To What Extent Did Social Media Use Contribute to Financial Hardship One Year into the COVID-19 Pandemic? Examining The Role of Fear of Missing Out

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The COVID-19 pandemic saw a substantial increase in social media use (Wold, 2020; Xiao et al., 2020). This study investigates the fear of missing out (FoMO) as related to this increase in usage. During the COVID-19 pandemic, more individuals reported FoMO (Carufel, 2020). Ties between social media, financial hardship, and FoMO are not yet well understood (Cao et al., 2020; Hershfield, 2020; Uhlman, 2020).

Data for this study come from the Socioeconomic Impacts of the COVID-19 Survey at Washington University in St. Louis (Roll et al., 2021). This study had five waves, and the current study uses the 4th survey wave, which includes two focal predictor variables, fear of missing out and social media use. Financial hardship was examined in two ways: (1) difficulty making ends meet and (2) lacking emergency savings.

OLS regression results showed that social media use is positively associated with difficulty in making ends meet and lacking emergency savings and the fear of missing out appears to mediate the relationship. It appears that social media usage and one's inclination to experience FoMO can hinder one's financial position. Younger consumers and those who experienced job loss during COVID-19 were affected most.

The results of this study have implications for consumer financial behaviors as we report a strong direct link between social media usage and difficulty making ends meet and accumulating emergency savings. Providing measurable items such as these can support previous research, especially in relation to financial wellbeing's subjective nature (Xiao et al., 2014).

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