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## FINANCIAL NEEDS AND PROBLEMS AMONG INTERNATIONAL COLLEGE STUDENTS IN INDIA: A CONCEPTUAL FRAMEWORK

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### ABSTRACT

One of the main concerns for international college students in India is their financial needs and difficulties. Many students find it difficult to manage their finances and cover their expenses due to the rising cost of education and a lack of financial understanding. The purpose of this conceptual research piece is to offer a framework for comprehending the financial requirements and issues faced by foreign college students in India. The report analyses the main financial requirements and difficulties faced by foreign college students in India and investigates the causes of these challenges. The suggested conceptual framework incorporates the numerous aspects, such as family history, socioeconomic level, financial literacy, and college costs that affect the financial needs and issues of international college students in India. The paper's conclusion emphasises the importance of effective financial education programmes to help overseas college students in India with their financial needs and issues.

**Key Words:** Financial Needs, International College Students, India

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### 1. INTRODUCTION

Tuition and fees, housing, textbooks, and daily costs are just a few of the needs and issues that international college students in India have to deal with financially. These problems are made worse by students' poor financial literacy and families' insufficient financial support. This conceptual study article's goal is to offer a framework for comprehending the financial needs and issues that foreign college students in India encounter. Since administrators in higher education and student life are growing more worried about student stress, student wellbeing is a crucial topic on college campuses across the country. Given that stress has been linked to decrease student persistence (Letkiewicz), greater federal and state government scrutiny of graduation rates ought to encourage administrators to comprehend the root causes of stress among students specifically, tension. Given the problem international college students and new graduates face about the growing load of student loans, the impact of personal financial hardships deserves further exploration. Grants and other financial help have not kept up with the steep rise in tuition, which has drastically altered the institutional environment around the decision to attend college (College Board, 2011; Draut, 2007). In order to pay for their education, students are thus depending more significantly on student loans (Draut, 2007). The idea of "working your way through college" is no longer feasible because tuition has been rising faster than inflation for some time.

### 2. LITERATURE REVIEW

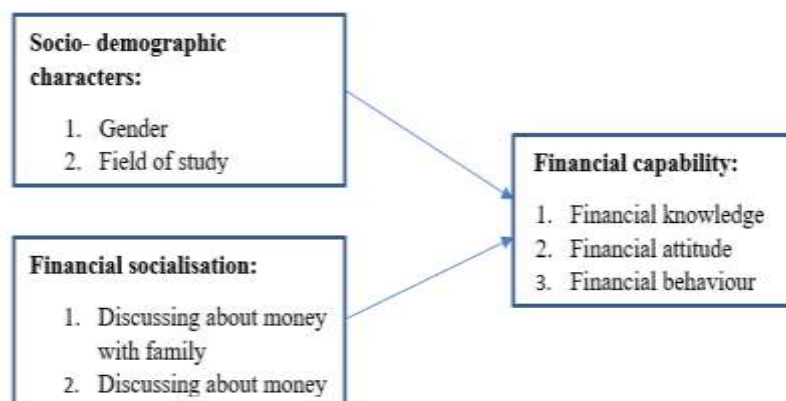
The literature study looks at the main financial needs and issues that foreign college students in India have. According to studies, the rising expense of higher education, a lack of financial awareness, and insufficient family support are the main causes of financial requirements and issues among foreign college students in India. The literature review also examines the elements that affect financial demands and issues, such as socioeconomic position, family background, and college costs. According to Northern et al. (2010), financial stress can be characterised as the inability to pay one's financial responsibilities as well as psychological or emotional impacts. The outcomes of financial stress have received a lot of attention in the literature. According to research, financial stress has the following detrimental effects: (a) depressive disorders (Andrews & Wilding, 2004; Clark-Lempers, Lempers, & Netusil, 1990), (b) anxiety (Andrews & Wilding, 2004), (c) poor academic performance (Andrews & Wilding, 2004; Harding, 2011), (d) poor health (Northern et al., 2010), and (e) difficulty persisting towards degree completion (Letkiewicz, in press; Joo, Durband, & Grable, 2008; Robb, Moody, & Abdel-Ghany, 2011). Other research has focused on coping behaviour of financially-stressed students, such as seeking help (Britt et al., 2011; Lim, Heckman, Letkiewicz, Fox, & Montalto, 2012). Two important concepts have been linked to stress in the international college student literature: self-efficacy and optimism. Perceived self-efficacy can be described as a person's perceived ability to handle different situations (Bandura, 1977). Bandura (1982) describes this as a complex process in which "component cognitive, social, and behavioral skills must be organized into integrated courses of action." Perceived self-efficacy is distinct from concepts such as mastery and locus of control. While self-efficacy is a perception, mastery is about behaviour experienced and is a source of self-efficacy (Jiang and Dunn (2013)). Locus of control is about orientation of control (Jiang and Dunn (2013)). A person who has a high level of perceived self-efficacy is confident that he or she can be effective in

