

## **Financial Stress and Academic Achievement among Undergraduates at the University of Benin**

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### **Abstract**

*This study investigated the impact of financial stress on the academic achievement of undergraduate students at the University of Benin, Nigeria. A descriptive survey research design was adopted, with data collected from 150 randomly selected undergraduates across five major faculties using a validated questionnaire. Findings revealed that finance is crucial for academic success, with 85.33% of students having considered dropping out due to financial constraints. Key stressors identified include accommodation costs (93.33%), affording daily needs (84%), and purchasing required textbooks (81.33%). Financial stress significantly impacts performance, leading to missed classes (90.66%), poor concentration (92%), and adverse effects on physical and mental health (95.33%). The study concludes that financial stress is a pervasive barrier to academic achievement. It recommends increased access to financial aid, flexible tuition payment systems, financial literacy programmes, and on-campus employment opportunities to alleviate financial burdens and promote equitable access to higher education in Nigeria.*

**Keywords:** Financial stress, Academic achievement, Undergraduate students, Coping strategies, University of Benin

## Introduction

Education is a veritable instrument for the social, economic, and political development of any nation. Indeed, it is often said that no nation can rise above the level of the education of its citizenry. The Nigerian society, in particular, places great emphasis on education as a primary avenue for national development. This goal, however, depends on undergraduates being actively involved in academic activities to enhance their performance. Despite this, researchers have observed a decline in student performance, potentially due to various school and non-school-related demands and responsibilities, such as low self-esteem, test anxiety, and romantic relationships (Adeyemo, 2018). This study focuses on one critical variable: student financing.

In the Nigerian higher education landscape, financial well-being plays a pivotal role in a student's ability to engage in their academic endeavours. However, a critical concern arises from the increasing prevalence of financial stress and its potential effects on academic achievement. Higher institutions are witnessing a surge in the cost of education, covering tuition, materials, and living expenses. This upward trajectory, coupled with broader economic challenges, has resulted in heightened financial stress (Ibrahim, 2018). While some studies have explored stress broadly, a targeted investigation into the specific relationship between financial stress and academic outcomes in the Nigerian context is lacking. This research problem is urgent, as students experiencing financial stress may face challenges in accessing materials or maintaining an optimal study environment, ultimately affecting the quality of human resources for national development.

Stress is an inherent part of the human experience, and financial stress, defined as the inability to meet one's financial obligations, is a primary stressor for college students (Heckman et al., 2014). The literature consistently links financial stress to negative outcomes, including depression, anxiety, poor academic performance, and difficulty persisting toward degree completion (Joo et al., 2008; McCloud & Bann, 2019; Robb, 2017).

For Nigerian undergraduates, there are numerous financial stressors. These include exorbitant tuition costs, the challenge of finding safe, affordable accommodation, food insecurity due to market inflation, high transportation costs, and rising textbook and essential academic material costs (Aremu et al., 2021). These stressors are often exacerbated by underlying factors, such as the

parents' socioeconomic status, which can limit a student's educational opportunities. National economic recessions also contribute significantly, as rising prices and decreasing purchasing power make it difficult for students to afford basic needs and educational expenses (Ofoegbu et al., 2020).

The relationship between financial stress and academic achievement is well-documented. Numerous studies show an inverse relationship; as financial stress increases, academic performance tends to decrease (Britt et al., 2016; Reid et al., 2020). Students from low socioeconomic backgrounds often underperform compared to their affluent counterparts. This financial strain impacts academic outcomes in several ways, including increasing absenteeism, leading to poor concentration, and contributing to significant mental and physical health challenges (Adams *et al.*, 2016; Usamn & Banu, 2019). Financial desperation has also been linked to examination malpractice (Norazlan *et al.*, 2020).

To manage these stressors, students employ various coping strategies. These can be problem-focused (e.g., seeking part-time work, budgeting) or emotion-focused (e.g., seeking support from family). However, students may also turn to maladaptive coping strategies, such as substance abuse or social withdrawal (Tesfaw & Yitayih, 2018).

### **Objective of the Study**

This study, therefore, aims to explore the specific impact of financial stress on the academic achievement of students in Nigerian higher institutions, using the University of Benin as a case study. The study seeks to determine the importance of finance, identify the causes of financial stress, determine the extent to which it affects academic performance, and proffer possible solutions to ease this burden.

