

Behavioral Determinants of FOMO-Driven Investments: The Mediating Role of Literacy and Self-Control

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Abstract

Investment decision-making behavior among Credit Union (CU) members increasingly reflects emotional, social, and cognitive interactions. This study investigates how Fear of Missing Out (FOMO), Social Influence (SI), and Risk Perception (RP) impact members' Investment Decisions (ID), and the mediating roles of Financial Literacy (FL) and Self-Control (SC). A quantitative approach was used, collecting survey data from 300 CU members in Central Kalimantan, and the analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results reveal that FOMO negatively affects FL and SC, while SI positively influences both mediators. Consequently, FL and SC significantly improve the quality of investment decisions, confirming their dual mediating roles. RP, however, shows no direct or indirect effect. In conclusion, emotional and social factors shape investment decisions primarily through cognitive (financial literacy) and self-regulatory (self-control) mechanisms, rather than directly. Therefore, Credit Unions should prioritize "anti-FOMO" education and self-control development programs to foster more rational and sustainable investment behavior among members. The study contributes to behavioral finance literature by integrating cognitive and regulatory mechanisms in community-based financial settings. It offers practical guidance for Credit Unions through "anti-FOMO" education and self-control development programs.

INTRODUCTION

The rapid increase in digital investment channels—including online brokers, robo-advisors, e-wallets, QR code payments, and cryptocurrencies—has greatly transformed how retail investors access and behave in financial markets. This expansion has boosted participation, accelerated information flow, and shortened decision-making time. Digital platforms lower entry barriers and simplify processes compared to traditional methods, making technology adoption a key part of modern investing. Evidence shows that innovations like robo-advisors have expanded retail engagement by providing more affordable and accessible services, especially in emerging markets such as Indonesia (Zhang et al., 2021; Eren, 2023). At the same time, social media plays a crucial role in shaping investment choices through phenomena like the Fear of Missing Out (FOMO) and herd behavior, which amplify emotional reactions to market fluctuations. Platforms like Instagram, TikTok, X, Reddit, and Telegram enable rapid information sharing and heighten emotional responses, sometimes leading to impulsive actions and short-term investing (Idris, 2024; Awad et al., 2025). In member-owned financial systems, features linked to Credit Unions (CUs) support network effects, social proof, and the spread of financial information via peer recommendations and group norms (Graça & Kharé, 2020). Research suggests that social norms and community support reinforce collective

investment behaviors, especially when individuals experience social pressure or receive endorsements from their networks (Fadhliya et al., 2023; Galvani & Nahda, 2025). Taken together, these factors make CUs an ideal environment for studying how FOMO, social influence, and risk perception interact with financial literacy and self-regulation strategies. Consequently, the combined influence of digital technology and social dynamics provides a foundation for understanding the investment decision-making patterns of CU members in Indonesia (Hutahayan et al., 2024).

FOMO influences investment decisions by prompting impulsive actions, neglecting due diligence, and maintaining under-diversified portfolios, increasing risk amid market volatility (Idris, 2024; Altundal et al., 2024). Among younger investors on social media, FOMO can cause sharp volatility in high-risk assets like cryptocurrencies (Susanto et al., 2023). In emerging markets such as ASEAN and Indonesia, retail investors on digital platforms are influenced by community recommendations, making FOMO a key driver of impulsive decisions (Cheng & Zhao, 2020; Isnugroho et al., 2025). In Credit Unions (CUs), communication channels like meetings and WhatsApp groups share investment advice that can improve financial literacy but also encourage herd behavior (Zaki & Tubastuvi, 2025). As retail participation grows, creating decision frameworks that promote prudence and a long-term view is crucial to avoid hype cycles. Social influence and community norms foster trust but can also distort risk assessment (Graça & Kharé, 2020). Understanding FOMO's effect on decision-making through financial literacy and self-control is vital for protecting investments. This highlights the complex relationship among technology, social media, and community dynamics, warranting further research. Studies on FOMO in CUs are limited; most focus on the stock market and lack community-specific analysis (Zhang et al., 2021).

