



# Let's Work **TOGETHER**

We stand with schools and students to conquer loan anxiety, delinquency, and default.

## Financial Education in the age of FOMO

Speaker



**Carissa Uhlman**  
Vice President of Student Success

# Agenda

- FOMO: What is it? Why should you care?
- Fintech Findings
- Financial Education Strategies
- Q & A

# FOMO

What is it? Why should you care?



# FOMO Defined

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...the uneasy and sometimes all-consuming feeling that you're missing out – that your peers are doing, in the know about, or in possession of more or something better than you". Under this framing of FOMO, nearly three quarters of young adults reported they experienced the phenomenon.

Source: Time, This Is The Best Way to Overcome Fear of Missing Out; 2016

# What Causes FOMO?

In a word: unhappiness

*“Our findings show those with low levels of satisfaction of the fundamental needs for competence, autonomy, and relatedness tend towards higher levels of fear of missing out as do those with lower levels of general mood and overall life satisfaction.”*

*“The problem with FOMO is the individuals it impacts are looking outward instead of inward... When you're so tuned in to the 'other,' or the 'better' (in your mind), you lose your authentic sense of self. This constant fear of missing out means you are not participating as a real person in your own world.”*

Source: Time, This Is The Best Way to Overcome Fear of Missing Out; 2016

# It's a vicious cycle!

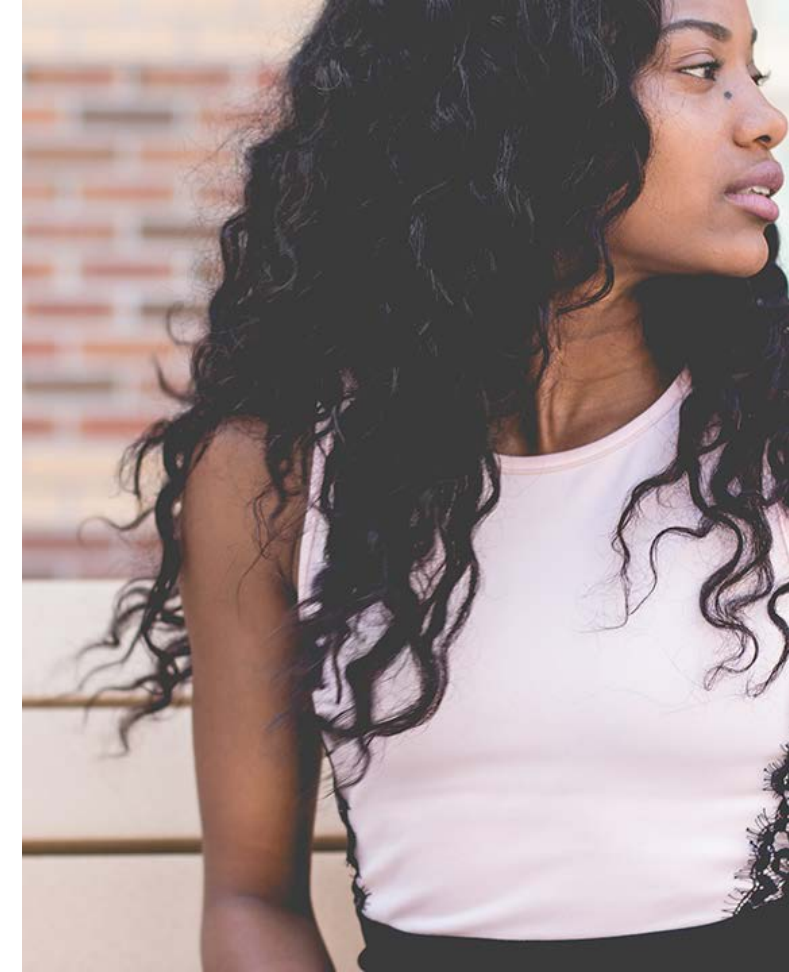
So what's the most common response?

To post something. As if to say:

*“Look at me! I’m cool, too!”*

But, posting to alleviate your discomfort also has an important secondary effect: by presenting your carefully edited version of life awesomeness, you just made anyone who sees it feel worse. You’re spreading the virus.

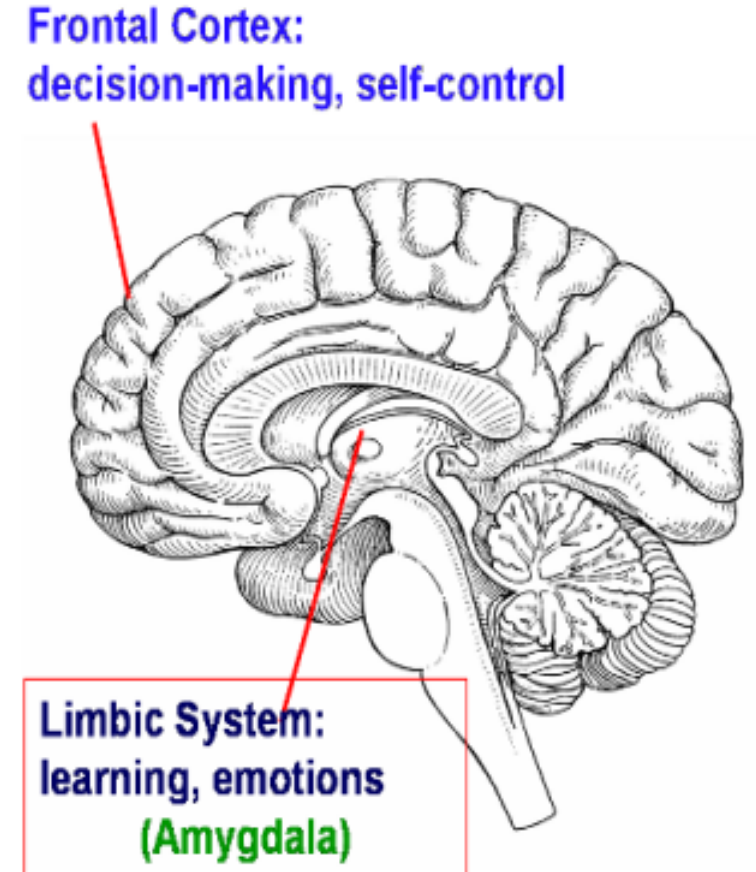
Source: Time, This Is The Best Way to Overcome Fear of Missing Out; 2016



