

# **A Study on Impact of Financial Stress on Students' Academic Performance**

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## **ABSTRACT**

Over the last few decades, the cost of attending colleges in India have been rising steadily and students who enroll for various courses are forced to ? rely on some form of financial aid to finance their cost of tuition fees. The main forms of financial aids available are grants and loans that can be sourced through government or financial institutions. The students who experienced such interruption in academics have to consider reducing their course loads or dropping for a semester due to financial issues/concerns and reported higher stress from their personal finances. Students who perceived that worrying about money/ academic funding affected their academic performance were found to have poorer academic performances. In this study, the data was collected from samples by a set of research tools and analyzed using SPSS, and resulted in research findings and interpretations. The sampling technique used in this study is non-probability sampling. Convenient sampling was used to select the respondent from the samples. Accordingly, the sample size is 115 college students which were chosen by random sampling and further responses were analysed and interpreted.

**Keywords: Financial stress, Debt, Personal Finance, Financial- Aid, Performance.**

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## **INTRODUCTION**

### **FINANCIAL STRESS AND ACADEMIC PERFORMANCE**

Student life is the most vibrant phase in an individual's life, with experiences they can cherish and enjoy. The various academic, cultural, and co-curricular activities nurture students and prepare them for the challenges of adulthood. Viewing this scenario from a deeper perspective, one can understand the predicament of college students in their daily lives. The entire idea of an exciting college life is rife with concerns, which, in turn, contribute to stress.

### **OBJECTIVE OF THE STUDY**

- To study the impact of financial stress on students' academic performance.
- To suggest the common stress related to finances among students.

## REVIEW OF LITERATURE

Catherine P. Montalto (2024)<sup>1</sup> published a research article titled, “Financial Stress Among College Students” The study analyzed the link between student loan debt and emergency savings with financial stress and after conditioning for differences in social and personal resources.

Hanna Cabinet (2024)<sup>2</sup> published a journal on, “Influence of Financial Problems to the Academic Performance of Students” This study determined the influence of financial problems on the academic performance of students in a situation in which they are not able to meet their bills on time or afford necessary basic needs.

Gladys Gail C. Sebastian (2023)<sup>3</sup> published a Qualitative Research titled, “The impact of financial stress on academic performance”. This study stated that the students who are less worried about money do better in college and have a better chance of graduating, whereas students who are stressed financially do worse in college and have a higher chance of dropping out.

## RESEARCH METHODOLOGY

Research design is descriptive research design.

### Source of data

- **Primary data:** The primary data are collected with the specific set of objectives to assess the current status any variable studied. Primary data is useful for only the particular period. In this study, a structured questionnaire was used by the research for collecting data.
- **Secondary data:** Secondary data is collected from company records, company websites and documents. Sampling Method and Sample size.

### Sampling size:

The sample size used for the study is 115.

### Area of study:

The study was conducted in Coimbatore city.

### Tools used for analysis:

- ❖ Percentage Analysis

### Limitations of study:

- ❖ The sample size of the study is limited to 115 responses.
- ❖ The study is conducted within Coimbatore city. So, the result may not apply to another city.

## ANALYSIS AND FINDINGS:

### PERCENTAGE ANALYSIS:

#### FORMULA:

$$\text{PERCENTAGE ANALYSIS} = \frac{\text{NO.OF.RESPONDENTS}}{\text{TOTAL NUMBER OF RESPONDENTS SELECTED FOR STUDY}} \times 100$$

S.NO	PARTICULARS	NO.OF. RESPONDENTS	PERCENTAGE
1	Gender		
	Male	39	34
	Female	76	66
2	Age		
	Below 18 years	22	19
	19 – 20 years	24	21
	21 – 25 years	41	36
	Above 25 years	28	24
3	Marital Status		
	Single	89	77
	Married	26	23
4	Occupation		
	Student	59	51
	Part-Time Employee	12	11
	Business	39	34
	Other	5	4
5	Educational Qualification		
	Diploma	25	22
	Under Graduate	17	15
	Post Graduate	37	32
	Professional	36	31
6	Family Monthly Income		
	Less than ₹20,000	42	36
	₹20,001 - ₹35,000	14	12
	₹35,001 - ₹45,000	34	30
	Above ₹45,001	25	22
7	Family Members		
	2	12	10.5

	<b>3</b>	<b>12</b>	<b>10.5</b>
	<b>4</b>	<b>40</b>	<b>35</b>
	<b>Above 4</b>	<b>51</b>	<b>44</b>
<b>8</b>	<b>Do you feel that financial stress affects your academic performance?</b>		
	<b>Yes</b>	<b>106</b>	<b>92</b>
	<b>No</b>	<b>5</b>	<b>4</b>
	<b>Not sure</b>	<b>4</b>	<b>4</b>
<b>9</b>	<b>How does financial stress impact your academic performance?</b>		
	<b>It affects my ability to focus</b>	<b>43</b>	<b>37</b>
	<b>It leads to missed classes or assignments</b>	<b>25</b>	<b>22</b>
	<b>It reduces my study time</b>	<b>19</b>	<b>16</b>
	<b>I experience anxiety or worry that affects my learning</b>	<b>25</b>	<b>22</b>
	<b>No impact at all</b>	<b>3</b>	<b>3</b>
<b>10</b>	<b>Have you experienced any of the following due to financial stress?</b>		
	<b>Anxiety</b>	<b>35</b>	<b>30</b>
	<b>Depression</b>	<b>26</b>	<b>23</b>
	<b>Difficulty Concentrating</b>	<b>28</b>	<b>24</b>
	<b>Poor Sleep Patterns</b>	<b>17</b>	<b>15</b>
	<b>Lack Of Motivation</b>	<b>9</b>	<b>8</b>

## FINDINGS:

- ❖ (66%) of the respondents are female.
- ❖ 36% of respondents are between 21-25 years of age.
- ❖ (77%) of the respondents are single.
- ❖ (51%) of the respondents are students.
- ❖ 32% of the respondents are postgraduates.
- ❖ 36% of the respondents have a monthly income of less than ₹20,000.
- ❖ 44% of the respondents have more than 4 members in their household.
- ❖ (92%) of the respondents answered Yes.
- ❖ 37% of the respondents say that it affects their ability to focus.

❖ 30% of the respondents experienced anxiety.

## CONCLUSION:

Financial stress significantly impacts students' academic performance by affecting their concentration, motivation, and overall well-being. The pressure of managing tuition fees, living expenses, and other financial obligations often leads to increased anxiety, reduced study time, and, in some cases, the necessity of taking on part-time jobs, which can further strain academic efforts. Consequently, students grappling with financial difficulties may experience lower grades, higher dropout rates, and diminished educational outcomes. Addressing this issue requires targeted support systems, such as financial aid programs, scholarships, and mental health resources, to help students concentrate on their education without the burden of financial stress. By alleviating these financial pressures, institutions and policymakers can contribute to improved academic success and enhance overall student well-being.

## REFERENCE:

### BOOKS

- Anthony Jack's book "Class Dismissed" (2024) explores the unpaid labor and its effects on low-income students' lives, providing insights into how financial burdens can impact academic performance.
- "Paying the Price: College Costs, Financial Aid, and the Betrayal of the American Dream" – Sara Goldrick-Rab (September 2016).

### JOURNALS

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