

Consumption Behavior of Online Loan Users In STAI An-Nadwah Kuala Tungkal Students

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ABSTRACT

The purpose of this study is to examine the consumption behavior of loan users, identify the factors that lead students to take out loans, and assess the impact of loans on the consumption behavior of IAI An-Nadwah Kuala Tungkal students. The methodology used in this study is a qualitative descriptive research approach. The research subjects are IAI An-Nadwah Kuala Tungkal students. The results of the research show that online loans such as PayLater make their users more consumptive and dependent, because they consider PayLater as a solution to their needs, so when it is embedded in their minds, then, without much consideration, they can decide to meet their needs when conditions are uncertain, which should not be done. The rapid development of technology, the convenience offered, and advertisements widely circulated on various social media. So if you are not wise in using online loans, the funds that are easily obtained will make you complacent and borrow for things that are not too important, it will make you more consumptive and change financial patterns, which tend to be wasteful

Keywords: *Online Loan Users, PayLater, Consumption Behavior*

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1.0 INTRODUCTION

The rapid development of technology is not limited to a single field but has even spread to all human activities. Technological innovations that are increasingly developing have a great impetus in increasing production power in society and provide many benefits in their use. Currently, technology is urgently needed to help all human activities. Therefore, technological developments must be supported by the increasing use of the internet and smartphones (Burhan, 2018).

The development of technology has a huge influence on human life. One of them is the convenience in the financial sector through online loans. Online loans are a process of conducting debt and receivables transactions between one party and another through internet media applications without direct meetings, without collateral, without complicated requirements and procedures (Dona, 2022).

As a service product, Pinjol also needs advertising so that it can be known by the public and increase sales. Advertising is one of the four important variables in the promotional mix that can influence consumers in making purchase decisions. Advertising displays the product in the desired context, evoking the emotions and feelings of consumers by promising pleasure if buying or owning a product. Advertising creates a desire that didn't exist before, manipulating people to buy a product or service. Ads tend to be packed with strong, persuasive, and emotional language (Putra, 2018).

Beyond the various conveniences offered, there are other impacts, such as illegal online loans. Online loans like this are certainly dangerous because there is a possibility that the information provided by students will be misused, and they must pay high interest, threats and defamation. In addition, the convenience obtained causes students to become consumptive because students can easily buy anything without thinking about the funds that come from loans, not personal funds. This condition ultimately also has a serious impact on students, such as feelings of depression and anxiety disorders, if they do not have enough personal funds to satisfy their desires (Rahayu, 2021).

There are still many students who do not understand but dare to jump right in. So, there are still many who are trapped in the illegal platform business and complain about large interest rates. Students who feel unable to pay choose to have limited access to themselves so that they cannot be contacted by the collection team, where the student borrowed money, even though there have been warnings about the bad risks that students can face if the loan is included in default. These bad risks include daily fines, emergency contact information if the borrower cannot be contacted, embarrassment due to debt, and bad loan history recorded in the Fintech Data Center (FDC) (Dona, 2020).

Skills in personal financial management are very important in daily life because low literacy levels and poor financial behavior are not only problems for today's society but will also be problems in the future. It can also increase financial fraud and unfair competition in the financial markets. In addition, it can also cause the emergence of debts and receivables. Debts and receivables are agreements made between two parties, and the object of the agreement is generally money. The position of the first party is as a lender or debtor. While the other party receives loans or is a creditor. The borrowed money will be repaid within the agreed period (Hana, 2022).

Low-income people make online loans a viable option because they provide access to fast loans with easy terms, but online loans are particularly vulnerable to predatory lending practices, especially in the case of illegal online loans that have not been registered and authorized by the OJK. Once consumers enter the online lending ecosystem, they will continuously receive offers through short messages containing links to download illegal online lending applications. Consumers are intensively offered very attractive promos, so they are tempted and use online loans as the fastest solution to overcome financial problems (Hartiningrum, 2022).

Borrowing money has become part of people's lives today. In general, lending and borrowing transactions are carried out by creditors (borrowers) who lend money to debtors (lenders), which are usually used to finance daily living needs or to meet the needs of financing business activities. An agreement to borrow money according to Article 1754 of the Civil Code is an agreement with which one party gives to the other party a certain amount of goods or money that is used up due to use, provided that the party giving this will return the same amount of money of the same kind and circumstances (Nury, 2020).

