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The Financial Anxiety of Icelandic University Students
Relation to socioeconomic status and consequences

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Leiðbeinandi: Dr. Sif Einarsdóttir
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FÉLAGSFRÆÐI-, MANNFRÆÐI- OG ÞJÓÐFRÆÐIDEILD

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The financial anxiety of Icelandic university students

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Foreword

Originally, I found this 30 ECTS masters research material to be important due to my own experience as a student from low socioeconomic status. Applying to university being raised in a household colored of low income, was stress inducing with regards to finances. With the goal of getting a well-paid low job and relinquishing myself from financial worries in the future I applied. While I had belief in myself as a student, I was not confident that I would be able to graduate due to lack of money.

Not being able to work alongside school due to anxiety further induced stress related to finances and pushed for my application of student loans. Relying only on student loans was an excruciating experience since it left no extra money, be it for birthday presents, hobbies or clothes. While working during summertime to get income, it could not cross a certain limit, or the amount of student loans available next semester would be reduced.

For three years, having a single income in the form of student loans and living in student housing, indeed, without shopping trips with my parents every once in a while, where they paid for my groceries, I would not have been able to finish my bachelor's degree. This experience made me aware of a problem in our educational system where individuals from low socioeconomic backgrounds did not have equal opportunities to seek further education. Especially, if they did not have the ability or time to work alongside their education or have relatives willing to support them.

After some informal information gathering in the form of discussion and reading, it became apparent that there was a larger group of people than formerly imagined that suffered from financial stress as a student. Therefore, this experience became my research material. This masters research is done in close collaboration with my instructor Sif Einarsdóttir and my sincerest thanks go to her for her immense support during this process as well as Snæfríður Guðmundsdóttir Aspelund for proofreading.

Útdráttur

Rannsókn þessi var gerð með það að markmiði að kanna fjárhagsáhyggjur hjá háskólanemum í tengslum við félags- og fjárhagsstöðu þeirra sem og afleiðingar. Stefnt var að, að svara fjórum spurningum: 1) Þjást háskólanemar af fjárhagskvíða, 1a) Þjást nemar sem búa við verri félags- og fjárhagsstöðu frekar en aðrir af fjárhagskvíða, 1b) Hvert er sambandið á milli fjárhagsáhyggja og almennra þátta sem snúa að fjölskylduumhverfi og fjárhagi 2) Hefur fjárhagsstaða nemenda tengsl við námsframvindu nema? Til þess að svara rannsóknarspurningunum var útbúinn spurningalisti með kvarða sem mat fjárhagskvíða (e. Financial Anxiety Scale; Archuleta et al., 2013) nýttur. Spurningalistinn var lagður fyrir grunnema við Háskóla Íslands og niðurstöður sýna að íslenskir nemendur finna fyrir fjárhagskvíða, en nemendur frá verri félags- og fjárhagsstöðu upplifa kvíðann ekki frekar en aðrir. Almenn einkenni nemenda fyrir utan aldur og kyn höfðu engin tengsl við fjárhagskvíða nemenda og nemendur töldu að félagsleg- og fjárhagsleg staða foreldra höfðu ekki áhrif á fjárhagskvíða sinn. Hins vegar kom í ljós tengsl milli almennra áhrifaþátta frá foreldrum við skalann til dæmis vilja þeirra til að styrkja nemendur og líðan nemenda við að þurfa leita til þeirra. Fjárhagskvíði hefur neikvæð tengsl við námsframvindu sem og einkunnir og sýnir rannsóknin fram á mikilvægi þess að rannsaka fjárhagskvíða stúdenta enn frekar. Sérstaklega með tilliti til brottfalls og námsárangurs.

Abstract

This study aims to explore financial anxieties among university students regarding their socioeconomic status (SES) and its consequences. It addresses four key questions: 1) Do Icelandic undergraduates suffer from financial anxiety? 1a) Do students from low SES suffer more from financial anxiety than others? 1b) What is the relationship between financial worries and student's general financial and family environment? 2) Does a student's financial situation relate to their educational progression? The Financial anxiety scale (FAS) was utilized and a questionnaire about financial and family circumstances constructed. Undergraduate students at the University of Iceland bachelor's students were contacted for the study and 412 responded. Findings reveal that Icelandic students experience financial anxiety, but no relations between SES of students and parents were detected. Age and gender affected the scores of the students on the scale. Notably, students don't directly link their or their parents' SES to current financial anxiety. However, more specific parental situations such as their willingness to aid students and students' feelings toward asking them for aid demonstrate a connection was related to financial anxiety. Financial anxiety negatively influences self-assessed educational attainment and achievement to a large degree. The study emphasizes the need for further investigation into factors driving financial anxiety in the diverse student population and its implications for dropout and progression. Overall, the findings highlight the necessity to address financial anxiety's complex dynamics within the university student population.

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Introduction

Financial Anxiety has been shown to be inhibiting, not only on the working man (Meuris & Leana, 2018; Metzler et al., 2019) but students as well (Scotiabank, 2020; EUROSTUDENT, 2021a). The effects of financial anxiety can both restrict cognitive functioning (Prawitz et al., 2006; McKnight et al., 2016), induce physical symptoms (Muraven & Baumister, 2000) and influence health related behaviors (O'Neill et al., 2005; Kidd, 2005; Drentea & Lavrakas, 2000).

Socioeconomic status (SES) has been found to affect anxiety (Sewell & Shah, 1967). Not only do children with low SES begin their lives with social and academic disadvantages in comparison to others, but the gap widens with time and their situation tends to worsen (Frønes et al., 2020; Caro, 2009; Chung, 2015). This contributes to the fact that few students from low SES start higher education, since it hinders people's abilities from an early age (Chung, 2015; Caro, 2009). On top of not being able to finance their education, people with low SES have reported less preparation, motivation, perceived ability, and support as a few of the barriers they need to overcome (McWhirter et al., 2007).

One study found that adults aged 18 years and older in Canada spent at minimum 1,40 hours a day thinking and worrying about their finances in 2019 which went up 2,3 hours a day during the Covid pandemic in 2020 (Scotiabank, 2020). Within the EUROSTUDENT (2021a) (ES) survey it has been found that 31% of Icelandic university students reported serious financial troubles. This indicates that Icelandic students can be affected by chronic stress related thoughts regarding finances that could lead to anxiety (EUROSTUDENT, 2021a; Ray et al., 2017).

Icelandic schools on all educational levels follow the rule of equality when it comes to admission. None should be barred education due to race, faith, disability or income (Menntamálaráðuneytið, 2013). In order to help financially disadvantaged students, the government put laws in place for the Icelandic student loan fund, where its main goal is to provide financial support for higher education. By doing so, students should be able to further their education despite low income but this loan should always cover living expenses during the period of education (Lög um Menntasjóð námsmanna, 2020).

In sum, students experience serious financial troubles despite Iceland's policy on equality and its support program with student loans which invokes the questions of how

many students suffer from anxiety related to their finances. The main goal of this study is to explore the extent of financial anxieties among university students in relation to their SES. In addition, the relationship between financial worries and the student's general financial and family situation will be explored as well as its educational consequences.

1.1 Socioeconomic status and academic achievement

Working-class groups have historically been forbidden or kept from seeking further education. While education should now be available to all those who wish to seek it, participation in education of working-class people remains low (Archer et al., 2003; Loveday, 2015; Reay, 2021).

Historic research in the US showed that students from low SES had to overcome their hindrances in order to enter college. When managing to do so, they would be able to achieve just as much as the others (Brayfield & Wolfle, 1955). This strain of research was, however, criticized since they tended to focus on graduates and did not consider those who dropped out or took a break and by doing so postponed their education (Sewell & Shah, 1967). Unfortunately, it is common for higher education assessment of social class and socioeconomic status (SES) to focus on objective measures based on the income, occupation, and education of students' parents. In doing so they tend to overlook factors like age, ethnicity, indigeneity, and rurality among students. Recently, the need for research of the intersectional nature and subjective self-definitions of social class has emerged (Rubin et al., 2014). However, combined findings have found that social class and SES can be identified as key factors in determining performance, retention, and participation in higher education (Maras, 2007). As previously mentioned, few students from low SES start higher education, since it hinders people's abilities from an early age (Chung, 2015; Caro, 2009).

