can apply. The material is delivered using an interactive lecture method combined with discussions and case studies, enabling participants to understand the material more contextually based on situations commonly encountered in daily life.

To enhance participants' understanding, the session also included discussion and Q&A sessions. During these sessions, participants were given the opportunity to share their experiences, perspectives, and challenges related to using PayLater. The discussions took place as a two-way exchange between the speakers and participants, facilitating the sharing of information and experiences that enriched participants' understanding of responsible digital financial management. Additionally, several case studies on the use of PayLater in students' spending activities were discussed together to train participants' ability to identify risks and make more rational financial decisions.

After all the material was presented, participants were asked to take a post-test as an evaluation tool to measure the level of improvement in their understanding following the activity. The pre-test and post-test results were then compared to determine the program's effectiveness in improving participants' literacy regarding the use of PayLater. In addition to the knowledge assessment, participants were also asked to complete a feedback questionnaire aimed at

gathering information on their satisfaction levels regarding the content, delivery methods, quality of the speakers, and the perceived benefits of the activity.

Data obtained from the pre-test, post-test, and feedback questionnaire were analyzed descriptively using a simple quantitative approach involving percentage calculations and average values. This analysis was used to describe the participants' level of participation, the improvement in understanding that occurred after the activity, and the participants' responses to the implementation of the community service program. Additionally, activity documentation in the form of attendance lists, screenshots of the webinar, and activity recordings were used as supporting data in the preparation of the community service report.

As a follow-up to the activities that had been carried out, participants were provided with educational materials in the form of digital modules that could be studied independently. The community service team also provided online communication platforms as a means for consultation and sharing information regarding personal financial management as well as the healthy and responsible use of PayLater services. Through this series of activities, it is hoped that students will not only gain knowledge about PayLater services but also be able to apply financial literacy principles in their daily lives, thereby avoiding excessive consumption and making wiser financial decisions.

3. RESULTS AND DISCUSSION

The community service activity, themed "PayLater Literacy for Students to Prevent Compulsive Spending," was held online and attended by 271 students from various academic programs. The entire series of activities proceeded according to the established schedule, including a pre-test, presentation of materials, interactive discussions, case studies, a post-test, and the completion of an evaluation questionnaire. The high level of enthusiasm among participants was evident from their attendance and participation throughout the event.

Participant Characteristics

The participants in this program are from various semesters and have varying levels of experience with PayLater. Based on the initial survey results, most participants are familiar with the PayLater service and have used it for digital transactions.

Table 1. Characteristics of Activity Participants

Characteristics	Number (people)	Percentage (%)
Gender		
Male	112	41,3
Woman	159	58,7
PayLater Usage Status		
Have you ever used	176	64,9
Have never used	95	35,1
Total	271	100

The data shows that the majority of participants have already used PayLater services. This indicates that the topic of PayLater literacy is highly relevant to the current needs of students.

Participant Engagement

Participant engagement during the activity is one indicator of the program's success. Based on observations, most participants stayed until the end of the activity and actively participated in the discussion sessions.

Table 2. Participant Participation Rates During the Activity

Participation Indicators	Total (People)	Percentage (%)
Participate in the activity until it is finished	259	95,6
Ask a question	214	79,0
Participate in the discussion	146	53,9
Complete the post-test and evaluation	243	89,7

The high participation rate indicates that the material presented was able to capture the participants' attention and encourage their active engagement throughout the learning process.

Improvement in Participants' Understanding

The effectiveness of the activity is measured by comparing the pre-test and post-test scores administered before and after the educational session.

Table 3. Results of the Participants' Understanding Assessment

Indicators	Pre-Test	Post-Test
Average score	63,4	86,7
Highest score	85	100
Lowest score	40	65
Average increase	23.3 points	

The evaluation results show a significant improvement in participants' understanding. The average score rose from 63.4 on the pre-test to 86.7 on the post-test. This 23.3-point increase indicates that the material presented successfully improved participants' literacy regarding the prudent use of PayLater.

Participant Feedback on the Program

Participant satisfaction was assessed through a questionnaire distributed after the activity concluded. Based on the evaluation results, the majority of participants gave very high ratings to all aspects of the activity. The aspect of the activity's benefits received the highest percentage, at 84.9%, indicating that participants felt they had derived direct benefits from the program.

