
UPI USAGE AND RECKLESS SPENDING BEHAVIOR: AN INDIAN KNOWLEDGE SYSTEM PERSPECTIVE

Mr. Yash Shital Sharad Surve

Assistant Professor, Ramanand Arya D.A.V. College [Autonomous], Bhandup

ABSTRACT

The explosion of UPI has changed more than just how we pay; it has changed how we think about money. While digital payments offer incredible speed and convenience, they also make it easier to spend without thinking. This study explores the "frictionless" nature of UPI and its link to impulsive buying habits.

By looking through the lens of the Indian Knowledge System (IKS), this research brings back timeless values like Samyama (self-control) and Viveka (discernment) to help us navigate the digital age. Through a survey of 152 users, the study shows that we don't need to give up our technology—we just need to reconnect with our traditional financial wisdom to spend more mindfully.

Keywords: UPI, Digital Payments, Spending Behavior, Impulsive Buying, Financial Discipline.

INTRODUCTION

India's financial landscape has undergone a massive digital makeover, and at the heart of this change is the **Unified Payments Interface (UPI)**. It has completely redefined how we handle money, turning our smartphones into powerful, instant payment hubs. As many of us get online and embrace mobile living, UPI has shifted from a tech innovation to a daily essential. Its real magic lies in its simplicity—making fast, secure transactions so easy that they've become second nature for everyone from street vendors to major corporations across India and world.

While UPI has definitely made our lives more efficient, it has also subtly rewired how we think about "letting go" of our money. Because payments are now instant and invisible and that natural hesitation we feel when handing over physical cash—the "pinch" of an empty wallet—has started to vanish.

In the world of digital payments, money is no longer a stack of notes you can see shrinking; it's just a few taps on our mobile screen. This lack of physical feedback can quietly chip away at our financial discipline, making it all too easy to slip into impulsive habits. Without the visual cue of cash leaving our hands, the boundary between what we *need* and what we *want* becomes a lot blurrier.

Looking at this through the lens of the **Indian Knowledge System (IKS)**, we see that financial discipline isn't just a modern "budgeting hack"—it's a deep-seated value that has defined Indian society for millennia. Our ancient wisdom, from the detailed strategies of the *Arthashastra* to handle everyday household traditions, has always championed the idea of **mitavyaya** (measured spending). The core philosophy was simple but profound: you plan carefully, respect your resources, and always ensure you've saved for the future before you even think about spending today.

Fast forward to our 2026 digital reality, where cash is disappearing and "one-tap" payments are the norm. This shift raises a fascinating question: do these ancient principles of restraint still hold weight when the physical barriers to spending have vanished? As UPI makes transactions invisible and instantaneous, this study sets out to see if we are still practicing that traditional Indian financial "Dharma," or if the sheer ease of digital tools is quietly reshaping our relationship with money and self-control.

This research explores the war between the modern convenience of UPI and our traditional financial roots. It aims to figure out how constant digital connectivity is changing the way we spend, while asking a deeper question: Can the ancient wisdom of the **Indian Knowledge System (IKS)**—which taught us the art of balance and restraint—still guide us toward healthy financial habits in a world where money has become invisible and instant?

REVIEW OF LITERATURE

- 1] **Ministry of Finance (PIB 2026):** Confirms that UPI usage is highest among the **18–25 age group (66% adoption)**. This demographic shift indicates that the "digital-first" habit is now the default for the upcoming generation of earners.¹
- 2] **PwC India (2024-2028 Report):** Notes that UPI now accounts for over **75% of retail digital payments**. The report emphasizes that the real-time nature of these transactions has created an expectation of "extraordinarily high throughput" in daily life²

- 3] **Pillai & Sivananthan (2023):** Explores Kautilya’s *Arthashastra* as a precursor to **Strategic Financial Management (SFM)**. It argues that the "Four Stages of Wealth" (Identification, Creation, Management, Distribution) are more relevant than ever in the digital age³
- 4] **Zellermayer’s Theory Updated (2025):** A study titled "*Digital Anesthesia: Why UPI feels like 'Free' Money*" argues that because UPI bypasses the physical sensation of counting cash, it reduces "pre-purchase anxiety." This directly conflicts with the IKS principle of **Manas (Mindfulness)**, where every action should be a conscious choice.⁴

Research Methodology

I Researcher have chosen a "**Human-Centric Survey**" approach to capture the real-world pulse of digital spending.