# And, there's even science behind it!

- Limbic system
  - Reptilian brain
    - “Fight or flight!”
  - Emotional relationship to thoughts, objects, people and events
  - Amygdala
    - Emotional center of the brain
    - Hypersensitive

*\*Remember this for later!*





# Gen Z & FOMO



**55%**

say an ad in their feed drove their purchase



**40%**

say a link posted by a brand or company they follow drove their purchase



**23%**

say a recommendation from a friend or follower drove their purchase

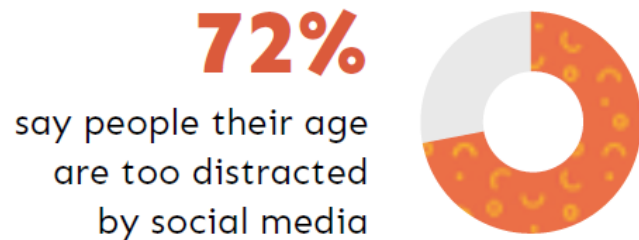


**57%**

have purchased a product they saw because of a social media influencer or celebrity

Source: Meet Gen Z: The Social Generation; Hill Holliday

# Gen Z's Love/Hate Relationship with Social Media



Social media reminds me of everything I'm missing out on. A lot of the times I'll find out that I'm being ignored or just not a priority to people important to me.

Source: Meet Gen Z: The Social Generation; Hill Holliday

# Millennials and FOMO

**50%**

spend more money on going out than housing

**57%**

spent money they weren't planning to due to what they viewed on social media

**55%**

experienced FOMO

**61%**

feel inadequate about their own life because of social media

**63%**

think social media negatively influences financial well-being

Sources: 2018 Allianz Generations Ahead Study; Credit Karma

# Not even adults are immune!

- Ridiculously expensive suit that I wore once!
- I bought an iPod Shuffle when I already own an iPod Classic and an iPod Touch
- Exercise machine
- Overpriced antique wall sconces...they still sit in my storage room
- Front row concert tickets
- Name brand kids shoes
- New car – should have bought used!
- A new stove to match my new fridge when the old one was working just fine - still paying for it
- Keeping our first house after buying a new one, and carrying two mortgages
- My marriage

# Common Denominator

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## Keeping Up With the Joneses has gone viral!



Instead of just trying to keep up with the Joneses, we keep them in our hands and pockets with our smartphones.

*Lauren Greutman, author of “The Recovering Spender”*



# The Problem with FOMO & Social Media?

## IT ISN'T REAL!



Source: <https://i.pinimg.com/originals/03/17/b0/0317b059a0c18d496e543e99d15bfd35.png>

# Relationships Aren't as Rosy



**The Cultured Ruffian**  
@CulturedRuffian



Your relationship on Facebook vs. Your relationship in real life.



Source: <https://me.me/i/the-cultured-ruffian-culturedruffian-your-relationship-on-facebook-vs-your-21208932>

# The Perfect Shot isn't so Idyllic

sometimes our perfect online lives  
aren't quite what they seem



and we're really just on the side of the highway  
eating taco bell, and it's starting to rain

Source: <https://i.pinimg.com/originals/a5/f2/b1/a5f2b1f6335cbddb5e0cd7cfe82f2cff.jpg>



# Pinterest Projects Never Turn Out



# How Did We Get Here?

Messaging gone wrong:

**Spend money on experiences, not things!**

- 60% buy food
- 33% buy alcohol
- 40% spend on travel
- 25% buy tickets to music events
- 17% attend sporting events

Source: Credit Karma, Nearly 40% of millennials overspend to keep up with friends, 2018



