A STUDY ON FINANCIAL STRESS AND ITS IMPACT ON ACADEMIC PERFORMANCE AMONG STUDENTS

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Abstract

Financial stress is becoming an important problem for students in higher education, due to raising education fees in the schools and colleges as a result of which it impacts the academic performance of the students. In this research paper emphasis has been laid on how the financial stress impacts the education and performance of the students and hinders in their growth and development .This study uses a quantitative approach with structured questionnaires to measure financial burden, debt, part-time work, and work pressure on the part of the students as a result of which they are not able to focus on their studies and which impact their academic performance. In the research paper an effort has been made to bring more awareness in the educational institutions and society.
Keywords: *Part-time jobs, Rising tuition fees, Educational loans, Anxiety, Scholarships and Reduced motivation.*

Introduction

Higher education is very important role in professional growth and development but due to raising cost of education it creates a financial stress on the part of the students those who are not financially strong this research paper focuses on how financial stress impacts the academic performance of the students . This stress arises from low family income, dependence on educational loans, part-time work pressures, and lack of scholarships in colleges which leads to mental pressure and anxiety.

This study seeks to analyse how financial constraints influence student outcomes and to provide evidence-based recommendations for institutional support, including financial aid, counselling, and assistance programs.

Review of Literature

Anjali Verma & Suresh Patil: The Link Between Financial Hardship and Academic Stress in Indian Colleges (2019) Survey conducted in different colleges presents the data that due to financial stress students are not able to focus on their studies as a result of which there are in mental pressure .The authors recommend introducing financial literacy courses and affordable learning resources.

Ramesh Kumar & Priya Sharma: Financial Stress and Academic Achievement: Evidence from Indian Universities (2020) This study as analysed that here is a financial stress among students due to financial problems as a result of which it decreases their motivation to study and performed better in exams.

Neha Gupta & Rajesh Singh: Financial Burden and Its Psychological Impact on Academic Success (2021). The authors argue for integrating mental health support with financial aid programs in universities. This paper emphasises the psychological toll of financial stress, showing that anxiety and depression caused by money problems directly reduce academic performance.

Mohammed Usman & Ameena Banu: A Study on Impact of Financial Stress on Students' Academics (2022) In this research paper the authorize emphasis on financial literacy workshops and flexible fees payment options for the students. As a result of which exam performance and overall development will improve.

Tejnarayan Thakur, Dr. Partakson Romun Chiru, Prof. Kh Tomba Singh: Evaluating the Impact of Financial Stress on Academic Performance and Retention Rates (2023) This study used structured questionnaires among undergraduate students in Manipur. This study from Manipur investigates how financial stress affects college students' academic success and retention. The authors highlight that financial challenges often lead to dropout risks and lower grades, emphasising the need for institutional support systems.

Research Gap

After conducting so many research studies a clear gap remains in wider and comparative aspect which examines that there is a lack of proper policies formulated by the higher educational level. While interference, council for the students, motivational programs for the students should be conducted to come out of this stress. Then although financial stress among students as been studied at a wider aspect, most of the existing research as focused that it impact on mental health, wellbeing and academic performance of the students still there are several areas which required further investigation. This research paper highlights the need for the research that specifically examines financial stress with the Indian higher educational context.

Statement of the Problem

Financial stress in the higher education as become the growing concern. Raising tuition fees, educational loans, increasing living standards, expenses and limited financial resources place a sufficient pressure on students and their ability to focus on academic activities. As a result of which students also take up part-time jobs and rely on family support to meet their educational and personal expenses which further increases their stress level. All though several studies examine financial stress among students and which directly impacts on their academic performance in the Indian higher education context.

Objectives of the Study

- To analyse the effects of financial stress on students' academic performance, including grades, attendance, participation, and engagement.
- To investigate how part-time employment undertaken to manage financial burdens influences study hours and academic outcomes.
- To examine how rising educational expenses (tuition, housing, transport, and study materials) contribute to financial stress among students.

Research Methodology

1) Primary Data Collection

Data was collected through a structured questionnaire distributed to 45 respondents across different disciplines. The respondents are from the age group of 19 to 29.

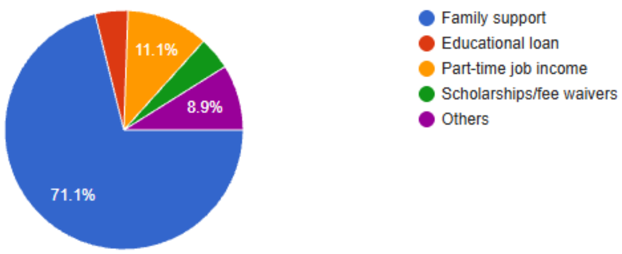

Image 1

Analysis

Most students fund their academics through family support (71.1%), while fewer rely on loans (11.1%), part-time jobs (11.1%), scholarships (2.2%), or other sources (8.9%).

