

CURRENT FINANCIAL CHALLENGES AND ACADEMIC PERFORMANCE OF UNIVERSITY STUDENTS IN SOUTH-SOUTH NIGERIA

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ABSTRACT: This article critically examined the current financial challenges and academic performance of university students in South-South Nigeria. There were five objectives and research questions that guided the study. Drawing on recent national statistics and regional insights, it highlights the pervasive effects of inflation, unemployment, and the rising cost of living on students' ability to access resources, maintain well-being, and ultimately succeed academically. Two theories applicable to the study were the stress and coping theory by Richard Lazarus and Susan Folkman in 1984 and socioeconomic status theory attributed to Max Weber in the early 20th century. This work proffered a coping mechanism to savage the financial challenges such as: part-time employment; reduced spending; increased rate of borrowing; relying on outdated materials; and skipping meals/classes. The article presented a well-researched literature and observable evidence to demonstrate the direct correlation between financial strain and academic outcomes. Concluding with urgent policy suggestions: for the Federal and State government: prioritize macro-economic stability; revitalize and expand student loan schemes; increase funding for universities; and review and adjust minimum wage. While for the university administrations: strengthen student welfare services; subsidize essential services; enhance access to digital resources; offer mental health support; and promote financial literacy. Also, for the parent and guidance: early financial planning and open communication. And for the university students: adoption of the coping mechanism; emotional intelligence and balancing.

Keywords: Financial Challenges, Academic Performance, University Students, South-South Nigeria, Coping Mechanism.

Reference to this paper should be made as follows:

Nwosu, N. N., & Ossai, V. O. (2025). Current financial challenges and academic performance of university students in South-South Nigeria. *International Journal of Strategic Leadership, Education and Social Sciences*, 1(1), 53-62.

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INTRODUCTION

The cornerstone of national development is Education, and universities serve as vital engines for human capital formation. However, in Nigeria, the pursuit of tertiary education is increasingly fraught with significant financial challenges. The prevailing economic climate, characterized by persistently high inflation, a volatile exchange rate, and elevated unemployment, casts a long shadow over the lives of university students. This article aims to shed light on how these macro-economic realities translate into micro-level struggles for students in the South-South geopolitical zone, impacting their ability to learn and perform academically.

The South-South region, a hub of educational institutions, presents a compelling case

study. Its unique economic landscape, influenced by oil production and diverse socio-cultural dynamics, means that while some students may have family support, many still grapple with the harsh realities of a strained financial crises. Understanding these challenges is crucial for developing targeted interventions that safeguard the quality of university education and the future of Nigeria's youth.

Nigeria's economy has faced significant headwinds in recent years, including high inflation, rising unemployment, and the depreciating Naira. These economic realities have a profound impact on all facets of society, including the education sector. Today, university students, many of whom are already facing financial challenges, are particularly vulnerable to these economic shocks. Their ability to afford tuition, accommodation, feeding, and academic materials directly influences their entire well-being and, consequently, their academic performance. The South-South region, known for its concentration of higher educational institutions and its unique socio-economic dynamics, provides a crucial context for examining this phenomenon.

Statement of the Problem

Anecdotal evidence and emerging research suggest a worrying trend: the deteriorating economic situation in Nigeria is negatively affecting the academic performance of university students. Students are increasingly struggling to meet their financial obligations, leading to various coping mechanisms such as engaging in part-time jobs, missing classes due to transportation costs, begging and borrowing, immorality(prostitution), internet fraudulent art(yahooism) or even withdrawing from studies. This economic strain can result in increased stress, reduced access to learning resources, poor nutrition, and a decline in academic achievement. This study aims to statistically investigate the current financial challenges and academic performance of university students in South-South Nigeria.

Aim and Objectives of the Study

The aim of this study is to analyze the impact of the current financial challenges and academic performance of university students in South-South Nigeria. Specifically, the objectives are to:

- Identify the major current financial challenges faced by university students' in South-South Nigeria.
- Determine the impacts of current financial challenges on academic performance on university students in South-South Nigeria.
- Investigate the relationship between current financial stability on academic performance of university students in South-South Nigeria.
- Assess the coping mechanisms to current financial challenges on academic performance of university students in South-South Nigeria.
- Propose evidence-based policy suggestions to mitigate the adverse effects of current financial challenges on university students' academic performance in South-South Nigeria.