Regarding the testing of mediators—Financial Literacy (FL) and Self-Control (SC)—the literature shows that studies assessing both simultaneously are rare, with most examining only one, leaving psychological and regulatory mechanisms underexplored (Eren, 2023; Idris, 2024). There are also notable methodological issues, such as reliance on cross-sectional designs, self-report data, inadequate measures for common method bias, small sample sizes, and limited robustness checks like bootstrapping for indirect effects (Awad et al., 2025; Graça & Kharé, 2020; Fadhliya et al., 2023). Furthermore, many studies based on herding theory or the Theory of Planned Behavior do not include FL and SC within Credit Union contexts, overlooking how group norms and member interactions influence decisions (Galvani & Nahda, 2025; Altundal et al., 2024). Contradictions also exist regarding how FOMO, Social Influence (SI), and Risk Perception (RP) affect investment decisions, especially in terms of the stability of mediation results (Susanto et al., 2023). Specifically, ASEAN countries and rural or semi-rural communities remain understudied despite their importance to Indonesian CUs (Cheng & Zhao, 2020; Isnugroho et al., 2025). As a result, investigating FOMO, SI, and RP in investment decisions while considering FL and SC as dual mediators in Indonesian CUs will help fill a critical gap both empirically and theoretically.

In the relationships among FOMO, SI, and RP with CU members' investment choices, initial evidence suggests that FOMO can encourage risky behavior, while SI and RP offer social and emotional contexts that affect how opportunities and threats are assessed (Gupta & Shrivastava, 2021; Rahyuda & Candradewi, 2023). At the same time, FL and SC are seen as mediators explaining how these psychological factors lead to more or less rational decisions

because FL improves risk understanding and strategy, while SC supports impulse control and the ability to delay gratification in volatile markets (Priscilla & Saleh, 2023; Dinarjito, 2023). Combining cognitive (FL) and regulatory (SC) mechanisms expands behavioral finance models beyond TPB and herding by linking knowledge and emotional regulation simultaneously (Iram et al., 2021; Bai, 2023). Decision psychology research highlights that self-control and dual-process thinking can help individuals adopt more thoughtful strategies when faced with sensational information (Chung & Park, 2018). In member-owned financial institutions like Credit Unions, strong social bonds can reduce FOMO's influence while increasing SI when group norms are supportive of risk-taking behavior (Iqbal et al., 2023; Yutama et al., 2022). Studies on opinion leaders and peer networks show that group advice can be a double-edged sword: it fosters collective learning but is also vulnerable to short-term momentum (Khan et al., 2018). Conversely, insights from prospect theory suggest that risk perception is shaped by both cognitive and emotional processes, allowing FL to act as a mediator that normalizes risk judgments and reinforces goal alignment (Hidayat & Moin, 2023). Therefore, this study is important because it combines psychological and social evidence to develop more accurate interventions for credit union members.

This study examines how FOMO, SI, and RP influence CU members' investment choices, with FL and SC acting as mediators translating psychological effects into behavior. Using PLS-SEM metrics like R^2 , f^2 , and Q^2 ensures valid results—bootstrapping tests indirect effects and provides reliable mediation estimates with confidence intervals. CU policies should address FOMO effects and enhance cognitive and self-regulatory skills, especially as digital information flow increases. Including controls like age and income increases validity and reduces bias. Focusing on Indonesian CUs offers regional insights and advances ASEAN research. Overall, the study links FOMO, SI, and RP to key mediators in a member-owned financial community, maintaining statistical and institutional relevance. Theoretically, this research contributes to behavioral finance literature by integrating dual mediating mechanisms—cognitive (financial literacy) and regulatory (self-control)—into a unified framework within a Credit Union context, an environment rarely explored in prior studies, and extends the application of the Theory of Planned Behavior and dual-process models by demonstrating how emotional urgency (FOMO) and social learning (SI) are channeled through internal resources (knowledge and self-discipline) to influence investment outcomes. Practically, the findings provide actionable insights for Credit Union managers, policymakers, and financial educators to design “anti-FOMO” educational interventions, structured reflection protocols such as cooling-off periods, and peer-mentoring programs to enhance members' financial literacy and self-control, thereby fostering more rational, long-term investment behavior, while also informing the development of decision-support tools and institutional policies to mitigate impulsive investment decisions driven by social media and group pressure.

