

# HIGHER EDUCATION STUDENTS' FINANCIAL DIFFICULTIES

Intelligence Brief, 6/2021

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The financial ability “to make ends meet” is considered to play a key role in whether students’ participation in higher education is likely to be successful. The aim of this EUROSTUDENT Intelligence Brief is to give a first glimpse overview of the differences in students’ subjective assessment of their financial situation. The main question underlying this approach is: Which differences can be observed between i) countries and ii) key subgroups?

The basis of this general outlook is the EUROSTUDENT database, which assembles key indicators of the 7<sup>th</sup> round of the EUROSTUDENT project (2018–2021) for public use<sup>1</sup>. It not only allows the examination of the social and economic conditions of student life in 24 European countries<sup>2</sup> (and for a huge variety of subgroups) online, but also to download the respective data and conduct further analysis.

## FINANCIAL DIFFICULTIES IN GENERAL AND METHODOLOGY

The economic situation of students is one of the main areas of interest of current student surveys and is, therefore, captured by numerous indicators (cf. Hauschildt et al. 2021). EUROSTUDENT, *inter alia*, collects data on amounts of students’ income and expenses in detail, as well as available sources of funding in a certain country. Participating students have also been asked to assess their overall financial situation on a five-point Likert scale<sup>3</sup>. Even though this kind of self-assessment may have disadvantages in some regards if compared to exact figures, it goes beyond the “bare numbers” in so far as it relates them to students’ self-perception of their overall economic situation – which may quite likely be a better approximation

of students’ capability to successfully complete their studies.

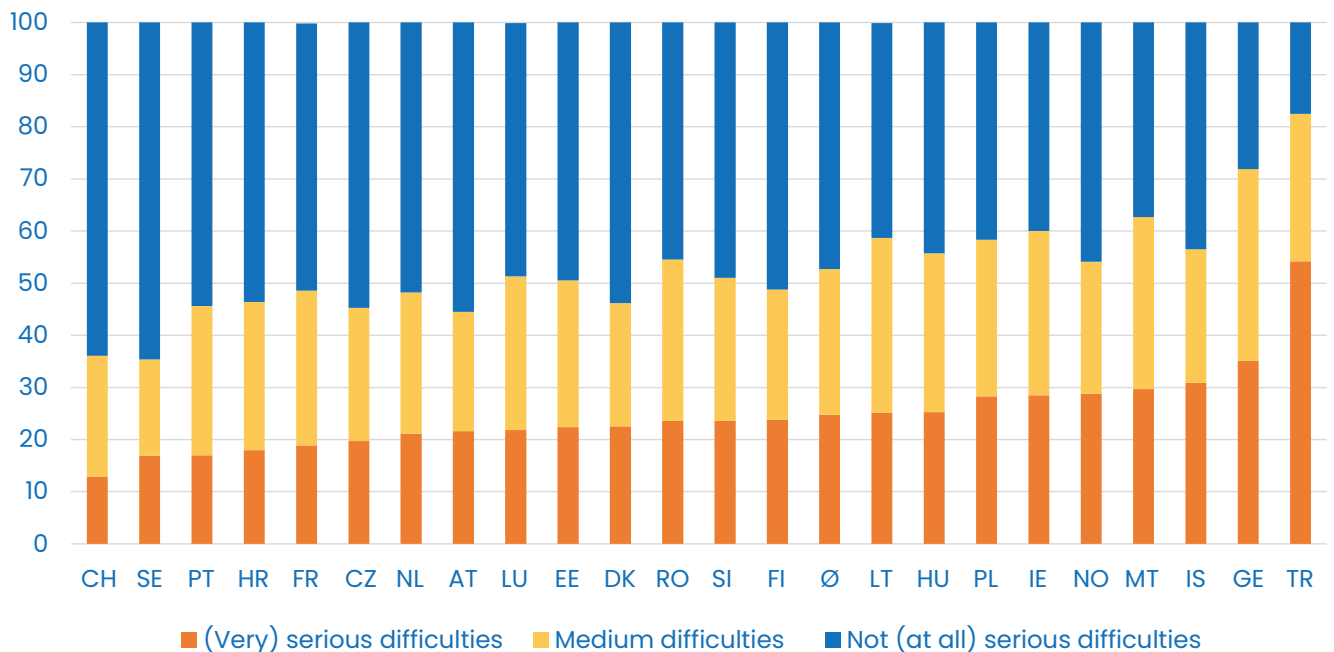
Subsequently, the self-perception of students’ financial difficulties will be contextualized in three thematic blocks: 1) demographic characteristics of the student population, 2) socio-economic background and 3) work and study conditions. In every thematic section, the national averages of all students will be compared to those of the respective subgroups. Although these comparisons within countries constitute the main entry point to the data provided by the EUROSTUDENT database, they are contextualized with cross-country averages where it seems to offer insights.