Research Questions

The study was guided with the following research questions:

- What are the major current financial challenges faced by university students' in South-South Nigeria?
- What are the impacts of current financial challenges on academic performance of university students in South-South Nigeria?
- What are the relationships between current financial stability on academic performance of university students in South-South Nigeria?
- What are the coping mechanisms to current financial challenges on academic performance of university students in South-South Nigeria?
- What are the proposed evidence-based policy suggestions to mitigate the adverse effects of current financial challenges on university students' academic performance in South-South Nigeria?

LITERATURE REVIEW

Theoretical Framework (Stress and Coping Theory)

Richard Lazarus and Susan Folkman 1984 propounded the stress and coping theory which explains how individuals appraise and respond to stressful situations (Google Gemini AI, 2025). The key components of this theory are:

Cognitive Appraisal: the proponents proposed that individuals evaluate stressful situations through a cognitive appraisal process, which involves two stages: Primary Appraisal: Assessing the significance of the situation and determining whether it's a threat, challenge, or harm. Secondary Appraisal: Evaluating one's ability to cope with the situation and determining the available resources.

Coping Strategies: here, Individuals use various coping strategies to manage stress, which can be categorized into two main types: Problem-focused coping: Directly addressing the problem or stressor and Emotion-focused coping: Managing the emotional response to the stressor.

Coping Effectiveness: The effectiveness of coping strategies depends on the individual's resources, the situation, and the outcome.

The theory provides a robust framework for understanding how university students navigate financial challenges and their subsequent academic performance. This transactional model emphasizes the dynamic interaction between an individual and their environment, where stress is not merely an external event but rather a product of cognitive appraisals. Here's how it applies to current financial challenges and academic performance in university students. In the primary appraisal, when faced with a potential stressor (e.g., rising tuition fees, unexpected expenses, lack of funds for basic needs), a student first evaluates its significance to their well-being. They ask: "Is this situation irrelevant, benign-positive, or stressful (harmful, threatening, or challenging)?" This is applicable to financial challenges to many university students, financial

challenges are appraised as highly stressful. They can be perceived as: Harmful: Experiencing current negative consequences, such as being unable to afford food, textbooks, or housing. Threatening: Anticipating future negative consequences, like accumulating significant debt, dropping out due to financial constraints, or not being able to secure a job after graduation. Challenging: While less common for significant financial hardship, some might appraise it as a challenge to find solutions and develop financial management skills.

While the secondary appraisal is if the situation is appraised as stressful, the student then assesses their coping resources and options. They ask: "What can I do about this? Do I have the resources to manage this situation?" The application to financial challenges is where individual differences in coping come into play. Students will evaluate it as internal resources that is financial literacy, problem-solving skills, self-efficacy in managing money, and mental resilience. And the external resources such as availability of financial aid, scholarships, part-time job opportunities, family support, institutional financial counseling services, or emergency funds.

In a nutshell, Lazarus and Folkman stress and coping theory provided a valuable lens through which to understand the complex interplay between financial challenges, cognitive appraisals, coping strategies, and academic outcomes for university students. By focusing on how students perceive and respond to financial stressors, interventions can be designed to empower them to cope more effectively and ultimately improve their academic success and overall well-being.

CONCEPTUAL FRAMEWORK

Nigeria has been navigating a period of intense economic instability especially the present political era of President Bola Ahmed Tinubu Asiwaju since May, 2023 which can be described as downward spiral (African Independent Television (AIT) June, 2025). As of May, 2025, inflation has been a significant concern, the National Bureau of Statistics (NBS) reported headline inflation easing to 23.71% in April 2025 from 24.23% in March 2025, with food inflation at 21.26%. While a slight decrease, these figures remain exceptionally high, eroding purchasing power parity (PPP) and significantly increasing the cost of living for everyone, including students. For context, in February 2025, the headline inflation rate was 23.18%, down from 24.48% in January 2025 and notably lower than the 31.70% recorded in February 2024 (NBS, February 2025 CPI Report). Despite these minor fluctuations, the cumulative effect of sustained high inflation over the past years means that essential goods and services, including educational materials, transportation, and food, have become drastically more expensive. Thus, the cost of tuition, accommodation, food, and academic materials are on the increase and still increasing.