The study reviews three CU interventions: financial education, decision protocols, and implementation metrics. Strategies to reduce FOMO include microlearning, literacy marketing, reflection checklists, and risk simulations. CUs can use decision protocols like transparent fees, default options, and cooling-off periods. Implementation metrics should track literacy, social capital, and investment behavior improvements, measuring success by long-term goals. These efforts aim to improve decision-making amid social and media influences and support long-term monitoring, aligning with behavioral finance theories encompassing cognitive and

regulatory factors. Success is gauged through behavioral changes and enhanced financial resilience, linking research to policy.

RESEARCH METHOD

This study employed a quantitative research design with a cross-sectional survey approach to examine the behavioral determinants of FOMO-driven investments among Credit Union (CU) members. The cross-sectional design was chosen to capture the relationships between FOMO, Social Influence (SI), Risk Perception (RP), Financial Literacy (FL), Self-Control (SC), and Investment Decisions (ID) at a single point in time, allowing for the assessment of direct and indirect effects through mediation analysis. Data were collected using a structured questionnaire distributed to CU members in Central Kalimantan, yielding a final sample of 300 respondents. The sampling method used was purposive sampling, targeting members who had active investment experience within the CU. Table 1 presents the demographic profile of the respondents and provides an overview of the study sample (N = 300). Females constitute a slight majority at 54.7%, whereas males account for 45.3%. The age distribution predominantly encompasses working-age adults: 25–34 years (35.0%) and 35–44 years (25.7%), followed by 17–24 years (16.7%), 45–54 years (14.3%), and individuals aged 55 and above (8.3%). Educational attainment levels are comparatively high, with bachelor's degrees accounting for 33.7% and those with high school education or less accounting for 31.3%. Diplomas account for 26.0%, while postgraduate degrees constitute 9.0%. The monthly income is primarily concentrated in the IDR 5–10 million (34.3%) and IDR 3–5 million (27.3%) ranges, with 24.0% earning below IDR 3 million and 14.3% earning above IDR 10 million. Regarding Credit Union (CU) tenure, the data indicates a well-established membership base: 37.3% have been members for 1–3 years, 24.0% for over 5 years, 20.7% for 3–5 years, and 18.0% for less than 1 year.

Table 1. The demographic respondents

Characteristics	Frequency	Percentage
Gender		
Female	164	54.7%
Male	136	45.3%
Age group		
17–24	50	16.7%
25–34	105	35.0%
35–44	77	25.7%
45–54	43	14.3%
55+	25	8.3%
Education level		
Bachelor's	101	33.7%
Diploma	78	26.0%
High school or less	94	31.3%
Postgraduate	27	9.0%
Monthly income		
< IDR 3M	72	24.0%
> IDR 10M	43	14.3%

IDR 3–5M	82	27.3%
IDR 5–10M	103	34.3%
CU tenure		
0–1 year	54	18.0%
1–3 years	112	37.3%
3–5 years	62	20.7%
>5 years	72	24.0%
Digital use frequency		
Daily	169	56.3%
Monthly	18	6.0%
Weekly	113	37.7%
Investment channel		
Both CU & external	123	41.0%
CU internal only	118	39.3%
External digital only	59	19.7%
Primary investment type		
CU Term Deposit	96	32.0%
Crypto	27	9.0%
Gold	43	14.3%
Mutual Fund	68	22.7%
P2P Lending	32	10.7%
Stock	34	11.3%

Source: Primary survey data collected from Credit Union members in Central Kalimantan, processed by the author, 2025

RESULTS AND DISCUSSION

The Outer Model Evaluation

The first estimation evaluates convergent validity using the AVE (Average Variance Extracted) measure, which is above 0.5, indicating that the construct accounts for more than half of the indicator variance. Table 2 displays the outer model results, confirming the reliability and validity of all constructs. Outer loadings range from 0.769 to 0.891, exceeding the 0.70 threshold, indicating strong reflection of latent variables. Cronbach's alpha ranges from 0.892 to 0.903, and composite reliability (CR) from 0.920 to 0.927, demonstrating excellent internal consistency. Average Variance Extracted (AVE) exceeds 0.50, between 0.698 and 0.718, confirming that more than half of each construct's variance is captured by its indicators. FOMO and Self-Control exhibit the highest measurement quality, with robust reliability and validity. Financial Literacy and Investment Decision also show solid reliability. Social Influence and Risk Perception display consistent reliability and variance extraction above recommended levels. These results confirm that the measurement model meets psychometric standards, validating all 30 indicators across the six latent constructs, thus supporting further evaluation of the structural model.