According to EUROSTUDENT (2021a), European university students express different social and economic conditions in which they live in between countries. However, some similarities can be seen between the countries, such as students who have parents that do not have a tertiary education are likely to be two years older than others when they begin their education. People from disadvantaged families are also less likely to enlist in master programs and are commonly enrolled in non- universities and undergraduate studies (EUROSTUDENT, 2022). What can hinder students that come from disadvantaged households further is that they do not necessarily get support from their surroundings when their aim is to educate themselves further. Some might even face hostility from peers, parents, and teachers (Forsyth & Furlong, 2003).

Recently it has been found that there is an overall decrease in the number of disadvantaged students attending university. Despite the fact that representation of

Icelandic university students, from homes where neither parent had tertiary education is on par with those that have educated parents. 15% of Icelandic students report themselves as coming from a poor home vs, 40% from a well of family. However, all students tend to report working more than students from other countries. This tendency to work might come about, since 30% of students report their own financial situation as bad (EUROSTUDENT, 2021b; Droll, 2021).

Interestingly, EUROSTUDENT (2022) found that students that come from poorer families in Iceland and are pursuing higher education believe that they are doing just as well or better than their peers and are less likely to be considering dropping out. These results go against earlier studies about the effect of low SES which have indicated a negative relationship (Potter et al., 2020; Breier, 2010; St. John et al., 2000).

According to Sirin (2005) it seems that there is a weak link between the SES of students and their academic achievement. Students from low SES might in fact do just as well academically as their peers with regards to grades. It might be that transparency of grade distribution of students in Iceland differs from others.

1.1.1 University students and their environment

Transition into higher education is a process in which individuals move from one educational stage to the next. This may cause discomfort and stress that can lead to negative outcomes. It is challenging for students to make such a transition because of various difficulties and requirements they may face (Nicholson, 1990). These challenges are not limited solely to students' characteristics (micro level) but the learning environment/institution (meso level) and national educational policies (macro level) (De Clercq et.al., 2021).

A large portion of research done on students and their well-being are aimed at either their characteristics or the meso /macro- level respectively. It is, however, important to consider these individual levels in order to truly see students' diversity and to keep their influences in mind while presenting results.

While this study focuses primarily on students' micro level, there are arguments that it influences, at least the meso environmental level since it takes into consideration factors such as student grants. Family circumstances such as the influence of parents are typically considered a part of the micro-environment. Since the micro-environment refers to the immediate and direct factors that affect an individual, organization, or entity. It includes

elements that are in close proximity and have a direct impact on the entity's daily operations, decisions, and interactions (Serpa & Ferreira, 2019).

It has been found that family matters and economic policy are a complex topic. Overall, most parents regularly give their children money, this can be due to many motivations such as altruism, coinsurance, and inheritance motive. Parents have been known to continue to aid their children financially well into adulthood, especially if the parents are considered well off (Kelley et al., 2021).

1.1.2 Early financial difficulties and their long-term effects

Low SES status and within low financial status has been shown to have a unique relationship with disorders such as depression, antisocial disorder, attention deficit disorder and anxiety (Miech et al., 1999). What further complicates matters is that low SES families flock together into certain communities due to low costs. Within these communities the schools tend to become under- resourced with less than adequate educational standards, not to mention high dropout rates (Chung, 2015; Wagmiller & Adelman, 2009). Indeed, people from lower SES seem to be less likely to enter the labor market or pursue higher education successfully (Alexander, Entwisle, & Olson, 2007).

In Iceland, there is limited information about low SES communities, in one summary from 2006, of how Icelandic reporters talked about immigrants, the dangers of such a community that had begun to form is discussed (Fjölmíðlavaktin EHF., 2006). Most children attend public schools and schools get extra funding for students with special needs (Lög um grunnskóla nr. 31, 2008), which might fight against under- resourced schools and low SES communities to some extent reducing the long-term influence of some meso and macro factors when it comes to higher education compared to the USA.

Parents of children that come from poverty do not necessarily have the cognitive or financial resources to invest and support them. The stress of living in poverty can impair parenting, leading to fewer cognitive- stimulating materials available for the children and less investment in their education. Negative effects of deprivation tend to cumulate leading to social and economic deprivation to have a lasting effect. This effect makes it difficult for children to escape poverty in the future. With greater and longer exposure to poverty, the less likely children are to escape from it in adulthood (Bui, 2002; Wagmiller & Adelman, 2009).

It has been shown that children's beneficial developmental outcomes increase significantly if they are given early education. Children from low-income families in e.g. the US, do generally not have easy access to early education (Magnuson & Shager, 2010). However, Icelandic children do (Island.is, 2022). Costs of day-care (pre-pre-schools) and pre-schools in Iceland are kept low in order to give everyone the opportunity to access to it. If parents are in school, single or on disability the cost of day-care and pre-schools is reduced further (Reykjavík, 2022). This cost can vary, since pre-schools can be municipality funded, privately owned or privately owned with a fund from the municipality (Island.is, 2022). However, the cost of municipality funded pre-schools is governed and should not become greater than the average real cost of the child's stay (Lög um leikskóla nr. 90, 2008). Nonetheless, day-care costs are not governed but are subsidized (Reykjavík, 2022). With this availability for day-care and pre-school for children it is possible that it reduces the negative developmental effects children suffer from poverty.

Both first-generation student status and financial anxiety have been linked to negative academic outcomes, poor social adjustment, and mental health issues among college students; then again, each factor has primarily been studied in isolation (Potter et al., 2020). During Covid 19, increased financial insecurity explained a large proportion in the likelihood of depressive symptoms and students that came from low SES families are more likely to experience depressive symptoms than their peers (Van de Velde et al., 2021) Callender (2003) has shown that not only does SES and social class influences who attends university but attitude towards debt can play a large role in this regard. In the field, it has been found that people from higher SES were more debt-tolerant than those who came from disadvantaged backgrounds (Callender, 2003; Callender & Jackson, 2005). Generally, it has been shown that income influences financial worries (de Bruijn & Antonides, 2020; Kiso et al., 2019; Tay et al., 2017).

1.2 Financial anxiety and stress

According to the American psychiatric association (2023a), anxiety is defined as worries, feelings of tension and physical changes such as an increase in blood pressure. In order to be diagnosed with an anxiety disorder, a person must have recurring intrusive concerns and thoughts. They may have physical symptoms like trembling, dizziness, rapid heartbeat or sweating and may avoid certain anxiety inducing situations out of worry. Anxiety should not be confused with the concept of fear. Fear is a present-oriented and short-lived

response to a specific and identifiable threat, fear is appropriate for the situation in which it arises. Anxiety is a long- acting response which is focused on diffusing a possible threat and is in its nature considered future oriented (American Psychiatric association, 2023b).

Prior studies have demonstrated a connection between increased levels of stress and anxiety (Daviu et al., 2019; Drentea, 2000; Sandín, & Chorot; 1993; Jessop et al., 2005.). Stress is often a predecessor of anxiety, but stress and anxiety tend to be comorbid with one another, (Sandín, & Chorot. 1993; Manzar et al., 2021; Grillon et al., 2007). One of the main focuses of this study is to explore the extent of financial anxiety among university students in relation to their SES.

1.2.1 Stressors and anxiety

Stress is the psychological response to internal or external stressors. Stress by its definition can change almost every system within the body of individuals, which leads to changes in how people behave and even feel. The symptoms can be manifested by sweating, having dry mouth, palpitations, fidgeting, accelerated speech, longer duration of stress, fatigue, augmentation of negative emotions and shortness of breath. Due to stress causing these mind- body changes, it can directly contribute to physiological and psychological diseases and disorders such as anxiety which affect physical and mental health in individuals, reducing their quality of life (American Psychiatric association, 2023b).

A longitudinal research by Metzler et al. (2019) in Canada shows that no specific factor leads to financial stress for an example age, income or geography. Especially interesting and noteworthy is the fact that people from high- SES homes experience financial anxiety. But a fifth from high- SES households claim to be stressed about finances. Meanwhile, and to no surprise, a greater amount of people from low- income families show increased symptoms of financial stress, but about half of them do (Metzler et al., 2019).