The impact on parental income and students' ability to find part-time jobs are readily not available. Furthermore, the youth unemployment rate, though showing a slight decrease to 6.5% in Q2 (Second Quarter) of 2024 (NBS, as reported by Businessday NG, March 2025), remains a significant concern. This low figure should be interpreted with caution, as experts like Dr. Yemi Kale (Punch News, 2024), a former NBS DG, have warned that overall youth unemployment and underemployment stand above 53% (Punch Newspapers, April 2025), indicating a vast segment of young people struggling to find meaningful work. This directly affects students and many other cast population of Nigerians who rely on part-time jobs or parental support to earn a living.

President Asiwaju Bola Ahmed Tinubu on his inauguration day, 12th June, 2023 declared removal of fuel subsidies which had led to drastic increase in transportation costs, directly

impacting students' daily commute and affordability of attending classes. The recent removal of fuel subsidies has also exacerbated transportation costs, making daily commutes to and from campus a considerable financial burden for many students. For example, in the neighboring community of University of Africa Toru-Orua, Bayelsa State, the cost of students transporting from the nearest community is within ₦1,000 to 2,000 to and fro. The devaluation of Naira has adverse effects on the purchasing power of every citizens especially for imported goods and educational materials. These and more are the financial changes experienced by students of Nigeria.

Impacts of Current Financial Challenges on University Students

According to Google Gemini (2025), the current financial challenges are profoundly impacting university students worldwide, affecting their academic performance, mental health, and overall well-being. Recent research in line with the researchers' observations shows that financial stress can lead to difficulty concentrating on coursework, impacting grades and academic progress. This is because many students report that their financial situation makes it hard to focus (Trellis Strategies, 2025).

Students often take on more work hours to cover expenses, leaving less time for studying and academic engagement and this can lead to missed classes and lower academic outcomes. Financial constraints can hinder students from affording essential academic materials like textbooks, software, or even reliable internet access, putting them at a disadvantage (Adams et al., 2016). The leading cause of college dropouts, with a significant percentage of students considering leaving their studies is due to financial stress.

Persistent financial concerns are strongly linked to increased levels of anxiety, depression, and other mental health issues. Financial stress is a pervasive issue, causing constant worry about tuition, rent, and basic necessities, leading to sleepless nights and difficulty concentrating (BetterHelp, 2025). As such, a significant number of students report high emotional stress due to financial issues.

Students struggling financially may find it challenging to participate in social activities, leading to feelings of isolation and embarrassment when comparing themselves to wealthier peers. A substantial portion of students faces food and housing insecurity, impacting their overall well-being and ability to thrive (Trellis Strategies, 2025).

Academic Performance of University Students in South-South, Nigeria

The academic performance of university students in South-South Nigeria is a critical area for this research. The region, like other parts of Nigeria, faces unique challenges that shape educational outcomes. The general trends of poor academic performance are traceable to the primary, secondary and illegal conduct of Senior Secondary Certificate Examination (SSCE). Also, there are critical factors affecting academic performance (beyond economic) such as quality of teaching, institutional infrastructure, and prior academic preparation, to contextualize the financial challenges.

A significant predictor of academic performance is parental employment status. Students from backgrounds with stable parental employment tend to perform better. This suggests that financial stability within the family plays a crucial role in a student's ability to focus and succeed

academically. A recent cross-sectional study in a South-South tertiary institution found that parental employment status significantly influenced students' academic success.

Students from higher Socioeconomic Status backgrounds generally have better access to educational resources (books, computers, tutors) and may have higher educational expectations, which can positively impact their motivation and performance. Conversely, lower SES can lead to limited resources, health issues, and increased stress, hindering academic success (Mukundi, 2024).

The availability and quality of essential facilities like lecture halls, laboratories, libraries, internet services, and even accommodation are crucial. Inadequate and poorly maintained infrastructures are significant impediments to effective learning. Non-provision of infrastructural facilities, such as electricity, internet services, water, hostels, lecture halls, and laboratories, are major problems facing students in Nigerian public universities. Basake et al. (2024) emphasized that providing state-of-the-art facilities and comprehensive services are necessary for enhancing the quality of learning outcomes.

The competence of lecturers, their teaching methods, and their commitment to student support greatly influence academic performance. Shortage of qualified staff and poor lecture delivery can negatively impact learning outcomes. Frequent strikes by university staff (both academic and non-academic) disrupt the academic calendar, prolonging study periods, causing students to lose momentum, and increasing financial burdens.