### **Methodology**

The study adopted a descriptive survey research design, which was appropriate for obtaining empirical data on the impact of financial stress without manipulating variables. The study population comprised all undergraduate students of the University of Benin. A simple random sampling technique was employed to select a total of 150 students (N = 150). Participants were drawn from five faculties with relatively high enrolment

(Education, Engineering, Management Sciences, Life Sciences, and Physical Sciences) to ensure adequate representation across academic disciplines.

Data were collected using a structured questionnaire titled the Financial Stress and Students' Academic Achievement (FSASAA). The instrument consisted of twenty-five items divided into two sections. Section A captured demographic information, while Section B contained twenty items measuring the extent and effect of financial stress on academic performance. The items were structured on a modified four-point Likert-type rating scale: Strongly Agree (SA), Agree (A), Disagree (D), and Strongly Disagree (SD). Content validity was established through expert review by the project supervisor and two subject-matter experts. Reliability was determined using the test–retest method over a two-week interval. The resulting Pearson Product–Moment Correlation Coefficient yielded a reliability index of  $r = 0.78$ , which was considered acceptable for the study.

The researcher personally administered and retrieved the completed instruments to enhance the response rate and ensure confidentiality. Data were subsequently analysed using descriptive statistics and simple percentages, in line with the research questions guiding the study.

## Results

This section presents the analysis and interpretation of the data collected from the 150 undergraduate students ( $N = 150$ ) across the five selected faculties. The analysis employs descriptive statistics using simple percentages to address the research questions.

### Demographic Characteristics of Respondents

The demographic data for the 150 respondents is consolidated in Table 1.

**Table 1:** Demographic Characteristics of Respondents ( $N = 150$ )

Characteristic	Category	N	Percentage (%)
Gender	Male	45	30.00
	Female	105	70.00
Age	16-20	30	20.00
	21-25	112	74.67
	26 and above	8	5.33
Level	100	15	10.00
	200	17	11.33
	300	26	17.33

Characteristic	Category	N	Percentage (%)
Employment Status	400	76	50.67
	500 and above	9	6.00
	Employed	22	14.67
	Unemployed	90	60.00
	Self-employed	38	25.33
Total		150	100.00

Table 1 indicates that the majority of the respondents were female (70.00%), within the 21–25 age bracket (74.67%), and in the 400 level (50.67%). A significant proportion (60.00%) reported being unemployed.

### Perceived Importance of Finance and Academic Performance

**Table 2:** Importance of Finance (Items 1–4)

S/N	ITEMS	SA (%)	A (%)	D (%)	SD (%)	Total Agree (%)
1.	Finance is very important for my academic journey.	80.00	14.67	5.33	0.00	94.67
2.	I have considered dropping out due to financial constraints.	50.00	35.33	10.00	4.67	85.33
3.	My grades would be better if I had more financial support.	48.67	36.00	8.00	7.33	84.67
4.	I'll perform excellently irrespective of my financial status.	7.00	10.67	37.33	45.33	17.67

Table 2 shows overwhelming agreement (94.67%) that finance is critical for the academic journey. Alarming, 85.33% of respondents reported considering dropping out due to financial constraints. Similarly, 84.67% believed their academic grades would improve with better financial support.

### Financial Challenges Faced by Undergraduates

**Table 3:** Financial Challenges (Items 5–8)

S/N	ITEMS	SA (%)	A (%)	D (%)	SD (%)	Total Agree (%)
5.	Paying tuition is a struggle for me.	25.33	48.00	14.00	12.67	73.33
6.	I struggle to afford my daily needs and other living expenses.	48.00	36.00	6.67	9.33	84.00
7.	The cost of accommodation is a financial burden for me.	85.33	8.00	5.33	1.33	93.33
8.	I am unable to keep up with my studies because I cannot afford all the required textbooks.	59.33	22.00	10.00	8.00	81.33

The data in Table 3 confirms that financial challenges are pervasive. Accommodation costs were cited as the most significant financial burden (93.33%). High percentages also agreed that they struggle to afford daily

needs and living expenses (84.00%), and that the inability to afford required textbooks affects their studies (81.33%).

