Understanding the relationship between financial stress and academic achievement among the student of the university of the Punjab

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Article Information

ABSTRACT

The present study sought to fill an important empirical gap in South Asia, including Pakistan, by directly examining the association between financial stress and university students' academic performance. The research design was quantitative with emphasis on a correlational study. The participants were students of the University of the Punjab, Lahore. Out of the currently enrolled batches, 195 students were randomly selected (66 were males and 129 were females) using a simple random sampling method. Methods Data was collected using a semi-structured self-developed questionnaire. Descriptive statistics, independent samples t-tests, and Pearson correlation were used for data analysis in SPSS. Descriptive analysis identified key financial stressors among students; namely having to work more than what they desired, the emotional weight of asking family for financial help, and self-reported negative mental health. The primary result was a significant, moderate, and positive correlation ($r=.213**$, $p < 0.01$) between Academic Achievement and Financial Stress, which is the symptom of the opposite global trend. This finding is consistent with a strong association. In addition, no statistically significant differences between men and women were found for Financial Stress ($p=.929$) or Academic Achievement ($p=.205$) with a consequent rejection of the hypothesis on differences in the posting.

Introduction

Financial stress among college students, which denotes an increasing financial burden among college students across the world, is an impending issue in the higher education sector (Joo et al., 2008; Archuleta et al., 2013). This mental pressure that includes worry and emotional disturbance associated with a sense of inadequate income (Britt et al., 2016) strongly impacts physical and psychological well-being of students, and thus, academic performance. GPA is still one of the main indicators of the academic achievement of the student. Studies indicate reliably that financial hardship negatively affects a student by causing loss of concentration, establishment of anxiety and lack of interest in studying among other effects in that it shifts finite thinking capacity to have a cognitive drift away (Joo et al., 2008). This may result in demotivation, mental illnesses such as depression and anxiety, and the number of part-time jobs done by a student; all these constitute major obstructions to academic excellence.

These financial constraints also exist more so in developing economies, which include Pakistan, where there is reduced access to student loans as well as the number of scholarships along with reduced safety nets (Usman & Banu, 2019). The socio-economic circumstances impact the financial pressure in Pakistan, especially on the financial situation of lower- and middle-income families whose students study in the state universities such as the University of the Punjab (PU), Lahore, which also struggle with the unknown academic and environmental challenges (Waqas et al., 2013; Imran, et al., 2016). Continuous economic insecurity, such as inflation or devaluation, only adds pressure, and tuition and maintenance appear not only unaffordable but also expensive (Sarwar et al., 2021; Khurshid et al., 2024). This tends to compel the student out of any form of scholarly dedication into personal sustenance (Shahryar & Tan, 2014; Harding, 2011). Besides the rising global concern and domestic interest in access to financial resources, especially to PU students, there is also an apparent shortage of local empirical research that directly connects financial pressure to academic performance (Adnan et al., 2022). Past studies on stress and performance in Pakistan tend to assess academic stressors in general and fail to isolate the exclusive effect of financial stress (e.g., Talib & Zia-ur-Rehman, 2012; Sohail, 2013; Safdar & Javaid, 2013; Hameed et al., 2014; Asri et al., 2014). This is an area of important research gap as direct, quantifiable results of financial stress on academic performance at PU.

The proposed research will address this gap because it will empirically record the rates and determinants of financial stress at PU and probe its impact on academic performance measures such as GPA and self-reported hardships. Such a localised understanding is so important since general results of Western literature might not be able to describe all the peculiarities of financial stress in Pakistan (Ahmed et al., 2021). The results will offer important evidence to PU administrators who can develop specific financial aid, counseling, and stress coping programs. In addition, they will provide evidence-based information that should be lobbied by provincial and federal policy makers to lobby to the government to provide more funds on higher education, such as scholarships, grants and easy loans to students (Harding, 2011). Finally, it is hoped that this study will help create a more inclusive and supportive and academically more diverse climate, which enhances retention and the general well-being of students within the sector of higher education in Pakistan.

Research Problem

Although the association between financial stress and academic performance is confirmed by other Western studies (Britt et al., 2016; Joo et al., 2008), the growing empirical literature in South Asia, Pakistan in particular, is very immature (Sarwar et al., 2021). Even though there are some recent Pakistani studies on general stress and academic outcomes (e.g., Talib and Rehman, 2012; Sohail and Sissons, 2013) and academic stress in Lahore (e.g., Safdar and Javaid, 2023; Hameed et al., 2024), there is still a considerable gap regarding a direct measure of the correlation between financial stress and academic performance of the students in the University of the Punjab (PU), Lahore. The research design used in this study is unique in that it only looks at the local quantitative relationship between financial stress and academic achievement at PU since the present study is deficient in this respect.

Objectives

1- A study to determine the prevalence and causes of financial stress among the students. University of the Punjab, Lahore.