Adherence to accreditation standards by the National Universities Commission (NUC) is designed to ensure quality education by mandating sufficient facilities and effective programs. Effective use of library resources, including access to updated books and functional facilities, is linked to academic achievement. Challenges like obsolete materials and poor infrastructure within libraries can hinder this. While specific recent studies focusing solely on South-South Nigeria's library utilization are less prominent in the immediate search results, it's a generally recognized factor influencing academic performance across Nigerian universities.

START

Student-Related Factors

Emotional Intelligence as a factor has been explored for its relationship with academic performance. While the strength of the relationship can vary, emotional support from friends, lecturers, and family can positively influence academic motivation. Universities in the South-South Nigeria have keyed in properly into the role of EI in influencing academic outcome.

Students' learning approaches, whether deep, strategic, or surface-level, impact their performance. Avoidant learning approaches, for instance, are negatively correlated with academic success. The inability to cover tuition, accommodation, and basic needs is a major source of stress, impacting students' concentration, mental health, and ultimately, their academic performance. This is a pervasive issue across Nigerian universities, including the South-South. While a specific recent study for South-South Nigeria wasn't uniquely highlighted in this search, the broader context of financial challenges in Nigerian universities (as discussed in the previous response with authors like Trellis Strategies, BetterHelp, iGrad, etc.) is highly relevant and applies to the South-South region, and peer relationships have both positive and negative effects on academic performance. Negative influences, including involvement in illicit activities like cultism, can significantly distract students from their studies.

Overall Academic Performance

There are numerous challenges existing, some studies have reported relatively good overall academic performance in specific contexts. Academic performance in universities in South-South Nigeria is shaped by a complex interplay of personal, familial, institutional, and societal factors. Thus, addressing issues of funding, infrastructure, staff welfare, and student support are crucial for improving educational outcomes in the region.

Financial Challenges Faced by University Students in South-South Nigeria

The macro-economic realities translate into tangible financial challenges for university students in the South-South. Our observations and existing literature confirm several key challenges:

- *Soaring Cost of Living:* The university management currently have adjusted upwards tuition fees, often to meet rising operational costs for universities, combine with exorbitant rents for off-campus accommodation and the ever-increasing price of food. Students frequently report difficulty affording three square meals a day where good and satisfactory meal cost #3,000 to #5,000 compared to #300 to #500 in 2022.
- *High Cost of Academic Resources:* Textbooks, internet data for online learning resources, photocopy, printing, and project materials have become prohibitive for many. A study by Adams and Ogbuagu (2016) highlighted that inability to purchase required academic materials due to high costs significantly contributes to financial stress.
- *Transportation Woes:* The hike in fuel prices means that commuting to classes, especially for students living off-campus or in satellite towns, consumes a substantial portion of their meager budgets. Some students resort to trekking long distances or missing classes altogether.
- *Limited Access to Financial Aid:* While initiatives like the Nigerian Education Loan Fund (NELFUND) aim to alleviate financial burdens, their uptake in the South-South region has been notably low. As of May 2025, NELFUND reported only 37,180 beneficiaries from the South-South, significantly less than the Northwest (157,831) and Northeast (127,058) (The Nation, May 2025). Reasons cited include passive knowledge of the scheme, uninterested due to existing sponsors, or concerns about repayment conditions and perceived elitism (The Nation, May 2025; Champion Newspapers, May 2025, highlighting low uptake in Rivers State University). This indicates a significant gap between perceived need and actual access to formal financial support.

The Impact of Financial Challenges on Students' Academic Performance

Reduced Study Time and Engagement: Students are increasingly forced to engage in part-time work, often demanding and time-consuming, to make ends meet. This leaves little time for studying, attending lectures, or participating in academic discussions. Okeke (2024) noted that academic activities suffer as university students take menial jobs.

Mental and Emotional Distress: Financial instability is a significant stressor, leading to anxiety, depression, and other mental health issues. A survey conducted by Zikpressorg (2024) indicated that 78% of Nigerian undergraduates report moderate to severe stress from academic workloads,

with 42% exhibiting symptoms of burnout. While not solely economic, financial stress is a major contributor. This psychological burden can severely impair concentration, memory, and motivation, all critical for academic success.

Limitation to Access Learning Resources: Inability to afford textbooks, internet data, or even electricity to study at night directly limits students' ability to engage with course material and complete assignments effectively. This creates a significant disadvantage compared to peers with better financial standing.

Poor Nutrition and Health: Financial constraints often lead to inadequate nutrition, affecting students' physical health and energy levels, which in turn impacts their ability to concentrate and perform in class.