The ease of use of online loans is easy to learn, easy to understand, and users do not need to put in a lot of effort to understand fintech. In addition, users make it easier to get a credit limit just by having a photo of their ID card, a photo of

themselves with an ID card, a photo of a family card, a salary slip, and data verification, which only takes 1 to 3 days, after which the user immediately reaches the limit and can immediately make a transaction. Fintech services can be accessed on computers, laptops, tablets and smartphones, provided these devices are connected to the internet. So that users do not have to go through a difficult process, and the fintech bureaucracy is shorter than that of banks, where customers or users must go to the bank, fill out requirements, surveys and other forms, which take a lot of time and energy (Devi, 2023).

Just as the convenience offered by online stores is the biggest reason why buying behavior patterns change from offline stores to online stores, there are many other reasons that make people hesitant to shop online, such as the risk of fraud. Online shopping activities, which are currently increasingly in demand by the public, cause business competition among business actors in meeting the needs of their consumers (Aminatus, 2023).

The existence of loans has become a polemic because of the low financial literacy of the community, especially the millennial generation in Indonesia. The high desire of the millennial generation to use the pinjol application amid the rampant cases of illegal loan service providers is quite worrying, where the service provider tries to use borrower data to send billing messages to the borrower's friends or family.

Debt behavior can have a negative psychological and social impact on a person, because if a person has excessive debt and is unable to make payments, then he will be at risk of being terrorized by debt collectors, or worse, experiencing negative financial consequences such as confiscation of property. This will cause a person to experience a psychological imbalance that leads to stress or even depression (Delfira, 2023).

The case of online loans (pinjol) has become a social disaster because it has caused detrimental social impacts nationwide. The government issued a regulation by the Financial Services Authority (OJK) to supervise online loan operators. OJK has a function in the financial services sector to organize regulation and supervision so that all activities in the financial services sector are carried out in an orderly, transparent, fair, and accountable manner, so that a financial system that grows sustainably and stably is implemented and is able to protect the interests of consumers and the public (Delfira, 2023).

In the research of Nurmalina and Sulastris (2019), debt behavior is generally caused by the inability of individuals to manage money properly. The availability of little money and the absence of the ability to meet needs make individuals choose to go into debt (Shohib, 2015). In addition, debt behavior also occurs due to individuals' inability to restrain themselves when they want to own an item and have a strong desire and interest in following the surrounding lifestyle. This makes a person try to fit in and meet others' expectations. As a result, social influence is one of the causes of a person having debt, as shown by the results of research conducted by Nugrahaini (2019) It shows the fact that there is an influence between social influence and debt behavior because individuals tend to be more oriented towards others (others-oriented) than oriented towards themselves (self-oriented).

Consumptive behavior is indicated by the desire to use certain goods or services excessively and less necessary. These fulfillment efforts require money (Dyanti, 2019). If there is no money, then debt can be a shortcut to meeting these needs. Barba and Piverti (in Herispon, 2017) explain that the push for higher living standards and social recognition, as well as the imitation of the upper class, are considerations that are most likely to contribute to increasing consumptive debt. This consumptive behavior prevents a person from managing their finances wisely. This can eventually weaken a person's self-control (Irwan, 2021). The existence of this loan has become a source of controversy due to low financial literacy in the community, especially among the millennial generation in Indonesia. This certainly risks making borrowers trapped in debt entanglements that are too heavy to be able to pay for their installments (Novika, 2021). The emergence of technological innovations aims to facilitate everyone's activities. Technology offers a variety of conveniences, security, and benefits in each product to attract more users. But on the other hand, not all individuals try to use technology-based services, even though there are many conveniences and benefits offered by technology services.

2.0 LITERATURE REVIEW

2.1 Financial Technology and the Existence of Online Loans

Fintech (Financial Technology) has transformed all aspects of household finance with increasing economic uncertainty and uncertain household incomes in the new economic era. Fintech can help facilitate consumption through more efficient

payment and lending systems. This is especially relevant for households in economic sectors with less structured work arrangements. In addition, there will be an increase in financial inclusion as more and more households have the opportunity to access financial services. We look forward to seeing Fintech play an increasingly important role alongside traditional banks. As households become more tech-savvy of different generations and adopt Fintech in their daily activities, there will be an increase in usage due to strong network externalities (Agarwal, 2020).