2- To test the correlation between financial stress and academic performance (performed by GPA and self-reported academic difficulties).

Research Question

1- What are the major sources of financial stress faced by the University of Punjab students?

2- How does financial stress correlate with students' academic performance?

Significance of the Study

The present study is important because it contributes to the literature with a new empirical finding by looking into the effects of financial stress among University students of Pakistan especially in the University of the Punjab. Our study is relevant, as it provides an insight on one, the extent to which financial distress is rampant two, the factors that cause financial distress and three, a direct consequence of financial distress on student performance (Farid & Ashraf, 2025). That is where such information can come in handy. They will be able to bring our conclusions to formulate better approaches in assistance with money to students, offer useful hints how to cope with stress, or give advice or courses, which could be beneficial. We can use evidence here to give them an argument on increasing funds, scholarships and student loans to ensure that education in Pakistan becomes less costly (see Harding, 2011 on similar arguments)

Literature Review

Higher education, which usually acts as another life transforming experience of youthful minds, is nowadays overwhelmed by economic pressure on the students in universities across the globe (Joo et al., 2008). It is a widespread phenomenon, as it implies the psychological suffering and concern that lack of money or the impossibility to cope with the financial costs entails (Archuleta et al., 2013; Britt et al., 2016). This is a world problem, which affects the well-being of students, and most importantly their academic outcomes.

In the meantime, achievement that is indicated on GPA and learning effectiveness continues to remain an essential factor that demonstrates academic performance in students (Joo et al., 2008). The interaction between this individual financial pressure and the collective educational achievements is a highly challenging topic to researchers and policymakers who want to determine what role it plays in the education pattern of the students

Financial Stress

Financial stress is not necessarily just a lack of money but an emotional and mental unease associated with the inability to hold up the end of the financial obligation or be able to handle personal finances (Archuleta et al., 2013). In the case of university students, this torment usually starts with high financial demands of education, housing expenses, and inadequate money (Hossain et al., 2023). This forms a day to day head game that makes studying difficult to concentrate.

The reasons as to why students are financially stressed are various. One of the reasons is the entry into the employment market of insufficient part-time to pay bills (Britt et al., 2016; Oyewobi et al., 2021; Poon et al., 2012). Although this gives some form of relief, it has significantly limited the time to study, attend classes or engage in other academic activities that are significant to the learning process. Also, the shame about having to borrow money from family members, the external pressure, and guilt result in added stress (Archuleta et al., 2013).

The academic literature also demonstrates a persistent effect of financial distress on the mental health and well-being of students, which leads to the increase in anxiety and depression (Boe et al., 2021; Moore et al., 2021; Nasr et al., 2024; Radeef and Faisal, 2017). It is extremely challenging to begin studying something complex but all the time think about the basic needs such as food or rent. Such recurring psychological agony may further generate a vicious cycle in that financial malaise would lead to mental malaise, which renders academic performance unattainable (Talib & Zia-ur-Rehman, 2012; Abdullah et al., 2020). Worse still, financial duress may force students into the state of basic needs insecurity, i.e. they may find it difficult to obtain food, safe shelter, or medical services (Guan et al., 2015). Concern with survival virtually rules out concentration in school and this constitutes insurmountable barriers towards

academic achievements (Harding, 2011; Lempers et al., 1990). The psychological cognitive room that is required to perform scholarly activities is just gone. To a significant percentage of the population, studying has come at the cost of student loans, and the risk of paying it back later is extremely stressful (Archuleta et al., 2013; Baker & Montalto, 2019). This anxiety of future debt is everywhere; it is so real, it is at the tip of the main focus of today's students and it is also a fact that creates stress on how students go about it in the present (Sarwar & Farid, 2024).

The current measures of financial stress are mostly self-reported. Such tools explicitly inquire students concerning the level of their financial tension, indebtedness and how they feel about their financial issues. These surveys usually involve rating scale (e.g., Likert-scale items) in which students indicate their agreement on statements detailing some of the characteristics of financial worry or hardship (Joo et al., 2008; Usman & Banu, 2019). Knowing these key points which is financial stress, the various causes of this phenomenon and the ways it is measured are crucial to getting insights into the lives of college students as well as their academic lives.

