Determinants of Financial Stress Among Students at Uitm Seremban Campus, Malaysia: A Multiple Linear Regression Approach

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ABSTRACT

Financial stress has emerged as a growing concern among university students, frequently affecting their academic performance, mental health, and overall well-being. This study aims to identify and analyse the key determinants of financial stress among students at Universiti Teknologi MARA (UiTM) Seremban campus, Malaysia. Guided by previous literature, this research examines factors such as education level, family income, financial aid, living expenses, debt, part-time job status, CGPA, peer influence, financial behaviour, and financial literacy. This research employed a non-probability sampling design, specifically Convenience Sampling, with a population of 5,996 students and a sample of 375 students at UiTM Seremban campus, Malaysia due to unavaiability of sampling frame. Data were collected through structured questionnaires and analysed using multiple linear regression to assess the significance and strength of each determinant. The findings indicate that family income (B40), debt, cumulative grade point average (CGPA), peer influence, and financial literacy significantly contribute to financial stress, with peer influence emerging as the most impactful factor. The results obtained provide invaluable insights for university administrators, policymakers, and financial educators in developing effective strategies to enhance financial literacy and alleviate stress among students.

Keywords: Financial Stress, Determinants, UiTM Seremban, Multiple Linear Regression, Significant Variables

INTRODUCTION

Financial stress is an inescapable reality for students, especially in today's economic climate, where both the cost of education and the cost of living have increased significantly. It becomes very challenging for them to focus on their studies, as they face numerous financial constraints, including housing costs, part-time work, material expenses, and education fees, which cause tension and make it difficult for them to concentrate on their studies. Financial stress is defined as the psychological discomfort that arises from being unable to meet one's financial obligations, often referring to the costs of education, living expenses, and other social class-related issues (Northern et al., 2010). According to the (American Psychological Association, 2020), financial stress is described as an important source of anxiety among students that affects both their cognitive function and academic performance. This mental strain often arises from the pressure of balancing financial constraints, academic workload, and personal responsibilities, resulting in negative impacts on overall well-being and life satisfaction (Jones et al., 2018). The Global Student Survey 2022 found that 85% of Malaysian students are worried about their finances while studying and prefer shorter university time, 78% prefer online classes to reduce living costs (Nurul Suhaidi, 2022). In a survey by (Wong et al., 2023) using the Depression, Anxiety and Stress Scale (DASS-21), financial issues were found to be one of the leading causes of moderate to severe stress, anxiety, and depression among tertiary students.

This research focuses on examining how education level, family income, financial aid, living expenses, debt, part-time job status, CGPA, peer influence, financial behaviour, and financial literacy affect financial stress among students at UiTM Seremban campus. The first objective of this research is to investigate the relationship between independent variables and financial stress among students at UiTM Seremban campus, Malaysia, while the second objective is to determine the most influential factor that contributes to financial stress among students at the UiTM Seremban campus, Malaysia. The significance of the study lies in its importance for institutions to provide effective services to students, as it highlights the connection between financial resources and academic performance. The relation may allow the study to provide evidence in favour of policies or measures to reduce financial stress, such as providing financial literacy, mental health and financial assistance programs while maintaining academic performance.

RESULTS AND DISCUSSION

The research design employed is an applied research approach, utilising a quantitative research design with a target population of all 5,996 students enrolled at Universiti Teknologi MARA (UiTM) Cawangan Negeri Sembilan, Kampus Seremban, Malaysia. The sample consisted of 375 students, selected using the convenience sampling method. The primary data were collected through a structured questionnaire, adapted from previous research and distributed via social media platforms such as WhatsApp and Telegram, using Google Forms. To ensure the reliability and internal consistency of the research instrument, a reliability test was conducted using 30 observations that did not involve the actual study, with Cronbach's Alpha value exceeding 0.7 for the five-point Likert scale questions, which utilised mean scores. Other than that, the descriptive analysis reveals that students face varying degrees of financial stress, suggesting that financial issues are a significant concern among this group.

Furthermore, the data were analysed using multiple linear regression. For model adequacy checking, the initial dataset was reduced from 380 to 376 observations after removing four influential outliers. A second round of model adequacy checking was conducted using the 376 observations and one influential outlier was found and removed. The final dataset consisted of 375 observations and was rechecked a third time and it was confirmed that the revised model satisfied all key assumptions.

The evaluation of the multiple linear regression model performance based on several key statistical outputs, including the coefficient of multiple determination, overall model significance and the significance of individual predictors. The model produced an R-square of 0.19. Although this is low, the ANOVA test (p-value < 0.001) showed that the model is significant overall, and the individual predictors are meaningful. The results demonstrated that family income (B40), debt, CGPA, peer influence, and financial literacy significantly influenced financial stress among UiTM Seremban students, with p-values below 0.05.

In contrast, the remaining variables which are education level, family income (M40), financial aid, living expenses (< RM500), living expenses (RM500-RM1000), part-time job status and financial behaviour were not statistically significant as the p-value was more than 0.05. This finding directly addresses the first objective, which aimed to investigate the relationship between independent variables and financial stress among students at the UiTM Seremban campus. Based on the statistical evidence, this research objective has been met, as the relationship between each variable and financial stress is demonstrated.

Among the significant variables, peer influence was identified as the most influential factor in financial stress, based on its relatively higher standardized coefficient beta ($\beta = 0.294$), which is higher than the coefficients of the other independent variables. This finding directly addresses the second objective, which aimed to determine the most influential factor that contributes to financial stress among students at the UiTM Seremban campus. Based on the analysis, this objective is achieved, as the results clearly indicate that peer influence is the dominant factor.

Table 1: Coefficients

Independent Variables	**Unstandardized Coefficients B**	**Standardized Coefficients Beta**	**Sig.**
Constant	3.374		< 0.001
Education Level	-0.074	-0.036	0.460
Family Income: B40	0.406	0.209	0.025
Family Income: M40	0.197	0.096	0.277

Financial Aid	0.075	0.034	0.517
Living Expenses: < RM500	-0.077	-0.040	0.652
Living Expenses: RM500-RM1000	-0.032	-0.016	0.849
Debt	0.256	0.133	0.014
Part-time Job Status	0.152	0.055	0.251
CGPA	-0.308	-0.104	0.032
Peer Influence	0.411	0.294	< 0.001
Financial Behaviour	-0.089	-0.059	0.303
Financial Literacy	-0.232	-0.172	0.003

CONCLUSION

In conclusion, the objectives of this research have been successfully achieved through the analyses conducted. The results from the multiple linear regression model provided insights into the key determinants of financial stress among students at the UiTM Seremban campus. The insights gained highlight the need for enhanced financial education and awareness among university students. These findings underscore the importance of universities developing comprehensive financial education and peer mentoring programs that not only foster knowledge but also offer emotional and social support systems. Addressing the underlying causes of financial stress can help support students in achieving improved academic performance and overall mental well-being.

For future research, it is advisable to use probability sampling methods, such as simple random sampling or stratified sampling, to achieve a more representative and balanced sample. This approach would improve the reliability and external validity of the findings. Other than that, as student demographics, financial support systems, and social environments can differ across campuses, future research should aim to expand the study scope to include multiple UiTM campuses in various regions. This expansion would enhance the external validity of the findings and support the development of interventions that are more universally applicable. Lastly, it would be beneficial to consider an extended study of independent variables, either through an extensive literature review or by employing a qualitative approach, such as an interview or focus group, to identify other potentially important factors that influence financial stress.

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