

## Moral Considerations of Students in Taking Online Loans: Between Needs and Desires

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### ABSTRACT

This study examines students' morality in decision-making regarding online loans. The purpose of this study is to identify factors that influence students' decisions to take online loans and analyze the role of morality in this process. This study uses a combination of qualitative and quantitative methodologies, aiming to provide deeper insights into the social and economic impacts of online loans on students. Data collection techniques include surveys, in-depth interviews, and case study analysis. In the context of the increasingly widespread phenomenon of online loans, especially among students, this study identifies several factors that influence their decisions to borrow. This study also links its findings to the Theory of Planned Behavior (TPB) and Moral Theory. Individual and collective morality play an important role in decision-making regarding online loans. Collective morality, which includes the norms and values of social groups, also influences online loan decisions. Students' involvement with online loans has a significant impact. In the short-term, students often experience stress and anxiety due to debt pressure. In the long-term, it can disrupt education and create a cycle of poverty.

### ABSTRAK

### Kata-kata kunci:

Moralitas;

Mahasiswa;

Pinjaman Online;

Kebutuhan;

Keinginan.

**Pertimbangan Moral Pelajar dalam Memutuskan Mengambil Pinjaman Online: Antara Kebutuhan dan Keinginan.** Penelitian ini mengkaji moralitas mahasiswa dalam pengambilan keputusan terkait pinjaman daring. Tujuan penelitian ini adalah untuk mengidentifikasi faktor-faktor yang memengaruhi keputusan mahasiswa untuk mengambil pinjaman daring dan menganalisis peran moralitas dalam proses ini. Penelitian ini menggunakan kombinasi metodologi kualitatif dan kuantitatif, yang bertujuan untuk memberikan wawasan yang lebih mendalam tentang dampak sosial dan ekonomi pinjaman daring terhadap mahasiswa. Teknik pengumpulan data meliputi survei, wawancara mendalam, dan analisis studi kasus. Dalam konteks fenomena pinjaman online yang semakin marak, terutama di kalangan mahasiswa, studi ini mengidentifikasi beberapa faktor yang memengaruhi keputusan mereka untuk meminjam. Penelitian ini juga mengaitkan temuannya dengan Teori Perilaku Terencana (TPB) dan Teori Moral. Moralitas individu dan kolektif memainkan peran penting dalam pengambilan keputusan mengenai pinjaman daring. Moralitas kolektif, yang mencakup norma dan nilai kelompok sosial, juga memengaruhi keputusan pinjaman daring. Keterlibatan mahasiswa dengan pinjaman daring memiliki dampak yang signifikan. Dampak jangka pendek, mahasiswa sering mengalami stres dan kecemasan karena tekanan untuk membayar utang. Dampak jangka panjang, terjebak dalam utang dapat mengganggu pendidikan dan menciptakan siklus kemiskinan.

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## Introduction

Online loans have become an increasingly common phenomenon among students, particularly in the current digital era. However, the decision to take out such loans often involves complex moral considerations. In this context, it is essential to understand how students balance their financial needs with the allure of easy access to loans (Rahmadyanto & Ekawaty, 2023). Therefore, understanding the morality of students in the context of online loans cannot be overlooked. The phenomenon of online loans among students indicates that many find themselves trapped in potentially harmful debt cycles. According to data from the Financial Services Authority (OJK) in 2021, approximately 40% of students in Indonesia have taken online loans for various reasons, ranging from urgent needs to desires for lifestyle fulfillment (Hartati & Syafrida, 2022).

This research emphasizes the importance of understanding the influence of student morality on their decisions to take online loans. Morality can affect students' considerations when choosing to borrow, as well as how they manage existing debts. Several studies have been conducted to understand students' financial behavior, particularly in the context of online loans. Among these is research conducted by AL-Maalouf et al. (2023). This study highlights the importance of financial education in helping students make better choices.