<sup>1</sup> The public EUROSTUDENT database can be accessed via <https://database.eurostudent.eu/drm/>.

<sup>2</sup> Two countries participating in EUROSTUDENT VII, Albania and Germany, are not (yet) included in the database. An overview, translations of country abbreviations and additional information are provided at the end of the Intelligence Brief.

<sup>3</sup> The respective question was phrased “To what extent are you currently experiencing financial difficulties?” and the five response options ranged from “Very seriously” to “Not seriously at all”. In all graphs used throughout this Intelligence Brief these response categories have been summarized into three categories (i.e. “(very) serious difficulties”, “medium difficulties” and “no serious difficulties (at all)”). The phrases “students with (very) serious financial difficulties” and “students with financial difficulties” (i.e. without any explicit statement about the severity of those difficulties) are, therefore, used synonymously in the course of this paper.

**Figure 1. Financial Difficulties**  
(as share of all students in%)

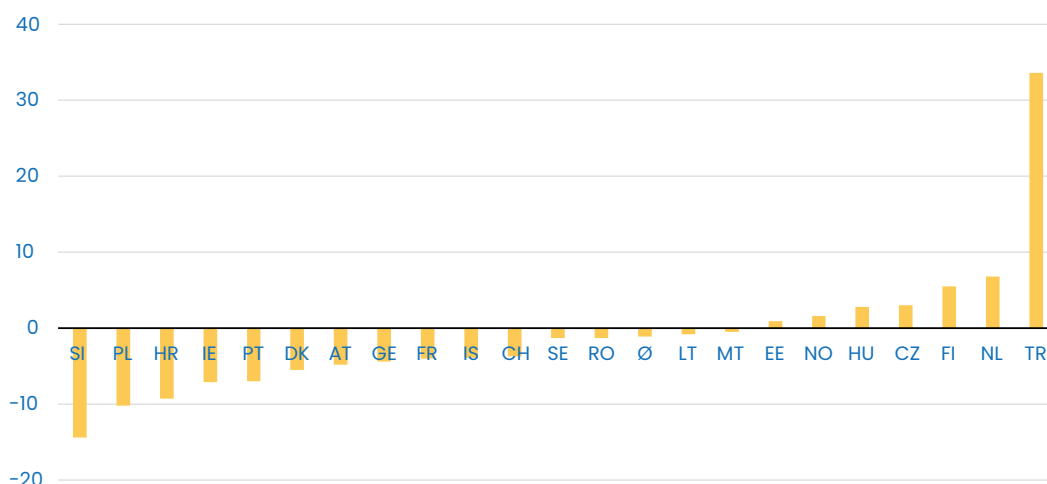


**Data source:** EUROSTUDENT VII, database (cf. Hauschildt et al., 2021: 184–195). **No data:** IT.  
**Data collection:** Spring 2019, except PT, RO, TR - reference period during COVID-19 pandemic in 2020 and/or 2021.  
**Note:** Since the question on financial difficulties was not part of the Italian survey, Italy is excluded completely from this and all following charts. Denmark initially offered a “Don’t know” response option, which has been excluded during coding.  
**EUROSTUDENT question(s):** “To what extent are you currently experiencing financial difficulties?”  
**Deviations from survey conventions:** CH, DK, HR, IE, NL, PT.

A first look at students’ responses across all participating countries (Fig. 1) already shows comparably large differences within the student populations covered by EUROSTUDENT VII. While on average 25% experience (very) serious difficulties, 28% experience medium difficulties and 47% experience no serious difficulties (at

all), only 13% of Swiss, but 54% of Turkish students indicate (very) serious difficulties when it comes to their financial situation. However, the distribution apparently cannot be explained solely by differences in national economic wealth or geographical factors but seems to show a more complex picture.