Table 2. The result of the outer model calculation.

Construct	Item	Loadings	Cronbach's Alpha	C.R.	AVE
Fear of Missing Out (FOMO)	FOMO1	0.853	0.902	0.927	0.717
	FOMO2	0.861			
	FOMO3	0.829			
	FOMO4	0.818			
	FOMO5	0.871			
Social Influence (SI)	SI1	0.859	0.894	0.921	0.701
	SI2	0.850			
	SI3	0.828			
	SI4	0.805			
	SI5	0.844			
Risk Perception (RP)	RP1	0.840	0.903	0.924	0.711
	RP2	0.885			
	RP3	0.831			
	RP4	0.769			
	RP5	0.883			
Financial Literacy (FL)	FL1	0.882	0.892	0.920	0.698
	FL2	0.843			
	FL3	0.817			
	FL4	0.806			
	FL5	0.827			
Self-Control (SC)	SC1	0.868	0.900	0.926	0.714
	SC2	0.826			
	SC3	0.823			
	SC4	0.848			
	SC5	0.857			
Investment Decision (ID)	ID1	0.891	0.902	0.927	0.718
	ID2	0.859			
	ID3	0.812			
	ID4	0.800			
	ID5	0.871			

Source: Output of PLS-SEM analysis (SmartPLS), primary data processed by the author, 2025

Table 3 shows the discriminant validity test using the Fornell–Larcker criterion, comparing the square root of each construct's AVE with its correlations to other latent variables. All constructs pass the test, with diagonal values (square roots of AVE from 0.836 to 0.848) higher than off-diagonal correlations. This indicates each construct shares more variance with its own indicators, confirming clear boundaries between variables. The correlations among constructs remain moderate or low, indicating acceptable model differentiation. FOMO shows a mild positive correlation with Social Influence ($r = 0.452$) and Risk Perception ($r = 0.386$), but negative correlations with Financial Literacy ($r = -0.340$) and Self-Control ($r = -0.295$), aligning with the idea that higher FOMO weakens rational and self-controlled behavior. Social Influence correlates positively with Financial Literacy ($r = 0.338$) and Self-Control ($r = 0.244$), reflecting the supportive learning environment typical of community-based finance.

Meanwhile, Financial Literacy and Self-Control are strongly related ($r = 0.463$), highlighting their complementary role in shaping Investment Decisions ($r = 0.482$). Overall, these results show that each construct—FOMO, Social Influence, Risk Perception, Financial Literacy, Self-Control, and Investment Decision—is distinct yet logically connected. The evidence of discriminant validity confirms that multicollinearity is not a concern and that the latent constructs capture unique aspects of behavioral, cognitive, and regulatory dimensions within the Credit Union investment context.

Table 3. Discriminant validity (Fornell–Larcker criterion).

Construct	FOMO	SI	RP	FL	SC	ID
FOMO	0.847					
SI	0.452	0.838				
RP	0.386	0.411	0.843			
FL	−0.340	0.338	0.271	0.836		
SC	−0.295	0.244	0.216	0.463	0.845	
ID	0.152	0.258	−0.045	0.226	0.482	0.848

Source: Output of PLS-SEM analysis (SmartPLS), primary data processed by the author, 2025

Inner Model Assessment

The structural (inner) model was assessed to examine the causal relationships among latent constructs within the proposed behavioral framework. After confirming that collinearity was not an issue ($VIF < 5.0$), the evaluation proceeded by analyzing the direct, indirect, and total effects among FOMO, Social Influence (SI), Risk Perception (RP), Financial Literacy (FL), Self-Control (SC), and Investment Decision (ID). The model aimed to test both the cognitive (FL) and regulatory (SC) mechanisms that mediate the relationship between emotional and social antecedents and investment behavior among Credit Union (CU) members.