Subsequently, research conducted by Sari & Novrianto (2020) explains that the factors influencing students' decisions to choose online loans include promotions and ease of access. However, this research lacks depth in exploring the moral aspects of those decisions. Next, research conducted by Furuta (2024) explains that students are motivated by family, particularly their mothers, to take online loans under the pretext of educational needs, while their parents may also use the funds for their own purposes. Nevertheless, this research does not explore how moral values influence these decisions. Furthermore, from a theoretical perspective, several theories can be used to analyze students' behaviors in taking online loans. One of these is the TPB developed by Ahadiat et al. (2021). This theory explains that individual behavior is influenced by intention, which in turn is affected by attitudes, subjective norms, and perceived behavioral control. In the context of online loans, students' attitudes towards loans, the influence of family and peers, and their perceptions of repayment capability can significantly affect their decisions.

Although several studies have been conducted, there remain gaps that require further exploration regarding moral and ethical aspects. This is because most research focuses more on economic and social factors, with fewer studies addressing how moral and ethical values influence students' decisions to take online loans. Future research could explore how students assess the morality of their decisions and how this affects their behavior. Additionally, the aspect of gender differences and social background warrants further investigation. Previous research often fails to consider how gender and socio-economic background differences influence borrowing decisions. Further studies could identify whether there are significant differences in how male and female students, or students from different backgrounds, view online loans.

Moreover, some of these studies also fail to consider the long-term impacts. Many studies focus on current borrowing decisions but do not explore the long-term consequences of these decisions on students' future financial lives. Although some research has shown the importance of financial education, there remains a lack of studies specifically exploring how financial education programmes can shape students' morality in making borrowing decisions. This research could provide recommendations for better educational policies. Therefore, to gain a

deeper understanding of students' morality in deciding to take online loans, it is crucial to fill existing research gaps. By exploring moral aspects, gender differences, long-term impacts, and the role of financial education, future research can provide more comprehensive insights that are useful for policymakers, educators, and the students themselves.

The TPB is one of the theories frequently used to understand the factors influencing individual behavior, including decisions to take out online loans. TPB proposes that a person's behavior is influenced by three main components: attitudes towards the behavior, subjective norms, and perceived behavioral control. In the context of online loans, understanding students' motivations—whether driven by financial responsibility or pleasure—becomes essential for further exploration (Mahmoud et al., 2024).

Several previous studies have applied TPB in the context of online loans. For instance, research by Purwani et al. (2024) shows that a positive attitude towards online loans can increase the likelihood of a person taking out a loan. On the other hand, research by Muttaqin and Nuryanti (2023) indicates that subjective norms, such as peer influence, also play an important role in students' decisions to borrow money online. However, despite several studies discussing the factors influencing online loan decisions, there remains a significant gap in understanding how responsibility and pleasure interact in this context.

Based on existing research, several conclusions can be drawn. First, a positive attitude towards online loans can increase the likelihood of students borrowing, but this does not always align with financial responsibility. Second, the subjective norms of peers can influence borrowing decisions, but there is no consensus on the extent of this influence. Nevertheless, the interaction between responsibility and pleasure in the context of online loans remains underexplored. Further research could focus on how these two factors interact and influence students' decisions to take out online loans.

According to Boom (2011), morality develops through several stages, ranging from a basic understanding of right and wrong to more complex moral reasoning. Kantian theory emphasizes the importance of good intentions and moral obligations, while utilitarianism focuses on the outcomes of actions. In the context of online loans, students' moral perspectives may be influenced by both of these theories. For example, a student may feel obligated to help a friend in need but must also consider the long-term implications of that decision (Widuri et al., 2022).

Lawrence Kohlberg's moral theory provides a framework for understanding individual moral development through six stages, which are divided into three levels: pre-conventional, conventional, and post-conventional. In the context of financial decisions, such as online loans, an understanding of morality can offer insights into how students choose to engage in such practices. Previous research has shown that decisions to take online loans are often influenced by various factors, including economic needs, educational levels, and an understanding of risks. However, gaps remain in the research regarding how Kohlberg's moral theory can be applied to comprehend these decisions (Moheghi et al., 2020).

Kohlberg's moral theory focuses on the development of individual ethics and how individuals make decisions based on moral principles. In the context of online loans, students' decisions may be influenced by whether they prioritise responsibility (for example, repaying loans) or pleasure (for instance, using money for non-essential items). Existing research indicates that financial decisions often involve complex moral considerations (Widuri et al., 2022).

The development of online loans in Indonesia has been rapid, with the number of users increasing each year. According to a report from Bank Indonesia (2022), the number of online loan users increased by 25% over the past two years. However, the risks and impacts of online loans on students also need to be considered. Many students do not fully understand the terms and conditions of loans, which can lead to financial problems in the future.

