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THE FINANCIAL PROBLEMS AND ACADEMIC PERFORMANCE AMONG PUBLIC UNIVERSITY STUDENTS IN MALAYSIA

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ABSTRACT

Financial constraints have increasingly become a critical issue affecting university students' academic outcomes, particularly in developing countries. Limited financial resources may hinder students' ability to fully engage in their studies while simultaneously contributing to stress, health issues, and reduced academic focus. This study examines the relationship between financial problems and academic performance among public university students in Malaysia. A quantitative research design was employed using a self-administered questionnaire distributed to 120 students. The instruments demonstrated acceptable reliability, with Cronbach's alpha values exceeding the recommended threshold. Data were analyzed using descriptive statistics and Pearson's correlation analysis via SPSS. The findings indicate a statistically significant negative relationship between financial problems and academic performance ($r = -0.224$, $p < 0.05$), suggesting that higher levels of financial difficulties are associated with lower academic achievement, although the strength of the relationship is weak. The results highlight the importance of financial stability and support systems in enhancing students' academic success. This study contributes to the existing literature by providing empirical evidence in the Malaysian higher education context and suggests the need for improved financial assistance and student support mechanisms.

Keywords: Financial problems, academic performance, university students, financial stress, Malaysia

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1.0 INTRODUCTION

Financial problems are a vital issue for everyone, especially students. Most students have to struggle to make ends meet as they come from underprivileged families. Thus, students have to make difficult decisions whether to spend money on food or other essential needs, and others have to go through health issues that take a toll on their financial situations (Perman, 2019). With the lack of financial resources, students face financial problems to adapt to the high cost of living. Financial problems are a severe issue that lingers among university students and may affect their academic performance. Therefore, the purpose of this study is to identify the relationship between financial problems and academic performance among students at Sultan Idris Education University (UPSI).

2.0 LITERATURE REVIEW

Financial problems are commonly faced by everyone, especially those from underprivileged or low-income families. According to Asri, Abu Bakar, Laili and Saad (2017), stated that although students do not have a commitment on paying monthly debt instalments like other households, however, their status as students requires them to pay their education fees, rents and other essentials, by which they received the financial from loans, scholarships or their families. In addition, students who come from underprivileged or low-income families might affect their academic performance. Many past studies have shown a relationship between financial problems and students' academic performance. According to Olufemioladebinu, Adediran, and Oyediran (2018), parents' income or social status positively affects students' academic performance in examinations.

This is further supported by a previous study by Olufemioladebinu et al. (2018), who explained that students from low socioeconomic family status tend to show poor academic performance compared to students from a better family background status. Additionally, Asri et al. (2017) stated that students from a high economic status are able to have a stimulating learning environment. Hence, it is possible for those who have a better family financial background to excel and achieve better academic performance than those students who come from low-income families. According to Nnamani, Dikko and Kinta (2014), financial problems of the students contribute to their low academic performance, which leads to the low quality of education in many ways. As stated in this early literature, financial problems lead to financial stress, which eventually influences the low academic performance of students. Widener (2017) mentioned that financial stress has been consistently related to students' low academic performance. According to a study by Asri et al. (2017), there are many factors that contribute to students' academic performance. However, family socioeconomic status is a significant factor, as it involves financial management, which will provide motivation for the students to either have passion or not to achieve in their academics.

According to Dang and Bulus (2015), many Americans are affected by economic downturns. Even college students often worry about their finances, and this financial worry may affect their academic performance as students divide their attention between financial and academic matters. Hence, it can be argued that a family's finances motivate and encourage students to have good academic performance. Asri et al. (2017) added that when a highly motivated student encounters a financial problem, the student will turn the problem into motivation to achieve success. Therefore, whatever problems arise, including financial problems, should not hinder students if they want to succeed academically.

According to Widener (2017), there are two ways in which financial problems can affect students' academic performance: health problems and having to work part-time. Widener (2017) further added that financial problems lead to health problems, such as anxiety, which then leads to negative behaviors such as alcohol addiction or uncontrolled shopping, thus making students lose focus on their academics. When students face financial problems to cope with the high cost of living, they are more exposed and vulnerable to health problems. Therefore, here comes the issue of whether students who have financial problems can handle the stress of managing their daily lives and finance. According to Asri et al. (2017), poor financial management can cause an individual to be unable to control stress and thus affect their daily life, such as their health, by depressing them and making them physically ill. This can

This was also supported by the study of Asri et al. (2017), who state that one of the causes of stress among students is financial problems, in which students tend to feel dizzy and have anxiety that will eventually create tension with them.