In America, finances have been a significant cause of stress for people of all ages and backgrounds for quite some time, but it tends to be higher for those aged 18-35, parents and women (APA, 2015). Perceived physical pain has been linked to financial worry, but it seems to increase its frequency and even severity (Chou et al., 2016; Rios & Zautra, 2011) in fact, increased financial stress was shown to have a relationship with headaches, having a hard time concentrating, lessened exercise, nausea and poor diet (Kidd, 2005; Drentea & Lavrakas, 2000). These findings are similar to those of Lenton & Mosley (2008) which found that financial worry is indeed related to individuals poor self-rated health but

a link has been found between stress and negative effects on the immune system (Ray et al., 2017). O'Neill, Sorhaindo, Xiao, and Garman (2005) studied individuals with signs of financial worries and their results showed that over 40% of respondents reported their health as being directly affected by financial difficulties in some way.

1.2.2 Financial stress and effects on university students

Models made by St. John et al. (2000) explain how major factors that influence college persistence interact with finances. In these models, the perception of individuals students' ability to pay is an important influence when it comes to students' subsequent integration processes as well as their choice of college. Financial difficulties have in fact been shown to be a cause of school dropout (Breier, 2010; St. John et al., 2000; Kolbeinn. Stefánsson & Helgi Eyjólfsson, 2022).

Potter et al., (2020) found that first generation student status was positively associated with financial anxiety. The degree to which students perceived their mastery compared to their peers and financial comparisons between them, had the largest contribution to the model they used. Spending time with family and friends reduced students perceived financial anxiety while working alongside school increased it (Potter et al., 2020). The source and opportunity of first- generation students financing of education, who most often come from low SES families, mainly comes in the form of student loans (Lee & Mueller, 2014).

For many, the newfound financial responsibility of going to university is stressful, oftentimes money is depleted prior to the end of the semester due to costs of living and tuition. In addition, students often have little success in increasing their income or reducing expenditures over the course of semesters (Choi et al., 2016). However, students see this time and education as a way to later earn more money for their families in the long run (Bui, 2002).

In the UK, changes in student funding have put great stress and financial pressures on low- income students. It has been found that students' knowledge of higher educational financial demands before they enter a program is important. Lack of such information can make them feel stressed, and make them avoid higher education altogether (Yorke, 1999; Mangan et al., 2010).

Higher education itself and independent living accounts for substantial financial costs which leads to many students altering their priorities from studying by seeking an income from a paid job, often working more hours than their peers (Joo et al., 2008;

Quintini, 2015). In OECD countries, a comparison of student workloads found that about 40 percent of students also work, ranging from about 15 percent in Italy to over 60 percent in the Netherlands (Quintini, 2015). Financial strain while being a part of the student population is a source of stress for many within it and can lead to significant worse long-term impact on mental health (Richardson et al., 2017; Dundes & Marx, 2006). Sadly, students who experience their student life as mentally stressful is increasing but financial worries and SES status play an integrative part in that experience. Norwegian students do tend to report less worries compared to other western countries but that could be linked to their interpretation and enforcement of the movement education for all (Grøtan et al., 2019; Nerdrum et al., 2006).

Financial stress can influence student schoolwork, but students suffering from financial stress tend to work more alongside school than their peers and as a result have less time to concentrate on their studies and get lower grades (Roberts et al., 2000; Joo et al., 2008). Even taking on fewer courses and as result take longer to complete their degree. In fact, students under a lot of financial stress tend to consider and go through with terminating their college education or temporarily dropout more often than their peers (Roberts et al., 2000; Joo et al., 2008; Letkiewicz et al., 2014). Northern et al., (2010) found an insignificant trend in the data suggesting that individual students with high amount of stress tended not go to physical checkups, even though they reported health problems, possibly due to it being seen as an unnecessary expense.

According to the EUROSTUDENT (2021b) survey, 31% of Icelandic university students claim to be in serious financial troubles. This gives hints to financial anxiety in the university students and supports the need to study financial well-being and its effect on the life of these students. However, in the year 2021, 24,9% of Icelanders claimed to have a hard or a very hard time making ends meet (Hagstofan, 2023).

1.2.3 Measuring financial anxiety and worries

In order to measure the financial distress of college students Archuleta et al. (2013) made the financial anxiety scale (FAS). This scale is derived from the Generalized Anxiety Disorder (GAD) scales diagnostic criteria set forth by the American Psychology association. These criteria are a) being easily fatigued, b) feeling keyed up, on edge or restless c) suffering from sleep disturbances d) having difficulty concentrating e) being irritable f) having muscle tensions. On top of these, at least one of these symptoms must impair occupational, social, or other areas of functioning, which have become the three

areas of functioning in which anxiety impairs (Archuleta et al., 2013; American Psychiatric Association, 2013).

Areas of functioning affected by financial anxiety have not been emphasized in research or treatment, but massive attention has been given to the symptoms themselves (McKnight et al., 2016). This is understandable given that the SCID-I (Structured Clinical Interview for DSM-IV Disorders), has many questions regarding symptoms and their severity but only one broadly constructed criterion of the effects on important areas of functioning (American Psychiatric Association, 2013). Functional impairments are detriments in living seen as a result from the symptoms of psychological disorders (McKnight et al., 2016).

Research has shown that GAD is associated with functional impairments in the social and health domains, with increased health problems and worries thereof. Furthermore, in the occupational domain regarding career attainment, less productivity in work, and absenteeism (Newman & Przeworski, 2018; McKnight et al., 2016). Research has shown that financial anxiety is a separate construct from anxiety and depression (Shapiro & Burchell, 2012). The concept of financial anxiety differs from traditional anxiety disorders since an assumption can be made that financial anxiety does not start in childhood since basic financial understanding must be prevalent (American Psychiatric Association, 2017). Some scales of functional impairments are available, none of which measure all aspects on the social, health and cognitive functional domains (McKnight et al., 2016; Prawitz et al., 2006).

Another scale measuring financial anxiety was published in 2012 by Shapiro & Burchell (2012). That scale, also named Financial Anxiety Scale had a different take on financial anxiety and at first glance seems to rely more on its sociological aspect than psychological. It addresses students' feelings regarding certain financial situations. Archuletas et al., (2013) FAS was found to better represent the underlying construct of anxiety aimed at investigating in this study, anxiety as it is described by the American psychological association (2023a).

1.3 Socioeconomic status and the education of Nordic students

Socioeconomic status has been widely studied and is generally defined as the standing of families and/ or individuals within the social hierarchy based on their control over or access to prestige, wealth, and power (Caro, 2009). Even so, no consensus on SES conceptual meaning has been found so far (Bornstein & Bradley, 2003).

While Nordic countries have maintained low levels of SES inequality, much of the western world has become unequal to a significant degree (Piketty 2013). So far, national, and international large-scale studies consistently confirm that the Nordic countries have the highest level of educational equality (Lundahl 2016; Frønes et al., 2020). Education for all is a view that demands a fair educational system that provides opportunities and equal access for further education. It should not matter where students come from, their SES, age, gender, living arrangements, skills or ethnicity, notably physical disabilities should not stand in their way (Blossing et al., 2014; Quaiser-Pohl, 2013). Recently, there are signs of growing income inequality in Nordic countries which will likely induce inequality in the coming years (Aaberge et al., 2018).

The Nordic countries seem to have shifted away from the pure ideology of education for all, making them have different interpretations and emphasis. Sweden seems to have shifted away from the ideology of education for all to the largest degree. Interestingly, the educational performance in Sweden declined from that point on as measured by PISA scores. Indicating increased levels of variation between education given in schools and between students after privatization increased (Parker et al., 2018). It is surprising that since the Nordic countries started to make their own interpretations and/ or emphasis of education for all, there can be found very limited research on educational equality and justice of opportunity across the countries (Frønes et al., 2020; Sirin, 2005).

Even though the Nordic countries are believed to have the highest equality when it comes to education, they are not perfect. It has been found that in two of the countries: Norway, Sweden, students that have advantages get greater opportunities to participate in further education (Biseth et al., 2021). A cross national study done by Thomsen et al., (2016) over the time period of 1995-2010 showed that despite Norway's, Denmark's, Finland's and Sweden's higher educational expansion, trends in the inequality of students did not follow the same pattern across the countries. Finland and Norway had the greatest decrease in inequality based on SES, followed by a moderate amount in Denmark and no change in Sweden.