The decision to take out online loans is not always based on well-considered factors. In this context, it is important to identify existing research gaps in online loan theory, particularly concerning students' decisions. In existing studies, there is often a debate between responsibility and pleasure in the context of decision-making regarding online loans. Some studies indicate that students tend to prefer short-term pleasure over long-term responsibility (Amos & Papalangi, 2024). Conversely, other research shows that students with a good understanding of the consequences of loans tend to be more responsible in their decisions (Andriana et al., 2023; Irena & Mastan, 2024).

In this context, the Theory of Planned Behavior (TPB) can be used as a framework to understand students' decisions to take out online loans. This theory states that individual Behavior is influenced by intention, which, in turn, is affected by attitudes, subjective norms, and perceived Behavioral control (Leniwati et al., 2021). Research by Prajogo (2023) indicates that a positive attitude towards online loans can increase the intention to borrow, but further research is needed to explore how other factors, such as responsibility and pleasure, interact in this context.

In the context of online loans, students may feel compelled to borrow money to meet urgent needs but may also be influenced by the desire to fulfil a more luxurious lifestyle. Research by Nasith (2023) indicates that students who focus more on pleasure tend to be more vulnerable to debt.

However, amidst the fulfilment of these needs, pleasure often emerges as a tempting factor. This pleasure can take the form of entertainment, such as watching movies, going on holiday, or even shopping for non-essential items. This pleasure is often associated with the desire to socialise with friends or to demonstrate social status. In many cases, students feel pressured to keep up with trends or a more luxurious lifestyle, which often does not align with their financial capabilities. For instance, a student may feel the need to buy the latest smartphone or wear well-known brands to be accepted in their social environment. This pleasure, although non-essential, can hinder the fulfilment of more important basic needs (R. F. D. H. Putra et al., 2024).

Online loans, which offer easy access and a quick process, often appear to be an attractive solution. However, without a deep understanding of the long-term consequences of debt, students may find themselves trapped in a cycle of debt that is difficult to overcome. Research by Nasith (2023) indicates that students who focus more on pleasure tend to be more vulnerable to debt. This suggests that there is a significant relationship between the tendency to seek pleasure and poor financial decision-making.

Upon deeper analysis, it can be seen that the decision to borrow money is often driven by emotional factors. Students may feel anxious or pressured to meet high social expectations, making them more likely to take risks by borrowing money. For example, a student who feels isolated from their peers may borrow money to attend a concert or social event, even though they know it is not an urgent need. In this case, temporary pleasure can lead to serious financial

consequences in the future, such as accumulating debt and prolonged stress (R. F. D. H. Putra et al., 2024).

It is important to recognise that decisions made in this context not only affect individuals but can also impact their social environment. When a student becomes trapped in debt, they may have to reduce spending in other areas, such as education or basic needs. This can lead to a significant decline in quality of life and affect their mental health. Additionally, there are broader societal impacts, where rising debt levels among students can lead to larger economic issues (B. L. Putra et al., 2023).

In conclusion, a deeper understanding of the relationship between needs and wants is crucial in decision-making, especially in financial contexts. Essential needs must always be the top priority, while pleasures should be managed wisely so as not to disrupt the fulfilment of those needs. Students need to be equipped with knowledge and skills to make wise financial decisions, as well as to be aware of the consequences of their actions. By doing so, they can avoid the debt traps that can disrupt their futures. Awareness of the difference between needs and wants will not only help individuals make better decisions but will also contribute to the overall financial health of society.

## Method

This study uses a qualitative approach, the focus of the study is directed at the morality of adolescents who are entangled in online loans in Banyumas. The primary data obtained in this study are the results of interviews with informants. The secondary data obtained are in the form of a general description of the object and subject of the study (Sugiyono, 2017). The data collection techniques used are interview methods and historical data. Qualitative data analysis using an interactive analysis model that refers to the study of Miles and Huberman. To test the validity of the data, the researcher used the triangulation technique.

## Result and Discussion

In today's digital era, online loans have become one of the most easily accessible financial solutions, particularly for students. However, the decision to borrow from online lenders is not straightforward. Various factors influence this decision, including financial needs, social pressure, and a lack of understanding of the associated risks.

