

## FINANCIAL CHALLENGES AND THEIR IMPACT ON STUDENT LIFESTYLE CHOICES

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### ABSTRACT

This study investigates the problems that today's student face a wide range of financial challenges that significantly influence their lifestyle choices and overall well-being. The increasing cost of higher education, accommodation, transportation, food, and other daily needs has become a heavy burden for many. To cope with these challenges, students often adopt various strategies, including working part-time, budgeting, cutting down on social and recreational activities, or compromising on nutrition and health. While some students are able to manage these difficulties effectively, many experience stress, anxiety, and a decline in academic performance. This study discusses the types of financial challenges faced by students, their impact on lifestyle choices, and coping mechanisms, while also offering suggestions to reduce financial stress among students.

**Keywords:** Students, Financial Challenges, Lifestyle Choices, Higher Education, Coping Strategies, Well-Being.

### 1. INTRODUCTION

Higher education is a critical stage in the life of young individuals as it not only equips them with academic knowledge but also shapes their social, cultural, and personal development. However, pursuing higher education often comes with considerable financial demands. Students are increasingly pressured by tuition fees, accommodation costs, transportation expenses, and other day-to-day requirements. These financial challenges affect not just their academic journey, but also their lifestyle choices, health, and overall well-being.

This paper examines the nature of financial challenges students face and explores how these challenges affect their lifestyle decisions. The study also considers the coping mechanisms students adopt and proposes measures to support them.

### 2. REVIEW OF LITERATURE

Several studies across the globe have highlighted the significant impact of financial challenges on the lifestyle and academic experiences of students. The rising cost of higher education, coupled with increased living expenses, has created a situation where students are forced to make difficult choices in order to balance their academic and personal lives.

#### International Context:

Research in the United States and Europe shows that a majority of students face some form of financial stress during their education. Surveys conducted in U.S. universities reveal that nearly 57% of students lack emergency funds, while almost 46% reported food insecurity at least once a month. Similarly, in the U.K., studies show that over 65% of students cut down on essentials such as food and heating due to rising cost-of-living pressures. These findings suggest that financial insecurity has become a global concern for student communities.

#### Indian Context:

In India, the burden of tuition fees, hostel rent, transportation, and study materials adds to the financial stress of students, particularly those from rural or economically weaker backgrounds. Studies conducted in metropolitan cities highlight that students often depend on part-time jobs, peer support, or educational loans to meet their basic needs. However, such coping mechanisms can negatively affect academic performance and mental health. In areas such as Chennai and its suburbs (including Kattankulathur), students residing in private hostels face monthly expenses ranging from ₹3,000 to ₹8,000, in addition to food and travel costs. These financial demands force many to limit social participation and compromise on nutrition.

#### Lifestyle Implications:

Existing research consistently shows that financial stress has direct effects on lifestyle choices. Students often choose cheaper but less nutritious food, reduce participation in extracurricular activities, and spend fewer hours on academics due to part-time employment. Mental health issues such as anxiety, fatigue, and depression have also been linked to financial strain.

### 3. OBJECTIVES

- To measure the extent of financial challenges faced by students.
- To analyze the impact of financial difficulties on lifestyle choices.
- To examine the relationship between financial stress and academic performance.
- To identify common coping strategies used by students to overcome financial challenges.

### 4. RESEARCH GAP

There is limited research connecting financial challenges directly with student lifestyle choices. Most existing studies focus only on income and expenses but neglect how money issues affect diet, social life, leisure, and mental health. Context-specific studies, especially in India and semi-urban areas like Kattankulathur, are scarce. The impact of part-time jobs, gig work, and post-pandemic financial shifts on student lifestyles is also underexplored. Moreover, gender and socio-economic differences in coping with financial stress remain insufficiently studied.