### Causes of Financial Stress Among Undergraduates

**Table 4:** Causes of Financial Stress (Items 9–12)

S/N	ITEMS	SA (%)	A (%)	D (%)	SD (%)	Total Agree (%)
9.	I struggle with budgeting and financial planning.	50.00	28.00	17.33	4.67	78.00
10.	I have to pay my own tuition.	34.67	18.67	20.67	26.00	53.34
11.	I have to support my family financially in addition to my own educational costs.	36.00	23.33	28.00	12.67	59.33
12.	I always face unexpected or emergency expenses.	54.67	25.33	11.33	8.67	80.00

Table 4 shows that unexpected or emergency expenses (80.00%) and poor personal budgeting skills (78.00%) are the top causes of financial stress. Furthermore, over half of the respondents (59.33%) are required to support their families financially, adding to their educational costs.

### Effects of Financial Stress on Academic Performance

**Table 5:** Effects of Financial Stress (Items 13–16)

S/N	ITEMS	SA (%)	A (%)	D (%)	SD (%)	Total Agree (%)
13.	I have missed classes due to financial stress.	65.33	25.33	7.33	2.00	90.66
14.	I struggle to concentrate on my studies due to financial worries.	71.33	20.67	5.33	2.67	92.00
15.	Worrying about finances takes a toll on my physical/mental health.	87.33	8.00	4.00	0.67	95.33
16.	I am tempted to engage in unwholesome acts such as examination malpractices due to my financial constraints.	37.33	8.00	33.33	21.33	45.33

The detrimental effects are clear in Table 5. The highest percentage (95.33%) reported that financial worry affects their physical and mental health. This is followed by poor concentration (92.00%) and missed classes (90.66%). Notably, 45.33% admitted to being tempted to engage in unwholesome acts, such as examination malpractice, due to financial pressure.

## Potential Solutions to Ease Financial Stress

**Table 6:** Potential Solutions (Items 17–20)

S/N	ITEMS	SA (%)	A (%)	D (%)	SD (%)	Total Agree (%)
17.	Having access to scholarships/financial aid will help ease my academic journey.	79.33	12.60	2.67	4.67	91.93
18.	Flexible tuition payments will make fee payment easier for me.	80.67	12.00	2.67	4.67	92.67
19.	Financial management workshops/counselling services will help me manage my money better and reduce financial stress.	57.33	19.33	11.33	12.00	76.66
20.	Availability of part-time jobs on campus will help reduce my financial burden.	80.00	11.88	3.12	5.00	91.88

As shown in Table 6, students strongly agreed that institutional and government interventions are needed. Flexible tuition payments (92.67%), access to scholarships/financial aid (91.93%), and the availability of on-campus part-time jobs (91.88%) were all identified by over 91% of respondents as essential solutions.

## Discussion

This study investigated the impact of financial stress on the academic achievement of undergraduate students at the University of Benin. The findings, presented in Tables 2 through 6, offer empirical evidence confirming that financial distress is a pervasive and debilitating barrier to academic success in the Nigerian higher education system. The discussion is structured around the study's central objectives and integrates the results with the existing academic literature.

### Financial Importance and the Risk of Dropout

The study's most foundational finding is the critical role of finance in a student's academic life, with 94.67% acknowledging its importance (Table 2). This high dependence is immediately contextualized by the alarming result that 85.33% of students have considered withdrawing from their studies due to financial constraints. This finding strongly supports the proposition made by Britt et al. (2017) and Mngomezulu et al. (2017) that financial strain directly threatens student retention and persistence toward degree completion. The fact that a vast majority of students feel their performance would be better with more support (84.67%) provides powerful evidence of the tangible connection

between financial well-being and academic potential, underscoring the urgent need for systemic intervention.

### **Specific Financial Stressors**

The analysis of financial challenges (Table 3) identifies the specific economic pressures faced by the respondents. While tuition fees pose a significant struggle for 73.33% of students, the study reveals that the cost of accommodation (93.33%) and the affordability of daily needs/living expenses (84.00%) are even more widely reported financial burdens. This finding is particularly salient in the Nigerian context, where market inflation and inadequate on-campus housing drive up living costs, confirming assertions by Aremu et al. (2021) and Ofoegbu et al. (2020) regarding the impact of the economic climate. Critically, 81.33% reported being unable to afford required textbooks, a direct barrier to effective learning and academic preparation, aligning with the literature that links resource scarcity to reduced academic performance (CN, Nnamani et al., 2014).