Table 1. Based on field data with 45 respondents

Research Questions	Findings	Percentage
How is the morality of students in borrowing from online loans.	Students tend to borrow because of urgent needs (tuition fees, lifestyle) not based on careful planning.	35 people (77%)
	Students know the risks and feel wrong, but because of economic and environmental pressures they still borrow	28 people (62%)
	Some respondents have loose morals feel they don't need to pay if they are not billed	25 people (55%)



In this discussion, we will delve deeper into these factors and relate them to the Theory of Planned Behavior (TPB) and Moral Theory. Firstly, it is essential to understand that financial needs are a primary driver for students to borrow money. In many cases, students often face challenges in meeting their daily needs, such as tuition fees, textbooks, and other living expenses. According to a survey conducted by the Economic and Social Research Institute (LPES), approximately 65% of students report difficulties in managing their finances, which often leads to decisions to borrow from online lenders. This indicates that urgent financial needs can compel students to make decisions they may not fully comprehend.

For example, a student named Rina (Informant 1) expressed in an interview that she had to borrow money from an online lender to pay her overdue tuition fees. She stated, "I had no other choice. My friends are borrowing too, and I feel pressured to do the same." Rina's statement reflects how financial needs can compel individuals to take risks without fully considering the consequences. In this context, the TPB explains that a person's intention to engage in a Behavior, in this case, borrowing money, is significantly influenced by attitudes, subjective norms, and perceived Behavioral control. Rina feels that borrowing is the only available option, indicating a lack of control over her financial situation.

Next, social pressure also plays an important role in students' decisions to borrow from online lenders. In a school environment, where social interactions are intense, students often feel pressured to meet certain living standards. They may feel the need to demonstrate that they can maintain the same lifestyle as their peers, even if it means borrowing money. In an interview with another student, Andi (Informant 2) stated, "I feel I have to follow my friends who often go out and eat at restaurants. I borrowed money to join them, even though I know it's risky." Andi's statement indicates that social pressure can compel individuals to make unwise financial decisions. A deeper analysis of this social pressure leads to an understanding of how group norms can influence individual Behavior. In the context of the TPB, the subjective norms perceived by Andi—namely, the expectations and Behaviors of his friends—have influenced his decision to borrow. This suggests that the decision to borrow often involves not only individual needs but also how the individual wishes to be perceived by others.

A lack of understanding of risks is also a significant factor influencing students' decisions to borrow from online lenders. Many students do not fully understand the terms and conditions of online loans, including high interest rates and the consequences of late payments. A study conducted by the University of Indonesia found that approximately 70% of students are unaware of the high interest rates associated with online loans. This indicates that a lack of knowledge can lead to poor decision-making. As an illustration, a student named Budi (Informant 3) expressed, "I didn't know that the loan interest could be so high. I just needed quick money." Budi's lack of understanding of this risk leads to decisions that may harm him in the future. In this context, moral theory is also relevant, as the decision to borrow involves not only rational considerations but also ethical considerations. Budi may not realize that borrowing money at high interest rates can result in an unmanageable debt burden, which will ultimately affect his reputation and financial condition.

These three factors—financial needs, social pressure, and a lack of understanding of risks—interact with each other and shape students' decisions to borrow from online lenders. In many cases, students feel trapped in a cycle where urgent needs drive them to borrow, while social pressure reinforces that decision, and a lack of understanding of risks leaves them unaware of the long-term consequences of their actions. In conclusion, students' decisions to

borrow from online lenders result from a complex interaction of various factors. Urgent financial needs, social pressure from the surrounding environment, and a lack of understanding of risks all contribute to decisions that are often made without careful consideration. Therefore, it is crucial for students to enhance their financial literacy, understand the risks associated with borrowing, and develop a critical attitude towards social norms that may influence their decisions. By doing so, they can make wiser and more sustainable financial choices in the future.

Morality plays a crucial role in individual decision-making, particularly in the context of the increasingly prevalent online loans among students. In this fast-paced and interconnected world, students often face difficult choices, including the decision to borrow money online. In this context, both individual and collective morality become significant determining factors in the decision-making process. This involves not only personal ethical considerations but also the influence of the surrounding environment, such as family, friends, and media. To gain a deeper understanding of the influence of morality on students' online loan decisions, we must delve into these aspects (Wati & Soediro, 2020).