Interpretation

Most students rely on family support, which lowers stress and boosts focus, while those depending on loans, jobs, or scholarships face higher stress that harms academic performance.

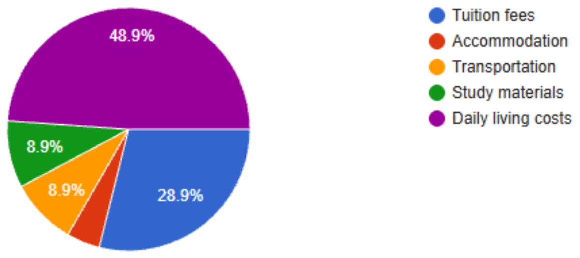

Image 2

Analysis

48.9% of the respondents finds a difficult to manage the living cost, 28.9% of the respondents find difficult to pay the tuition fees and 8.9% of the students find it difficult to manage the study materials and the same number that is 8.9% of the respondents faces transportation problem.

Interpretation

The living expenses and tuition fess are the major problems.

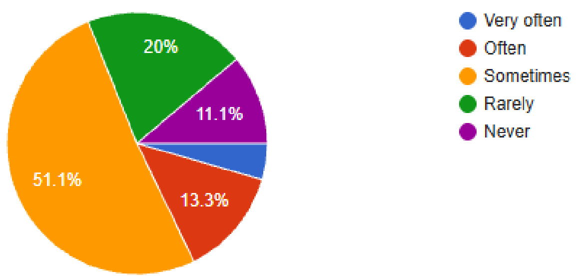

Image 3

Analysis

The survey shows that financial concerns about continuing education vary among students. A majority (51.1%) reported they "sometimes" worry, while (20%) said "rarely" and (11.1%) "never". Smaller groups expressed more frequent concern, with (13.3%) indicating "often" and (2.2%) "very often".

Interpretation

Financial stress is common among students, with most worrying at least sometimes about continuing education costs, impacting focus, stability, and academic performance.

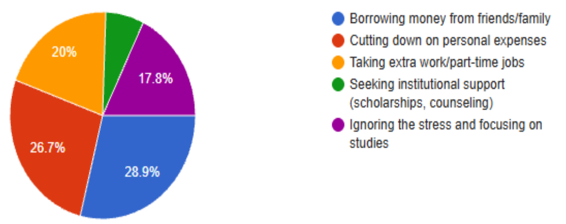

Image 4

Analysis

28.9% of the respondents they borrow money from friends and family, 26.7% of the respondents they have reduce their personal expenses and on the other hand 20% of the respondents go for part time jobs and 17.8% they ignore the stress and focuses on studies and very less of the respondents they get financial support from educational institutions.

Interpretation

Very few respondents they get support from educational institutions which effects their academic performance.

As a result of which research study becomes more important and needs awareness in the society.

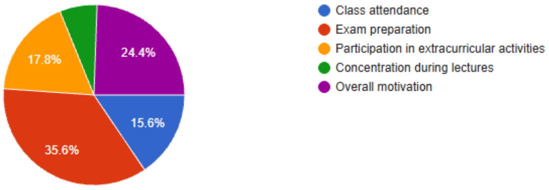

Image 5

Analysis

Financial stress affects exam preparation the most (35.6%), followed by overall motivation (24.4%) and extracurricular participation (17.8%). Class attendance (15.6%) and concentration in lectures are less affected.

Interpretation

This shows stress mainly reduces study focus and motivation, leading to weaker academic performance.

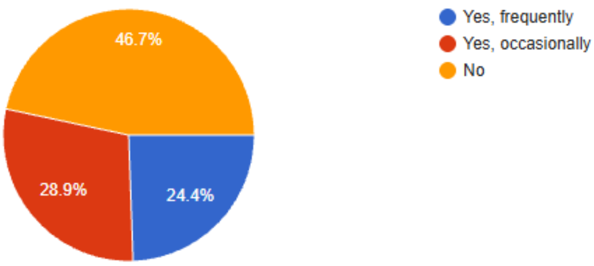

Image 6

Analysis

Almost half of the respondents responded that financial stress does not make them drop out or change their course of study and 28.9% they occasionally think about it and 24.4% said they frequently do.

Interpretation

More than half of the respondents find financial challenges as one of the major problem and that make them drop out or changing courses which effects there educational stability.