Academic Achievement

Academic success at the university focuses on meeting education goals, which is usually indicated by GPA or CGPA which envisage long-term academic results of the student. Nevertheless, it also comprised subjective issues such as self-reported achievements and problems (Joo, et al., 2000; Usman & Banu, 2019). Scholastic performance is affected both by internal and external factors. Attentive senses and a well-developed mind are essential aspects of successful learning as students will be able to analyze, memorize, and collect the necessary information (Frazier et al., 2019). It is also of mental health importance; anxious and sad students can hardly focus and are unable to pursue their academic tasks (Talib & Zia-ur-Rehman, 2012; Abdullah et al., 2020). Performance may decline because of the stress that leads to such behaviors as working too much to earn more money and being able to afford study, lectures, and assignments (Britt et al., 2016). Rates of grades are also influenced by the coping strategies that a student has towards stress (Hameed et al., 2024). The academic pressure,

whether it has external or internal causes, adversely affects performance (Safdar & Javaid, 2023), and the intensity of a student in his/her program in terms of attendance of classes, active participation, and self-control is the good predictor of his/her success (Joo et al., 2008; Waqas et al., 2013)

In student experience, gender is also an influential demographic parameter in environment and gender issues such as stress perception and academic performance. Cross-national research studies imply that social demands or lack of economic support might be influencing female students and students possibly have more financial tension (Falahati & Hj. Paim (2012); Archuleta et al., (2013), but other studies do not indicate any difference between the genders in relation to financial stress (Nasr et al., 2024). Although gender differences in academic performance may be demonstrated in historical contexts (Abdullah et al., 2020), the same cannot apply in literature, with some evidence showing no perceived difference in overall academic performance of students when confounding factors are accounted for (Adnan et al., 2022). Knowledge of gender disparities in financial stress and academic performance is important in designing the equitable support system in the Pakistani universities as the number of women roles and education are gaining ground in Pakistan. Studies continuously indicate that financial pressure has a harmful impact on student health and negatively influences concentration, creates a higher level of anxiety, and decreases academic interest (Britt et al., 2016; Frazier et al., 2019). It is a basic cognitive and behavioral problem: financial concerns prevent concentrated attention on the academics, deteriorating memory processes and preventing one to think clearly to complete coursework (Joo et al., 2008; Frazier et al., 2019; Radeef & Faisal, 2017). Continuous monetary fear may also soothe dedication to learning and classroom interaction (Abdullah et al., 2020). In addition to having a cognitive effect, pressure exerted by money leads to the development of mental distress such as anxiety and depression (Boe et al., 2021; Moore et al., 2021; Nasr et al., 2024) and therefore, a vicious cycle ensues as students feel worse about their mental health due to the pressure of money related to their studies. Heavy financial issues can also compel students to

do a lot of part-time jobs at the expense of time to study and activities promoting the learning experience thus constituting a serious obstacle to academic potential (Harding, 2011; Oyewobi et al., 2021).

Pakistan has even more of these challenges because of the structural problems in this country related to the lack of sufficient student loan programs, the unavailability of scholarships, and fewer social support systems than those seen in Western nations (Usman & Banu, 2019). All of these are escalated by the Pakistani socio-economic environment. Most of the students in all publicly-based higher education institutions such as the University of the Punjab (PU) in Lahore, belong to low- and middle-income households that have to cope with the increasing expenses on education (Waqas et al., 2013). When coupled with financial problems, the disorienting adaptation to new languages, teaching methods and settings in a metropolitan city at Lahore is a problem to many students (Imran et al., 2016). The long-term economic instability in Pakistan that is marked by inflation, currency depreciation, and increased living expenses worsens the financial struggle (Sarwar et al., 2021). Even minor tuition, although it may be lower in state-funded universities, is an enormous cost to a lot of families (Khurshid et al., 2024). In addition to the fees, expenses on living in a new place involve rent, food, transport, and materials, which make a significant financial burden. To most students, this translates to a day-to-day struggle, which most of the time, requires them to get part time jobs, at the expense of studying hours and energy (Shahryar & Tan, 2014). Home and family issues that never leave someone without support would thereby divert the focus on academics (Harding, 2011).

Although more global knowledge about financial stress and effects reaches people and more people are also interested in student well-being in Pakistan, there is a substantial local knowledge gap concerning the direct links between financial stress and academic performance of PU students (Adnan et al., 2022). Some Pakistani studies focused on stress and academic performance in general (Talib & Zia-ur-Rehman, 2012; Sohail, 2013), and some have addressed academic stress, but in Lahore only (e.g., Safdar & Javaid, 2023; Hameed et al., 2024; Asri et al., 2024). The studies are nevertheless not specific about their quantification of the roles of financial distress and academic stressors in common and not about the potential role of financial stress specifically This shows that it is an undoubted research deficit and it is not a duplication of studies. The current research hopes to address this gap by solely taking on the issue of financial stress and its innate and measurable effects on academic results (GPA, self-reported challenges) in the narrow setting concerning PU. This offers a requisite contextual input using accurate local statistics that were hitherto not in existence. The research targeting PU targets local specific aspects, has the objective of achieving new results in the direction of creating excellent university support schemes and closes a data gap created by larger national studies (Sarwar & Farid, 2025). The significance of understanding these issues is because it can be a determinant of the fact that general Western findings might be too direct that aggregate the complexity of financial stress on Pakistani students. The paper will empirically report the incidence and reasons responsible for financial stress at PU and its impact on the academic performance, which will help to provide fine, but valuable information (Harding, 2011).