In other words, financial problems lead to various problems that eventually affect students academic performance. Another way financial problems could affect the students' academic performance is stated by Widener (2017), in order to overcome the financial problems, most students make a decision of having to work part-time and even working for a long horse, which takes away their time focusing on their academics. Hence, having a part-time job leads to a lack of studying, taking fewer credit hours, and poor attendance, resulting in poor academic performance. This can be supported by a study from Widener (2017). It found that students who are financially depressed had lower grades and enrolled in fewer credit hours. Most students are involved in part-time jobs provided by universities or local companies. According to Asri et al. (2017), students from underprivileged socioeconomic status families are often constrained by problems such as needing to work to help their families and being incapable of buying learning materials that will ultimately impact their academic performance. Perman (2019), a CNBC journalist, stated that having a part-time job during study has a greater impact on low-income students, whereby approximately six million students take a part-time job, and most of them are women, Blacks, and Latinos. By juggling jobs and academics, some students have to struggle to overcome and manage their financial problems.

This affects their academic performance as they have to divide their focus and attention between work and academics. Perman (2019) also mentioned that approximately 59% of students from underprivileged or low-income families worked for 15 h or more and received a C average or lower for their academics. This not only affects the students schedule, as they not only have to manage their time for classes and assignments but also have to manage and plan their part-time job schedule accordingly. This will eventually affect their academic performance and add to health problems, such as fatigue. As a result of this financial problem, students tend to be less social, skip classes, and take a toll on their health, leading to poor academic performance. According to Asri et al. (2017), due to financial problems, some students tend to be quiet, unsocialized with their friends, and have less interaction in class, thus leading to a decrease in their academic performance due to a lack of interaction in acquiring knowledge.

3.0 METHODOLOGY

A total of 120 respondents from public university students in Malaysia answered the self-administered questionnaires. To address students' financial problems, the researcher adapted and adopted an instrument consisting of 15 items from Daud, Norwani, and Yusof (2018). The instrument has previously shown a Cronbach 'salph value of .871, indicating that it is considered reliable and relevant to the study. Examples of questions asked are 'I always borrow some money from my friends' and 'My expenses always exceed my received income,' with a 5-Likert scale ranging from strongly agree to strongly disagree. To address students' academic performance, the researcher adapted and adopted an instrument consisting of 19 items from DuPaul, Rapport, and Perriello (1991). The instrument has previously shown a Cronbach alpha value of

.731, indicating that it is considered reliable and relevant to the study. The example of questions asked are 'Over the past semester(s), how are your academic results?' and 'How often do you find yourself being careless in completing your work?' was rated on a 5-point Likert scale ranging from very poor to excellent.

4.0 FINDINGS AND DISCUSSION

Table 1 shows the frequency distribution of the number of respondents by gender. The number of respondents involved in this study was 120 public university students in Malaysia. A total of 82 respondents (68.3%) were female students, and 38 respondents were male students. Thus, it can be concluded that there were more female than male students involved in this study.

Table 1: The demographic profile of respondents (N=120)

Variables	Percentage (%)	Mean	SD
Gender		-	-
Female	68.3		
Male	31.7		
Ethnicity		-	-
Malay	67.5		
Chinese	7.5		
Indian	4.2		
Bumiputra	15.0		
Others	5.8		
Monthly Household Income		1.30	.655
Low (< RM4500)	78.3		
Moderate (RM4501 - RM9000)	15.8		
High (RM9001 - RM13500)	3.3		
Very High (RM13501 - RM18000)	2.5		
Monthly Expenses		1.15	.467
Low (< RM2000)	88.3		
Moderate (RM2001 - RM4000)	7.5		
High (RM4001 - RM6000)	4.2		

Table 1 shows the frequency distribution of monthly household income, monthly expenses, and financial status. Regarding the frequency distribution of monthly household income, 94 respondents (78.3%) had a low monthly household income, whereas 19 respondents (15.8%) had a moderate monthly household income. It can be summarized that there were a high number of respondents who had low monthly household income compared to respondents who had moderate, high, and very high monthly household income. Regarding the frequency distribution of monthly expenses, 106 respondents (88.3%) had low monthly expenses, whereas nine respondents (7.5%) had moderate monthly expenses. Thus, it can be concluded that most respondents spent below RM2000 monthly for their expenses compared to respondents who had moderate and high monthly expenses.