# End Result

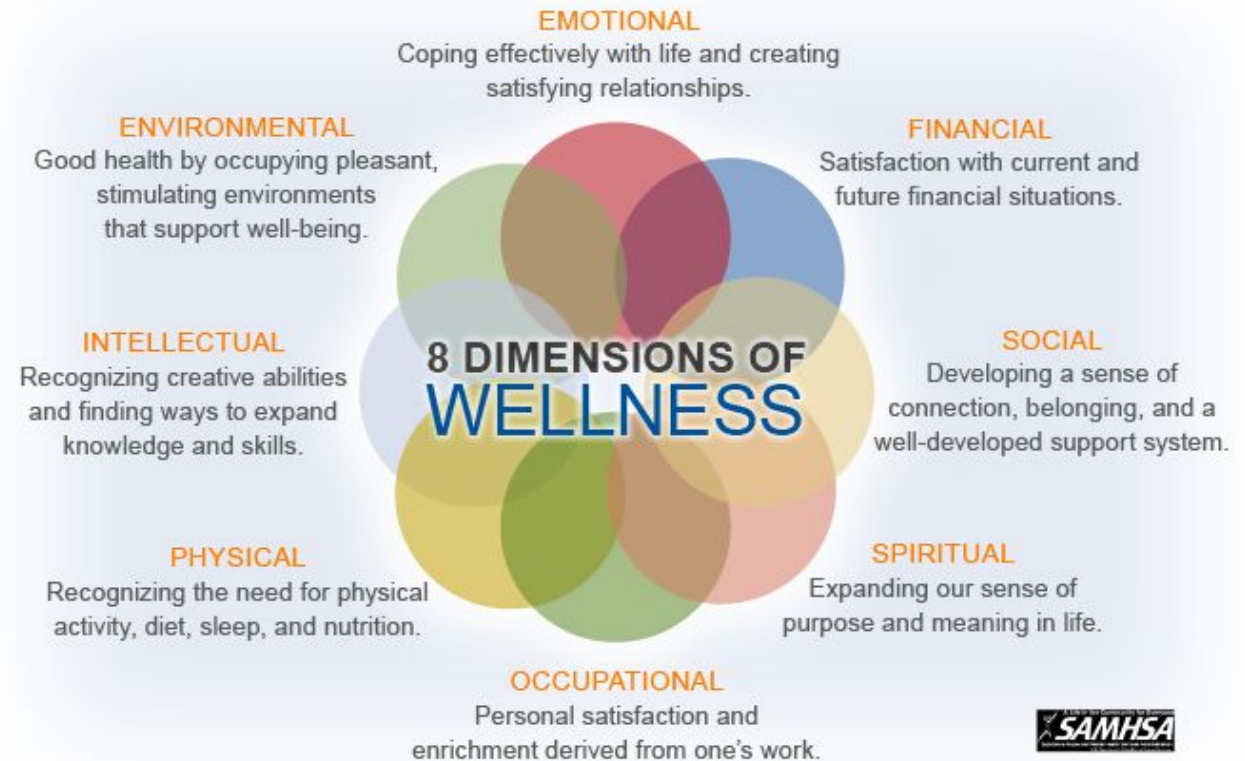
- 36% spend money they don't have because they're afraid they won't be included in a future activity if they don't
- 27% don't want to feel like an outsider
- 26% don't want to lose friends
- 23% don't want to be judged

Source: Credit Karma, Nearly 40% of millennials overspend to keep up with friends, 2018



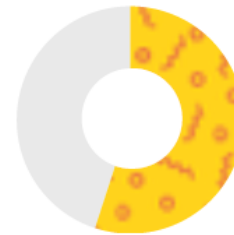
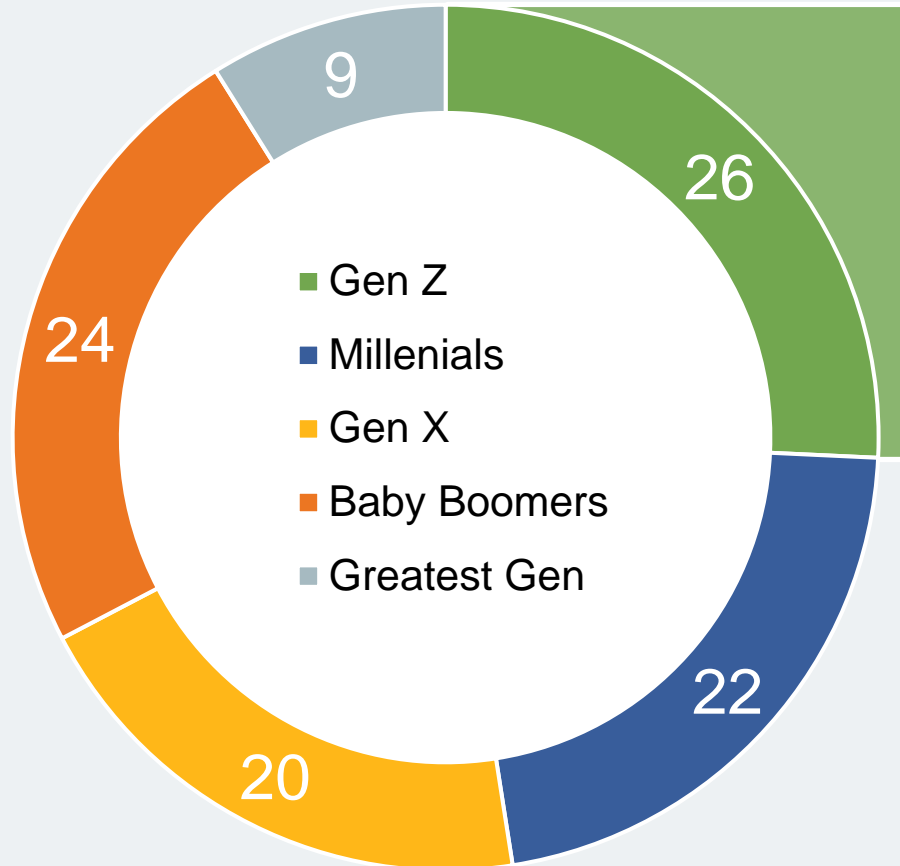
# Why Should We Care?