**Figure 2. (Very) Serious Financial Difficulties compared to EUROSTUDENT VI**  
(change of share in percentage points, all students)



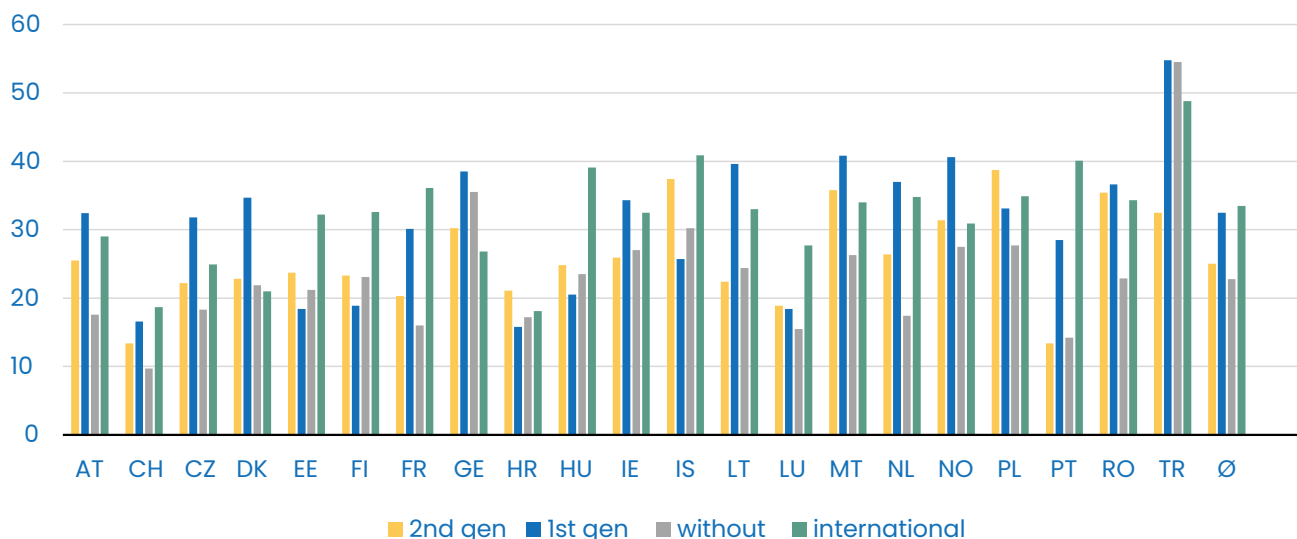
**Data source:** EUROSTUDENT VII and VI, database. **No data:** IT, LU.  
**Data collection:** Spring 2019, except PT, RO, TR - reference period during COVID-19 pandemic in 2020 and/or 2021. EUROSTUDENT VII) and Spring 2016, except AT (2015), PT, RO, TR (2017) (EUROSTUDENT VI).

While the shares of students experiencing (very) serious financial difficulties have declined by about 1 percentage point (pp.) on average, the picture on a national level is far more diverse (Fig. 2). Although Turkey again seems to be an extreme case, it is now possible to complement the static picture (Fig. 1) with an element of dynamic change – keeping in mind that at least some of the magnitude of the increase in Turkey could most probably be related to the COVID-19 pandemic. Although Georgia, Iceland

and Poland have more students with (very) serious financial difficulties than the average of EUROSTUDENT countries, they at the same time show a remarkable decrease of (very) serious financial difficulties of 5pp., 4pp. and 10pp. respectively. Quite the opposite is true for some below-average countries like the Netherlands or Czech Republic, which seem to experience an increase in the share of students with financial problems (7pp. and 3pp. respectively).

## DEMOGRAPHIC CHARACTERISTICS

**Figure 3. (Very) Serious Financial Difficulties by Migration Background**  
(as share of subgroup totals in %)



**Data source:** EUROSTUDENT VII, database. **No data:** IT, SE, SI.

**Data collection:** Spring 2019, except PT, RO, TR - reference period during COVID-19 pandemic in 2020 and/or 2021.

**Note:** Migration background is based on students' and their parents' place of birth. Students who do a semester abroad in the country of survey are considered "International students". Residual subgroup "Other" was excluded for this chart.