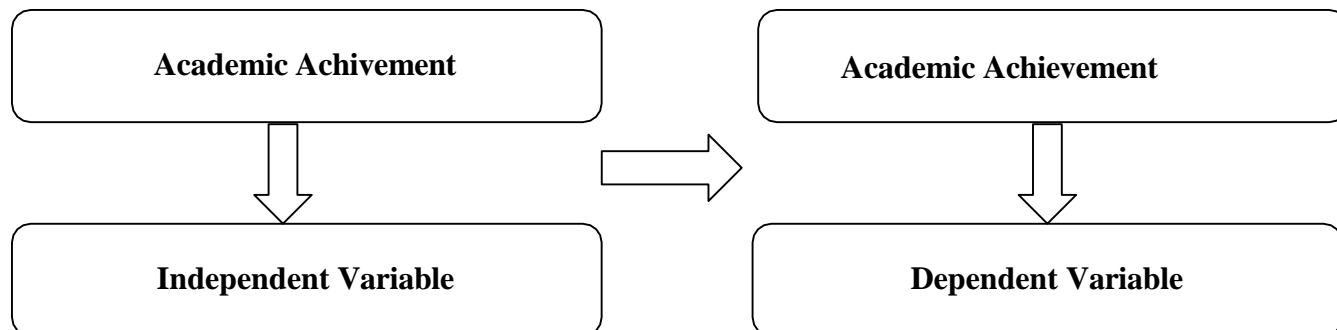## Contribution of the Study and Implications

This research is important to fill one of the major gaps: to study the phenomenon of financial stress among students of the University of the Punjab and assess direct links with academic performance based on providing valuable local research (Harding, 2011). The implications of the findings will be an opportunity given to PU policymakers to develop specific financial aid, counseling, and stress management packages. The study will also empower the government policymakers to press and put more funds into higher education, in terms of both scholarships and loans, in order to offset the financial systems challenges around the country (Harding, 2011). In its conclusion, this paper will ensure the realization of a much fairer and accommodating learning experience at PU with increased student retention and academic achievement.

Conceptual Framework

This study is based on the theoretical framework that implies that there exists a linear relationship between scholastic performance and financial distress. Dependent variable The dependent

variable is financial stress that mentions greater financial pressures and worries that students undergo. Dependent variables the academic achievement is based on two dimensions (quantitative and qualitative) namely GPA/ CGPA and self-reported academic difficulties. Based on

this, variation in academic performance of students is directly dependent on the variations in financial stress of students.

Diagrammatic Representation

Academic Achivement		Academic Achievement
↓	→	↓
Independent Variable		Dependent Variable

Hypothesis

Hypothesis 1: There is a significant relationship between financial stress and academic achievement among the University of the Punjab.

Hypothesis 2: There is significant gender difference in the levels of financial stress and academic achievement among the University of the Punjab.

Research Methodology

Research Design

The purpose of the present quantitative research was to investigate the correlational connection existing between academic performance and financial stress in the student body of the University of the Punjab in Lahore. It has been selected due to capacity to explore the complexity in relationships as well as analyze numerical data, recognize trends, and test theories using statistics (Oyewobi et al., 2021; Usman & Banu, 2019). The design also makes it possible to conduct statistical inference and to baseline a study with a generalization in finding, which gives a strong evidence base of interventions (Jez et al., 2013), which have also been used in previous research on the student experience (Akhter & Iqbal, 2021; Asri et al., 2024; Nnamani et al., 2014; Falahati & Paim, 2012). Numbers will guarantee objective comparison and measurement of data.

Participants and Study Setting

The study was carried out in University of the

Punjab (PU), Lahore, Pakistan which is a large university (public sector) having a diverse student population. In order to have wide coverage, both science and arts students were intentionally considered, taking into account the variety of academic needs and experiences. The target group that was chosen in the end was 195 students who are currently enrolled.

Sampling Technique

The participants were chosen through simple random sampling with each student receiving equal chances of being picked out of the target population. This sampling procedure by probability was done to ascertain that selection biasness does not come in the way of the study, and that this study should be more generalizable and have external validity so that the sample users represent the university students well.

