

Financial Problems of Students in Higher Education Institutions

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ABSTRACT

This study aims to identify the financial problems faced by students in Higher Education Institutions (HEI). This study uses questionnaires as an instrument for data collection method. A total of 480 samples among the undergraduates in HEIs responded to the questionnaires. Data were analyzed using the descriptive statistics. The results showed the majority of respondents suffered from financial problems because of their limited financial resources and were faced with high cost of living. Their spending levels were still in control and within the boundaries of being a student. Sound financial management will have a positive impact on the financial health of the students on campus.

KEYWORDS: education, educational process, Financial Problem, Student, Higher Education Institution

Introduction

Students in higher education require more money to cover the cost of study and living in universities as higher education costs in public and private educational institutions are on the rise. As a result of limited financial resources and rising cost of education, there may be students struggling with financial problems in their daily lives. Based on the above observation, this study aimed to identify the financial problems faced by students in HEI.

Literature review

According to Hassan, Ismail and Harun (2013) financial aid in the form of scholarships or loans for students on a yearly, semester or monthly basis accepted by them. The delay is quite burdensome because they have to rely on other financial resources such as self-financing, family funding, borrowing with others or applying for emergency loans with their respective HEIs. This problem is beyond of students control and they are only able to wait until the financial assistance is received.

Some students have no other financial resources and rely only on scholarships and education loans. Some groups of students comprise of poor or orphan families. Perhaps they have no savings because they have used up all their savings and do not want to borrow from others because of anxiety to burden themselves with debt. Perhaps they are also reluctant to take part-time jobs because they do not want to

affect their academic performance. The Online Daily News survey (2011) found that out of nearly 180,000 students of University Teknologi Mara, 10,000 were students from the poor. Some of these small groups have yet to receive financial resources, both from governmental and private bodies. The inadequate problem or lack of financial resources is burdensome for students, especially for underprivileged students as this may affect their learning performance (John Abdullah & Ahmad, 2007).

Referring to Ahmad (2005) study on financial management patterns among students who obtained PTPTN financial loans at University Putra Malaysia (UPM) found that the majority of respondents felt that the amount of loans they earned was insufficient to cover the cost of living and education. Students are required to pay the services and equipment required for their respective studies and pay for room rent, daily expenses for meals and drinks, public transport or petrol fares and others. Even though they have tried to minimize their expenditure but the loan or scholarship still inadequate.

Research methodology

According to the methodology of study is defined as a descriptive study using survey methods to obtain information. The target population of this study is centered on HEIs from Bukhara regions. Selection of this location is appropriate to achieve the objective of the study. Bukhara state university, Bukhara institute of engineering and technology, Bukhara State Medical Institute, Bukhara state pedagogical institute, Bukhara Institute of Natural Resources Management are involved according to their respective zones.

The researcher has chosen a purposive sampling method where the population involved is the final year of Bachelor's degree. This group of students is selected because the student has reached maturity in making financial decisions while undergoing studies at HEI. Krejcie & Morgan (1970) table was referred to determine the size of the sample. Referring to the table, the sample size appropriate for this study was 480 students because the total population was approximately 50,000 students.

Table 1 Respondents Background

	Frequency	Percentage (%)
Gender		
Male	225	45
Female	275	55
Age		
20 - 21 years old	28	5.6
22 - 23 years old	335	67.0
24 years above	137	27.4
Regions		
Navoi	347	72.3
Kharezm	73	15.2
Samarkand	52	6.7
Others	28	5.8
HEI		
Bukhara State University	100	20.0
Bukhara Institute of Engineering and Technology	100	20.0
Bukhara State Medical Institute	100	20.0
Bukhara State Pedagogical Institute	100	20.0
Bukhara Institute of Natural Resources Management	100	20.0
GPA		
3.00-3.50	59	8.1
3.51-4.00	167	34.8
4.01-4.50	155	32.3
4.51-5.00	119	24.8

The researcher has chosen the questionnaire as an instrument because this method is an effective measure in collecting many data. In addition, it also saves time, cost and energy. The questionnaire used is modified based on previous research. The items in the questionnaire were considered as relevant for the purpose of this study. These items are assessed in terms of reliability and validity before they are distributed to the respondents. The questionnaire items were formulated based on what has been recognized as valid and subsequently reviewed by six lecturers serving IPTA and IPTS with research expertise to ensure the structure of the questionnaire, content and language used are accurate. A pilot study was conducted throughout April 2019, involving 30 respondents comprising students who are currently studying at Bukhara State University for the purpose of conducting reliability test.