Individual morality is often based on the values held by a person. These values can stem from various sources, including education, life experiences, and personal beliefs. For instance, a student raised in an environment that emphasises the importance of financial responsibility may be more cautious when making online loan decisions. They may consider the long-term consequences of their actions, such as the debt burden they may face in the future. Conversely, a student who lacks a strong understanding of financial responsibility may be more inclined to take risks without considering the moral implications of their decisions (Yunanto & Kasanova, 2023). In the context of the Theory of Planned Behavior (TPB), the decision to borrow money online can be understood through three main components: attitudes, subjective norms, and perceived Behavioral control. Attitudes refer to an individual's evaluation of a particular Behavior, in this case, borrowing money online. If a student has a positive attitude towards online loans, perhaps because they see it as a quick solution to financial problems, they may be more likely to do so. However, if they hold a negative view, perhaps because they feel it is unethical or risky, they may be more reluctant to make that decision (Shih & Fang, 2004).

Subjective norms relate to how individuals perceive the evaluations of those around them, such as family and friends, regarding their decisions. If a student feels that their friends support the decision to borrow money online, they may feel more comfortable doing so. However, if they believe that their family or friends would view that decision as irresponsible, they may think twice before taking that step. In this context, social norms can serve as barriers or motivators in the decision-making process (Nguyen et al., 2023; Shih & Fang, 2004; Taing & Chang, 2020). Perceived Behavioral control encompasses an individual's perception of their ability to perform a particular Behavior. In the context of online loans, a student who feels they have good control over their finances, such as understanding how to manage debt, may be more inclined to borrow money. Conversely, a student who feels they lack sufficient knowledge or skills to manage debt may hesitate to make that decision. This indicates that perceived Behavioral control can be significantly influenced by education and prior experiences (Nguyen et al., 2023; Shih & Fang, 2004; Taing & Chang, 2020).

In addition to individual morality, collective morality also plays a significant role in decision-making regarding online loans. Collective morality encompasses the norms and values upheld by social groups, such as communities or societies. For example, in a community where online loans are viewed as a common and acceptable practice, students may feel more inclined

to adhere to that norm. Conversely, in a community that holds a negative view of online loans, students may feel pressured not to engage in such practices. The influence of the surrounding environment, including family, friends, and media, cannot be overlooked. Family often serves as the primary source of moral values for an individual. In an interview with a student named Andi, he stated, "My parents always taught me not to borrow unless necessary. They believe that debt only adds to the burden, so I always think twice before borrowing money." This statement illustrates how values instilled by family can shape an individual's attitude towards online loans.

Friends also have a significant influence on decision-making. Students often seek support and validation from their peers. If their friends view online loans as a legitimate way to address financial issues, that student may feel more comfortable following suit. Conversely, if their friends consider online loans to be irresponsible, the student may feel pressured not to engage in such practices. This creates a social dynamic that can influence individual decisions regarding online loans. Media also plays an important role in shaping perceptions and attitudes towards online loans. In today's digital era, information about online loans is easily accessible, but not all of that information is accurate or trustworthy. Students are often exposed to advertisements and promotions that promise the ease and benefits of online loans, without realising the potential risks involved. In an interview with a financial expert, Dr. Siti, she mentioned, "The media often highlights the positive aspects of online loans but rarely discusses the long-term consequences that borrowers, especially students who may lack experience in managing debt, might face." This highlights the need for a deeper understanding of the information students receive from the media. In analyzing the influence of morality on online loan decisions, it is important to relate it to Moral Theory. This theory explains how individuals make ethical decisions based on the moral principles they uphold. In the context of online loans, students may face moral dilemmas between the urgent need for money and the ethical responsibility not to incur debt. This dilemma often becomes a source of internal conflict, where students must balance personal needs with the moral values they adhere to.

In conclusion, individual and collective morality, as well as the influence of the surrounding environment, significantly affect students' decisions regarding online loans. Individual attitudes, subjective norms, and perceived behavioral control, as explained in the TPB, provide a framework for understanding how these decisions are made. Additionally, the values instilled by family, peer influence, and information from the media also play crucial roles in shaping students' attitudes towards online loans. Therefore, it is essential for students to have a clear understanding of financial responsibilities and the moral implications of their decisions. By doing so, they can make wiser and more responsible choices when facing financial challenges in this digital age.