**Deviations from survey conventions:** CH, FR, NO.

The first point of comparison is students' migration background (Fig. 3). The differences between 2<sup>nd</sup> generation and 1<sup>st</sup> generation migrants, students without migrant background and international students do not only seem to be very relevant, but it is also apparent that those patterns vary across countries. In all countries students without migration background are less troubled by financial difficulties than all other subgroups. Since a majority of students has no migration background (in terms of the EUROSTUDENT definition – see below Fig. 4), the difference is not very large numerically (around -1pp. across countries), but nonetheless very

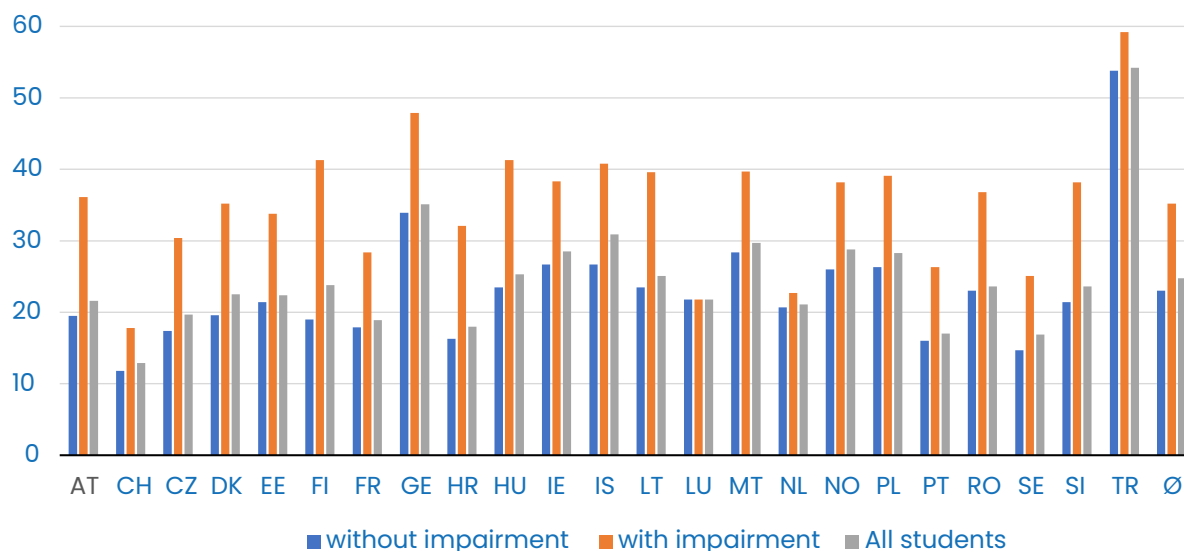
robust across the whole dataset. When it comes to the 2<sup>nd</sup> generation and the 1<sup>st</sup> generation migrants, the results are more heterogeneous. Although the 1<sup>st</sup> generation migrants (+8pp. across-countries<sup>4</sup>) are more affected by financial difficulties than the 2<sup>nd</sup> generation migrants (+1pp. across-countries) in general, this is not the case for Estonia, Finland, Croatia, Hungary, Iceland and Poland (while it is very evenly distributed in Luxembourg). The picture gets even more complicated if international students are taken into consideration. Here, too, mixed effects across countries can be observed: international students seem to be equally (and

4 If no reference to "cross-country" averages is explicitly added, all comparisons relate shares of subgroups to the national general student population of the respective country (Fig. 1).

sometimes even more) troubled by financial difficulties compared to the 1<sup>st</sup> generation migrants. However, the effect is not completely consistent between all countries as international students in Denmark (-1pp.), Georgia (-8pp.) and Turkey (-5pp.) less often experience (very)

serious difficulties than the general student population in those countries. Although in all the other countries international students are in a worse situation than national students on average, their relation to students with migration background varies heavily across countries.

**Figure 4. (Very) Serious Financial Difficulties by Impairment**  
(as share of (subgroup) totals in %)



**Data source:** Eurostudent VII, database. **No data:** IT.

**Data collection:** Spring 2019, except PT, RO, TR - reference period during COVID-19 pandemic in 2020 and/or 2021.

**Note:** Impairments include physical chronic diseases, longstanding health problems, functional limitations, mental health problems, sensory, vision, or hearing impairments, learning disabilities and mobility impairments. However, only students indicating that their impairment (severely) limits them in their studies are considered “with impairment” here.

**EUROSTUDENT question(s):** “Please indicate if you have a disability, impairment, long-standing health problem, functional limitation or learning disability” and “Due to your impairment(s) to what extent are you limited in your studies?” Question on limitations adapted from Eurostat (2018: 216-19).