The Approach: The researcher used a quantitative survey (questionnaire) to reach into the daily lives of **152 active UPI users**.

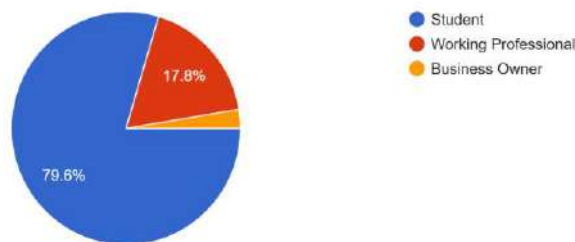
The Participants: Our group represented a cross-section of modern Mumbai across Pune , thane region — balancing "digital natives" who grew up with smartphones and those transitioning from a cash-based world.

The Focus: We didn’t just look at transaction numbers. We asked about **intent (Sankalpa)** and **self-control (Samyama)**.

Analysis: We filtered these 152 voices through the **IKS Framework**, comparing modern habits against ancient values like **Mitavyaya** (balanced spending) to see where they clash or align.

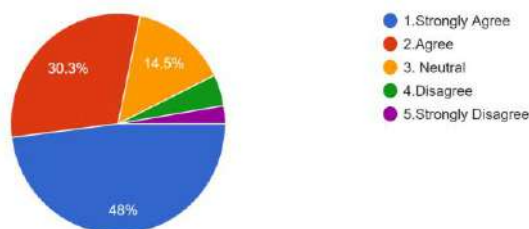
Data Analysis and Interpretation

Are you a student / working professional/ owning a business?
152 responses



The provided pie chart illustrates the occupational distribution of 152 respondents surveyed for this study. The data reveals a significant majority of participants are Students, accounting for 79.6% of the total sample. Working Professionals represent a smaller segment at 17.8%, while Business Owners constitute the smallest portion of the group at only 2.6%. Overall, the demographic is heavily skewed toward an academic population, which should be considered when interpreting the study’s findings.

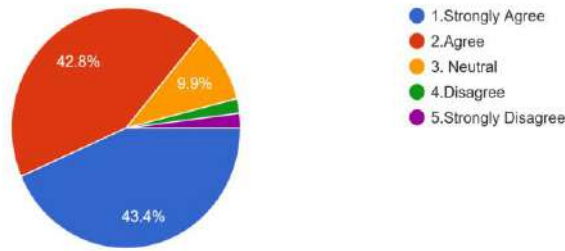
1. I use UPI apps frequently for daily payments.
152 responses



- 1. Of the 152 respondents, a significant 78.3% (48% strongly agreeing and 30.3% agreeing) frequently use UPI for daily transactions. Conversely, minimal disagreement suggests digital payments are now a primary financial tool. This data confirms that UPI has become deeply integrated into the demographic's everyday routine.

2. Using UPI has made spending money easier as compared to cash.

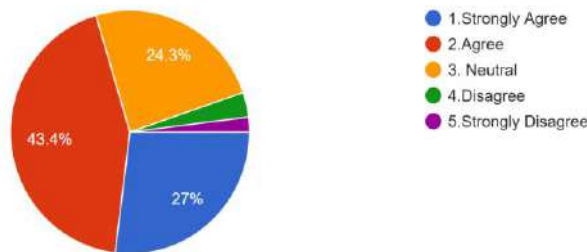
152 responses



2. Among 152 respondents, a vast 86.2% agree that UPI makes spending money significantly easier than using cash. With 43.4% strongly agreeing and 42.8% agreeing, neutral or negative views remain negligible. This consensus highlights how the frictionless nature of digital payments has effectively removed the physical barriers of traditional transactions.

3. I often make unplanned or impulse purchases using UPI.

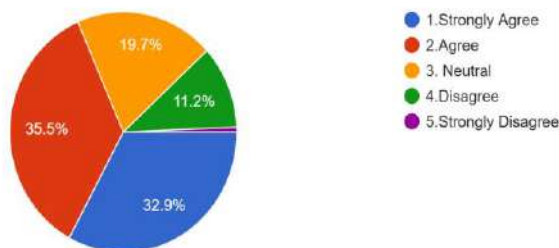
152 responses



3. Among 152 respondents, 70.4% admit to impulsive spending via UPI, with 43.4% agreeing and 27% strongly agreeing that they make unplanned purchases. While 24.3% remain neutral, disagreement is marginal, indicating a clear trend toward spontaneous buying. These findings suggest that the seamless nature of digital payments may reduce financial self-regulation and increase discretionary spending.