Table 2 Reliability result of Variable (Cronbach Alfa)

Variable	Cronbach Alfa Pilot Test (n=30)
Financial Problem	0.888

The results obtained are further illustrated in the form of descriptions and tables to enable readers to understand the findings clearly without requiring long description.

Table 3 lists the financial problems faced by HEI students. The first problem is that there are always expenses that exceed the revenue received. For this problem, 238 respondents or 49.6% agree that they are dealing with this problem. While 111 respondents or 23.1% stated they were uncertain and 131 respondents or 27.3% did not experience this problem. So, the majority of respondents experience this financial problem.

For the second problem, they use savings for basic needs expenditure, 260 people or 54.2% answered they are experiencing this problem, while 103 respondents or 21.5% are not sure whether they are experiencing this problem or not and the remaining 117 or 24.3% responded they did not faced this problem. So overall, the majority of respondents are dealing with this problem.

For the third problem, they are worried about financial resources, the majority of respondents 285 or 59.4% answered that they are worried about financial resources, only 92 people or 19.2% do not worry about their financial resources and 103 or 21.5% answered they are not sure whether experiencing this problem or not. So it can be concluded that students in HEI always been worried about how to get financial resources and manage limited financial resources.

In terms of credit card problems, a total of 328 people or 68.3% disagreed with these problems, only 69 people or 14.4% had this problem and only 83 people or 17.3% were in uncertain. This is not a major problem because the majority of the respondents do not have credit cards so they are not burdened with debt problems resulting from the use of the credit card.

On the issue of no excess money to make savings, 170 persons or 35.4% had this problem, while 195 or 40.6% did not faced this problem and 115 or 24.0% answered not sure whether they had this problem or not. This problem occurs because the financial resources obtained by the respondents are only limited to their academic and daily expenses. All money received is used for that purpose and no surplus can be used for savings.

Table 3 : Financial Problems faced by Respondents

Item	Financial Problem	Strongly Disagree Frequency (Percent)	Disagree Frequency (Percent)	Not Sure Frequency (Percent)	Agree Frequency (Percent)	Strongly Agree Frequency (Percent)
1	There are always expenses that exceed the income received.	29 (6.00%)	102 (21.30%)	111 (23.10%)	202 (42.10%)	36 (7.50%)
2	Always use savings for basic needs expenses.	16 (3.30%)	101 (21.00%)	103 (21.50%)	224 (46.70%)	36 (7.50%)
3	Always worry about financial resources.	21 (4.40%)	71 (14.80%)	103 (21.50%)	212 (44.20%)	73 (15.20%)
4	Always buy items using credit.	169 (35.20%)	159 (33.10%)	83 (17.30%)	56 (11.70%)	13 (2.70%)
5	There is no excess of money to make savings.	52 (10.80%)	143 (29.80%)	115 (24.00%)	131 (27.30%)	39 (8.10%)
6	Cannot afford the related bills such as mobile phone bills.	85 (17.70%)	181 (37.70%)	109 (22.70%)	86 (17.90%)	19 (4.00%)
7	Cannot repay loan borrowed.	105 (21.90%)	176 (36.70%)	114 (23.80%)	59 (12.30%)	26 (5.40%)
8	Looking for a loan to cover the cost of living expenses.	113 (23.50%)	153 (31.90%)	110 (22.90%)	85 (17.70%)	19 (4.00%)
9	Do not know where the money has been spent.	73 (15.20%)	141 (29.40%)	116 (24.20%)	110 (22.90%)	40 (8.30%)
10	Not sure the amount of debt incurred.	122 (25.40%)	179 (37.30%)	102 (21.30%)	61 (12.70%)	16 (3.30%)
11	Take new debt to cover old debt.	187 (39.00%)	153 (31.90%)	82 (17.10%)	47 (9.80%)	11 (2.30%)
12	Have no savings for emergency time.	103 (21.50%)	155 (32.30%)	84 (17.50%)	118 (24.60%)	20 (4.20%)
13	Not able to buy the desired item.	62 (12.90%)	128 (26.70%)	149 (31.00%)	120 (25.00%)	21 (4.40%)
14	Taking cash from credit card.	142 (29.60%)	163 (34.00%)	82 (17.10%)	79 (16.50%)	14 (2.90%)
15	Cannot focus on lessons due to financial problems.	117 (24.40%)	150 (31.30%)	100 (20.80%)	92 (19.20%)	21 (4.40%)

However, for deficit problem such as not able to pay bills such as mobile phone bills, 266 people or 55.4% answered they did not experience this problem, while 105 or 21.9% had this problem and 109 or 22.7% were in uncertain.

