

About the research

Does financial stress impact on young people in tertiary study?

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The focus of this paper is a consideration of the role that financial stress plays in a student's study outcomes, in particular, whether individual circumstances influence this relationship; for example, the extent to which the combination of work and study or living status (living independently compared with living with parents) contributes to financial stress. Financial stress has other obvious effects on overall wellbeing, but we are interested in its effects on education outcomes.

This paper explores the financial wellbeing of tertiary students participating in the Longitudinal Surveys of Australian Youth (LSAY). The finance topic in LSAY includes questions on government payments, income, credit card activity, shortage of money and saving, and how respondents are generally managing financially. We are also interested in the effect that financial stress has had on a student's learning, which while not specifically explored in LSAY is a theme investigated in an additional survey of a small number of financially stressed LSAY participants.

Key messages

- Tertiary education remains a key feature for improving productivity and the employability of young Australians.
- Being a tertiary student can be associated with experiencing financial stress.
- The LSAY data indicate that around a quarter of LSAY participants reported moderate to high levels of financial stress at age 20 years; however, financial stress is not the main factor affecting the study outcomes of tertiary graduates.
- The small-scale study indicates that, although some of the students reported that working while studying had an effect on their studies, there was no strong link between the student's financial position and their study outcomes.
- In terms of completions, the majority of students who had considered withdrawing from study did not attribute this to financial stress. Instead, they cited a variety of reasons such as a lack of interest, work pressures and other personal matters.

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