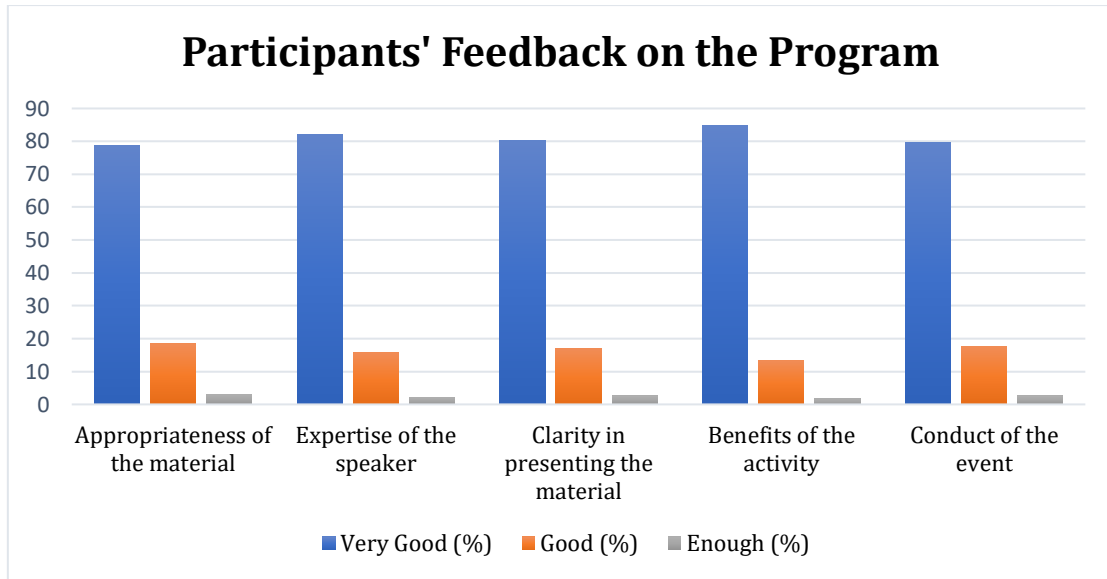


Figure 1. Participant Feedback on the Program

Based on Table 4, participants responded very positively to the PayLater literacy program. The “benefits of the program” aspect received the highest rating of “very good” at 84.9%, indicating that participants felt they had gained a better understanding of the prudent use of PayLater and personal financial management. Furthermore, the aspect of the resource person’s competence received a very good rating of 82.1%, followed by the clarity of material delivery at 80.4%, activity implementation at 79.7%, and material relevance at 78.6%.

The high evaluation scores across all aspects indicate that the presented material aligned with participants’ needs, the presenters effectively conveyed the material, and the activity was implemented effectively. These evaluation results indicate that the community service program has successfully provided tangible benefits in enhancing students’ financial literacy regarding PayLater usage and preventing excessive consumption.

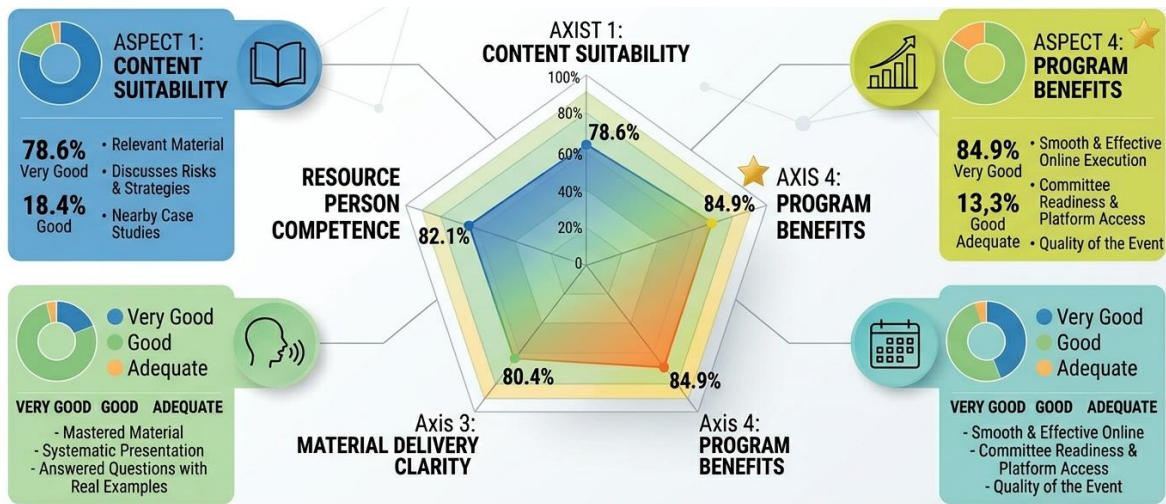


Figure 2. Detailed Analysis of Literacy Program Participant

Overall, the feedback indicates that the PayLater literacy program received an excellent level of acceptance from participants. When broken down by rating category, an average of more than 80% of participants rated all evaluated aspects as “excellent.” These findings suggest that the activities conducted met participants’ needs, both in terms of content and quality of delivery. The high level of participant satisfaction also serves as an indicator that the educational methods used are effective in conveying information and raising students’ awareness regarding the responsible use of PayLater. Therefore, similar activities have the potential to be developed sustainably as part of efforts to improve digital financial literacy within the higher education environment.

4. CONCLUSION

The community service activity titled “PayLater Literacy for Students to Prevent Compulsive Spending” was successfully carried out and received a positive response from participants. The program succeeded in improving students’ understanding of the concept, benefits, risks, and prudent use of PayLater services. Evaluation results showed an increase in participants’ average scores from 63.4 on the pre-test to 86.7 on the post-test, indicating that the educational activity significantly improved participants’ financial literacy.

In addition to increased knowledge, this activity also successfully fostered students’ awareness of the importance of responsible financial management. The majority of participants demonstrated a commitment to better consider their financial capacity before using PayLater, limit its use to essential needs, and avoid impulsive purchases that could trigger consumerist behavior. The high level of participant satisfaction with the materials, speakers, and program implementation further reinforces the program’s success in achieving its established objectives.

Based on these results, it can be concluded that financial literacy education regarding the use of PayLater is an effective effort in enhancing understanding and fostering healthier financial behaviors among students. Therefore, similar activities should be conducted on an ongoing basis with a broader participant base to support the improvement of digital financial literacy and encourage the development of a younger generation that makes wiser financial decisions.

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