- FOMO is very real, with very real financial consequences
- Social media isn't going anywhere
- Linked with emotional, social, and intellectual health
  - Peer pressure
  - Inclusion
  - Low self-esteem
  - Online addiction



Source: [www.samhsa.gov](http://www.samhsa.gov)

# Why Should We Care?



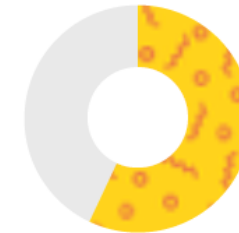
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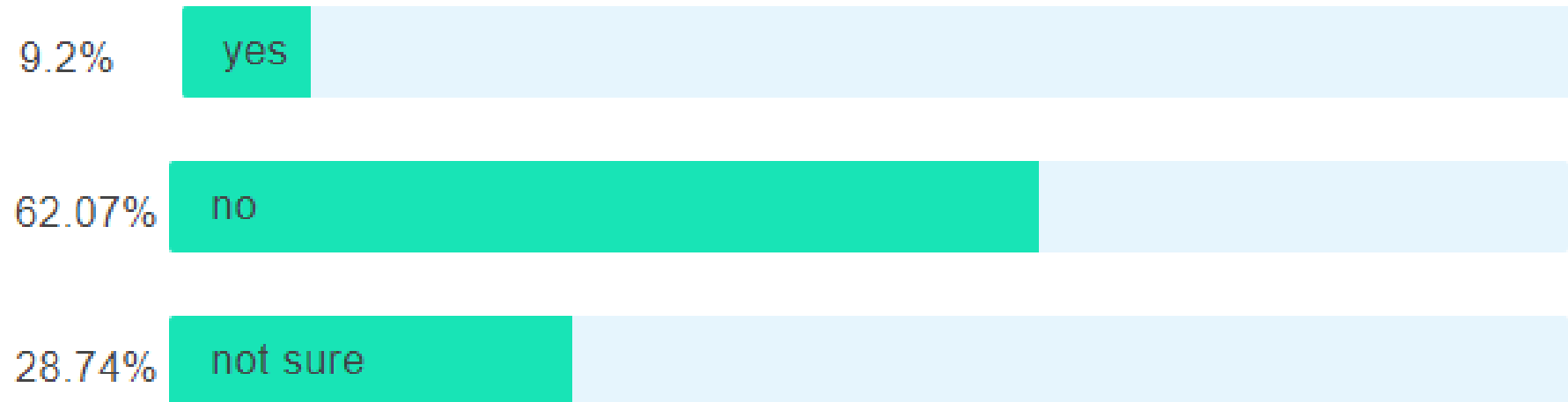
**57%**  
have purchased a  
product they saw  
because of a social  
media influencer  
or celebrity