Furthermore, the causes of this stress (Table 4) are complex, involving both external pressures and internal factors. The prevalence of unexpected expenses (80.00%) and the significant proportion of students who must support their families (59.33%) align with the literature on the unique financial burdens carried by students from low socioeconomic backgrounds (Fazli Sabri et al., 2012). The fact that 78.00% report struggling with budgeting also highlights a crucial need for financial literacy education, a theme also noted by Bennett et al. (2015).

### **Detrimental Effects on Academic Performance and Well-being**

The consequences of financial stress are severely detrimental, impacting students' physical, psychological, and academic lives (Table 5). The high rates of missed classes (90.66%) and impaired concentration (92.00%) directly explain the observed decline in academic outcomes, supporting the inverse relationship between financial stress and performance documented by Reid et al. (2020).

Most critically, 95.33% of respondents reported that financial worries take a toll on their physical and mental health. This finding is consistent with global research linking financial stress to adverse mental health outcomes such as

anxiety and depression (McCloud & Bann, 2019; Adams et al., 2016). Finally, the alarming revelation that 45.33% are tempted to engage in unwholesome acts, such as examination malpractice, due to financial constraints provides a stark warning about the ethical dangers posed by financial desperation (Norazlan et al., 2020). This underscores the urgency of providing resources not just for academic success, but for the maintenance of academic integrity.

### **Pathways to Mitigation**

The solutions preferred by the students (Table 6) offer clear and actionable pathways for institutional and policy interventions. Interventions related to scholarships/financial aid (91.93%), flexible tuition payments (92.67%), and on-campus part-time jobs (91.88%) received near-unanimous support. These findings suggest that direct financial relief and opportunities for income generation are viewed as the most effective solutions, aligning with suggestions by Bennett et al. (2021) for practical, problem-focused coping strategies. While financial management workshops were supported by a strong majority (76.66%), the highest priority was placed on concrete relief measures.

In conclusion, this study confirms that financial stress is a fundamental threat to the academic community at the University of Benin. By prioritizing interventions that address the costs of living and provide income-earning opportunities, the institution and related government bodies can mitigate the negative academic and psychological effects and ensure a more equitable environment for learning.

### **Conclusion**

The findings of this study have revealed that financial stress poses a major challenge to undergraduate students' academic achievement and overall well-being in Nigerian higher institutions, particularly at the University of Benin. Students are burdened by the rising cost of tuition, accommodation, and daily living expenses amidst a harsh economic climate. These financial pressures negatively affect their concentration, class attendance, motivation, and overall academic outcomes. In some cases, students resort to unhealthy coping mechanisms or consider discontinuing their studies altogether, with 85.33% of respondents reporting thoughts of withdrawal. The study concludes that financial stress is not merely an individual problem but a systemic issue that demands urgent attention. Addressing it requires collaborative efforts from

institutions, government agencies, parents, and other stakeholders in the education sector. By easing students' financial burdens and creating a more supportive learning environment, universities can enhance academic performance and contribute to national development by producing competent graduates.

### **Recommendations**

Based on the findings of this study, the following recommendations are presented:

- i. **Provision of Scholarships and Grants:** Government and private organisations should substantially increase the number of scholarships, bursaries, and need-based grants available to undergraduates to cushion the effects of financial hardship.
- ii. **Flexible Tuition Payment Plans:** Higher institutions should introduce flexible or instalment-based payment systems that allow students to spread their school fees over time without disrupting their studies.
- iii. **On-Campus Employment Opportunities:** Universities should create accessible part-time job opportunities and formal work-study schemes that enable students to earn income while pursuing their education.
- iv. **Financial Literacy and Counselling:** Regular workshops on budgeting, money management, and responsible spending should be organised to help students develop essential financial skills and reduce anxiety related to money matters.
- v. **Affordable Accommodation and Welfare Support:** Institutions should partner with landlords and relevant authorities to ensure that housing costs remain fair and that students have access to basic welfare services that promote academic stability.
- vi. **Parental and Policy Support:** Policymakers must prioritise education funding to reduce the financial strain on students across public universities, while parents should be encouraged to engage in proper financial planning to support their children's education effectively.

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