

Impact of Financial Stress on Academic Performance: Evidence from Undergraduates of Faculty of Management Studies, Rajarata University of Sri Lanka

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Abstract

The study investigates the impact of financial stress on the academic performance of undergraduates in the Faculty of Management Studies at Rajarata University of Sri Lanka. In Sri Lanka's state university system, limited financial resources and rising living costs have made financial stress a growing concern, influencing students' academic engagement. This study aims to examine how various dimensions of financial stress, financial resources, financial behaviour, self-concept, and financial well-being, affect academic performance among undergraduates. A quantitative research approach was adopted, collecting primary data from 255 undergraduates using a structured questionnaire. The sample was selected using a stratified sampling method. Data was analysed using descriptive statistics, correlation, and multiple linear regression analysis with SPSS software. Results showed that self-concept and financial well-being positively and significantly influenced academic performance, while financial resources and financial behaviour had no significant effect. The model showed a high explanatory power with an R^2 value of 0.840, indicating that 84% of the variance in academic performance could be explained by the selected variables. The study concludes that addressing student financial stress requires more than financial aid, highlighting the need for strategies to enhance psychological well-being and confidence and reduce anxiety. These findings have important implications for educators, policymakers, and future research.

Keywords: academic performance, financial stress, financial well-being, higher education, self-concept