Source: Generation Z: The Coming of (Shopping) Age

# Fintech Findings

# Audience Poll

## Are you a fintech user?





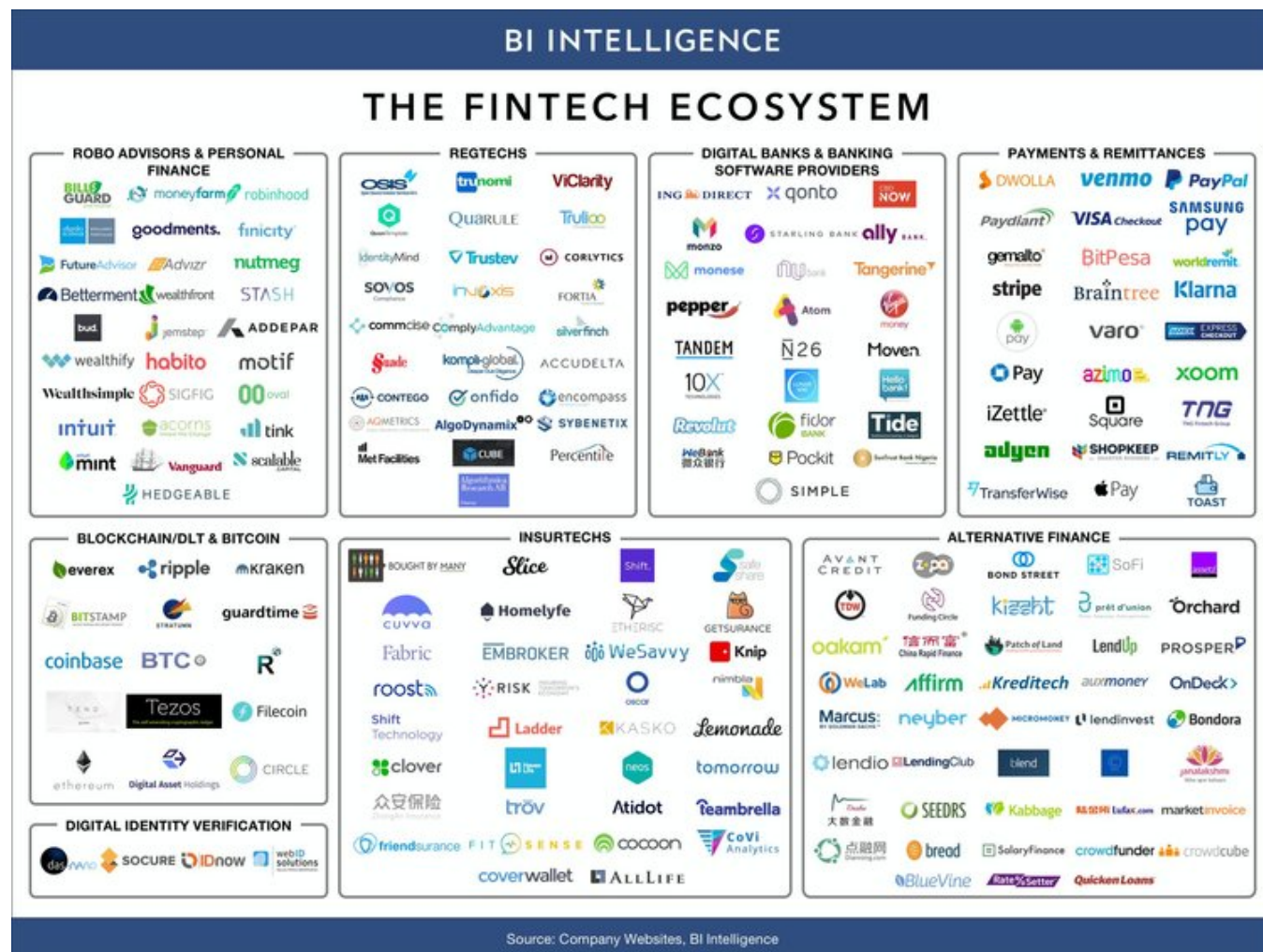
# Fintech Defined



FinTech companies are businesses that leverage new technology to create new and better financial services for both consumers and businesses. It includes companies of all kinds that may operate in personal financial management, insurance, payment, asset management, etc.


Source: Huffington Post What is Fintech? 2017

# Fintech Examples



Source: Business Insider, Latest fintech industry trends, technologies and research from our ecosystem report, 2018

# Fintech and FOMO



Increased pressure to spend  
+  
Greater access to online transactions

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**THE PERFECT STORM**

# Fintech Use



80%

of millennials use their smartphones to make a fintech transaction



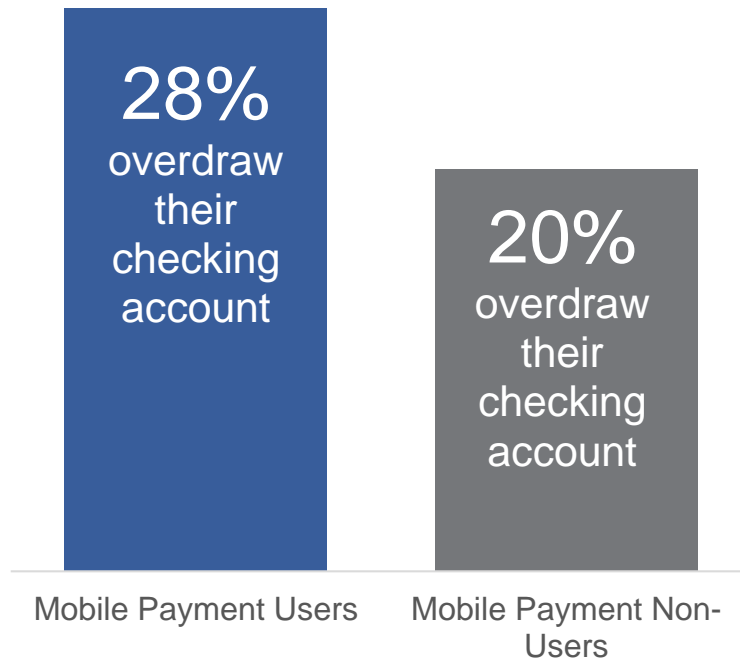
90%

of millennials use their smartphones to obtain information via fintech

Source: The TIAA Institute-GFLEC Personal Finance Index 2018

# Fintech & Negative Financial Behaviors

Millennials who make mobile payments are more likely to overdraw their checking accounts.



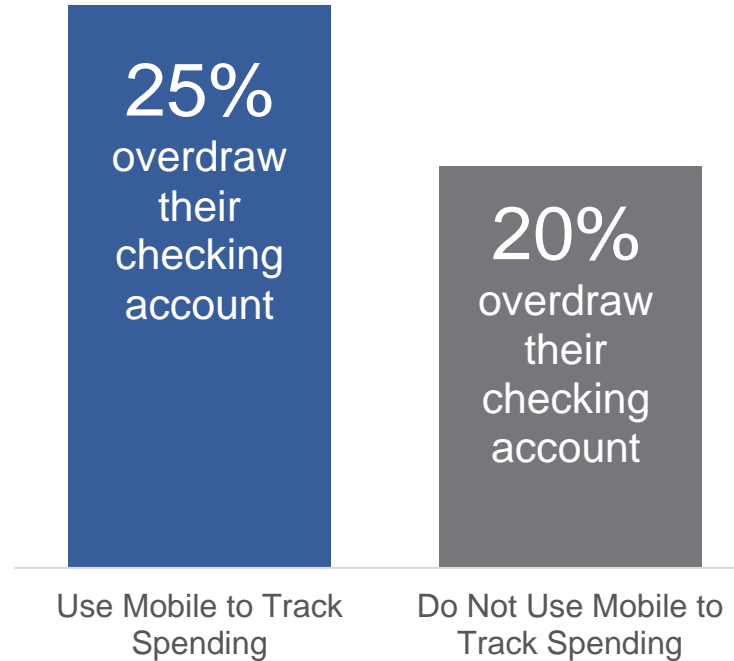
“In addition to overdrawing their checking account, mobile payment users were found to be more likely to engage in expensive credit card practices, to borrow through alternative financial services, and to make withdrawals from their retirement savings accounts.”

Source: The TIAA Institute-GFLEC Personal Finance Index (2018).