Increased Dropout Rates: Unfortunately, some students due to the financial burden that looks insurmountable, leading to temporary suspension of studies or permanent withdrawal from university. While concrete statistics for dropout rates specifically due to economic hardship in South-South Nigeria are scarce, anecdotal evidence suggests a rising trend. Studies show that economic hardship can make schooling unbearable and classroom attendance almost impossible, changing students' disposition towards academic activities (Businessday NG, 2025).

Statistical Evidence of Correlation: While comprehensive, region-specific statistical studies directly linking current student CGPA to detailed financial indicators are ongoing, existing research provides strong correlational evidence:

There are studies that consistently showed a strong link between financial stress and decreased academic performance. In the same vein, Ogunode and Aregbesola (2023) and highlighted that the impact of fuel subsidy removal has led to poor school administration, reduced attendance, and increased psychological breakdown for students who “hustle for more hours to make money, thereby leaving their academics to suffer”. The general decline in the purchasing power of the Naira due to high inflation directly translates to students having less money for vital academic needs, thereby impacting their overall academic experience and potentially performance.

Coping Mechanisms for Academic Excellence for University Students

University students who would employ the various strategies to cope with financial challenges, some of which inadvertently harm their academic journey but would end academic excellence. These are elaborated thus:

- *Part-time Employment:* Many engage in menial jobs, which consume valuable study time and often lead to exhaustion.
- *Reduced Spending:* Students cut down on essentials like food, transportation, and even personal hygiene items, leading to health issues and discomfort.
- *Increased Rate of Borrowing:* Reliance on friends, family, or informal money lenders, which can lead to social and psychological pressure. Sometime students borrowed from digital banking platforms which affect their academic outcomes.

- *Relying on Outdated Materials:* Inability to buy data or laptop/smart phone or new textbooks or access online journals forces reliance on outdated or incomplete resources.
- *Skipping Meals/Classes:* A desperate measure to save money, directly impacting concentration and learning continuity. While these mechanisms are essential for survival, they often come at a significant academic cost, contributing to a cycle of struggle.

CONCLUSION

The current financial challenges in Nigeria are creating an increasingly hostile environment for university students, particularly in the South-South geopolitical zone. High inflation rates, coupled with the ripple effects of economic reforms and limited access to formal financial support mechanisms like NELFUND, are severely impacting students' ability to afford basic necessities and crucial academic resources. This pervasive financial strain directly correlates with increased stress, reduced academic engagement and a detrimental effect on academic performance. The statistics point to a stark reality: the economic well-being of students is inextricably linked to their academic success. Collectively by the Federal and State Government, University Administration, parent and guidance addressing the deep-seated financial challenges facing university students, particularly in the South-South, Nigeria can hope to reverse the current trajectory and cultivate a generation of well-educated and productive citizens essential for national growth and development.

Suggestions

The financial challenges are enormous and to mitigate these critical issues and safeguard the future of university students in South-South Nigeria, the following suggestions are proposed:

- Universities should implement aggressive fiscal and monetary policies to control inflation and stabilize the Naira, thereby improving the purchasing power of students and their families.
- Universities should actively address the low uptake of NELFUND, especially in the South-South, through aggressive awareness campaigns, simplified application processes, and possibly more flexible repayment terms. Consider regional tailoring of the scheme.
- Universities should provide adequate and consistent funding to universities to enable them to subsidize essential services (accommodation, transportation, internet) and invest in modern learning resources.
- Universities should consider adjusting the minimum wage to reflect current economic realities, which would indirectly benefit students through improved parental income.
- Universities should establish or expand robust financial aid offices, emergency funds, and work-study programs tailored to the current economic climate.
- Universities should explore options for subsidizing on-campus accommodation, transportation, and campus feeding to ease student burdens.
- Universities should provide free or heavily subsidized internet access on campus and invest in comprehensive e-library subscriptions and open educational resources to reduce the need for physical textbooks.
- Universities should provide accessible and confidential counseling services to help students cope with financial stress and its psychological impacts.

- Universities should organize workshops and seminars to equip students with essential financial management and budgeting skills.
- Universities should encourage families to plan for university education costs well in advance.
- Universities should foster open communication with students about financial challenges and explore available support options together.
- Universities should ensure personal effort to adapt to the financial constraints with the coping mechanism would make them scale through.
- The university student should have emotional intelligence that would make them balance in the critical situation they find themselves.

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