1.3.1 University students in Iceland

Since Iceland is a part of the Nordic countries, it follows the ideology of school for all. A work group put forth to ensure that the ideology still holds ground, further education was only mentioned once when the necessity of continuity between school levels was discussed with flow and educational likeness (Stjórnarráð Íslands, 2019). Current laws and the main curriculum of Iceland remove all doubt about the responsibility of schools when it comes to equality. There it is clearly stated that they are the ground on which collaboration, respect and responsibly lies for removing all kinds of differentiation and discrimination (Mennta- og menningarmálaráðuneytið, 2013). Similarly, the UN's fourth goal for world equality by the year 2030 is education for all where everyone should have equal opportunities to good education. There within is a clause about the need of education to be affordable. This clause is however not stated under what should be a priority in Iceland (Félag Sameinuðu þjóðanna á Íslandi, 2023). Icelandic university students differ from others in Europe as they tend to be older. 34% of Icelandic students are older than 30 and 58% are older than 25 years. Other European countries with a similar age distribution is Finland 60% and Norway with 52%. These are the only three countries in Europe where the majority of students are older than 25 (Eurostudent, 2022).

This is important information since studies have shown that mature aged students, especially those pursuing their first university degree, tend to have difficulties adjusting to university life. Mature students tend to have less knowledge of computers, information gathering platforms and tend to have families to take care of. Mature students from low SES families report lack of age-appropriate support, noteworthy, with regards to family situations. Since family situations tend to affect their education, especially due to family problems and emergencies. While mature students from low SES families tend to apply for financial assistance, it did not remove their barriers to education, financial worries in the form of financial assets still prevailed as well as health and study skills (Tones et al., 2009).

1.3.2 Available grants and student aids in Iceland

The Icelandic student loan fund offers students loans to achieve higher education. The amount given depends on the student's family situation such as having children, their income over the last year and how many ECTS' the student plans to finish. For an example, a single person with no children renting an apartment will get about 1.950.000 Icelandic Kronur (ISK) for the school year. As soon as their independent income becomes more than

about 1.500.000 ISK the loan will start to decrease. This includes pay during summertime (Menntasjóður námsmanna, 2022). During summertime, it is therefore easy for students to go over the limit the Icelandic student fund gives, and thereby decrease their income over winter. This is especially true given that the Icelandic student loan fund does not give out funds over summertime, making it near impossible for students to accommodate their expenses during that time without working (Stúdentaráð, 2021a).

The Icelandic student loan fund does give a 30% refund if students finish their studies at a right time, (Menntasjóður námsmanna, 2022). The time restraint to get a 30% refund of student loans might work against those that have financial troubles. Since only 36% of students who enter a bachelor's degree program complete it within that time. Then, after an additional three years the proportion of students graduated jumps up to 69% (OECD, 2019). It could be argued that those that dropout and come back later are more likely to be people of low SES according to research. This time pressure of the student loan fund might as well increase anxiety within those who start their education from low SES families. The refund could therefore be argued to only be for the aid of those who do not need it.

Unions support further education of their members, some for example, the VR union supports its members by a 130.000 ISK a year (VR, 2023). Students can in some rare cases look for grants from their bank, but both Íslandsbanki (2023) and Landsbankinn (2023) offer grants to only exceptional undergraduate students. In the case of Landsbankinn (2023), only three students get a grant for 400.000 kr.

Icelandic students do not have the right of unemployment benefits while pursuing their education, even during summertime. Generally, to get full unemployment benefits in Iceland a person must have worked full time 12 of the last 36 months. A shorter time or percentage will decrease the benefits accordingly (Vinnumálastofnun, 2022). Those who are already on benefits are allowed to be in 12ects (of 30 which is considered a full term) without losing them (Lög um atvinnuleysistryggingar nr, 54, 2006; Vinnumálastofnun, 2022) but the Icelandic student fund gives the opportunity of loans to those who are registered in 22 ECTS (Vinnumálastofnun, 2022; Menntasjóður námsmanna, 2022).

Students' rights for unemployment benefits after finishing their degree is bound to certain conditions. While their past 72 months' work history is looked at, a student needs to have finished their degree and worked for three months during the last six months, or their plea will not be met. If these conditions are met, a full semester (30 ECTS) will be

comparable to 13 weeks of full-time job of the 12 months needed to get full benefits. Paradoxically, while students do not have the right of unemployment funds, they will still have paid into the Icelandic unemployment compensation fund, 1.35% of their salary before and while working alongside their education (Stúdentaráð, 2020b). Individuals that do not have a job during their education do therefore not have the right of unemployment funds after completing their education for some time.

1.4 Research questions

There remains hope that despite coming from low SES, Icelandic students do not feel indications of financial anxiety. The same can be said of general financial support and its effects. If that is, however, not the case the results will be a strong indication that there are students who need better support to be fully able to immerse themselves in their education. It would be beneficial for all to know the financial status of students and their effect, especially for school counsellors, student funds, workplaces and the government. Having educational and vocational counsellors, even school psychologists aware of the effects and the existence of financial anxiety will prove valuable as well.

This study aims to explore the extent of financial worries among university students in relation to their SES. In addition, the relationship between financial worries and the student's general financial and family situation will be explored as well as its educational consequences. This was done by administering a scale measuring financial anxiety, self-reported SES status, thoughts of certain influential aspects, and possible effects of current financial situation on students' education and anxiety. The end goal of this research is to catch a glimpse of the effect finances have on students, but the research questions are as follows:

1. Do Icelandic undergraduate students suffer from financial anxiety?
 - a. Do students from low SES suffer more from financial anxiety than others?
 - b. What is the relationship between financial worries and student's general financial and family environment?
2. Does a student's financial situation relate to their educational progression?

2 Method

To explore the prevalence of financial anxiety, its relation to financial circumstances of students a questionnaire was constructed addressing family situations and subjective perception of financial situations. A measure capturing financial anxiety (FAS) was translated and included, the questionnaire was sent to all undergraduate students at the university of Iceland with a request for participation.

2.1 Participants

The study was conducted at the University of Iceland. It was decided to include only undergraduate students aiming for bachelor's degree, thereby focusing on adults who are taking their first step into higher education. Students taking undergraduate degrees can provide insights into the socioeconomic factors behind student transition into university (De Clercq et.al., 2021). Matriculation degree from upper secondary education can be completed at age 19 and makes young people eligible to apply for university but overall, people start degrees at different ages (Eurostudent, 2022).

The survey was sent to 7459 students in undergraduate programs from all 25 departments at the university. A total of 412 students participated in the study. The sample (N= 412) consisted of 95 males, 310 females and five non-binaries. The sample represented the population in question and was similar in students gender ratio, among the undergraduates within the university of Iceland. Where 34% are males and 66% are females in the university, the sample consisted of 23% males and 75% females. Given how few of the participants, mere five (1,2%) identified themselves as neither male nor female, that category was cut from further analysis when gender was involved. The participants' age ranged from 19-69 years with the mean 26, median of 23 and standard deviation of 7,6. Looking closer at the age of participants since Icelandic students tend to be older than in other countries it was found that 167 or 42% of participants who disclosed their age were over 25 which is on par with prior studies (Eurostudent, 2022).

Of the respondents 43% were married and/or lived with their significant other, 47% were single and 9% had a relationship without cohabiting with their partner, and almost 18% had a child or children. Students were mostly registered in full time education, the mean and median for the semester were 30 ECTS, standard deviation 6,6 and the range of ECTS was from 1 - 49.

2.2 Measures

The questionnaire consisted of 37 questions organized in three main parts. The first part focused on student demographics, with questions about current (core) family situation, housing and income, and about students' perception of their financial situation including SES and extended (origin) family support. The second part consisted of the financial anxiety scale (FAS). Third and last were questions about the consequences of financial anxiety.

2.2.1 Demographics, financial situation, and support

Eight questions addressed current family situation, for example about their marital status, children and work alongside their education. Here, the majority of questions were categorical and in yes, no or do not wish to answer format. Seven questions addressed perception of their financial situation and support, SES and of support given by parents or family of origin. For example, have your parents or guardians offered to support you during your education in any way (residence, monetary support or other); How would you feel, asking your parents for financial aid? Do you believe it to be reasonable that parents should provide university students (BA, Bed, BS....) financial aid? Questions within this category were primarily responded to on a five-point Likert scale (See appendix 1 & 2). There was no specific question where participants were asked to submit information about their income in Icelandic ISK.