# Fintech & Negative Financial Behaviors

Millennials who track spending with their smartphone are **not** less likely to overdraw their checking account.

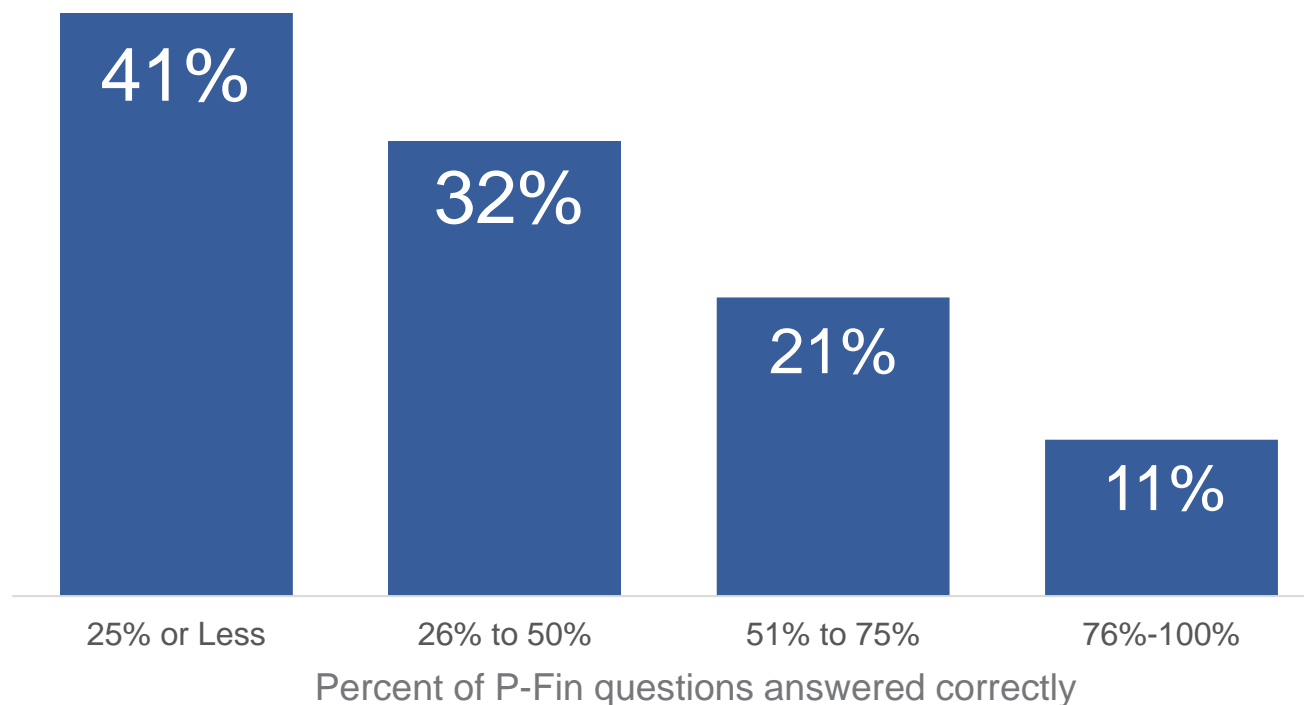


Source: The TIAA Institute-GFLEC Personal Finance Index (2018).

# Financial Education to the Rescue

## Higher Financial Literacy Lessens Negative Effects of Using Smartphone for Mobile Payments

Percent of mobile payment users overdrawing their checking account

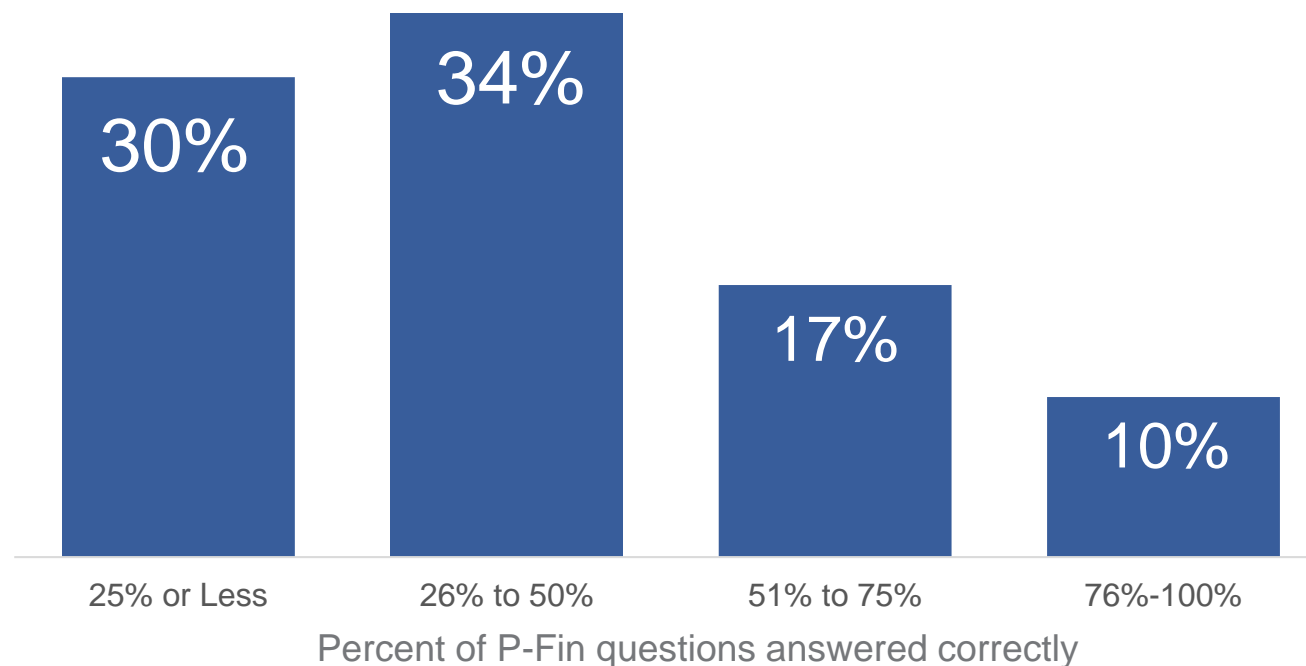


Source: The TIAA Institute-GFLEC Personal Finance Index (2018).