4. My monthly spending has increased after I started using UPI apps.

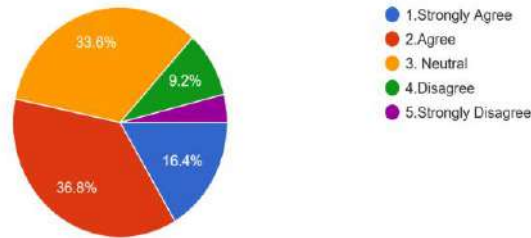
152 responses



4. Among 152 respondents, a clear 68.4% report a rise in monthly expenditures since adopting digital payments, with 32.9% strongly agreeing and 35.5% agreeing. While 19.7% remain neutral, only 12% saw no increase in spending. These results indicate a strong correlation between the use of UPI apps and higher overall consumer spending within the group.

5. I track or monitor my digital expenses regularly.

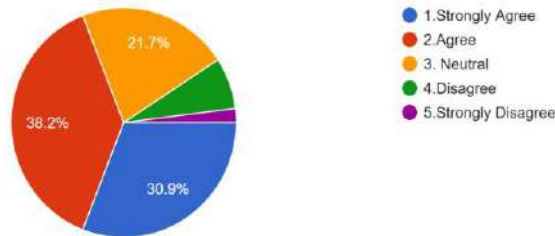
152 responses



5. Among 152 respondents, a slight majority of 53.2% regularly monitor their digital expenses, with 16.4% strongly agreeing and 36.8% agreeing. However, a significant 33.6% remain neutral, while 13.2% admit to a lack of consistent tracking. These results suggest that while many users attempt financial oversight, a large portion of the demographic lacks a firm commitment to monitoring their UPI outlays.

6. Digital payments through UPI sometimes make me lose control over my spending.

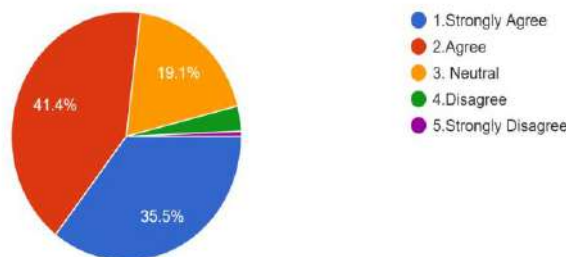
152 responses



6. Among 152 respondents, a significant 69.1% feel that UPI negatively impacts their spending control, with 38.2% agreeing and 30.9% strongly agreeing. While 21.7% remain neutral, only a small minority reports no issues with tracking expenditures. This suggests that the seamless nature of digital transactions diminishes the "pain of paying," leading to reduced financial self-discipline.

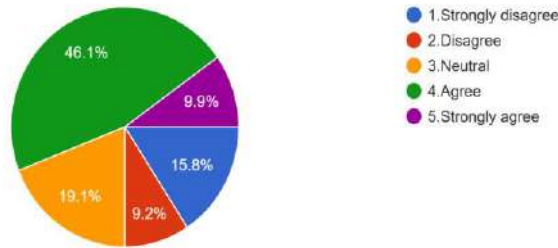
7. I believe planning expenses before spending is important (traditional financial discipline).

152 responses



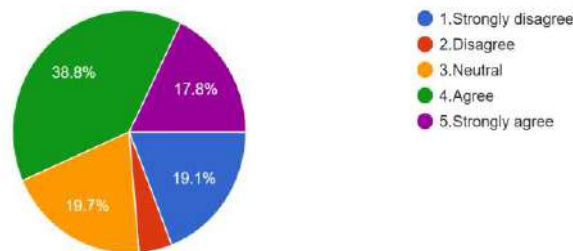
7. Among 152 respondents, a strong 76.9% maintain a commitment to traditional financial discipline, with 41.4% agreeing and 35.5% strongly agreeing on the necessity of planning expenses. While 19.1% remain neutral, disagreement is nearly non-existent. These findings suggest that despite the ease of digital spending, users still fundamentally value the habit of pre-planned financial allocation.