2.2.2 The Financial anxiety scale (FAS)

FAS which is converted from GADs criteria has been found to be a valid and reliable measurement (Archuleta et al., 2013). Linking financial anxiety to GAD gives an opportunity to see its generalized effects on the students but FAS should not be used as a diagnostic tool since, for instance there are no cut-off scores to establish if one is clinically financially anxious. No set criteria have been made for the diagnosis of financial anxiety. Nonetheless, FAS should be helpful in evaluating students current self-reported level of financial anxiety (Archuleta et al., 2013) and will be used as such in this research. FAS shows construct validity and internal reliability ($\alpha = .94$). Additionally, the reason FAS was chosen as a measuring instrument is due to its clear link to the measurement of generalized anxiety, but financial worries have been seen to be related to broad aspects of life (Lenton & Mosley, 2008; Rey et al., 2016; Meuris & Leana, 2018).

The financial anxiety scale consists of seven statements each derived from one of GADs criteria. Examples of statements are; my muscles feel tense because of worries about my financial situation, I feel fatigued because I worry about my financial situation and I feel anxious about my financial situation. In all cases answer choices ranged on a 7-point Likert scale (1- Never, 2- Very rarely, 3- Rarely, 4- Sometimes, 5- Often, 6- Very often to 7- Always, see appendix 1 & 2).

Questions from the Financial Anxiety Scale (Archuleta et al., 2013) were translated into Icelandic and used and the scales validity measured. Reliability analyses showed that Cronbach's Alpha of the financial anxiety scale was 0.95 indicating that the internal consistency of the scale is excellent which is similar to the results of Archuleta et al., (2013). The correlations between the items ranged from .67 to .81

Before the main question of how students rate themselves on financial anxiety scale (FAS) could be addressed the quality of the measure was tested. To begin with, each question was looked at thoroughly regarding missing values and outliers, which were either marked as such or replaced by means. Similar to Archuleta et al., (2013) a factor analysis was conducted to test if the translated version supports the notion of financial anxiety consisting of a single underlying dimension. Chi-square goodness of fit test gave reason to believe that the sample data fit a distribution expected to be derived from a population with a normal distribution $\chi^2 (14, 387) = 79.48, p = 0.000$). The results of the maximum likelihood factor analysis support the idea that the items within the FAS scale measured the same construct. Just as factor loadings on the FAS scale for Archuleta et al., (2013) were .72 and above, the factor derived from this sample explained a considerable amount, or 79.1% of the variance within responses. Each item within the scale had high correlation with each other, with factor loadings from .70 to .84 to the single factor extracted.

2.2.3 Consequences of financial anxiety

Six questions were included in the questionnaire which addressed the possible influence of financial anxiety on education. For example, have you postponed/ delayed your education due to financial troubles? and have you thought about discontinuing your education due to financial troubles? Additionally, questions made by the author regarding if the financial situation of students and if it had affected their academic performance or progress. The strength of the affect was then assessed with a 10-point Likert scale as was the effect, with the questions how great do you believe this effect to be? Other questions such as have you postponed/ delayed your education due to financial troubles had the

answer choice of yes or no while the question have you thought about discontinuing your education due to financial trouble was on a 5-point Likert scale.

2.3 Procedure

The questionnaire was pre-tested twice on students before administration to see if any problems were present with the questions and to increase its reliability. It was then evaluated by the advisor and the content by the school's student council representatives. Two experts with bachelor's degree in Icelandic were consulted in the translation of the FAS questionnaire. Minor changes in wording were made between the first and second drafts of the questionnaire as well as questions about financial effects were added, such as do you believe your financial situation has a good or bad impact on your educational achievement. Between the second and third drafts some minor changes were made regarding answer options and the order of which questions were asked to make the flow within the questionnaire better.

The final version of the questionnaire was administered in electronic form through SurveyMonkey (SurveyMonkey, 2023) and sent to students through their student e-mail. The e-mail itself went through student registration so the researcher did not have access to or could in any way track individual data. The first administration of the final version of the questionnaire was on December 7th where 218 responses were collected. The questionnaire was kept open until the end of the second administration. Since this first administration was done during the fall's final exam period, it was agreed that the reminder should be sent after the start of the spring semester.

The second administration was done via the reminder on January 11th and went out to 7233 registered students, there of 2505 males, 4719 females and nine others. Students were able to answer for three weeks after this date, during which time 197 responses were collected. When the reminder was sent, people were told that only those who did not answer in the first round could answer the questionnaire this time.

2.4 Ethical issues

Even though people were asked to disclose personal information regarding their financial situation, feelings, and perceived well-being, the questionnaire did not need to go through institutional review. Since tracing answers back to individuals was not possible with the information collected. This conclusion was supported by the rules of University of

Iceland's (2023a) code of conduct as well as its personal protection policy (University of Iceland, 2023b). The Icelandic Act on personal protection and processing of personal information (Persónuvernd, 2018) was examined as well to be sure that the assessment of ethical issues was revised in accordance with the law. IP-address of participants and emails were not collected with the data to prevent personal identification.

In the letter participants received (See appendix 3) they were informed about the purpose of the study, its goal and the questions it aimed to answer, as well as their right not to participate and to stop participating at any time. It was also stated that there would be no consequences if they decided to stop answering the questionnaire and that no identifiable information was collected.

3 Results

3.1 Students' financial situation, and support

Descriptive analysis was used to first describe the general financial situation of students including housing, children, source of income, their evaluation of the sufficiency of their income, and support students receive. This was done to cast a light on the financial and family situation of undergraduate students at the University of Iceland. Second, to test if the student's circumstances result in financial anxiety. The mean level of the FAS scale was presented to test if the undergraduates suffer from financial anxiety. Separate analysis was done for students to test if anxiety was related to SES, students' general financial and family environment. Finally educational progression was related to financial anxiety scale.

Students' financial situation is dependent on their living arrangements. The single largest expense is usually housing but family responsibilities also play a large role and their source of income. In Iceland, the division between the capital of Reykjavík where the University of Iceland is located, and other geographic areas may also factor into student financial situation. As expected, the undergraduate students live primarily in the capital area or 87%, with a mere 12% living outside of it and 1% in another country. Of the students, 34% lived with their parents or guardians, 17% were on the general rental market, 17% in student housing or a total of 34% which were renting but 24% were homeowners. Five percent of students chose the option other regarding living arrangement, those mentioned living in an apartment owned by their parents, at a significant other, living at their in-laws or on the "black market" which is renting without paying taxes/ insurances to get cheaper living arrangements. Students with children which comprise 18% of the sample rarely (2,5%) reside with their parent(s) they were either renting or homeowners.

The source of independent income is of two main kinds, through student loans or paid work. Almost 73% of students had on average a 50% position on a paid job during their education. Students relying on the student loan fund comprised 24% of the sample. But about 20% of students work and receive loans at the same time. The majority of the students, or 69% of those working claimed that if not for their job, they could not attend university. Further analysis revealed that 76% of students relying on the student loan fund believed that they would not be able to attend university without it. Given that 20%

of students both work and are dependent on student loans made for an analyzes of the question of whether the students believe their loans cover their expenses. It was found that 61% found their loans to be either not high enough (30%) or to a minor degree (32%). Meanwhile, 14% of respondents found their loans to be sufficient to cover all their expenses.

3.2 Do Icelandic undergraduate students suffer from financial anxiety

Out of the sample of 412, 390 students responded to all the seven items of the financial anxiety scale. The financial anxiety scale answers were coded from 1= Never to 7= Always. The mean responses on the 7 items ranged from 3.42 for the question of whether respondent's financial situation kept them awake to 5.07 for the question of whether finances caused anxiety. The overall mean of item responses was 4,5, so on average the students indicated that they experience financial anxiety sometimes too often. This primary analysis gives us the information that students on average (except perhaps for the question of sleep disturbances) rate themselves relatively high on the scale. It is therefore likely that many students suffer from financial anxiety to some degree. The answers of the scale were combined into a single variable which ranged from 7 to 49 with a mean of 24,6 standard deviation of 11,4 and kurtosis -1,1 in order to be able to compare it to other aspects of students lives more readily. Sixteen or 3,9% of students had the score of 7 which means they did not experience any symptoms from financial anxiety. Of the students 60% were therefore higher than the midpoint of 28 which indicates moderate or higher financial anxiety for more than half the students.

3.2.1 Students general traits and financial anxiety

Simple analysis using independent *t*- test and Analysis of variance (ANOVA) was applied to test differences across different groups of students such as their living arrangements, children and other important background variables. This was done to better evaluate whether differences could be found within the answers of students regarding financial anxiety. A few minor changes were made on the variables including transforming age into two groups and confining living arrangements to inside or outside the capital (See Table 1).

