

# Chapter 10

## Role of Financial Literacy in Enhancing Student Resilience in Higher Education

**G. Suresh**

 <https://orcid.org/0000-0003-1546-3916>

*Sri Ramakrishna College of Arts and Science, India*

**R. Shankar**

*Bharathiar University, India*

**P. Prabakaran**

*St. Joseph's Institute of Technology, India*

**S. Manimegalai**

*Kongunadu Arts and Science College, India*

**K. Rani**

*Dr. S.N.S. Rajalakshmi College of Arts and Science, India*

### **ABSTRACT**

*The purpose of this study is to understand the role of financial literacy in enhancing student resilience in higher education. The study presents financial literacy levels, financial stress as well as resilience and uses a mixed methods approach using both qualitative and quantitative analysis. Structured questionnaires were used for surveying a sample of 384 higher education students. Quantitative results show that the relationship between financial literacy, financial stress, and resilience is shown to*

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*be very strong, and its association to measures of academic success and well-being is also significant. Qualitative analysis reveals that students with higher financial literacy use better coping strategies and they are more confident in their financial abilities. Structural barriers to the provision of financial literacy education are indicated in the study. The result suggests that higher education institutions should incorporate financial literacy programs into their student development initiatives to enhance resilience and enhance outcome in overall student.*

## **INTRODUCTION**

In today's higher education landscape, students must navigate complex financial decisions that significantly impact both their academic journey and personal well-being. However, with escalating costs of tuition, accommodation, and ancillary expenses, financial literacy has become a weapon needed by the student. This proficiency is not only used to make informed financial choices but also fortifies resilience in students to be able to financial challenge in higher education. A new area of financial literacy that has gained prominence relates to creating a comprehensive understanding of key financial basics including budgeting, saving, investing, and credit management for supporting the success and welfare of the students. In particular, the ability to make sound financial decisions becomes vital to both academic performance and to the satisfaction of one's life overall because students' finances are becoming increasingly burdensome. It is important to provide such students with financial literacy to reduce the financial stress they experience, that is known to affect their academic performance as well as their mental health. Studies of recent years corroborate that a majority of students may lack basic financial knowledge and therefore be at risk of accumulating debt as well as facing financial instability. As reported by Ellucian, 59 percent of college students considered stopping their studies due to financial pressures and 78 percent admitted that fears of financial stress are bad for their mental health (Ellucian, 2024). This, therefore, indicates the necessity of improving financial literacy among student in order to reduce financial stress and continuity of academic work. Financial literacy education teaches students how to read loan terms, shape effective budgets, and make intelligent choices concerning his or her future financially; this breeds the capacity to take care of stress and keep their eyes on their academic goals.

Recent academic literatures have established the relationship between finances literacy and student resilience. Academic success highly requires that a person possesses resilience, which is the ability to bounce back after setbacks and make adjustments to difficult circumstances. Now that students are financially literate, they are able to handle monetary challenges, therefore it decreases stress and also

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