Table 2: Pearson Product-Moment Correlation of Financial Problems and Academic Performance (N=120)

Variables	<i>r</i>	<i>p</i>
Financial Problems	-.224	0.014
Academic Performance		

*Correlation is significant at the 0.05 level (2-tailed)

H1: There is a significant relationship between financial problems and academic performance among public university students in Malaysia.

Pearson's correlation analysis was used to determine the relationship between financial problems and academic performance. The findings in Table 2 show a significant relationship between financial problems and academic performance because the p-value is $0.014 < 0.05$. In addition, the r-value of -0.224 indicates a negative relationship between financial problems and academic performance, and the relationship strength is negligible. Hence, this indicates that hypothesis H1 has been rejected. This can be summarized as a significant negative relationship between financial problems and academic performance, although the relationship strength is negligible.

For underprivileged students from low-income families, a lack of financial resources leads to financial problems. Some students depend solely on education loans or scholarships, while others depend on their families income. In contrast, some students have to work to self-finance their education and essential daily necessities. Daud et al. (2018) stated that some students do not have other financial resources. They did not have any savings. Students do not want to borrow money from others because they do not want to burden themselves by owing to others and being in debt. However, some students lack financial resources as they are reluctant to take up a part-time job, as they do not want their academic performance to be affected (Daud et al., 2018).

However, this contradicts a study that states that financial problems encourage students to have part-time jobs (Asri et al., 2017). Therefore, with a lack of financial resources to overcome financial problems, students have to reduce their study hours to opt for alternative financial resources by working part-time for long hours or having multiple jobs, which could impact their academic performance.

Despite various types of loans or scholarships provided as financial assistance for underprivileged students, some still struggle to make ends meet. Some have to budget their expenses by cutting their meals. Most students are unable to differentiate between their wants and needs. Ibrahim, Harun, and Isa (2009) stated that once students have an abundance of money, they will use it for essential expenses. However, some of it will be spent on items that are not even necessary. This could be supported by Asri et al. (2017), who mentioned that some students are also spending more money on necessities such as transportation and clothing. These two items do not guarantee improvement in academic performance. Hence, it can be summarized that financial problems have a significant relationship with academic performance, with support from previous researchers.

5.0 CONCLUSION

In conclusion, the relationship between financial problems and academic performance among public university students in Malaysia can best be described based on delayed receipt of financial assistance, lack of financial resources, insufficient loans/scholarships, and lack of financial management. From the findings, some students depend solely on education loans or scholarships. Some students depend on their family income, whereas others have to work to self-finance their education and daily necessities. The lack of financial resources leads to financial problems, which affect students academic performance. Daud et al. (2018) state that some students do not have other financial resources because they do not want to burden themselves by owing others and being in debt.

Facing financial problems, some students have to reduce their study hours to opt for alternative financial resources by working part-time for long hours or having multiple jobs, which could eventually impact their academic performance. In addition, some students are unable to differentiate between their wants and needs. Ibrahim et al. (2009) mentioned that once the students have an abundance of money, they would use it for essential expenses. However, some would spend on items that are not even necessary. Lack of financial assistance and high financial problems, whereby they might be financially stressed, can affect their academic performance.

Some students came from privileged families, in which parents could afford to provide money for their children. Sani (2019) mentioned that some students can receive ad hoc weekly or monthly allowances from their parents. This helps the students manage their finances, thus reducing their financial problems. However, for those students who came from

Underprivileged families have to depend solely on education loans that they have applied for and minimize their expenses, to the point that some even have to cut their meals to keep some extra money. Students from underprivileged families whose parents can not afford to provide any allowance may struggle to pay for their necessities, such as rent, food, and academic materials. Thus, this takes a toll on their health, such as food insecurity and financial stress, which eventually leads to poor academic performance.

Overall, there is a significant relationship between financial problems and academic performance based on the Malaysian sample of public university students. However, future studies should employ financial management, financial stress, and financial insecurity variables to measure the relationship between financial problems and academic performance among students in higher education institutions.

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