Table 1.*Mean scores on the financial anxiety scale by general trait questions*

General traits		Financial anxiety		
		Mean (sd)	T/F	<i>P</i>
Gender	Female	25.8 (11)	3.9	<.001
	Male	20.6 (11.5)		
Age	<25	22 (10.9)	-5.6	<.001
	=>25	28.7(10.9)		
Marital Status	Single	24.6 (12)	-0.1	0.9
	In a relationship	24.4 (11)		
Children	Yes	23.86(11.4)	-0.6	.56
	No	24.7 (11.4)		
Raised until 18	The capital area	24.7 (11)	0.2	.85
	Outside of the capital	24.5 (12.0)		
Current residence	The capital area	24.8(11.5)	0.9	.37
	Outside of the capital	23.2(10.2)		
Current type of residency	Their own residence	23 (11.5)	0.9	.42
	Renting	24.8 (11.3)		
	With family	25 (11.3)		
Parents Residence	The capital area	24.7(11)	0.3	.77
	Outside of the capital	24.3(12)		

The only two variables which had a clear relationship with the financial anxiety scale were age and gender. Males generally rated themselves as having less financial anxiety (mean of 20,6), than females (mean of 25,8). Similarly, those who were older (mean of 28,7) seemed to experience financial anxiety to a greater degree than those who were younger (mean of 22). What was a surprise was the fact that no relationship was found in this sample between either child nor marital status with financial anxiety. Which may indicate that an income from another household member may not make a difference in the individual's experience of financial anxiety nor having children dependent on them.

3.2.2 Do students from low SES suffer more from financial anxiety than others?

Two questions on the scale asked students to evaluate their socio-economic position on the range from 1 much worse off to 5 much better: How do you rate your financial situation compared to others in our society? How do you rate your families (parents, step- or foster parents) socio-economic position compared to others in our society? To test if socioeconomic status related to financial anxiety Pearson's correlation for those two questions and the financial anxiety scale calculated. The correlation between the question of how do you rate your financial situation compared to others in our society and the financial anxiety scale was $r = .04$, $p < 0.39$ and similarly the results between FAS and SES of parents was found to be $r = .02$, $p < 0.22$. Interestingly, the self-assessed socioeconomic position of students themselves or that of their parents therefore had no relation to how they rated themselves on the financial anxiety scale.

In sum, no statistically significant result or correlation were found regarding the socioeconomic position of students themselves or that of their parents.

3.2.2. Financial worries and student's general financial and family environment

While the majority or 70% of all parents had offered to support their child in one or more ways during their education, sadly, 26,6% of students did not believe they could look to their parents in case of sudden expenditures and 56% of students claimed that they would not find it appropriate to ask parents for financial aid. Similarly, 65% of students claimed that asking for financial aid from their parents would make them feel very bad (25%) or bad (40%). Interestingly it was found that 47% of all students believe that overall, parents should not help or help only to a little degree, finance their children's bachelor's degree with 22% believing that it should be their duty to do so, at least to some extent.

Six questions were asked about extended family and general financial environment, five of which were on a 5- point Likert scale (see Table 2) and one in yes/ no format. The question have your parents (guardians, step-, or foster parents) offered to support you in any way during your education (for an example free living or financial aid) was in yes/ no format. It was analyzed further with an independent t-test which showed that if students were not offered support, they were more likely to score higher on the financial anxiety scale. The mean score on FAS of those who were offered support was 22,6 while that of those who did not was 29 ($t(362) = -5,1$, $p = <0.001$).

Looking at if there is a connection found between financial anxiety and questions on a Likert scale about financial and family environment Pearson's correlation was used (See Table 2). The result of which showed correlation between the four questions and FAS about parents/guardians to FAS ranged from 0,2 for if students believed that parents should finance their children's education to 0,45 for how they would feel about asking their parents for financial aid.

Table 2.

Correlation between financial anxiety scale and questions on financial and family environment.

Questions on financial and family environment.	Financial anxiety	
	<i>R</i>	<i>P</i>
How appropriate do you believe it is to ask your parents/guardians for financial aid?	0.40	< 0.001
How would you feel asking your parents/ guardians for financial aid?	0.45	< 0.001
Do you believe it to be reasonable that parents should provide university students (BA, Bed, BS....) financial aid?	0.20	< 0.001
Can you look to your parents/ family if sudden expenses arise	0.35	< 0.001

Overall, students who experienced more anxiety symptoms were more likely to find it not appropriate to look to parents in times of need, feel bad about it, feel they couldn't and did not believe parents should aid them overall. Working students had the mean of 25 when placed on the financial anxiety scale, while those who did not work were at 23,8 (sd: 10,6). These differences were non-significant, ($t(374) = .93, p = 0.35$). Students accepting student loans had a mean of 25,5 (sd:12) while those who did not were at 24,3 on the scale (sd:11). As with working students, financial anxiety of students was not related to if they took loans ($t(374) = .14, p = 0.37$).

3.3. Students' financial situation and its relation to their educational progression

Delving deeper into the financial anxiety of students and what accompanies it, further analysis was conducted starting with if students had delayed and/or postponed their education before due to their financial situation, About 26,6% of students claimed to have postponed their education before but using independent t-test showed that those who had postponed their education scored higher on FAS (mean 33,2, sd: 8,3) than other students

(mean 21,5, sd: 10,7) ($t(362) = 10,2, p = <0.001$). When it comes to students' thoughts of discontinuing their studies due to finances 40% had never thought about it, 18% almost never, 26% sometimes with 16% having thought about dropping out very often or frequently.

Pearsons's correlation was calculated to see the strength and direction of the effects of the financial anxiety scale and the five items accounting for current educational progression. Overall, the financial anxiety scale had high correlation with all aspects of current educational progression, that is, how students found the effects of their financial position to be on their educational attainment and achievement, and influenced how students found the strength of this effect as well as current thoughts of dropout (see Table 3). The correlation between FAS and questions on educational progression ranged from 0,52 to 0,72.

Table 3.

Correlation between financial anxiety scale and questions on educational progression

Questions on education	Financial anxiety	
	R	P
Have you thought about discontinuing your education due to financial troubles?	0.72	< 0.001
Do you believe the effect of your financial situation on your educational achievement to be good or bad?	0.60	< 0.001
How great do you believe this effect to be?	0.63	< 0.001
Do you believe the effect of your financial situation on your educational attainment to be good or bad?	0.67	< 0.001
How great do you believe this effect to be	0.52	< 0.001

Looking at the correlation between FAS and educational attainment and achievement, the highest or 0,67 was with the question of, if students found the effect of their finances to be good or bad while the lowest correlation 0,52 was with the question about the intensity of the same effect. Given that all correlations are high in this category indicates that the financial situation of students has a negative effect on both educational

attainment and progression whereas students with higher negative scores on FAS rated the intensity of the effect and its strength as worse than others.

Interestingly, the highest correlation .72 was found between educational progression and the question of, if students had thought about discontinuing their studies. Which in turn indicates a high threat of students dropping out, to a large degree due to the effects of financial anxiety.

4 Discussion

Undergraduate students in Iceland suffer on average quite often from financial anxiety. Women more frequently than the men but people that have children no more than those free of caring responsibilities. Contrary to expectations, students from lower self-evaluated socioeconomic standing, be it their own or families do not report more frequent financial worries than others. Financial worries did relate to different aspects of the financial and family environment such as students whose parents had not offered financial aid and students who could not look to their parents in cases of sudden expenditures were more likely to score higher on the financial anxiety scale. This study shows as well that financial concerns and worries and educational progression are clearly connected in students' minds and has consequences for their educational progress.

A noteworthy revelation from this study is the absence of a correlation between students in employment or reliance on student loans, and their placement on the financial anxiety scale. This observation points towards a potential mediating influence in Icelandic society but as reported by Potter et al. (2020) working alongside school has been shown to increase financial anxiety. Moreover, it is apparent that female and mature students encounter heightened levels of financial anxiety compared to their counterparts which is on par with prior studies (APA, 2015; Tones et al., 2009). This study shows that the presence of children, students housing accommodation, where they grew up, marital status or other general aspects did not appear to significantly impact students' self-assessment of their anxiety levels.