2.2 Theory of Consumption Behavior

Humans have various needs, both physical and spiritual. In the Islamic view, economic activity is one of the ways to collect and increase rewards towards *Falah* (happiness in this world and the hereafter). One of them is economic activity in the field of consumption. Consumption is the use of goods and services to meet life's needs. Consumption is all the use of goods and services by humans to meet their needs (Furqon, 2018).

2.3 Muslim Consumer Behavior

Consumer behavior theory focuses on how people choose among the options they face using the resources they have. Consumer behavior still depends on the level of belief and interest of a person or group, which then shapes their consumption behavior (Rosanty, 2018).

3.0 METHODOLOGY

The methodology used in this study is a qualitative research approach that is descriptive, namely, research on a peculiarity in the field without deduction and expansion, or revealing the strangeness found as it is. Qualitative research is the extraction of information that is not guided by theories or hypotheses, but by the reality found in the field; the information excavation carried out is inductive, based on the reality found (Sugiyono, 2014).

Qualitative research is the primary approach for understanding the object of study in depth. In the tradition of the discipline of Anthropology, field research requires the presence of a researcher at the location of the study, which may be in the form of a small community group, a remote community, or part of a large society, for a relatively long time. During his presence in the research field, he mixes with and adjusts to the life of the community to obtain a real and perhaps profound impression. The reason for mixing and adjusting in the life of the community is to interact with the object of his study, namely, making direct observations on various events or joining certain events to experience them, collecting documents and objects, or conducting various conversations with citizens from various walks of life (Abdussamad, 2021).

Research design is a plan or strategy for addressing a research problem (Mulyadi, 2012). Based on the design of this research, the procedure for obtaining accurate information will be described, as the data needed to answer the problems in the research will be discussed later. In the discussion, the researcher uses a descriptive design, namely, the data obtained in the field will be described thoroughly in accordance with the data collection method used by the researcher regarding the Consumption Behavior of loan users in IAI An-Nadwah Kuala Tungkal Students.

The method used is qualitative: after data or concrete facts are collected, the next stage is to describe them in words based on the results of interviews, observations and documents found in the field.

Qualitative research is rooted in data, and theories related to this approach are interpreted as rules and rules to explain proportions or proposition devices that can be formalized descriptively or proportionally (Tubel, 2023). Two interests will be fulfilled, namely, substantive theories are prepared for empirical purposes, and formal theories are for development purposes. The preparation of the theory is carried out through categorization efforts and logical relationships between elements in fostering applicable integration: comparative analysis can be carried out between one element and another, and formal theory in addition to testing other formal theories, also for analysis of research results (Purwantom, 2022).

Qualitative research methods emerged due to a paradigm shift in how reality/phenomena are viewed. In this paradigm, social reality is seen as something holistic/whole, complex, dynamic and full of meaning. Such a paradigm is called paradigm postpositivism. The previous paradigm was called the positivist paradigm, in which, when looking at symptoms,

the approach was more singular, static, and concrete. The postpositivism paradigm develops qualitative research methods and the positivism paradigm develops quantitative methods (Paranoan, 2015).

4.0 FINDINGS AND DISCUSSION

Based on field research, the consumption behavior of students who use online loans or ShopeePayLater is more likely to reflect a lifestyle to meet individual needs than to serve the role of being a student, even though some use it for college. Consciously, students who use online loans are also always wary of illegal loan platforms. But it also does not rule out the possibility of being trapped in fraud by online lenders. Behaviorally, it is also highly varied because they have different family backgrounds and environments, which give rise to different traits and characters. Of the 126 students we studied, 90.48% had never taken a loan or paylater; 6.35% had applied for a loan or paylater but were not verified by the relevant parties; and 3.17% had applied for a loan or paylater but were not verified by the relevant parties. The results of the study show that the majority of respondents who use pay-later online loans via the Shopee Pay-Later feature are women. The data obtained showed that adolescent girls were more dominant than adolescent boys.

Lifestyle, according to Kotler & Armstrong, is a term that refers to the way a person lives his or her life, which is reflected in his or her psychographic aspects. Lifestyle is not only related to a person's social status or personality. It provides an in-depth look at how a person acts and interacts with others around the world. It covers several key dimensions of AIO (Activity, Interest, Opinion) consumers, such as activities (work, hobbies, shopping, sports, social events), interests (food, fashion, leisure), and opinions (about themselves, social issues, business, and products) (Srilestari, 2024).