bringing about the desired results for a given situation. Younger generations today are in a particularly challenging situation. Jiang and Dunn (2013) revealed that young people had higher levels of debt, spent more money on credit cards, and tended to pay off bills relatively slowly compared to the previous generation at the same stage of life due to stagnating wages, low incomes, and paying off education fees. Furthermore, Jiang and Dunn (2013) point to easier access to credit and more permissive attitudes to debt as potentially contributing to young people's financial problems.

### 3. CONCEPTUAL FRAMEWORK

The suggested conceptual framework takes into account all the variables that affect the financial requirements and issues faced by foreign college students in India. Family history, socioeconomic status, financial literacy, and college costs are the framework's four key pillars. Parental income, parental education, and family size are a few examples of the elements that make up the family background. Students' income, employment position, and educational attainment are only a few examples of the socioeconomic status components. The financial literacy component takes into account things like financial concept knowledge and money management abilities. The cost of living, housing, textbooks, and daily costs are all included in the component for college expenses. There is a definite need for support to help young people comprehend and navigate our increasingly complex financial environment given the difficulties they face in particular. International college students in particular may gain from assistance with money management while they are in school as well as preparation for life after graduation, including understanding financial goods and services and boosting awareness of financial hazards. Working gives one the opportunity to learn about money management; by using what they've learned, they can become more adept at managing their finances and build a sense of responsibility. Financial habits can also be formed through observing how parents manage their finances and how they interact with their kids about money. For instance, those whose parents discussed money concerns with them frequently are thought to have greater levels of financial awareness and positive financial attitudes, which in turn leads to more financially responsible behaviour.

### 4. PROPOSED FRAMEWORK FOR RESEARCH



Our research's main contribution is to show that, while a course on personal finance may help undergraduate students learn more about money, it is less likely to change their views or behaviours. Other elements, like informal education gained through socialisation and experience, seem to improve financial literacy while also influencing attitudes and conduct related to money. In terms of financial behaviour, income is also crucial. Therefore, it is crucial to provide employment possibilities to shift income levels and to encourage informal and experiential learning about finances in addition to formal financial education courses if policymakers want to encourage financial education to modify financial behaviour. Of course, not every young person has access to financial socialisation opportunities (Verhelst and Saskatchewan 2016) job experience, or in a good way, financial products or services. As a result, in line with Borden et al. (2008), financial education can be a significant strategy to improve financial knowledge and raise a person's capacity to manage their finances for individuals who lack such experience. And, in fact, it's possible that this education will ultimately help people manage their money better once they start to experience an increase in their income and/or have the opportunity to find employment this is a crucial conclusion, especially for students in India, where the population is primarily young is on the rise. It implies that while we cannot always anticipate that formal financial education will immediately alter financial attitudes and behaviours, it can nonetheless raise financial understanding. A query for additional investigation is then possibly "what kind of financial education should be implemented so it can more effectively enhance financial capability?" (2020, Mountain et al.). Given our findings regarding the value of experience, our study lends credence to the claim made by Johnson and Sherraden (2006) that well-designed financial education programmes should provide students with the opportunity to gain real-world experience because practise and learning from experience are crucial for knowledge retention. In order to promote

effective financial competence, which is a prerequisite for financial wellbeing, policy must take into account the value of family socialisation. We propose that on-going financial education projects may be funded by businesses, colleges, and schools in order to improve financial capability through dialogues about money matters at home. This would imply that financial education is a continuous process but a continuous process as people's demands and financial products evolve throughout the course of their lives. Adults can keep up with the ever-evolving financial system in this way, while children and young people can better prepare for leaving home or going to college. To ensure that people are aware of the nature of financial services and how to make wiser financial decisions, as well as to increase incomes, it is crucial to promote financial education.

## 5. CONCLUSION

In order to address the financial needs and issues faced by international college students in India, the article finishes by emphasising the necessity for good financial education programmes. The suggested conceptual framework offers a thorough method for comprehending the financial requirements and issues faced by foreign college students in India. The framework can be utilised to create efficient financial education initiatives that address the particular demands and issues related to money that are faced by foreign college students in India. Financial education programmes can assist overseas college students in India to successfully manage their funds and accomplish their academic goals by addressing these challenges.

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