Interestingly, and in accordance with prior studies (Metzler et al., 2019; APA, 2015), the experience of financial anxiety isn't exclusively limited to those traditionally perceived as financially disadvantaged. Students with more favorable economic circumstances also grapple with this concern. Moreover, the research underscores that neither personal nor parental socioeconomic status directly correlates with the level of financial anxiety experienced by students which supported the view that financial anxiety can affect all students, not just those who are impoverished (Metzler et al., 2019). This highlights the multifaceted nature of financial anxiety with regards to possible different underlying cognitive functions or societal pressures which may result in financial anxiety within both groups. However, there is a possibility that few students manage to attend university are from a low socio-economic position, but it has been shown and that students from low

socioeconomic environment are more likely to discontinue their studies in high- school, and prior university education of parents acts as a preventive measure (Kolbeinn, Stefánsson & Helgi Eyjólfsson, 2022; Forsyth & Furlong, 2003).

Intriguingly, family support mechanisms have an influential role in students' financial anxiety experience. The findings reveal that the willingness of parents to provide prior or potential financial 25 than others. This is in accordance with the research of Tones et al., (2009) who found that family problems and emergencies can have an effect on students' anxiety. This indicates that students may perceive socioeconomic status as a macro-environmental factor rather than a direct reflection of individuals financial standing which in a way supports traditional definition of micro, meso and macro levels as represented by De Clercq et.al., (2021). This represents a problem when students self-assess their financial situation, since they do not see a link between their relative SES standing and their situation at the moment.

A strong association was found between FAS and if students had and are now considering dropping out due to financial difficulties. It was also found that with higher scores on the financial anxiety scale, students were more likely to claim their financial status had a negative effect on their educational achievement and attainment. This result is similar to prior research such as McWhirter et.al., (2007) which showed that people from low SES report less believed ability and motivation. This high correlation between FAS and these educational aspects shows a link between the construct of FAS and the one precursor aspect as well as the consequences which further supports the need of further research in this area.

In retrospect, what could have gone better in this research was to achieve a greater deal of socioeconomic diversity within the sample and increase the extent of the questionnaire, while kept short due to the scope of the research, some questions were found wanting. Examples of such questions were whether students had to pay rent even though they stayed at home with their parents and the quality of their relationship with their parents. There may as well be a need in future research to have questions regarding SES more pointed to everyday activities and to family influences regarding self-assessed financial anxiety. Also, the response rate is not high although the sample size is substantial. It cannot be ruled out that some of the results are due to self-selection of people with more anxiety rather than less in this study.

Since the University of Iceland is a public university which should provide education to all, the result of the study represents not only an ethical problem but a societal one. Some students had postponed their education and work alongside it due to fiscal needs, so it is quite possible that quite a few students do not believe themselves to be financially stable enough to attend university full time. Given how many students have postponed their education before attending, we can also only guess how many are currently postponing their education or have chosen not to begin due to this anxiety.

At the same time the university is not able to accommodate the needs of anxious students, even with the low costs of education itself, it seems living costs are too high for many. An aspect the university cannot help with as a facility that is not based on financial aid. The responsibility rests on the government to provide adequate support systems for financially anxious students aiming to pursue higher education. This calls for comprehensive strategies that address the nuanced needs of various student groups, and even those outside the university who wish to enter. Another point worth mentioning is that since financial anxiety affects both those well off as well as those who are poor, is there a difference in their cognitive perception of finances that is their underlying root of anxiety? And if so, do these groups need different kinds of aid?

The importance of research regarding students' financial anxiety cannot be denied. Especially since it has become apparent that financial anxiety is a problem for a portion of students, and all who wish to should be able to educate themselves regardless of their financial status and be free of its effects. Recommendations for further research on this topic would be to look into how many people wish to go to university but can't be due to their financial situation as well as possible interventions to avert financial anxiety during education.

5 Conclusion

Overall, this study provides important insights into the relationship of finances and its relation to students anxiety as well as their educational progress.

Findings revealed that Icelandic students do experience financial anxiety but those who came from low SES were not more affected by it than others. Which might be due to the way SES was measured, as a self-reported, and subjective evaluation but not based on other more concrete indicators of SES such as total income and parents' education etc. Characteristics of students who generally scored higher than others were female and older, but children, work, student loans and marital status had no effect on financial anxiety, yet relations with parents did. For example, through previously offering support, and students' willingness to ask them for aid. What makes this study stand out is the result of, or the magnitude of, the effect of finances on educational progression which was very high. To summarize the results, it was found that not all students can get further education free from financial anxiety.

The importance of this study lies in its results, students need aid when it comes to financial anxiety, possibly those who have not enrolled yet due to it as well. There are students currently learning which are incapable of giving it their all due to finances, a factor that should no be one that holds students back.

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APPENDIX 1, QUESTIONNAIRE IN ICELANDIC

Fjárhagskvíði stúdenta

Takk fyrir að taka þátt!

Áður en þú byrjar ber að tilkynna að þér er hvorki skylt að svara einstökum spurningum né könnuninni í heild.

Ef þú villt ekki svara einstökum spurningum merktu þá við "á ekki við" þar sem það er í boði. Annars skal flett áfram.

1. Kyn?

Karlkyn

Kvenkyn

Kynsegin/ (Annað)

2. Aldur?

3. Hvar býrð þú um þessar mundir?

Höfuðborgarsvæðinu

Utan höfuðborgarsvæðis

Erlendis

4. Hvar búa foreldrar (stjúp-, fósturforeldrar) þínir um þessar mundir? Hér má merkja við fleira en eitt ef það á við

Höfuðborgarsvæðinu

Utan höfuðborgarsvæðis

Erlendis

Annað/ á ekki við

5. Búseta mín er

Hjá foreldrum/ forráðamönnum mínum

Hjá fjölskyldumeðlimum öðrum en foreldrum

Á almennum leigumarkaði

Á stúdentagörðum

Í eigin húsnæði

Annað, þá hvar

6. Hvar varst þú að mestu alin/n/ið upp til 18 ára aldurs?

Höfuðborgarsvæðinu

Utan höfuðborgarsvæðis

Erlendis

Annarsstaðar, þá hvar?

7. Hjúskaparstaða

Gift/ur eða Í sambúð

Einhleyp/ur

Ef annað, þá hvað?

8. Ert þú með barn eða börn á framfæri?

Já Nei

9. Í hve margar einingar ert þú skráð/ur í á þessu misseri?

10. Ert þú í vinnu með námi?

Já Nei

11. Hvert er starfshlutfall þitt (0-100%)?

12. Hver er helsta ástæða þess að þú ert í vinnu með námi? Hér má velja fleiri en einn möguleika ef svo á við.

Til að eiga pening umfram nauðsynjar

Til að sjá fyrir mér og/ eða fjölskyldu minni (rekstur heimilis)

Til að safna til framtíðar

Til að halda mér skuldlausri/um

Til að þurfa ekki að taka námslán

Til að halda þeim eignum sem ég á nú þegar Annað, þá hvað?

13. Hefðir þú efni á að vera í námi ef þú værir ekki í vinnu?

Já Nei

14. Telur þú að starf þitt hafi haft neikvæð áhrif á einkunnir þínar?

Já

Nei

Vil ekki svara/ veit það ekki

15. Hvernig metur þú fjárhagsstöðu þína miðað við annara í íslensku samfélagi

Mikið verri

Verri

Í meðallagi

Betri

Mun betri

16. Hvernig metur þú fjárhags- og félagslega stöðu fjölskyldu þinnar (foreldra, stjúp-, fósturforeldra) miðað við aðra í samfélaginu

Mikið verri

Verri

Í meðallagi

Betri

Mun betri

Á ekki við

17. Hefur þú frestað/ tafist í námi vegna fjárhagserfiðleika?

Já Nei

18. Hefur þú hugsað þér að hætta í námi vegna fjárhagserfiðleika?

Aldrei Sjaldan Stundum Frekar oft Ítrekað

19. Hefur þú sótt um lán hjá menntasjóði námsmanna á þessu námsári?

Já Nei

20. Að þínu mati, er sú fjárhæð sem þú færð frá menntasjóði næg fyrir þeim útgjöldum sem þú ert með

Að miklu leyti

Að einhverju leyti

Að litlu leyti

Að engu leyti

21. Hefðir þú efni á að vera í námi ef þú værir ekki á námslánnum?

Já

Nei

22. Hafa foreldrar (forráðamenn, stjúp-, fósturforeldrar) þínir boðist til að styrkja þig að einhverju leyti í námi (t.d frí búseta eða fjárhagsaðstoð)