8. I try to save money before making major expenses.
152 responses



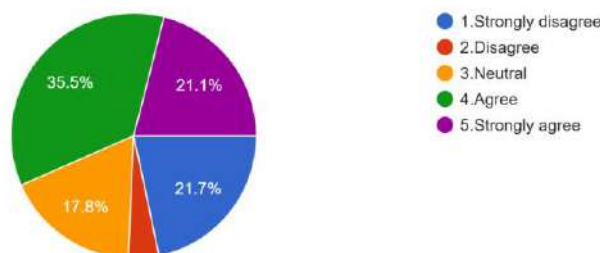
8. Among 152 respondents, 56% demonstrate proactive saving habits for major purchases, with 46.1% agreeing and 9.9% strongly agreeing. While 19.1% remain neutral, a notable 25% admit to a lack of saving discipline before spending. This suggests that while over half maintain traditional habits, a significant portion of digital-payment users may be prone to spending without prior financial accumulation.

9. The traditional Indian habit of controlled spending is still important in today's digital payment era.
152 responses



9. Among 152 respondents, a significant 56.6% still value traditional financial restraint, with 38.8% agreeing and 17.8% strongly agreeing that controlled spending remains important. While 19.7% are neutral, a notable 23.7% express disagreement with these traditional values. This suggests that for a majority of users, cultural emphasis on fiscal discipline remains a relevant guiding principle even in the digital era.

10. UPI users should follow financial discipline while using digital payment apps.
152 responses



10. Among 152 respondents, a strong 78.3% consensus exists on the necessity of financial discipline, with 40.8% agreeing and 37.5% strongly agreeing that UPI requires careful management to avoid overspending. While 14.5% remain neutral, only a negligible 7.2% disagree. This underscores a collective awareness that while digital tools offer convenience, they demand higher personal regulation for long-term stability.

CONCLUSION

Our study reveals a fascinating paradox: **Our apps have changed, but our values are trying to keep up.** We found that while UPI is an incredible tool for convenience, it acts as a "digital anesthetic"—numbing the natural hesitation we feel when spending. With over **70% of people admitting to impulsive buys**, it is clear that the "frictionless" nature of technology is creating a "mindfulness gap."

However, the most powerful discovery was that **78% of users still believe in the necessity of financial discipline**. This proves that the Indian Knowledge System (IKS) isn't just a relic of the past; it is a vital psychological "internal software" that people still want to use to stay grounded in an increasingly invisible economy.

Contributions to the Field

Humanizing Fintech: This research shifts the conversation from "transaction volume" to "user well-being," proving that mental health and financial health are deeply linked.

Reviving IKS: We have shown that ancient concepts like **Mitavyaya** (measured spending) are practical solutions for modern problems like digital debt and "one-tap" overspending.

RECOMMENDATIONS FOR FUTURE RESEARCH

- "Dharmic" Design:** Future studies should explore how UPI apps can include "mindfulness nudges"—features that use **Viveka** (discernment) to help users pause before a large purchase.
- Generational Wisdom:** We recommend studying how elders in the family can pass down "Financial Vidya" to younger generations who have never used physical cash.
- Long-term Impacts:** Researchers should look at the long-term impact of "invisible money" on the savings culture of India over the next decade.

REFERENCES

- “DFS, M/O Finance Reases Report Titled “Socio-Economic Impact Analysis of Incentive Scheme for Promotion of RuPay Debit Card and Low-Value BHIM-UPI Transactions (P2M)” at Chintan Shivir 2026.” *Pib.gov.in*, 2017, www.pib.gov.in/PressReleseDetailm.aspx?PRID=2228651@=3&lang=2. Accessed 13 Mar. 2026 <https://www.pib.gov.in/PressReleseDetailm.aspx?PRID=2228651®=3&lang=2>
- <https://www.pwc.in/assets/pdfs/consulting/financial-services/fintech/publications/the-indian-payments-handbook-%E2%80%93-2023%E2%80%932028.pdf>
- Venoth Nallisamy, and Rajantheran Muniandy. “Strategic Financial Management in Kautilya’s Arthashastra.” *Journal of Indian Studies*, vol. 15, no. 1, 10 Dec. 2022, pp. 96–101, www.researchgate.net/publication/373216941_Strategic_Financial_Management_in_Kautilya. https://www.researchgate.net/publication/373216941_Strategic_Financial_Management_in_Kautilya's_Arth_ashastra
- <https://www.sciencedirect.com/topics/economics-econometrics-and-finance/pain-of-paying>