In today's digital era, online loans have become one of the most widely used financial solutions, particularly among students. This phenomenon raises profound discussions regarding two important aspects: needs and wants. Both often interact in the context of online loans, creating moral and financial dilemmas for their users. In this discussion, we will delve deeper into how students use online loans, both to meet urgent needs and for temporary pleasures (Sihombing et al., 2019). Let us begin with a case example of a student who takes a loan for a necessity. A student named Andi, for instance, had to borrow money online to pay his overdue school fees. In his interview, Andi explained, "I don't have enough money to pay my tuition this month, and I'm worried that if I don't pay on time, I will be expelled from school." Andi's case reflects the urgent needs often faced by students, especially when they lack a stable



source of income. The need to continue education becomes the top priority, and online loans are often considered a quick and practical solution.

However, it is important to note that online loans also carry significant risks. In Andi's case, although he successfully paid his tuition, he now finds himself trapped in a difficult debt cycle. According to data from OJK, the default rate on online loans among students is rising, indicating that many of them are unable to repay their loans on time. This leads to larger issues, including financial stress and negative impacts on mental health. In this context, the Theory of Planned Behavior (TPB) can be applied to understand Andi's decision. TPB states that individual Behavior is influenced by intention, which is in turn affected by attitudes, subjective norms, and perceived Behavioral control. Although Andi may feel that borrowing money is the best option, he does not appear to consider the long-term consequences of that debt (Taing & Chang, 2020).

On the other hand, we also see a case example of a student who takes a loan for pleasure. A student named Siti, for example, took an online loan to go on holiday with her friends. In her interview, Siti stated, "I feel stressed with school and need time to relax. This loan helps me enjoy life a little." Siti's case shows that pleasure often serves as a strong reason for taking a loan, even though it is not an urgent need. In this case, Siti overlooks the potential risks that may arise from unnecessary debt. The pleasure sought by Siti may be temporary; however, its impact can be long-term. Loans taken for pleasure often result in accumulating debt, and in many cases, students do not have a clear plan for repayment. This aligns with moral theory, which indicates that individuals often make decisions based on ethical considerations and social impacts. In this context, Siti's decision to borrow money for pleasure can be questioned from a moral standpoint, especially if she does not consider the long-term impacts on her finances.

In a deeper analysis of these two cases, we can see that both needs and wants have significant impacts on the online loan decisions made by students. Both reflect broader socio-economic conditions, where many students feel trapped in a debt cycle due to a lack of understanding of financial management. In her interview, a financial expert, Dr Rina, stated, "Financial education is crucial for students. Without a good understanding of debt and financial management, they are at risk of getting trapped in bigger problems." This highlights the need for better educational approaches to help students understand the risks and benefits of online loans.

The transition between needs and wants in the context of online loans creates complex challenges. Students often feel pressured to meet social expectations from both friends and family, which encourages them to make decisions that are not always rational. In many cases, these decisions are driven by social norms that view online loans as a quick solution, without considering the long-term consequences. This leads to an increasingly deeper debt cycle, where students are forced to take new loans to pay off previous ones. In conclusion, needs and wants in the context of online loans create significant dilemmas for students. The cases of Andi and Siti illustrate how the decision to borrow can be driven by urgent needs or the desire for enjoyment, but both carry risks that need to be considered. With the increasing use of online loans among students, it is essential to raise awareness of financial management and debt risks. Better educational approaches and a deeper understanding of TPB and moral theory can help students make wiser and more responsible decisions in managing their finances.

Online loans have become a rampant phenomenon among students, especially in today's digital era. With easy access and quick processes, many students find themselves trapped in a cycle of debt that can be detrimental to them both in the short and long term. In this discussion,

we will explore the economic, psychological, and social impacts of students' involvement in online loans, as well as how this can be analysed through the lenses of the Theory of Planned Behavior (TPB) and Moral Theory. The economic impact of online loans on students is significant. In the short term, many students use online loans to meet urgent needs, such as tuition fees, books, or other daily expenses. However, these loans often come with high interest rates and unexpected additional costs. For example, a student named Rina (source: personal interview, 2023) revealed that she borrowed IDR 2 million for tuition fees, but after one semester, she had to repay nearly IDR 3 million due to high interest rates. This situation creates heavy financial pressure and can disrupt her academic focus.