Instrument Development

An orderly questionnaire was prepared using two principal enquiries. The initial segment elicited the necessary basic demographic information such as gender, age, living place (urban/non-urban), level of education, household income, the education level of parents, family structure (joint/nuclear), primary program of study (Science/Arts), and CGPA/GPA as provided by self. The latter was based on past studies (Waqas, et al., 2013). The rich demographic portrait enabled the subtle grasp and subgroup study in the future. The Financial Stress Scale was self-created, and the questions

had been designed to measure four variables of perceived financial pressure, including tuition worries, the concerns of daily living costs, debt-related stress, and general apprehensions about money, based on literature (Asri et al., 2024; Safdar & Javaid, 2024; Usman & Banu, 2019; Joo et al., 2008). In the same spirit, Academic Achievement was measured through self-devised, but a set of items based on academic literature (Asri et al., 2024; Safdar & Javaid, 2024; Usman & Banu, 2019; Joo et al., 2008). These were evaluated to capture the view of students in academic level, ability to concentrate, course work participation and their general satisfaction with progress in their academics. Both the scales employed a 5-point likert scale (1 = strongly disagree to 5 = strongly agree) of the quantifiable responses, which were also capable of statistical

Data Analysis

manipulations.

Data Collection Procedure

There was a sample size of 195 students at University of the Punjab using Google Forms. An exclusive survey link was circulated by university academic contacts, university-based official e-mail groups and active university-associated whatsapp groups, to access a broad cross-section of students. Quality and completeness of raw data was done after collecting the necessary data. The missing, inconsistent, or unfocused answers were eliminated to maintain data integrity. The valid and complete responses of the final sample of 195 respondents were then formatted and into the SPSS (Statistical Package for the Social Sciences) to be analyzed statistically in-depth.

Demographic Information

Table 1: *Demographic Information*

Demographic Information	Frequency	Percentage
Gender	66	33.8
Male	129	66.2
Female		
Age	119	61
18-22	48	24.6
23-27	14	7.2
28-32	14	7.2
Above 33		
Area	140	71.8
Urban	55	28.2
Rural		
Education Level	166	85.1
BS	22	11.3
M. Phil	7	3.6
PHD		
Program	82	42.1
Arts	113	57.9
Science		

Parents Education Level	111	56.9
Attend college/University	84	43.1
Not Attend College/University		
Monthly Income Ranges	26	13.3
Rs: 10, 000-25,000	22	11.3
Rs: 26, 000-35,000	30	15.4
Rs: 36,000-45,000	117	60
Above Rs: 50, 000		
Student's Performance: CGPA/GPA	4	2.1
Less than 2	20	10.3
2-2.5	37	19
2.51-3	75	38.5
3.1-3.5	59	30.3
3.51-4		

Table 1: As it can be read based on the Table 1 Total, the demographic characteristic of 195 respondents to the survey portrays that female is the majority (66.2%) and male is minority (33.8). In age distribution, 61 per cent of subjects were in the 18-22 years range, 24.6 per cent were between 23-27 years, 7.2 per cent between 28-32 years and 7.2 per cent above 33 years. In terms of geographical location, the majority of the participants (71.8 percent) resided in urban locations as opposed to the rural location (28.2 percent). Majority of the respondent's education wise were Bachelors followed by M.Phils. (11.3) and Doctor of Philosophy (PhD) (3.6). Regarding their program, over 57.9 percent of the students were dispersed in the field of Science, whereas only 42.1 percent of students were dispersed in the field of Arts. Regarding the family arrangement, most of them (56.9) belonged to a joint family and the rest (43.1) to separate families. 51.0\) of their parents had attended a college/university. Conversely, with reference to monthly earnings, most people indicated their earnings exceeding 50,000 /- Rs (60%) and then, fewer people within the lower ones. Last, on academic performance, the greatest compliance was by the number of students who had a CGPA of 3.1-3.5 (38.5%), followed by a CGPA of 3.51-4 (30.3%). Fundamentally, the sample is mainly made up of young women in urban settings having Bachelor level education, belonging to the Science program and joint families with college graduates, most of them with high monthly incomes and performance in academics.

Descriptive statistics of Academic Achievement

Table: 2 *Descriptive statistics of Academic Achievement*

Statements	Mean	SD
My past results encourage me to work hard.	4.04	.86
Do I always succeed in passing exams?	4.03	.85
My parents are satisfied with my grades/results.	3.86	.87
I pay full attention during class.	3.72	.97
I'm confident; I can solve difficult problems during studies.	3.66	.87
I'm satisfied with my academic performance.	3.50	.99
I'm sure I can understand the most complex material.	3.48	.88
My teacher and class agree with my opinion.	3.47	.72
I succeed in finishing the entire home task every day?	3.18	1.01
I spend most of my time in university with friends and teachers discussing academic work/revising for examinations.	3.14	1.04

Table 2 Scale: Strongly disagree = (1), (disagree = (2), Neutral = (3), Agree = (4), strongly agree = (5) agree

In Table **2,** the outcomes of responses to the items of Academic Achievement and their frequency, percentage, mean, and standard deviations have been shown. Considering the answers, overall student perception is positive. The majority of the respondents strongly agree/agree on the fact that they are motivated by the results of their past (80%), that they perform generally well in their exams (82%), and that their overall performance character is the same (82%).