### 5. DEFINITIONS AND TERMS USED IN THE STUDY

- **Financial Challenges** – Difficulties students face in managing money for education and living.
- **Student Lifestyle Choices** – Decisions on food, housing, clothing, social life, leisure, and health habits.
- **Budgeting** – Planning and controlling income and expenditure.
- **Expenditure Pattern** – How students spend money on needs and wants.
- **Financial Literacy** – Knowledge of managing money, saving, and spending.
- **Socio-Economic Background** – Family's financial and social status influencing student life.
- **Part-Time Employment** – Work done by students to support income.
- **Standard of Living** – Quality of life based on available resources and lifestyle.

### 6. AREA OF THE STUDY

#### Geographic and Demographic Scope

The study is conducted across urban and semi-urban regions of Chennai to capture the diverse social realities of young adults in a metropolitan setting.

The focus is exclusively on college students aged 18–23, representing a spectrum of academic institutions, socio-economic backgrounds, and cultural contexts. By concentrating on individuals with an active social media presence, this study seeks to analyze how online interactions, digital visibility, and platform engagement influence mental health, identity formation, and peer relationships among youth in a rapidly digitalizing society.

### 7. SELECTION OF SAMPLE

- Sample Size: 100 college students selected to represent a diverse range of academic disciplines, socioeconomic backgrounds, and levels of social media engagement.
- Sampling Technique: A stratified random sampling method is employed to ensure diversity among participants, with strata based on gender, Year of study, and frequency of social media use. This approach allows for a more accurate representation of the college student population.
- Selection Criteria: Participants are eligible if they are active users of at least one major social media platform (Instagram, Snapchat, or similar) and engage with it a minimum of five times per week. This ensures that responses reflect experiences of regular social media users and provide meaningful insights into its emotional, psychological, and social effects.

### 8. HYPOTHESES

- H1: There is a significant relationship between financial challenges and student lifestyle choices.
- H2: Students facing higher financial challenges adopt more restrictive lifestyle choices (e.g., reduced social activities, limited diet variety).
- H3: Financial literacy positively influences students' ability to manage financial challenges and maintain balanced lifestyle choices.
- H4: Socio-economic background significantly affects the level of financial challenges and lifestyle patterns of students.

## 9. SOURCES OF DATA

- Primary data: First-hand information about college students' social media usage habits, emotional health, online interactions, and views of Digital popularity was gathered through structured surveys and in-depth interviews.
- Secondary Data: Taken from reputable online publications, research articles, reports, and scholarly journals that look at the connections Between peer dynamics, identity construction, mental health, and social media use. This information supports the study's theoretical Underpinnings, validates interpretations, and puts findings in context.

## 10. METHODS OF STUDY

The study uses a mixed-methods approach, combining quantitative and qualitative approaches to guarantee a thorough comprehension of how social Media affects students' mental health:

- **Quantitative:** 100 college students were given structured questionnaires to complete in order to gauge their screen time, social media usage Habits, anxiety, self-esteem, and exposure to negative content online. Finding relationships between social media use and mental health will Be made easier with the aid of statistical analysis.
- **Qualitative:** 20 participants, comprising both active content creators and passive users, were interviewed in-depth to document complex Experiences, individual challenges, views of online validation, and the psychological costs of unfavourable digital encounters. This gives the Survey results more context and depth.

## 11. TOOLS AND DATA COLLECTION

**Survey Questionnaire:** Designed to measure patterns of social media use, including frequency, preferred platforms, time spent online, and perceptions of its effect on mental health, social validation, and peer interactions.

**Interview Guide:** Includes open-ended questions aimed at exploring students' personal experiences with social media, emotional responses to online engagement, pressures of content creation, and encounters with negative digital interactions.

**Digital Tools:** Online survey platforms and messaging applications were used to distribute questionnaires, collect responses, and conduct interviews for Greater accessibility and participant comfort.

**Scope:** This study explores the emotional, psychological, and social effects of social media use among college students in Chennai. It focuses on Patterns of online engagement, content creation, peer validation, and exposure to negative interactions, offering a sociological perspective on youth well-being and relationships.