For the next problem, it is not possible to repay the loans borrowed, 281 or 58.6% disagree with this problem, while 114 or 23.8% are in uncertain and 85 or 17.7% agree with this problem. This is because the respondents agreed after graduation at the HEI they are required to pay the loan. However, there are some respondents who borrow money from friends, so they cannot afford to pay back because of limited financial resources.

In the case of finding a loan to cover the cost of living expenses, 104 or 21.7% agreed seeking loans to cover the costs of living expenses, while 110 or 22.9% were in uncertain and the remaining 266 or 55.4% disagreed with this problem. It is found that the majority of respondents do not borrow money to cover their expenses.

The next problem is students not knowing where the money was spent, 150 or 31.2% agreed that they did not know where the money was spent while 116 or 24.2% were at an uncertain level and the rest 214 or 44.6% answered did not experience this problem. This is because the majority of respondents make financial planning when they receive financial loans for 1 semester so they know how to spend the money properly without suffering shortage of money.

In the case of uncertain amount of debt incurred, 301 people or 62.7% responded disagree with this problem, while 77 persons or 16.0% replied agreeing to this problem and 102 or 21.3% answered unsure faced this problem or not. This is because when receiving loans from government and non-government borrowers, the loan amount is recorded in the

loan agreement so the respondents know the amount of debt they bear.

While the problem of picking up new debts to cover old debt, 340 or 70.9% responded disagree with this problem, while 58 or 12.1% responded agreeing to this problem and 82 or 17.1% responded unsure of the problem. This is because respondents do not like to be burdened with debts, they only asking financial assistance from families when the money in hand is insufficient to cover their expenses in HEIs.

On the issue of no savings for emergency time, a total of 258 or 53.8% responded disagree with this problem, while 138 or 28.8% responded agreeing to this problem and 84 or 17.5% responded unsure of the problem. This is because respondents have little savings for emergency time and save money when there is a surplus of money.

For the problem of not being able to buy the desired items, 190 or 39.6% responded disagree with this problem, while 141 or 29.4% responded agreeing to this problem and 149 or 31.0% answered unsure of the problem. This is because the respondent is able to buy the desired item, perhaps because the item is not too expensive.

For the problem of taking cash from credit cards, a total of 305 or 63.6% responded disagree with the problem, while 93 or 19.4% responded agreeing to this problem and 82 or 17.1% responded unsure of the problem. This is because the majority of respondents do not have a credit card so they do not take cash from the credit card.

The last problem, which was not able to focus on the subject due to financial problems, 267 or 55.7% responded disagree with this problem, while 113 or 23.6% responded agreeing to this problem and 100 or 20.8% responded unsure of the

problem. This is because the majority of respondents are still able to concentrate on their studies despite financial difficulties. However, some may not be able to focus on education when experiencing financial problems.

Overall, the majority of respondents experienced financial problems such as running on deficit budget, do not prioritize expenses, not keeping records of expenses, no planning and fail to repay loans because of their limited financial resources and faced with high cost of living. There is an imbalance between income and expenditure. However, HEI students need to be smart in planning when receiving money simultaneously so that they will not have a chronic financial problem later.

Conclusion

As a conclusion, there is an imbalance between students' income and spending. The majority of respondents suffered from financial problems because of their limited financial resources and poor planning. Their spending levels are still in control and within the bounds of being a student.

For students found to score below average, students support programmes, extended financial support and multi-sectoral approach strategies implemented at institutional and national levels can help close the achievement gap but it was found that students do not sufficiently access these programmes.

Undoubtedly, the issues of the financial situation and financial problems of students are one of the most important, as they determine the basis of the material well-being of the student during the period of study.

In most cases, students' incomes depend on the amount of scholarships received, material assistance and additional sources of income, and expenses are determined by the current level in the economy / growth in prices for goods and services and educational and everyday needs. At the same time, we understand that it is difficult, and sometimes even impossible, for students with a high level of study load and the absence of the necessary professional competencies to find a job with a constant income. Based on the content of the published messages, it can be noted that students are constantly discussing the use of additional sources of income.

Issues of the size and timing of the payment of scholarships (material assistance) as the main source of income are often and constantly discussed, especially at the beginning of each academic semester. Students focus on the intensive growth in prices for goods and services in the context of the practically unchanged size of scholarships, which necessitates consideration of the issue of indexing scholarships along with such state payments as pensions and benefits. It should also be noted that students belong to the category of the economically inactive population in the labor force and there is no opportunity for them to find a permanent job during the period of study.

The unresolved issue of the financial and material well-being of students leads to an increase in the differentiation of the population in terms of the level of average per capita income.

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