They are pleased by their school success (74.3%). Besides, a large number reported to act responsibly in attending classes (67.7%) and being confident in solving difficult problems (64.1%). However, a considerable decline is induced on the positive side of the Neutral point of both the statements pertaining to the current satisfaction of academic performance (63 percent agreement) and certain ability to acquire comprehension of intricate texts (57.4 percent agreement) with the cost of an augmented neutral answer on the latter. The claim that teachers and classmates are of the same belief had the most neutral answer (44.1%) almost at the same proportion of agreement (49.7) and disagreement (6.1). A lesser percentage of students consistently approved of performing homework every day (43.1%) and a trialling of university hours chatting about scholarship with colleagues and educators (40.5%) (and > to disapprove); the last additionally had a smaller percentage of disapproval. The mean scores of the items were 3.14 to 4.04 on a 5-point Likert scale which is indicative, as they mostly believed they concur with the statements. The statistics measures and standard deviations of the two items of the on the process sources are shown in Table. 72 to 1.04 reporting a medium range of the variation of responses of the participants on the items.

Descriptive statistic of Financial Stress

Table: 3 *Descriptive statistic of Financial Stress*

Statements	Mean	SD
I pay my bills on time every month.	4.27	1.05
I have to work more hours than I would like to support myself financially.	3.64	1.11
I often feel guilty about asking my family for financial assistance.	3.63	1.14
Financial stress impacts my mental health and overall well-being.	3.36	1.18
Transportation expenses,like commuting or parking fees, can be a burden.	3.20	1.34
I often worry about being able to afford basic healthcare expenses.	3.17	1.09
I have enough money to participate in most of the same activities as my peers do.	3.13	1.08
I feel like I am missing out on opportunities for personal and academic growth due to financial constraints.	3.08	1.21
I often stress about not being able to afford textbooks and course materials.	2.92	1.14
I regularly spend more than I have by using credit or borrowing.	2.33	1.19

Scale: Strongly disagree = (1), (disagree = (2), Neutral = (3), Agree = (4), strongly agree = (5) agree

Table 3 shows frequency and percentage of the responses and means and standard deviations of Survey Reports of Statements Related to Financial Stress. The main reason is that a great number of respondents (57.9% strongly agree, 22.1% agree) state that they always pay all their bills at the appropriate time each month, which produces the maximum mean score (M=4.27). However, a large percentage of it had to work more than they wanted to to get financial support (41.5% agree, 22.6% strongly agree; M=3.64) and felt guilty because seeking financial assistance by family members within the family (37.9% agree, 25.1%

strongly agree; M=3.63). The sample majority responded to this question by agreeing or strongly agreeing on how financial problems have drifted their mental health and well-being (37.4, 16.4, respectively; M=3.36). The burden of transportation costs was more widely distributed and the percentages of respondents who select neutral (31.8%) and either agree or strongly agree (with 16.4 and 23.6 percent respectively) were higher (M=3.20). Concerning the ability of basic healthcare costs, there was no less chance to dwell on the concern with 34.9% (M=3.17) agreeing and 9.7% strongly agreeing and, on the contrary, a substantial figure of disagreers (25.1%) and strongly disagreed (5.6%). When it comes to the level of social and academic engagement, about 30 percent of the respondents answered accordingly

or strongly agreed that they require more funds in order to engage in activities with their friends (M=3.13) as well as the fact that funds deprive them of pursuing opportunities in their academic and personal development (M=3.08). Financial issues regarding the purchase of textbooks and lab manuals were also raised by considerable percentages (30.3% agree, 7.2% strongly agree; M=2.92), yet the greatest proportion fell in neutral (31.3%). The second statement with the highest disagreement was the one that states, I use credit or borrow to spend more than I have more frequently than is wise (33.3% strongly disagree, 21.5% disagree; M=2.33). The item variability took the value between 1.05 to 1.34 (SD_v=1.05 to 1.34) which implies that it was moderate to some extent high response variability.

Gender Differences in Financial Stress and

Academic Performance

Independent samples t-tests were applied to compare the gender-wise academic achievement and financial stress of the 195 participants. In the case of Academic Achievement, the variance explained were the same in both the genders (R =2.10); even though females had a marginally higher mean (M=3.64, SD =. 45) in comparison with male (M=3.54, SD=. 67), this was not significant (t36127, p =. 205). In a similar way, the mean of Financial Stress was nearly equal in the male (M=3.28, SD=. M=3.27, SD=. 61), and the t -test showed that the group difference was not significant (t=. 089, p=. 929). Therefore, such an analysis demonstrates that gender is not a potent predictor of the Academic Achievement or Financial Stress levels of the students in this sample.