In the long term, these economic impacts can become even more severe. When students become trapped in debt, they may be forced to delay graduation or even drop out of college. This not only affects their future earning potential but can also create a cycle of poverty. According to data from the Central Statistics Agency (BPS) in 2023, approximately 30% of students involved in online loans experience significant financial difficulties, impacting their ability to complete their education. Thus, involvement in online loans not only affects individuals but can also have broader impacts on society and the economy. From a psychological perspective, the impacts of online loans are also profound. In the short term, students involved in online loans often experience high levels of stress and anxiety. The pressure to repay debts can lead to sleep disturbances, decreased productivity, and even more serious mental health issues. A student named Andi (source: personal interview, 2023) explained that after taking an online loan, he felt trapped and lacked control over his life. He experienced increased anxiety and felt pressured to repay his debt quickly, which disrupted his concentration while studying.

In the long term, these psychological impacts can evolve into more serious problems. Research shows that individuals who continuously experience financial stress tend to have higher levels of depression. This can create a negative cycle where financial issues and mental health problems influence each other. Moral theory can be used to understand how students make decisions regarding online loans. When they feel pressured to meet urgent needs, they may overlook their moral values and choose to take risks that could harm themselves.

The social impact of online loans is also worth noting. In the short term, students involved in online loans may experience social stigma. They may feel embarrassed to share their experiences with friends or family, which can isolate them socially. This is exacerbated by the fact that many students feel pressured to maintain a good social image, even while facing financial difficulties. A student named Siti (source: personal interview, 2023) expressed that she felt alienated from her friends because she could not keep up with their financially stable lifestyles, even though she was trapped in online loan debt. In the long term, this social impact can create greater inequalities in society. When students cannot complete their education due to financial issues, they risk being marginalized from better job opportunities. This can exacerbate existing social gaps, where only those with access to better resources can succeed.

The Theory of Planned Behavior (TPB) can be used to analyze how social norms and perceived behavioral control can influence students' decisions to engage in online loans. If their social environment supports the use of online loans as a solution, students will be more inclined to take that step, even if they are aware of the risks (Nguyen et al., 2023).

Based on the results of the study, in reality, student informants in this study involved in online loans have broad and complex impacts, both in the short and long term. From an economic, psychological, and social perspective, online loans can create a cycle of debt that is

difficult to break, with consequences that can affect individuals and society as a whole. By understanding the factors that drive students to take out online loans, as well as their profound impacts, we can begin to find better solutions to support them in facing financial challenges. Theory-based approaches, such as TPB and Moral Theory, can help us understand this behavior and design more effective interventions to prevent students from engaging in online loans in the future.

## Conclusion

Factors Influencing Students' Decisions to Borrow from Online Loans, namely: a. Financial needs, social pressure, and lack of understanding of risks. According to a survey conducted by the Institute for Economic and Social Research, around 65% of students admitted to having difficulty managing their finances, which often leads to the decision to borrow from online loans. This shows that urgent financial needs can push students to make decisions that they may not fully understand; b. Social pressure also plays an important role in students' decisions to borrow from online loans. In a school environment, where social interactions are very intense, students often feel pressured to meet a certain standard of living. A student's decision to borrow from online loans is the result of a complex interaction between various factors. Urgent financial needs, social pressure from the surrounding environment, and lack of understanding of risks all contribute to decisions that are often taken without careful consideration. Therefore, it is important for students to improve their financial literacy, understand the risks associated with loans, and develop a critical attitude towards social norms that can influence their decisions. Thus, they can make wiser and more sustainable financial decisions in the future. The influence of morality on students' decisions in playing online gambling and taking out online loans, it is important to relate it to Moral Theory. This theory explains how individuals make ethical decisions based on the moral principles they hold. In the context of online gambling, online loans, students are addicted to pleasure and tempted to get a lot of money instantly without working, and in online loans, students must face a moral dilemma between the urgent need for money and the ethical responsibility not to be in debt. This dilemma is often a source of internal conflict, where students must balance between pleasure, personal needs and the moral values they adhere to.

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