

Counting More Than Credits: Financial Strain and Academic Satisfaction as Predictors of Student Stress

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ABSTRACT

This study explores the factors influencing stress levels among Malaysian undergraduate students. Employing a survey research method, data was collected through questionnaires distributed to 110 undergraduate accounting students from a public university in Malaysia. The results indicate that academic performance satisfaction is significantly and negatively associated with stress levels, while financial difficulties show a significant positive relationship with stress. These findings offer valuable insights for policymakers and university administrators committed to improving mental health and well-being among university students.

Keywords: Undergraduate students, Academic performance, Mental health, Student well-being

INTRODUCTION

Mental health issues among university students have become a growing public health concern in recent years (Anderson et al., 2025). The demands of academic life, combined with personal, social, and financial pressures, contribute to high levels of stress among students. University life often marks a period of significant transition, where students face challenges in adapting to new environments, meeting academic expectations, and managing their independence. These pressures can lead to increased levels of stress, anxiety, and depression, which, if left unaddressed, may have long-term consequences on students' well-being and academic performance. In Malaysia, this issue is particularly evident, with studies indicating a worrying percentage of students struggling with stress-related problems (Haruna et al., 2025).

The increasing incidence of mental health problems among students in public universities has emerged as a major concern, with stress often labelled the "Health Epidemic of the 21st Century" because of its profound impact on both physical and emotional well-being. (Fink, 2016, 2021). Mental health challenges include stress, anxiety, and depression, with stress closely linked to seven major causes of death in developed countries and contributing substantially to the overall burden of suffering in these societies (Cooper and Quick, 2017). In Malaysia, Ahmad et al. (2022) reported that in 2021, 20% of Malaysian students experienced stress, highlighting the range of mental health issues they face. Previous research has identified several factors influencing stress levels, including satisfaction with academic performance and financial difficulties.

Given the detrimental effects of stress on university students, this study aims to investigate the key factors contributing to student stress levels, providing valuable insights for university administrations to develop effective strategies to address and reduce stress among students. Recognizing the critical importance of mental health, especially within academic environments, it becomes essential to thoroughly identify and understand

the various factors that contribute to elevated stress levels among university students. University life often presents numerous academic and financial challenges that can significantly impact students' mental well-being. By gaining a comprehensive understanding of these contributing factors, the educational institutions and policymakers can be better equipped to develop and implement effective interventions and support systems. These targeted strategies may include mental health awareness programs, counselling services, stress management workshops, and financial aid initiatives, all aimed at fostering a more supportive and nurturing educational environment. Ultimately, addressing the root causes of stress will not only help in reducing mental health issues but also promote healthier, more balanced, and fulfilling university experiences that contribute to the academic success and personal growth of students.

The flow of the paper is presented as follows. The second section reviews the relevant literature on determinants of stress level. The following section provides a discussion on the research method. The fourth section lays out the findings and empirical results. Finally, the fifth section concludes the study.

LITERATURE REVIEW

Academic Performance and stress level

Mental health refers to an individual's emotional, psychological, and social well-being, influencing how they think, feel, and act. Stress and mental health are closely interconnected, with stress playing a significant role in influencing an individual's psychological well-being. Stress refers to the body's natural response to external pressures or demands, which can arise from academic responsibilities, financial difficulties, social relationships, or personal expectations. While short-term stress can serve as a motivating factor, prolonged or chronic stress is widely recognized as detrimental to mental health. (Benítez-Agudelo et al., 2025) Extended exposure to high levels of stress can contribute to the development of various mental health problems, including anxiety disorders, depression, and emotional exhaustion. (Wu et al., 2025).

Pokhrel et al. (2020) highlight that academic-related stressors, including examination systems, assessment methods, grading practices, academic schedules, and personal expectations, play a significant role in contributing to elevated levels of stress among university students. Building on this understanding, the present study seeks to examine the relationship between academic performance and student mental health, emphasizing how satisfactory academic achievement can positively influence well-being. Achieving good academic results can foster a sense of accomplishment, self-esteem, and confidence, which in turn helps to reduce stress and anxiety by giving students a greater sense of control over their academic progress. (Otieno., 2025). Furthermore, the sense of purpose and fulfillment gained from meeting academic goals serves to strengthen the connection between academic success and mental well-being. In contrast, poor academic performance or difficulties in meeting academic demands can lead to increased stress, reduced self-confidence, and negatively impact mental health. (Pérez-Jorge et al., 2025)

H1: Academic performance is significantly related to stress levels of undergraduate university students.