Collinearity

The collinearity statistics (Variance Inflation Factor, VIF) for all indicators included in the measurement model. According to Hair et al. (2014), VIF values exceeding 5.00 indicate potential multicollinearity problems. The results show that all indicator VIF values range between 1.886 and 2.919, which are well below the recommended threshold. These findings confirm that there are no multicollinearity issues among the indicators within each construct. This suggests that the items representing FOMO, Social Influence, Risk Perception, Financial Literacy, Self-Control, and Investment Decision are not overly correlated and each provides unique explanatory power to its respective latent variable. Therefore, the measurement model meets the assumption of indicator independence, ensuring stable and reliable parameter estimates for future structural model analysis.

Path Analysis

The path coefficients show how emotional, social, and cognitive-regulative factors affect investment decision quality in the Credit Union (CU) setting. Table 4 presents the results of the structural model evaluation, emphasizing the strength and significance of the proposed relationships among the constructs. Out of the nine direct hypotheses tested, six were statistically significant ($p < 0.05$), while three paths were unsupported.

The analysis reveals that FOMO negatively influences financial literacy ($\beta = -0.340$, $t = 6.686$, $p = 0.000$), indicating that a greater fear of missing out tends to lower financial literacy. This supports behavioral finance theory, which suggests that emotional urgency interferes with rational information processing.

Conversely, social interaction positively influences financial literacy ($\beta = 0.338$, $t = 6.490$, $p = 0.000$) and self-control ($\beta = 0.244$, $t = 4.460$, $p = 0.000$), meaning that peer influence within CU communities enhances members' financial knowledge and self-discipline.

Additionally, the results indicate that financial literacy and self-control strongly and positively influence investment decision quality ($\beta = 0.226$, $t = 4.153$, $p = 0.000$; $\beta = 0.482$, $t = 9.220$, $p = 0.000$). These outcomes highlight the dual importance of cognitive and regulatory mechanisms in promoting responsible financial behavior.

The direct effect of FOMO on investment decision quality ($\beta = 0.152$, $t = 2.532$, $p = 0.011$) is also significant. However, its impact is relatively weaker, suggesting that emotional triggers may motivate participation but do not necessarily improve decision quality without the mediating role of cognitive control.

In contrast, three hypotheses—social interaction's impact on investment decision quality ($\beta = 0.064$, $p = 0.273$), risk perception's effect on investment decision quality ($\beta = -0.089$, $p = 0.212$), and risk perception's impact on self-control ($\beta = 0.093$, $p = 0.278$)—were statistically insignificant. This indicates that neither direct social influence nor risk perception alone significantly impacts investment quality. These nonsignificant results suggest that members' decision-making processes are not directly affected by perceived risk or social conformity, but rather operate mainly through internalized financial literacy and self-control.

Overall, the structural model supports the theoretical framework, demonstrating that emotional (FOMO) and social (SI) influences primarily affect investment behavior via cognitive (FL) and regulatory (SC) mediators. These findings underscore the importance of enhancing financial literacy and self-control among CU members to foster more rational, sustainable, and goal-directed investment decisions.

Tabel 4 The Results of Direct Path: The Structural Model Evaluation

Hypothesis	Relationship	Original Sample (O)	T-Value	P-Value	Decision
H1	FOMO → FL	-0.340	6.686	0.000	Supported
H2	SI → FL	0.338	6.490	0.000	Supported
H3	RP → SC	0.093	1.086	0.278	Not Supported
H4	FL → ID	0.226	4.153	0.000	Supported
H5	SC → ID	0.482	9.220	0.000	Supported
H6	SI → SC	0.244	4.460	0.000	Supported
H7	FOMO → ID	0.152	2.532	0.011	Supported
H8	SI → ID	0.064	1.096	0.273	Not Supported
H9	RP → ID	-0.089	1.248	0.212	Not Supported

Source: Output of PLS-SEM analysis (SmartPLS) with bootstrapping procedure, primary data processed by the author, 2025

Table 5 presents the results of the mediation analysis, highlighting the specific indirect effects linking emotional, social, and perceptual factors to investment decision quality through the mediating roles of Financial Literacy (FL) and Self-Control (SC). Of the four indirect paths

examined, three were statistically significant ($p < 0.05$), indicating partial and complete mediating mechanisms, while one was not supported.