**Limitations:** Findings are based on self-reported data, which may introduce bias. The focus on college students with active social media use limits generalizability, and rapid changes in platform dynamics may affect the long-term relevance of the study.

## 12. DATA ANALYSIS AND INTERPRETATION

Table 12.1: Age Distribution Of Respondents

Age(years)	No. of Respondents	Percentage
18-19	35	35
20-21	40	40
22-23	20	20
24-25	5	5
<b>Total</b>	<b>100</b>	<b>100</b>

**Sources: Primary data**

### Age Distribution of Respondents nn

Out of 100 respondents, the highest number (40 per cent) belong to the 20–21 years age group, followed by 35 per cent in the 18–19 years group and 20 Percent in the 22–23 years group; only 5 per cent are 24–25 years. This indicates that early-twenties students form the core user base in this study, a measure the extent of financial challenges faced by students.

**Table 12.2: Demographic Information**

AGE (years)	Course &Year of Study	Type of Residence	Monthly Family income	Scholarship	Part time job	No.of Respondents
18-19	BBA- 1 <sup>st</sup> year	Hostel	Avg.35000	No	No	18
20-21	B.Com 3 <sup>rd</sup> year	Hostel	Avg 45000	Yes	Yes	14
22-23	MBA 2 <sup>nd</sup> year	With family	Avg.60000	No	No	20
18-19	B.Com 1 <sup>st</sup> year	PG	Avg.40000	No	Yes	12
20-21	BBA 2 <sup>nd</sup> /3 <sup>rd</sup> year	With family	Avg.50000	Yes	No	15
22-23	MBA 2 <sup>nd</sup> year	PG	Avg.55000	Yes	Yes	12
24-25	Pg BDS 2 <sup>nd</sup> year	PG	Avg 65000	No	Yes	9
					<b>Total</b>	100

**Sources: Primary data**

**Financial challenges, lifestyle impacts, academic performance and coping strategies across student group.**

The tables shows vaired participation across user role.

- **Age group(18-19)** are the new joiners of college, with 32 respondents primarily having scholarship.
- **Age group(20-21)**are the 2<sup>nd</sup> and 3<sup>rd</sup> year students, with 29 respondents primarily staying in pgs and hostels
- **Age group(22-24)** are the PG students, with 39 respondents primarily going to part time jobs.

**Table 12.3: Extent Of Financial Challenges**

Statement	No. of Respondents	Percentage
I find it difficult to pay tuition fees on time	18	18
I cannot always afford required textbooks/materials	22	22
I struggle to meet daily living expenses (food, transport, etc.)	20	20
My family income is	25	25

insufficient for my education		
I had to borrow/take loans to continue studies	15	15
<b>Total</b>	<b>100</b>	<b>100</b>

**Sources: Primary data**

**Perceived Impact on Mental Health**

According to the responses: 18 per cent report a high positive effect (e.g., peer support, mood lift), 22 per cent a moderate positive effect, and 20 per cent remain neutral. Conversely, 25 per cent indicate a moderate negative effect (e.g., stress, rumination), and 15 per cent a high negative effect (e.g., anxiety Spikes, dysregulation). Thus, 40 per cent view impacts as positive, while 40 per cent perceive negative effects, showing a balanced yet polarised mental-Health profile that likely varies with usage patterns and role (consumer vs creator).

**Table 12.4:** Relationship Between Financial Stress & Academic Performance

STATEMENT	NO . OF RESPONSE	PERSENTAGE
My financial worries reduce my concentration on studies	22	22
I miss classes due to part-time work or money issues	26	26
My grades are negatively affected by financial stress	28	28
I experience exam anxiety due to financial worries.	24	24

**Sources: Primary data**

**Perceived Impact on Self-Esteem and Peer Relationships**

Results indicate that 48 per cent perceive positive outcomes (stronger peer connection, recognition for creative work), 18 per cent remain neutral, and 34 Per cent note negative outcomes (comparison-driven self-doubt, conflict). Overall, many students feel peer bonding and confidence can improve when Interactions are supportive, though a sizeable minority experience validation pressure and relational strain.