# Financial Education to the Rescue

## Higher Financial Literacy Lessens any Negative Effect of Using Smartphone for Track Spending

Percent overdrawing their checking account among those who use smartphone to track spending



Source: The TIAA Institute-GFLEC Personal Finance Index (2018).

# What Does This Mean?



As technology continues to develop ways to make our lives easier, it is clear that we cannot exclusively rely on it to guide us through our financial lives. Our research underscores the importance of financial literacy and its complementary relationship with fintech in producing good outcomes.

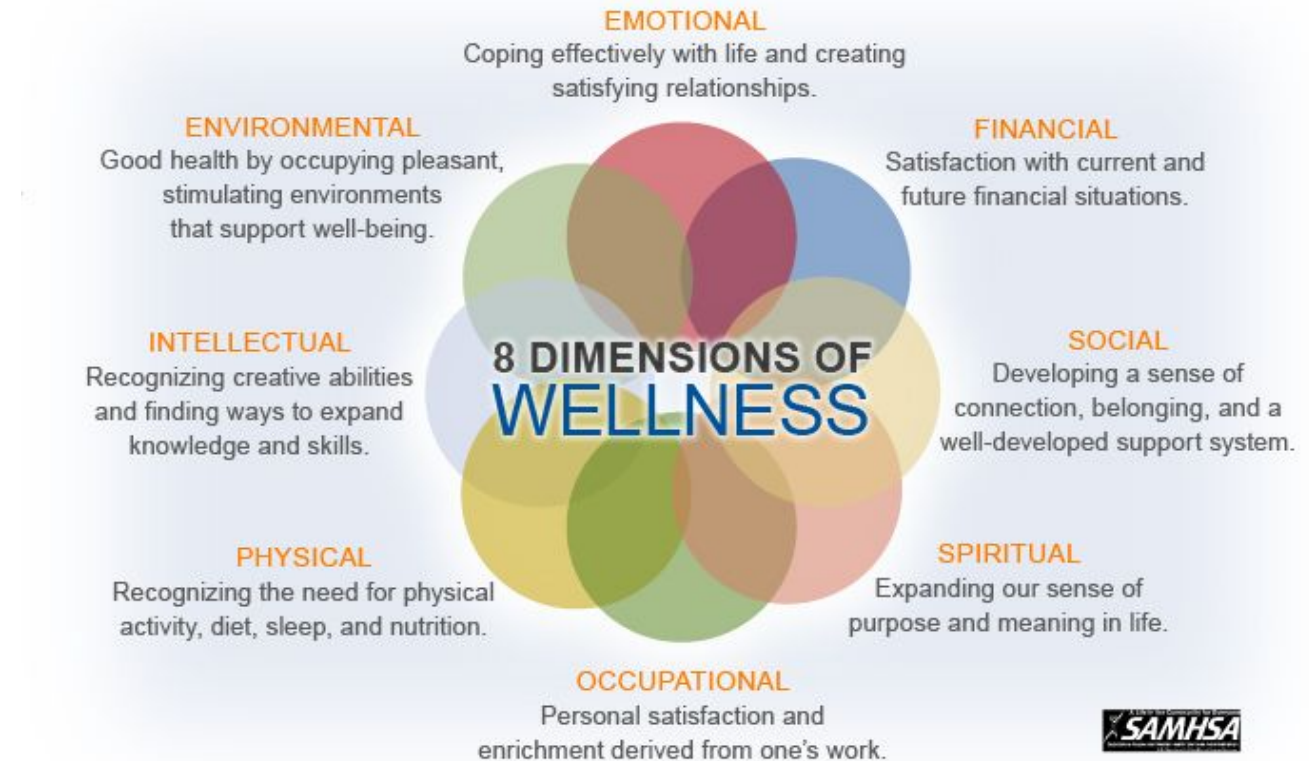
*Stephanie Bell-Rose, Head of the TIAA Institute*

Source: GFLEC

# Financial Education Strategies

# FOMO and Financial Education

- FOMO is very real, with very real financial consequences
- Social media isn't going anywhere
- Linked with emotional, social, and intellectual health
  - Peer pressure
  - Inclusion
  - Low self-esteem
  - Online addiction



Source: [www.samhsa.gov](http://www.samhsa.gov)