Table: *Gender Differences in Financial Stress and Academic Performance*

Study Variables	Male N=66		Female N=129		*t*	*p*
	M	SD	M	SD		
Academic Achievement	3.54	.67	3.64	.45	1.27	.205
Financial Stress	3.28	.56	3.27	.61	.089	.929

Note. value is significant <.05

Study Variables: Differences by Age (N=195)

In order to analyze the effect of age on Academic Achievement and financial stress amongst 195 participants, one-way ANOVA was carried out of the four age factors which is the age group 18-22 years, 23 -27 years, 28 -32 years and Above 33 years. In Academic Achievement the average scores were not very much different between the age-group (3.55-3.73) and the ANOVA was not

significant (F=4.09, p < .05). 406, p=. 749). The mean scores of Financial Stress on the other hand did not differ much among age categories (3.23-3.37) and ANOVA also revealed that there was no significant difference (F=. 410, p=. 746). In this way, the findings of the present study show that no significant variation could be identified between the age of students and the reported level of AA or FS in this sample.

Table: *Study Variables: Differences by Age (N=195)*

Study Variables	BS N=166		M.Phil N=22		PhD N=7		F	p
	M	SD	M	SD	M	SD		
Academic Achievement	3.60	.53	3.65	.60	3.77	.52	.387	.680
Financial Stress	3.24	.59	3.45	.62	3.51	.39	1.75	.176

Note. Value is significant $p<.05$

Correlation between financial stress and academic achievement

The correlation factor between the Academic Achievement and Financial Stress is statistically significant and in the positive and weak to moderate range. This implies that there is a positive correlation between Financial Stress and Academic Achievement in the current sample, however, the relationship is not all that very strong (which does imply that there is a relationship between the two other than by chance, and other things have a bigger part to play in predicting either Academic Achievement and Financial Stress).

Table: *Correlation Matrix*

Key Construct	Academic Achievement	Financial Stress
Academic Achievement	1	
Financial Stress	.213**	1

Note. ** Correlation is significant at the 0.01 level (2-tailed).

Discussion

In the following study, the respondents under examination were students studying at the University of the Punjab (PU), Lahore, whose experiences of financial stress were focused on to reveal its key factors. Although 80% (M=4.27) of the students did not have financial discipline issues as no one noted lateness in payment of bills, stressors were highly observed.

Sixteen people (64.1%) indicated that they had to work too much off-campus to sustain themselves, which encapsulated the tendency towards poor work-study balance many had to contend with given their intense academic routines, a phenomenon that has been addressed at the international level as studies pointing to the obstacle created by a high level of part-time work to academic concentration (Harding, 2011; Oyewobi et al., 2021; Poon et al., 2012). An additional 63 per cent (M=3.63) of students further faced the monetary cost of requesting familial assistance, as the financial strain of family and societal guidelines was extensive in possessing financial means in order to sustain themselves financially in Pakistan where the family is often a decisive, but emotionally exhausting resource (Archuleta et al., 2013).

Additionally, more than a half of the respondents (53.8%, M=3.36) reported that financial stress negatively affected their mental states which is also supported by international results indicating that financial hardships were associated with high rates of anxiety and depression (Boe et al., 2021; Moore et al., 2021; Nasr et al., 2024; Radeef and Faisal, 2017). This implies that, even though short-term payments were controlled, the fact that the student life is characterized with what is termed as a structural instability harms them in their psychological well-being and behavior in classrooms.

Transport costs (40%, M=3.20) and healthcare services (44.6%, M=3.17) were other remarkable stressors to show the faces of urban life in Pakistan. Being unable to cover the cost also served as a barrier to participation in the activities of peer communities (30%, M=3.13) and the personal and academic development experience (37.5%, M=3.08), which was partly in line with the literature on the influence of unmet basic needs when they are conceptualized as broad barriers to student life (Guan et al., 2015; Lempers et al., 1990). Another pragmatic academic issue that was expressed was concerns regarding costs of textbooks and courses (37.5%, M=2.92). On the other hand, there was a lower tendency among students to take loans or credit to build debt (M=2.33), possibly influenced by the culture or the lack of availability of the consumer credit in Pakistan. Simply put, although students usually handle their budgets, work-related pressures, family-related pressure, and living costs tend to affect their well-being severely.

Relationship: Financial Stress and Academic Achievement

The second aim of this research was to prove the implications of financial stress and academic achievements by the research question 2: What is the relationship between financial stress and the academic performance of students? The most important fact is that between Academic Achievement and Financial Stress there is a statistically significant, positive and weak to moderate correlation (r=.213**, p < 0.01). This finding, which gives the confirmation of Hypothesis 1, implies that in this particular population of students of the University of the Punjab, elevated financial stress in the participants was linked to better performance academically.

Such a finding stands out as partially counter-intuitive as compared to a sizeable amount of international literature that otherwise generally suggests the existence of an inverse relationship, that is, the fact that financial difficulty is the cause of lower academic achievements (Britt et al., 2016; Joo et al., 2008; Baker & Montalto, 2019). The following reasons may exist to hypothesize this surprising positive correlation of the sample of the current study.