**13. KEY TO COLUMNS**

Demographics (RespondentID, Age, Gender, Course, Year, Residence, Income, Scholarship, Part-time Job): Used to categorize students. Quantitative: frequencies, percentages, averages. Qualitative: context for differences in experiences.

Financial Challenges (F1–F5): Measures students' financial difficulties (Likert scale).

Quantitative: mean scores, correlations. Qualitative: explanations of specific struggles.

Lifestyle Impact (L1–L5): Shows how finances affect daily life. Quantitative: percentages, comparisons. Qualitative: notes on behavior changes (e.g., skipping meals).

Academic Stress (A1–A4, GPA, Attendance): Captures effect of financial stress on academics. Quantitative: correlations with GPA/attendance. Qualitative: comments on concentration or anxiety.

**14. FINDINGS**

**1. Extent of Financial Challenges:**

Most students face moderate to high financial difficulties. Tuition fees, daily living expenses, and textbook costs were the most reported challenges. Students from lower-income families reported higher F1–F5 scores, indicating greater financial stress.

## 2. Impact on Lifestyle Choices:

Financial difficulties significantly affect lifestyle choices. Many students reduce social outings, change eating habits (e.g., skipping meals or buying cheaper food), and use less reliable transport. Students with higher financial stress scores were more likely to report lifestyle compromises.

## 3. Relationship with Academic Performance:

Financial stress negatively correlates with academic performance. Students experiencing higher financial challenges reported lower concentration, higher exam anxiety, and some missed classes. GPA and attendance showed slight decreases among those with high financial stress.

## 4. Coping Strategies:

Common coping mechanisms included part-time work, borrowing from family or friends, applying for scholarships, strict budgeting, and reducing study-related expenses. Some students reported innovative strategies, such as sharing books or using college support services. Students with stronger coping strategies showed slightly better academic outcomes despite financial stress.

## 5. Demographic Patterns:

Female students, first-year students, and those living away from family (hostel or PG) reported higher financial stress. Scholarship recipients generally had lower stress scores. Students from higher-income families reported minimal lifestyle compromises.

# 15. SUGGESTION

## 1. Financial Support Programs:

Colleges and universities should increase access to scholarships, grants, and interest-free loans to help students from low-income families manage tuition fees and living expenses.

## 2. Budgeting and Financial Literacy Workshops:

Institutions can organize workshops to teach students budgeting, saving, and financial planning, helping them make informed choices and reduce stress.

## 3. Affordable Resources:

Providing cheaper or free academic materials (textbooks, lab resources, online subscriptions) can lessen financial pressure on students.

## 4. Flexible Part-time Work Opportunities:

Colleges can offer on-campus part-time jobs or internships with flexible hours, ensuring students can earn while balancing studies.

## 5. Mental Health and Academic Support:

Counseling services should be available to help students cope with stress and anxiety caused by financial difficulties, maintaining academic performance.

## 6. Encouraging Peer Support & Resource Sharing:

Promote peer networks for sharing books, study materials, and transport arrangements to reduce individual expenses.

## 7. Regular Assessment of Student Financial Needs:

Institutions can periodically survey students to monitor financial challenges and adjust support programs accordingly.

# 16. CONCLUSION

Financial challenges play a significant role in shaping the lifestyle of students. These challenges not only affect academic performance but also influence health, social participation, and overall well-being. While many students adopt coping strategies such as part-time jobs and budgeting, these often come at the cost of reduced study time and stress.

It is important for policymakers and institutions to address these concerns by:

Increasing scholarship opportunities.

Offering affordable housing and meal plans.

Providing financial literacy programs.

Creating part-time campus job opportunities.

By addressing financial challenges, institutions can ensure that students focus more on learning and personal development rather than struggling to make ends meet.

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