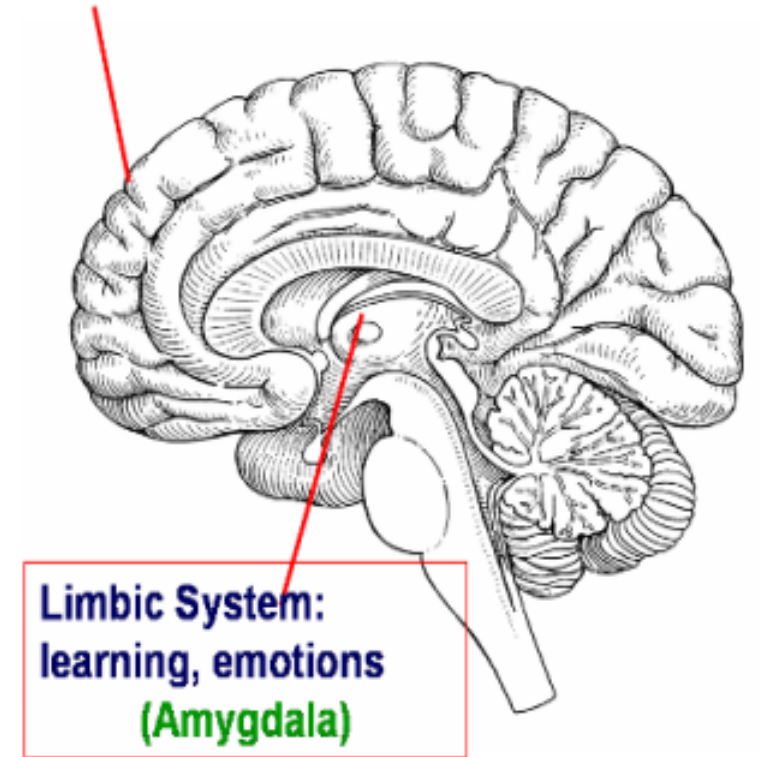


# Remember this? Oh hey, Limbic Brain...

- Limbic system
  - Reptilian brain
    - “Fight or flight!”
  - Emotional relationship to thoughts, objects, people and events
  - Amygdala
    - Emotional center of the brain
    - Hypersensitive

***\*Remember this for later!***

Frontal Cortex:  
decision-making, self-control



# Low-Touch Strategy

## Just Talk About It!

- Recognize and talk about FOMO as part of your Financial Wellness programs
  - Other students feel like you do!
  - Part of Financial Wellness Month (April)
    - Share tips to combat FOMO
    - <https://www.collegemagazine.com/10-ways-to-avoid-fomo-in-college/>

### 1. REMEMBER HOW GROSS PARTIES REALLY GET



giphy.com

College parties often involve drinking and dancing in a crowded room with little-to-no air circulation. That means [skin-to-skin contact](#) with strangers—gross. No air circulation means the slick [drip with sweat](#)—disgusting. The music plays so loud that no worthwhile conversation can take place. You're not missing out on much, really.

### 2. THINK ABOUT THE HANGOVER YOU'RE AVOIDING



giphy.com

People who [drink at parties](#) aren't normally "lightly" intoxicated. At any university, students typically binge drink on the weekends or abstain entirely. It's hard to [find moderation](#) with the motto, "work hard, play hard." That means waking up on Sunday morning with a pounding headache and a sensitive stomach. By skipping the party (and therefore the drinking), you'll approach homework with a clear mind before classes that week.

# Low-Touch Strategy

## Social Media Campaign

- Use social media to spread the word about FOMO
  - Ask students to share “Social Media vs. Real Life” experiences



Source: <http://themetapicture.com/student-life/>

# Low-Touch Strategy

## Social Media Campaign

- Promote a Social Media Break day
- [www.nationaldayofunplugging.com/](http://www.nationaldayofunplugging.com/)





# High-Touch Strategy

## Campus Collaboration

- Greater exposure
- Expertise of counseling services
  - School counselor or community mental health board
- Perfect topic for residence life programming
- Workshop ideas
  - Address mental health and social media
  - Budgeting / Money Tips to combat FOMO
    - Cheap or free activities
    - Maximizing student ID discounts



# High-Touch Strategy

## Promote Mindfulness

- Redirects thought from limbic brain to prefrontal cortex
- Higher-level thinking activities
  - Gratitude exercise
  - Labeling Emotions
  - Reframing



In fact, worrying can help calm the limbic system by increasing activity in the medial prefrontal cortex and decreasing activity in the amygdala. That might seem counterintuitive, but it just goes to show that if you're feeling anxiety, doing something about it — even worrying — is better than doing nothing.

Source: Barking Up the Wrong Tree Blog, New Neuroscience Reveals 4 Rituals That Will Make You Happy, 2015

# Mindfulness Technique: Labeling Emotions

## Label emotions and reframe them

- What happened?
- What did you say?
- How did you feel?
- What did you do?
- Is what you are saying true?
- Are your responses helping you or hurting you?
- New perception or thinking



To reduce arousal, you need to use just a few words to describe an emotion, and ideally use symbolic language, which means using indirect metaphors, metrics, and simplifications of your experience. This requires you to activate your prefrontal cortex, which reduces the arousal in the limbic system. Here's the bottom line: describe an emotion in just a word or two, and it helps reduce the emotion.

Source: Time, This Is The Best Way to Overcome Fear of Missing Out; 2016

# Mindfulness



(<http://bit.ly/InceptiaMindfulv>)

# Questions

\*All attendee questions were addressed during webinar

# Upcoming Webinars



**Building a Better Award Letter: Providing Information that Really Helps Students and Families**

**March 13**

**Loan Summaries: Helping Students, Helping Schools**

**March 21**

**Handling Money Like a #Girlboss: Empowering Women Through Financial Literacy**

**April 2**

**Student Insights: Financial Behaviors and Issues of Inequity**

**April 24**

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