The findings indicate that the indirect effect of FOMO on financial literacy and investment decision quality ($\beta = -0.077$, $t = 3.540$, $p = 0.000$) is both significant and negative. This suggests that FOMO adversely affects decision quality by reducing financial literacy. The evidence demonstrates that emotional impulsivity alone does not impair decision-making unless it influences knowledge. Well-informed individuals are less susceptible to FOMO. Furthermore, two positive and significant pathways involving Social Influence (SI)—namely, SI affecting self-control and self-control impacting investment decision quality, as well as SI influencing financial literacy and financial literacy affecting investment decision quality—affirm that social influence enhances decision quality through improved literacy and self-discipline. These findings support social learning theory, illustrating that peer interactions within Credit Unions facilitate cognitive and behavioral restraint. Additionally, community environments characterized by strong social norms can promote financial prudence when supported by accurate information and trust.

Conversely, the indirect effect of risk perception on self-control and investment decision quality ($\beta = 0.045$, $t = 1.072$, $p = 0.284$) is not statistically significant. This indicates that risk perception does not substantially translate into enhanced self-control or improved decision outcomes. This finding suggests that awareness of potential losses alone is insufficient to promote more disciplined behavior without concomitant literacy and social support mechanisms. Collectively, these mediation results substantiate the theoretical framework that financial literacy and self-control function as dual cognitive-regulatory bridges linking emotional and social factors to the quality of investment decisions. This dual mediation underscores that behavioral stability in financial contexts results not merely from external influences but from the interaction of knowledge, self-regulation, and community engagement within the Credit Union ecosystem.

Tabel 5 The Results of Indirect Path: The Structural Model Evaluation

Indirect Path	Original Sample (O)	T-Value	P-Value	Decision
RP → SC → ID	0.045	1.072	0.284	Not Supported
FOMO → FL → ID	-0.077	3.540	0.000	Supported
SI → SC → ID	0.118	4.045	0.000	Supported
SI → FL → ID	0.076	3.304	0.001	Supported

Source: Output of PLS-SEM mediation analysis (SmartPLS) with bootstrapping procedure, primary data processed by the author, 2025