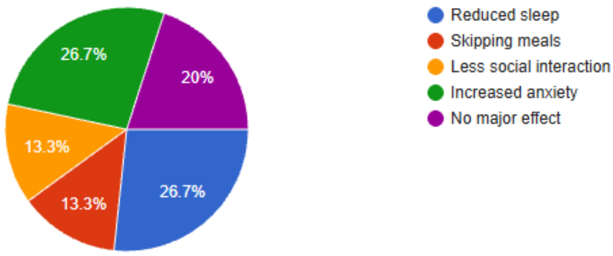

Image 7

Analysis

26.7% of the respondents responded that their anxiety increases due to financial stress and the same number that is 26.7% responded that it impacts their sleep, 13.3% and 13.3% few skip meals and few don't interact socially and 20% of the respondent as no major impact.

Interpretation

Financial stress reduces their sleps, skip meals, no social interaction and anxiety increases.

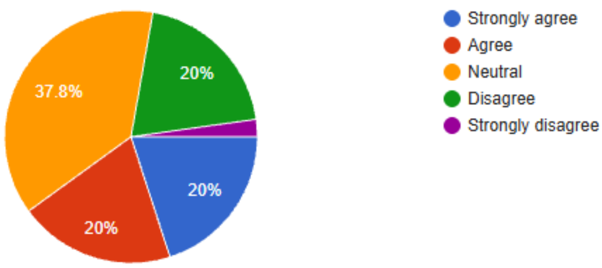

Image 8

Analysis

The survey results show mixed perceptions of financial stress compared to academic workload stress. While 20% strongly agree and another 20% agree that financial stress impacts their mental health more, 37.8% remain neutral. On the other side, 20% disagree and 2.2% strongly disagree, indicating that views are divided among students.

Interpretation

Financial stress is a major mental health concern for students, often comparable to academic workload stress, with varied impacts but consistently affecting academic performance.

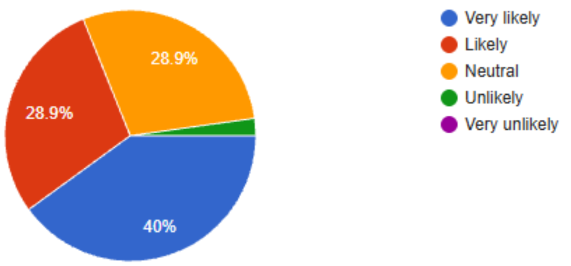

Image 9

Analysis

Most students show interest in financial counselling, with 40% very likely and 28.9% likely to attend. About 28.9% remain neutral, while only a few are unlikely, only a small minority indicated they are unlikely or very unlikely to participate.

Interpretation

This indicates strong demand for counselling services as a way to ease financial stress and support academic performance.

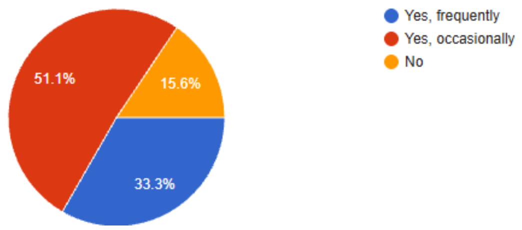

Image 10

Analysis

Most students skip buying essential study materials due to financial challenges, with 33.3% doing so frequently and 51.1% occasionally. Only 15.6% report no impact.

Interpretation

This shows financial stress directly limits access to resources, which can weaken learning and academic performance.

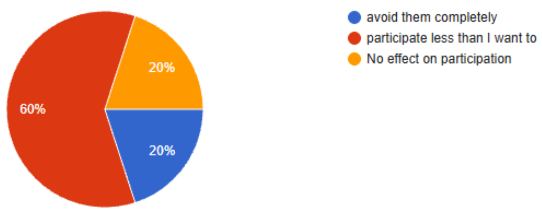

Image 11

Analysis

More than half of the respondents responded that they don't participate in extra curriculum activities or personal development due to financial stress. While 20% participate less compare to others and remaining 20% they are not effected.

Interpretation

This shows financial challenges limit overall student engagement and reduce opportunities for growth beyond academics.

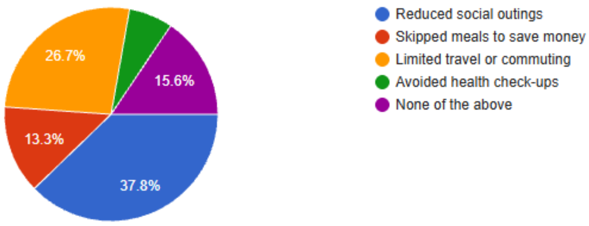

Image 12

Analysis

37.8% of the respondents don't interact socially, 26.7% limits heir travelling or commuting, 13.3% skip meals to save money and 15.6% of the respondents are neutral.

Interpretation

These changes show how financial challenges disrupt daily life and can indirectly harm academic performance.