According to the Gem Collins Novita & Soetjningsih dictionary, hedonism is a societal belief that emphasizes the pursuit of pleasure as the primary goal and treats pleasure as the most important thing in life (Arani, 2021). According to Ananda's explanation, a hedonistic lifestyle is a pattern of life that directs a person's actions toward seeking life's pleasures. These actions include spending time outdoors, playing more, enjoying the city's crowds, shopping for items that are not needed, and always wanting to be the center of attention (Nasywa, 2023). As for the aspects or indicators put forward by Kotler & Armstrong, lifestyle includes Activity, Interest and Opinion.

In today's era, increasingly advanced technological developments have created sophisticated smartphones and widespread internet connectivity. This allows for easy and quick access to various aspects of life, such as information, entertainment, social media, e-commerce platforms, and other services. With the development of the times and the rapid advancement of technology, there is a business transformation that can adapt to the community's shopping needs and meet them effectively and practically. And one of them is manifested in the phenomenon of online shopping through e-commerce which provides easy access and transactions in this digital era, especially on online lending platforms (Juhana, 2024).

The ease of borrowing money through online applications and the fast disbursement of funds are the main reasons IAI Anadwah Kuala Tungkal students take loans through online applications. This is as well as the advantages of online loan application practices, namely: 1) Fast process. When compared to conventional loans, the online loan process is faster because fintech simplifies a lot of administration, for example, for sending documents (requirements), questions to customer interviews can be done without a face-to-face. 2). Simple terms. In conventional financial institutions, loans are usually given strictly. One of the main requirements imposed by conventional financial institutions is the provision of guarantees. Often, this is burdensome for potential customers. In online loans, collateral requirements often do not apply, especially for small loan amounts. 3). Flexible. One of the advantages of online loans is flexibility. Loan applicants do not need to visit bank branches or multifinance. With just a smartphone and an internet connection, customers can apply for a loan from anywhere and at any time.

For this reason, financial technology (fintech) in practice must be in line with the essence of Islamic economics which is based on the sources of Islamic teachings and maqashid al-shari'ah which aims to realize human welfare with the realization of good luck (falah) and good life (hayah thayyibah) within the framework of sharia rules which concerns the maintenance of beliefs, soul or life, intellect, descendants, and wealth through an allocation and distribution of resources empowerment, creating a macroeconomic and ecological balance, strengthening family and social solidarity and community networks.

FinTech has transformed all aspects of household finance. With increasing economic uncertainty and uncertain household incomes in the new economic era, Fintech can help facilitate consumption through more efficient payment and lending systems. This is especially relevant for households in the part-time economic sector with less structured work arrangements (Kawi, 2022). In addition, there will be an increase in financial inclusion as more households are given the opportunity to access financial services (Hilmawati, 2021). The Islamic view sees the phenomenon of the Shopee PayLater payment feature, in Islamic teachings muamalah includes all activities related to human activities with each other such as activities related to economic activities in the Qur'an and As-Sunnah Rasul is the source of Islamic economic principles. Therefore, carrying out economic activities must be in accordance with the teachings of the holy book of the Qur'an. Humans are social creatures that have a close relationship with other humans so that there is a reciprocal relationship from various sectors, especially the economy, that economic activities start from buying and selling, borrowing-borrowing, renting-renting, and bartering. With the existence of these economic activities, it is likely that it will cause usury, Islam prohibits usury, according to Muslim scholars who respond to the issue of usury, namely Umer Chapra, an Islamic economic expert who emphasized that "riba has the same meaning and import as interest" meaning that riba has the meaning of interest. The basis used by Umer in the Qur'an is that the principal money is taken, then there is no other choice but to interpret riba according to that statement.

According to Chris Feng (Director of Shopee), Shopee wants to fully support Indonesia's development in global retail E-Commerce by bringing a shopping experience that has been integrated with social media and online shopping so that there is social interaction between sellers and buyers (Anshori, 2022). Shopee's E-Commerce security trust on the website plays a role in E-Commerce because consumers will not shop online if they do not trust the website or online shopping platform. This security also applies to the products purchased that the safety and protection of Shopee users is a priority given to this with the Shopee seller center feature to ensure the safety of seller products through the seller assistant. From the buyer's side, Shopee provides a guarantee through Guarantee, Shopee will temporarily hold the seller's funds until the buyer confirms the goods received.