Já Nei Á ekki við

23. Hve sjálfsagt finnst þér að biðja foreldra/ forráðamenn þína um fjárhagsaðstoð?

Alls ekki sjálfsagt

Ekki sjálfsagt

Hvorki né

Sjálfsagt

Mjög sjálfsagt

Á ekki við

24. Hvernig myndi þér líða með að leita til foreldra/ forráðamanna þinna vegna fjárhagsvanda

Mjög óþægilega

Óþægilega

Hvorki né

Vel

Mjög vel

Á ekki við

25. Finnst þér sjálfsagt að foreldrar veiti háskólanemum í grunnnámi (BA,BEd,BS....) fjárhagsaðstoð?

Mjög sjálfsagt

Sjálfsagt

Hvorki né

Ekki sjálfssagt

Alls ekki sjálfssagt

26. Getur þú leitað til foreldra/ fjölskyldu þinnar ef óvænt útgjöld koma upp

Alltaf

Oft

Stundum

Sjaldan

Aldrei

Á ekki við

Hér á eftir koma spurningar sem snúa sérstaklega að fjárhagskvíða. Spurningarnar eru þýðing á Financial Anxiety Scale

27. Vinsamlega merktu við það sem best á við þig, ef miðað er við síðustu fjórar vikur

Aldrei Örsjaldan Sjaldan Stundum Oft Mjög oft Alltaf

Fjárhagurminn veldur mér kvíða

Fjárhagsstaða mín heldur fyrir mér vöku

Fjárhagsstaða mín truflar einbeitingu mína við nám og vinnu

Ég er pirruð/ pirraður vegna fjárhagsaðstæðna minna

Ég á erfitt með að stjórna hugsunum sem snúa að fjárhag mínum

Ég finn fyrir vöðvaspennu tengda fjárhagsáhyggjum

Fjárhagsáhyggjur valda mér þreytu

28. Telur þú áhrif fjárhagsstöðu þinnar á námsárangur þinn vera góð eða slæm?

Góð

Frekar góð

Hvorki góð né slæm

Frekar slæm

Slæm

29. Hversu mikil metur þú áhrif fjárhagsstöðu þinnar á námsárangur þinn (1. Engin áhrif - 10 mestu mögulegu áhrif)

1 2 3 4 5 6 7 8 9 10

30. Telur þú áhrif fjárhagsstöðu þinnar á námsframvindu þína vera góða eða slæma?

Góð

Frekar góð

Hvorki góð né slæm

Frekar slæm

Slæm

31. Hversu mikil metur þú áhrif fjárhagsstöðu þinnar á námsframvindu þína (t.d geta til að skila inn einingum á "réttum" tíma)?

(1. Engin áhrif - 10 mestu mögulegu áhrif)

1 2 3 4 5 6 7 8 9 10

Takk kærlega fyrir þátttökuna.

APPENDIX 2, QUESTIONNAIRE IN ENGLISH

Students' financial anxiety

Thank you for participating

Before you begin it is important to know that you are not bound to answer specific questions or the scale as a whole.

If you choose not to answer specific questions then choose „does not apply“ where it is an option or continue to the next question.

1, Sex?

Male

Female

Other

2. Age

3. Where do you live at the moment?

The capital

Outside the capital

Abroad

4. Where do your parents (step-, foster) live at this moment? Here you can chose more than one answer

The capital

Outside the capital

Abroad

Other/ does not apply

5. My residency is

At my parents/ guardians

At relatives other than parents

On the rental market

In student housing

In my own residence

Other, then where? _____

6. Where were you raised up until the age 18

The capital

Outside the capital

Abroad

Other, then where? _____

7. Marital status

Married

Single

Other, then what? _____

8. Do you have a child or children to provide for

Yes

No

9. In how many ECTS are you registered in during this semester

10. Do you work alongside your education?

Yes

No

11. What is your job percentage?

12. What is the main reason as to why you have a job alongside your education? Here you can choose more than one reason if needed.

To have extra money to spend on things other than necessities

To provide for myself and/or my family

To put away for the future

To keep myself from going into debt

To avoid applying for student loans/grants

To keep the belongings I own already

Other, then what? _____

13. Could you afford your education if you didn't have a job?

Yes

No

14. Do you believe your job has a negative effect on your grades?

Yes

No

Do not wish to answer/ chose not to

15. How do you rate your financial situation compared to others in our society?

Much worse

Worse

Average

Better

A lot better

16. How do you rate your families (parents, step- or foster parents) socio-economic position to others in our society?

A lot worse

Worse

Average

Better

A lot better

17. Have you postponed/ delayed your education due to financial troubles?

Yes

No

18. Have you thought about discontinuing your education due to financial troubles?

Never

Rarely

Every now and then

Rather often

Very often

19. Have you applied for a student loan at the Icelandic student fund

Yes

No

20. In your opinion, is the amount you receive from the Icelandic student fund enough to cover the expenses you have?

To a large degree

To some degree

To a small degree

To no degree

21. Could you afford your education if you did not apply for student loans?

Yes

No

22. Have your parents (guardians, step-, or foster parents) offered to support you in any way during your education (for an example free living or financial aid)

Yes

No

Does not apply

23. How appropriate do you believe it is to ask your parents/ guardians for financial aid?

Not at all appropriate

Not appropriate

Neither appropriate nor not

Appropriate

Very appropriate

Does not apply

24. How would you feel asking your parents/ guardians for financial aid?

Very uncomfortable

Uncomfortable

Neither comfortable or uncomfortable

Comfortable

Very comfortable

Does not apply

25. Do you believe it to be reasonable that parents should provide university students (BA, Bed, BS....) financial aid?

Absolutely

To a large degree

To a moderate degree

To a small degree

Not at all

26. Can you look to your parents/ family if sudden expenses arise

Always

Often

Sometimes

Rarely

Never

Does not apply

27. The financial anxiety scale, 7-point likert scale

a) I feel anxious about my financial situation,

b) I have difficulty sleeping because of my financial situation,

c) I have difficulty concentrating on my school/or work because of my financial situation.

d) I am irritable because of my financial situation.

e) I have difficulty controlling worrying about my financial situation.

f) My muscles feel tense because of worries about my financial situation.

g) I feel fatigued because I worry about my financial situation.

28. Do you believe the effects of your financial situation on your educational achievement to be good or bad?

Good

Rather good

Neither good nor bad

Rather bad

Bad

29. How great do you believe this effect to be? (1. No effect - 10 greatest possible effect)

1	2	3	4	5	6	7	8	9	10
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

30. Do you believe the effect of your financial situation on your educational attainment to be good or bad?

Good

Rather good

Neither good nor bad

Rather bad

Bad

31. How great do you believe this effect to be? (1. No effect - 10 greatest possible effect)

1	2	3	4	5	6	7	8	9	10
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Thank you for your participation.

APPENDIX 3, LETTER TO PARTICIPANTS

Heiti í header: Rannsókn á fjárhagskvíða nemenda

Texti sem fer í póst:

Fjárhagskvíði nemenda

Kæru nemendur,

Rannsókn þessi á fjárhagskvíða er liður í meistararitgerð við náms- og starfsráðgjöf. Aðeins tekur um 6-8 mínútur að svara spurningunum en það er mikilvægt að þú takir þátt hvort sem þér finnst þú eiga við fjárhagskvíða að stríða eða ekki. Rannsóknin er gerð með það að markmiði að sjá hvort grunnemar við Háskóla Íslands þjáist af fjárhagskvíða og hversu víðtækur hann er. Einnig verður kannað hvernig tengsl fjárhagskvíða eru við aðstæður nemenda og afleiðingar hans. Niðurstöður eru ekki rekjanlegar til einstaklinga til að tryggja trúnað við þátttakendur. Farið er eftir ýtrustu kröfum um meðferð gagna samkvæmt persónuverndarlögum.

Þér er hvorki skylt að taka þátt í könnuninni í heild né svara einstökum spurningum. Þátttaka þín er þó mikilvæg til að auka þekkingu í samfélaginu á fjárhagslegum aðstæðum og líðan háskólanema. Ekki kemur að sök ef þú hættir við þátttöku.

Smellið á eftirfarandi slóð til að svara spurningalistanum:
<https://www.surveymonkey.com/r/R8WQHfV>

Rannsóknin er unnin af Maríu Lenu Sigurðardóttur, mls5@hi.is

Leiðbeinandi er Sif Einarsdóttir, Prófessor