Demography and Its Relation to Resilience

The sample of the study consists of mostly young (18-22 years), urban, female, belonging to joint families whose parents are educated and have higher monthly incomes (more than Rs. 50,000) and must have therefore presented a rather motivated and invincible stock of students in the sample. In the case of these students, the monetary pressure may not act as a disadvantage, but as a motivator or an obstacle to be crossed on the way to reach their studies goals. They can also regard this pressure as a short term sacrifice to a long term success and this may help them to work harder, focus and continue with their studies despite the economic burdens. The movement indicates that some amount of financial help, though not solving the problem altogether, may be sufficient not to cause failure of academics and also infuse motivation to achieve excellence.

Measurement of Financial Stress

Although the self-developed self-administered financial stress instrument had a content validity especially in the area of debt concerns, one question, that is, I pay my bills on time each month yielded the highest mean. It implies that financial stress is not a matter of absolute poverty to many people but is more to do with the efficient management of the available limited resources and fulfilling financial requirements. This may signify sound monetary management under pressure, a characteristic that could be a good fit with the vigor of young talented individuals trying to cope up with the academic stress.

Gender Differences in Financial Stress and Academic Achievement

In this study, there were no significant gender differences in academic achievement and financial stress levels of University of the Punjab students. In the case of financial stress, the p considered was .929, meaning there was no male-female difference, which does not coincide with some previous studies, but the recent literature (Nasr et al., 2024). This may be as a result of altered gender roles in Pakistan or parallel financial requirements on the two genders at this university. In the same way, in academic performance, a p-value of .205 revealed that gender difference did not matter significantly, a characteristic of contemporary studies in which gender is not a good predictor of

overall academic performance when other variables are held constant (Adnan et al., 2022). Therefore, the research agrees with the hypothesis that there is no relevant gender difference in these spheres as far as this category of students is concerned

Hypothesis Test

Hypothesis 1: There is a significant relationship between financial stress and academic achievement among the University of the Punjab. **(Accepted)**

Hypothesis 2: There is significant gender difference in the levels of financial stress and academic achievement among the University of the Punjab. **(Rejected)**

Limitation

This research has quite a number of limitations. Its results are limited to the students of the University of the Punjab and therefore their applicability outside of the institution in Pakistan or elsewhere cannot be generalized freely. A small sample of the study (N=195) is sufficient in a statistical meaning but may influence the accuracy and generalizability of findings. The scope of the variables that was used was limited as well since the study only targeted two variables, that is, financial stress and academic performance without other important factors in the study, such as mental health of the student, financial support of the parents and the effects caused by the various kinds of institutional aid that could have been important mediating inhibitor and moderating variables. Besides, the possibility of sampling error implies that the pick sample may be not an idealized picture of the whole cohort of students of the University of the Punjab. Lastly, it has the cross-sectional study design that means that only the variable measurements of a particular study sample at a particular moment in time is possible; hence, no causal effect can be ascertained and no longitudinal development could be seen, in terms of financial stress/academic outcomes of a study sample in college.

Recommendation and Future Direction

In a way, though our research in University of the Punjab yielded a surprising result in that greater financial stress was associated with positive academic performance, we are aware that our results are context bound. In order to have a better picture of this paradox, future studies are necessary, which will perform further qualitative investigation to identify the reasons why some students flourish under pressure. There is also the need to go beyond grades and look at the effects of stress on the mind depending on money and how support in the family or at university has its effect. The next steps, compared with the same trend, are to combine the results of quantitative surveys and personal experiences (mixed methods), conduct long-term studies to monitor the dynamics, and test real interventions. Lastly, we would obviously benefit by understanding the interaction between financial stress and academic achievement across other universities or regions, via comparative research. These are initiatives that are made in a bid to assist the University of the Punjab and the policy makers to develop more effective support mechanisms to the financially-challenged students.

Conclusion

This research contributes to previous literature by providing new information on the important relationship between financial stress and academic performance of students at the University of the Punjab- a context which has not been given much attention in the global literature. Unlike most Western findings, we found a strong positive relationship, albeit weak to moderate, between financial pressure and academic performance, indicating that at least in a subset of students in this environment, financial distress may serve as an academic motivator. Moreover, no gender differences were detected in neither financial stress nor academic grades indicating changing gendered socio-economic patterns in the area.

Despite realising the limitations of the focus on this particular institution and of our cross-sectional design, these findings clearly highlight the necessity to conduct context-specific studies in developing countries. They emphasize how complex financial strain is for students and how it affects not just mental health but daily existence regardless of how well they are doing academically. The implications of the study are evident: universities and policy makers need to be more aware of the special challenges our students face, investing in targeted financial aid, mental health supports and provision access for a level

playing field. In the end, an understanding of these local dynamics is necessary to improving student success and well-being in the Pakistani and beyond higher education sectors.

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