Consumer purchase decisions are the stage where buyers have made choices and purchased products, as well as consumed by consumers. The decision by consumers to purchase a product begins with an awareness of their needs and desires. So that the development of the paylater payment system has led to the emergence of the phenomenon of motives and experiences of adolescent and college paylater users. As a Paylater user, you can shop as you want without needing any money. This is what millennials want to look for, all instantly to get needs without capital at the beginning. The practicality of shopping using paylater payments encourages shopping patterns in fulfilling modern lifestyles. Prospective users only download the application, then register and wait for verification from the paylater provider, which can be used to shop with a meaningful individualized limited limit. Experience is something that the subject experiences in action. This is in accordance with the statement that, "all objects of knowledge must conform to experience" knowledge underlies the consciousness that forms meaning. The communication experience in question. in this study is something experienced by individuals and is related to the process and motivation that results in action (Wirman, 2014).

A person's ability to determine financial behavior is very important because it is a decision that must be carried out in order to achieve something desired based on the needs that are being faced. It is the same with determining financial decisions in the use of financial services whether it is in accordance with needs or solely to fulfill personal desires without a strong reason or basis such as making online loans only to buy consumptive goods such as branded cellphones so that they can be recognized by the surrounding community or want to show a higher level of sociality compared to other people. An important part that encourages the financial behavior of a person or society at this time is economic conditions, where urgent circumstances or that must be met immediately such as daily needs, health costs, education fees or paying debts cause people to prefer to use online loans because the process is easier, faster and practical and only takes 2 to 3 hours to get loan funds that are directly disbursed to the account even if they are Higher loan repayment interest rate compared to applying through banks which must meet various conditions with a disbursement time of more than 5 days. Consumptive behavior itself can have a positive or negative impact depending on the perspective or perspective of the community (Dwi, 2019).

The development and application of sophisticated information technology fundamentally changed the banking industry. While it may be clear to the banking industry that there are obvious cost advantages, business consumers still seem to see fewer benefits. Given that there is still a need to understand the reasons for personal trust, one further implication is the need to consider how such technologies can be used to make consumers of their businesses "embrace" rather than "keep their distance" from them.

At the Ijtima Ulama Fatwa Commission of the Indonesian Ulema Council (MUI), which closed on Thursday, November 11, 2021, several decisions were made due to the number of unsettling loans. One of the results of the ulama's ijtima issued a fatwa regarding online loans. Ijtima Ulama states that online borrowing and borrowing activities are haram because they contain elements of usury, extortion, disclosure of secrets and disgrace to fellow debtors. MUI argues that lending and borrowing services, both offline and online, involve riba and are illegal even though they are carried out on the basis of their own will.

Basically, the MUI says that borrowing and borrowing or debt and receivables is a form of virtue or *tabarru'* relationship that is recommended as long as it does not contradict sharia principles. However, collecting receivables with physical threats or the disclosure of secrets of someone who is unable to pay is haram. In addition, people who borrow if they deliberately delay debt payments to those who can afford it are also haram. People who have low incomes make online loans the right choice because they provide fast loan access with easy terms, but these online loans are very vulnerable to predatory lending practices, especially in illegal online loans that have not been registered and have OJK permits. Once consumers have entered the online lending ecosystem, they will constantly get offers through short messages containing links to download illegal online loan applications. Aggressively, consumers continue to be offered very attractive promos, which tempt them to use online loans as the fastest solution to overcome financial problems. The low financial literacy of consumers is exploited by illegal online loan businesses, which offer quick funds that can be disbursed within hours with no complicated conditions. For loan disbursement, the requirements are quite easy: just provide identity and self-photos. However, as a consequence, online loan service providers charge very high interest and service fees, burdening consumers. As for legal online loan service providers who have been registered and have received permission from the OJK, for loan applications, be more careful.