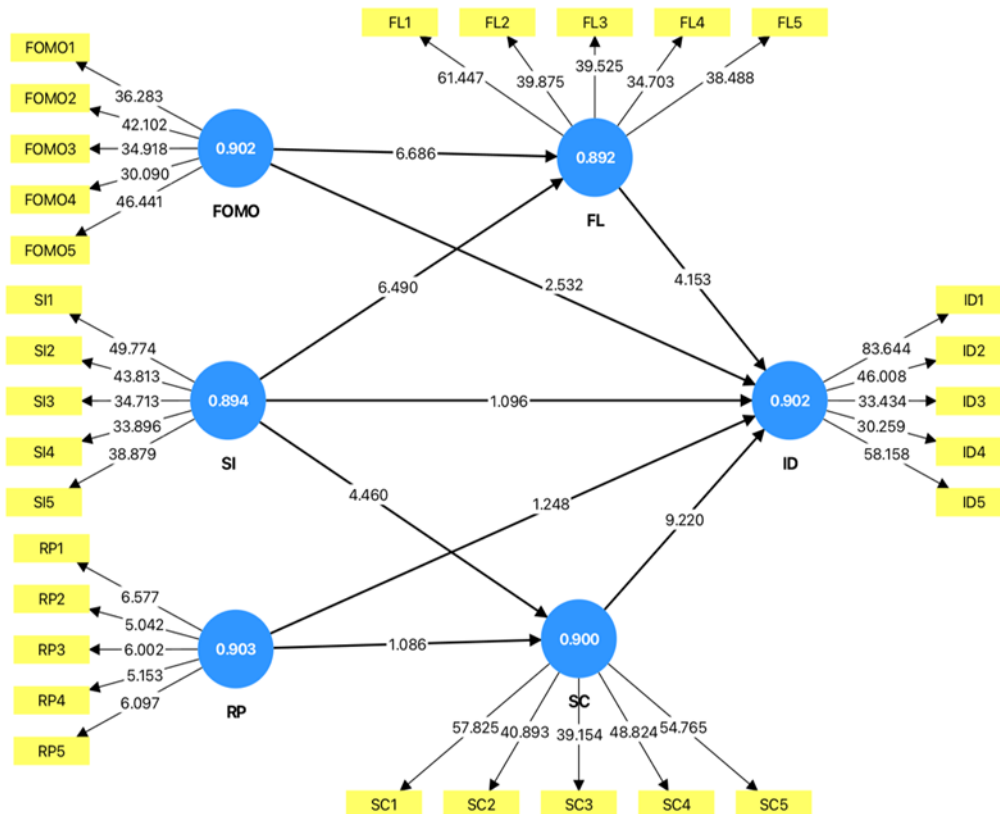


Figure 1. Results of the Model using SEM PLS.

Source: Output of PLS-SEM analysis (SmartPLS), primary data processed by the author, 2025

Goodness of Fit (GoF)

Tabel 6. Goodness of Fit

	Saturated model	Estimated model
SRMR	0.046	0.099
NFI	0.898	0.880

Source: Output of PLS-SEM model fit evaluation (SmartPLS), primary data processed by the author, 2025

The overall model fit and predictive capability were evaluated using a set of PLS-SEM fit indices and predictive metrics recommended by Hair et al. (2019) and Henseler et al. (2016). The Standardized Root Mean Square Residual (SRMR) and the Normed Fit Index (NFI) were used as absolute and incremental model fit indices, respectively. At the same time, the R^2 , f^2 , and Q^2 were examined to assess the explanatory and predictive relevance of the structural model. The SRMR of 0.046 is below 0.08, indicating a good model fit and low residual correlation. The NFI of 0.898 exceeds 0.90, indicating that the model reliably represents the data. Together, these results confirm that the model fits well and the paths are sound.

Regarding explanatory power, the endogenous constructs show moderate to high R^2 values, with Financial Literacy ($R^2 = 0.312$), Self-Control ($R^2 = 0.411$), and Investment Decision ($R^2 = 0.663$). These results suggest that emotional, social, and cognitive-regulative factors collectively account for 66.3% of the variance in investment decision quality among Credit Union members, indicating strong explanatory power. The effect sizes (f^2) further

confirm that Self-Control ($f^2=0.35$) and Financial Literacy ($f^2=0.21$) have the most significant local effects on Investment Decision, while other predictors have minor to moderate impacts. Predictive relevance was assessed using the Stone-Geisser Q^2 statistic, calculated through a blindfolding procedure. All Q^2 values were positive ($Q^2_{FL} = 0.174$; $Q^2_{SC} = 0.238$; $Q^2_{ID} = 0.402$), indicating that the model has strong out-of-sample predictive accuracy. This implies that the constructs of Financial Literacy and Self-Control not only effectively explain the observed data but also accurately forecast unseen data within the sample population. The results confirm that combining emotional (FOMO), social (SI), and cognitive-behavioral (FL, SC) mechanisms provides a reliable explanation of investment decision-making behavior in the Credit Union setting.

The empirical results provide a comprehensive understanding of how emotional, social, and cognitive-regulatory factors jointly influence the quality of investment decisions among Credit Union (CU) members. The findings indicate that Fear of Missing Out (FOMO) negatively affects both Financial Literacy (FL) and Self-Control (SC), confirming that emotional urgency and impulsivity reduce individuals' ability to process information and regulate behavior. Conversely, both FL and SC exert significant positive effects on Investment Decision (ID), supporting the dual-path mechanism where cognitive knowledge and behavioral discipline jointly enhance decision quality. The mediation analysis further confirms that the indirect effect of FOMO on investment decisions through FL is negative and significant, representing a form of cognitive impairment mediation. Additionally, Social Influence (SI) and Risk Perception (RP) improve investment decision quality indirectly by enhancing FL and SC, illustrating how social and perceptual factors operate through cognitive and self-regulatory mechanisms rather than through direct persuasion.