Financial Difficulties and Stress Level

Financial difficulties are a significant factor contributing to elevated stress levels among university students, representing a multifaceted challenge that extends beyond academic demands. Financial concerns, such as the burden of tuition fees, living expenses, and student loans, have been shown to exacerbate stress levels (Mofatteh, 2021; Mamun et al., 2020). In addition, difficulties in meeting essential needs, including housing and food security, further intensify psychological distress and negatively affect students' mental well-being. Financial pressures may also force students to undertake part-time employment alongside their academic commitments, increasing stress due to time constraints and physical exhaustion. Supporting this, a longitudinal study by Cooke et al. (2004) found that students experiencing significant financial concerns exhibited a more pronounced decline in mental health over a three-year period. Al-Khalil et al., (2025) also found the positive

relationship on high exposure to financial difficulties and the stress level of the university's students in Lebanon. This study aims to examine the impact of financial difficulties on the stress levels of undergraduate students in Malaysia's public universities. With increasing education costs and living expenses can all of these effect the students' stress level.

H2: Financial difficulties are significantly related to the stress level of undergraduate university students.

METHODS

This study employed a questionnaire-based approach to collect data and investigate the relationship between financial difficulties, academic performance, and stress levels among undergraduate university students.

The questionnaire was divided into two sections. Part A collected demographic information and details regarding the respondents' past and current academic performance. Part B focused on measuring the dependent variable, namely the students' stress levels. Respondents were asked to rate their stress levels using a five-point Likert scale, where 1 represented "Strongly Disagree," 2 "Disagree," 3 "Moderately Disagree," 4 "Agree," and 5 "Strongly Agree."

To encourage voluntary participation and ensure the accuracy of responses, participants were assured of the confidentiality of their information, with the data used exclusively for research purposes. Of the 250 questionnaires distributed, 110 valid responses were obtained and utilized for analysis, yielding a response rate of 44 percent.

RESULTS AND DISCUSSION

Demographic of Respondents

According to Coakes (2005), correlation analysis is a statistical method used to determine whether a relationship exists between two variables by examining their linear association. In this study, a correlation analysis was conducted to investigate the relationship between academic performance, financial difficulties, and the level of stress among Malaysian undergraduate accounting students. The Pearson correlation test was employed to assess the potential presence of multicollinearity among the variables. As noted by Field (2000), multicollinearity is considered a concern when independent variables exhibit high intercorrelations, typically indicated by coefficient values of 0.8 or 0.9 and above. The results of the correlation analysis, presented in Table 1, reveal that the correlation coefficients among the variables range from 0.022 to 0.344. These findings suggest that multicollinearity is not an issue in this study, as none of the correlation values exceed the threshold of 0.8.

Table 1: Correlation Analysis

	Degree of Stress	Academic Performance	Financial Difficulties
Degree of Stress	1		
Academic Performance	-.344**	1	
Financial Difficulties	.231*	-.191*	1

Multiple Regression on Determinants of Degree of Stress

Table 2 presents the regression analysis results, which assess the association between gender, academic performance, financial difficulties, and stress levels. The findings of this study indicate that both academic performance and financial difficulties have a significant impact on the stress levels of undergraduate accounting students. Specifically, students experiencing financial difficulties are more likely to report higher levels of stress. Conversely, students with higher cumulative grade point averages (CGPA) tend to experience lower levels of stress.

Table 2: Multiple Regression Results on Determinants of Stress Level among Accounting Students

Variables	Stress Level
Academic performance (CGPA)	-.504***
	(-.3.380)
Financial difficulties	.451**
	(1.982)
R-Square	15.9
Adjusted R-Square	13.5
Note: **Significant at 5% level, ***Significant at 1% level	

CONCLUSION

This study aims to investigate the factors influencing stress levels among students. Based on responses from 110 undergraduate accounting students, the findings indicate that financial difficulties have a significant positive relationship with stress levels, meaning that students facing greater financial challenges tend to experience higher stress. Conversely, satisfactory academic performance is negatively associated with stress levels, suggesting that students who perform well academically report lower levels of stress. However, this study has certain limitations. The primary limitation is the relatively small sample size, as data were collected from students at only one public university in Malaysia. As a result, the findings may not be generalizable to the wider student population. Future research is recommended to address this limitation by incorporating a larger and more diverse sample across multiple institutions to enhance the generalizability and robustness of the results.

Future studies could explore other potential factors that may influence stress levels among university students, such as social support, coping mechanisms, and extracurricular involvement. Incorporating qualitative methods, such as interviews or focus group discussions, could also provide deeper insights into students' personal experiences and the underlying reasons behind their stress. Furthermore, longitudinal research designs may be beneficial in examining changes in stress levels over time and identifying any long-term effects of academic performance and financial difficulties on mental health. Expanding the scope of research in these ways would contribute to a more comprehensive understanding of student well-being and support the development of more effective strategies to reduce stress within the university environment.

In conclusion, this study highlights the significant influence of financial difficulties and academic performance on the stress levels of undergraduate accounting students. The results demonstrate that financial challenges contribute to higher stress levels, while satisfactory academic achievement is associated with reduced stress. These findings underscore the importance of addressing both financial and academic factors when developing strategies to support student well-being. While the study provides valuable insights, its limitations, particularly the small sample size and focus on a single institution, suggest that further research is needed. Broader studies involving diverse student populations and additional contributing factors would offer a more comprehensive understanding of student stress and inform the implementation of targeted interventions to promote mental health in higher education settings.

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