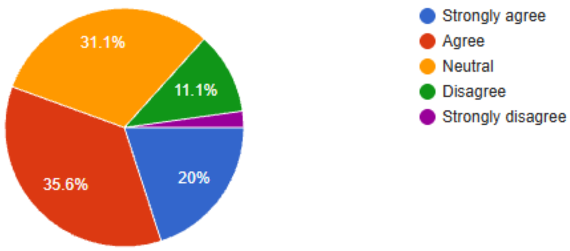

Image 13

Analysis

A majority of students (55.6%) agree or strongly agree that financial stress reduces their motivation to pursue higher studies, while 31.1% remain neutral and only a small group disagrees.

Interpretation

This shows financial challenges strongly influence future academic aspirations and can limit students' educational progression.

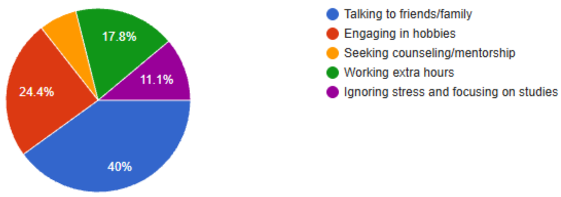

Image 14

Analysis

40% of respondents they discuss their problems with family and friends, nearly 25% respondents, they engage themselves in hobbies 17.8% they work for extra hours and 1% ignore stress and focus on studies.

Interpretation

This shows social support and personal activities are the main coping methods, but limited use of formal help may leave stress unresolved.

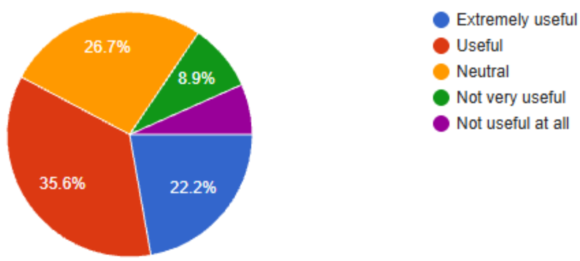

Image 15

Analysis

Most students found the financial literacy program helpful, with 22.2% rating it extremely useful and 35.6% calling it useful and 26.7% respondents are neutral.

Interpretation

This suggests such programs can play an important role in reducing financial stress and supporting students' academic success.

Scope of the Study

The study on financial stress and impact on academic performance among students explores that the raising cost of education affects the middle and low income families whose income is very low. There is a financial stress on the part of the students which impacts their academic performance, social interaction, participation in extra activities and to take education loan from bank and go for part time jobs. The study highlights psychological effects like anxiety and fatigue and suggest solutions including financial aid, scholarships and counselling to help students manage challenge and succeed.

Findings

- This suggests such programs can play an important role in reducing financial stress and supporting students' academic success.
- This shows social support and personal activities are the main coping methods, but limited use of formal help may leave stress unresolved.
- This shows financial challenges strongly influence future academic aspirations and can limit students' educational progression.
- These changes show how financial challenges disrupt daily life and can indirectly harm academic performance.
- This shows financial stress directly limits access to resources, which can weaken learning and academic performance.
- This shows financial challenges limit overall student engagement and reduce opportunities for growth beyond academics.
- These changes show how financial challenges disrupt daily life and can indirectly harm academic performance.

Suggestions

- They should be modification in the education policy itself where there should be a system of scholarships and financial aid and support to students for higher education.
- Educational institutions must provide study materials to the students those who are from lower or middle class income families.

- There should be counsellers in educational institutions which will help them to manage stress and cope up with the financial anxiety.
- Create developmental programmes to guide students on budgeting financial planning and debt management.
- There should be proper communication between the students and faculty to reduce the stress and help them on performing better in education and carrier growth.
- Encourages peer support groups where students can share experiences and coping strategies.
- Institutions should regularly review and update support systems to match rising education costs and student needs.

Limitations

- The research mainly focuses on middle and low income students and did not emphasis on other students those who are from high class income families.
- The respondents has not respondent openely or frankly about their financial situation.
- Geographical limitation this study based on few educational institutions
- Few respondents remain restricted to share their financial problems
- The study may not account for long term effects of financial stress, such as career choices or post- graduation outcomes.
- External factors like economic changes, inflation, or policy shifts could influence results beyond the studies scope.

Conclusion

Financial stress among the students is one of the major problem of the society because today's young generation especially the students going for higher education are the future of the country but due to raising cost of education it is impacting the performance of the students in their career and development . There should be certain policies made by the government which does not restrict any student who wants to go for higher education. An special education loan facility should be created by the educational institutions and government. The findings highlights that education and financial well-being are inseparable, instability compromises students potential and long term opportunities. Addressing stress requires supportive environments with aid, counselling and affordable resources, ensuring education and financial well-being remain inseparable and higher education continues as a pathway to growth and opportunity.

Acknowledgement

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