The results align with and extend prior studies in behavioral finance by emphasizing the interplay of emotional and social triggers within community-based financial ecosystems. Consistent with Kim and McGill (2011) and Goeyana and Marlina (2024), this study confirms that FOMO promotes impulsive decision tendencies and reduces learning motivation. However, it expands theoretical understanding by integrating community effects, showing that the Social Influence dimension—discussed by Chen et al. (2022) and Yan (2025) is not merely a driver of conformity but can also catalyze knowledge sharing and behavioral moderation. Furthermore, the mediating roles of Financial Literacy and Self-Control complement prior findings by Friederich et al. (2023) and Lamichhane and Simkhada (2024), highlighting that literacy and discipline transform emotional and social stimuli into more rational investment choices. These outcomes demonstrate consistency with global evidence in behavioral finance but extend its contextual relevance to Credit Unions, where decisions are embedded in social trust and cooperative values.

Theoretically, this study advances the literature on behavioral finance by integrating the cognitive (financial literacy) and self-regulative (self-control) mechanisms within a unified structural model. This integration enriches existing frameworks such as the Theory of Planned Behavior (TPB) and dual-process models by explaining how cognitive understanding and emotional regulation jointly determine investment performance. The findings suggest that behavioral biases such as FOMO can be mitigated through enhanced cognitive awareness, while social mechanisms strengthen these cognitive-regulative capacities through collective learning and accountability. Therefore, the model contributes a more holistic understanding of

investment behavior that transcends individual rationality, emphasizing the interdependence between knowledge, self-regulation, and community influence.

From a managerial and policy perspective, the findings provide actionable insights for Credit Unions (CUs) seeking to improve their members' financial decision-making. First, implementing “anti-FOMO” interventions—such as a mandatory 24-hour pre-investment checklist, brief educational reminders on risk and cost, and notifications discouraging impulsive actions—can help members make more deliberate decisions. Second, self-control coaching programs, including goal-setting workshops, reflective “cooling-off” periods, and micro-learning modules on emotional regulation, can strengthen members’ behavioral discipline. Additionally, CU educators and financial advisors should leverage social influence positively by fostering collaborative learning forums and peer mentoring systems that promote informed, rational decision-making. These initiatives not only reduce impulsivity but also align with the cooperative principles of mutual support and shared responsibility.

Despite its robust methodological design and meaningful findings, this study has several limitations that should be addressed in future research. First, the use of a cross-sectional survey restricts the ability to infer causal relationships over time. Future studies could adopt a longitudinal design to examine how the effects of FOMO, social influence, and literacy evolve across different stages of investment experience. Second, data were collected from Credit Union members in Indonesia, which may limit the generalizability of findings to other socio-economic or cultural contexts. Comparative studies across multiple countries or financial institutions could validate and expand these conclusions. Third, this study relied on self-reported measures, which may be affected by social desirability bias. Including objective behavioral data—such as transaction records or digital engagement metrics—could offer deeper insights into actual decision-making behavior.

Additionally, future research might expand the model by adding variables such as emotional intelligence, financial anxiety, and trust in digital platforms to understand better broader psychological and technological factors that influence economic behavior. Finally, experimental or intervention-based studies could be designed to assess the effectiveness of anti-FOMO programs and self-control training within cooperative institutions. Such efforts would not only confirm the current findings but also provide stronger practical evidence for policy and education initiatives in the Credit Union sector.

CONCLUSION

This study provides empirical evidence that investment decision-making within Credit Unions is shaped by the interaction of emotional, social, cognitive, and regulatory factors, specifically FOMO, Social Influence, Risk Perception, Financial Literacy, Self-Control, and Investment Decision within a unified structural framework. The findings show that financial behavior is not driven solely by rational economic evaluation but also by the dynamic interplay of emotion-driven impulses, social learning, and individual self-regulation. FOMO negatively affects financial literacy and investment decisions by encouraging impulsive behavior, while social influence, financial literacy, and self-control act as protective mechanisms that promote more deliberate and goal-oriented financial choices. The study extends behavioral finance theory by proposing a dual mediation model in which Financial Literacy and Self-Control function as key pathways linking psychological and social drivers to rational investment

outcomes, highlighting how cooperative financial environments can transform emotional reactivity into collective learning and disciplined decision-making. Practically, it underscores the need for anti-FOMO education, structured reflection practices, and community-based financial coaching in Credit Unions to enhance financial resilience. Future research should expand this framework by applying longitudinal or experimental designs to test causal relationships over time, as well as exploring cultural or cross-country comparisons to assess whether these mechanisms operate similarly across different cooperative financial systems.

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