Online microloans are rapidly expanding financial services that rely on risk assessment as their primary competitive strength. However, microloan lenders face a higher credit risk (i.e. default risk) due to the borrower's lack of official credit history and proper debt collection practices for small loans. The ability to evaluate a borrower's credit risk is key to the survival of the growing microloan market. But on the borrower's side, it also affects their tendency to take out online loans. Consumptive is behavior caused by desires that have reached an irrational level. This understanding is in line with the views of Lina and Rosyid, who state that consumptive behavior is inherent in a person; if the person buys something beyond rational needs, the purchase is no longer based on the need factor, but is already at the level of excessive satisfaction. According to Sumartono, indicators of consumptive behavior are buying products because of the lure of gifts, buying products because the packaging is attractive, buying products to maintain their appearance and prestige, buying products based on price considerations (not on the basis of their benefits or uses), buying products only to maintain status symbols, wearing them because they are in accordance with the advertised model, the emergence of the idea that buying products at high prices will increase self-confidence, and try more than one product of the same type.

From the above response, it can be concluded that the payment is safe, that the payment is being made responsibly, and that there are people willing to pay once the goods are there. From this, it can be concluded that online loans such as Paylater can change consumers' perception to focus on the goods, not the money, so the business only runs when goods are already available. According to Utami, Hedonic Shopping Motivation is the motivation or enjoyment of consumers when shopping without considering the advantages of the goods purchased. The pleasure consumers experience is caused by several factors, one of which is that shopping can serve as a self-reward to relieve stress in daily life. The hedonistic style whose authority is pleasure is found among many teenagers. The results of the Kata Data Insight Center (KIC) survey revealed that Generation Z (born between 1997 and 2012) is the largest spender on e-commerce. The phenomenon that occurs is the need to be accepted and be the same as the peer group, thus causing adolescents to try to keep up with various trending things. The use of Paylater, although it provides convenience in transactions, can have a negative impact, especially if it is not managed wisely. Some of the negative impacts of using Paylater include: 1. Increased Debt: Using Paylater without sound financial planning can lead to excessive debt accumulation. Reliance on later payment schemes can lead to excessive financial burdens in the future 2. High Interest Charges: Paylater services often charge high interest, especially if payments are made past a certain time limit. High interest rates can make the amount payable exceed the initial price of the goods or services purchased. 3. Psychological Impact: The use of Paylater, especially for prestige, can have a negative psychological impact. Feelings of stress and anxiety related to finances can arise when users realize the amount of debt they have to pay. 4. Swollen Monthly Installments: Although payments can be made in monthly installments, the accumulation of installments from various transactions can make the monthly burden even greater. This can reduce users' financial flexibility. 5. Dependence on a Consumptive Lifestyle: The use of Paylater for prestige can lead to an uncontrollable consumptive lifestyle. Users may be inclined to buy goods or services that they don't actually need just to meet social

expectations. 6. Data Security Risks: Transactions through the Paylater platform involve the exchange of personal and financial data. Data security risks, such as identity theft or misuse of information, are potential related problems. 7. It is important to remember that these negative impacts do not always occur and can be avoided with wise financial management. Paylater users need to understand the consequences of each transaction and only use this service according to their actual needs.

By conducting a study related to the paylater method that forms a new pattern of people's life and consumption activities from an Islamic perspective, this study finds that this convenience not only provides benefits but also supports people's lives. However, it also has a negative impact, namely the occurrence of consumerism and wasteful activities that are not in accordance with the principles of Islam. For Muslims who are kaffah, the essence of consumption is sufficiency, not excess. Thus, this study suggests that the use of paylater needs to be balanced with an understanding of the potential risks it can pose and paying attention to the needs and wants. So that there is no new lifestyle that distances Indonesian people and Muslims from Islamic values.

5.0 CONCLUSION

PayLater online loans make its users more consumptive and dependent, because PayLater considers PayLater as a solution to needs, so when it is embedded in the mind, then without much consideration, they can decide to meet their needs when conditions are uncertain, which should not be done. In addition to providing convenience, it also encourages the wearer to continue using it and makes it an alternative in all conditions. Due to the rapid development of technology and the convenience offered as well as advertisements that are widely circulated on various social media, there are even more and more applications such as E-Wallet that facilitate it, making various types of online loans booming in all circles and ages. For those who are not wise in using online loans, the funds that are easily obtained actually make them complacent and borrow for things that are not too important so that it will make them more consumptive and change financial patterns tend to be wasteful.

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