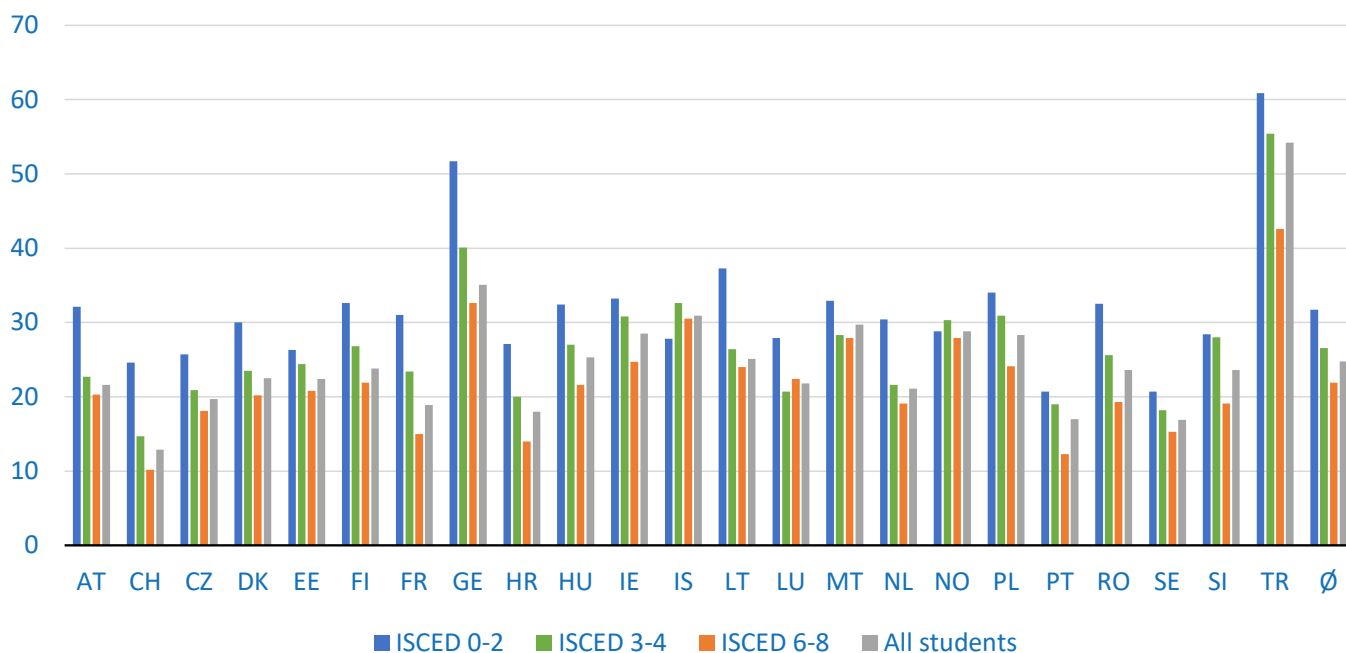
**Deviations from survey conventions:** AT, CH, FR, PT, SE.

Whereas sex seems to constitute (relatively) even but small and migration background uneven but large differences, the impact of impairments on the self-perceived financial situation of students seems not only highly relevant, but also stable across countries (Fig. 4). In Finland (+18pp.), Hungary (+16pp.), Lithuania (+15pp.) and Slovenia (+15%pp.) the differences between students with impairments and students without impairments with regard

to having serious financial difficulties are the biggest (whereas on cross-country average the difference to the national student population is about 10pp). However, the difference is relatively small in the Netherlands (+2pp.) and seems to be completely lifted in Luxemburg (again, the picture gets a bit less clear if not only the “(very) serious difficulties”-category is observed, although the tendency is still the same).

## SOCIO-ECONOMIC BACKGROUND

**Figure 5. (Very) Serious Financial Difficulties by Parents' Education**  
(as share of (subgroup) totals in %)



**Data source:** EUROSTUDENT VII, database.

**No data:** IT.

**Data collection:** Spring 2019, except PT, RO, TR - reference period during COVID-19 pandemic in 2020 and/or 2021.

**Note:** Response options "Don't know" and "Short-cycle degree (ISCED 4) have been excluded from this graph. ISCED 0-2 can be translated as "lower secondary education", ISCED 3-4 as upper secondary and post-secondary non-tertiary education and ISCED 6-8 as tertiary/higher education.

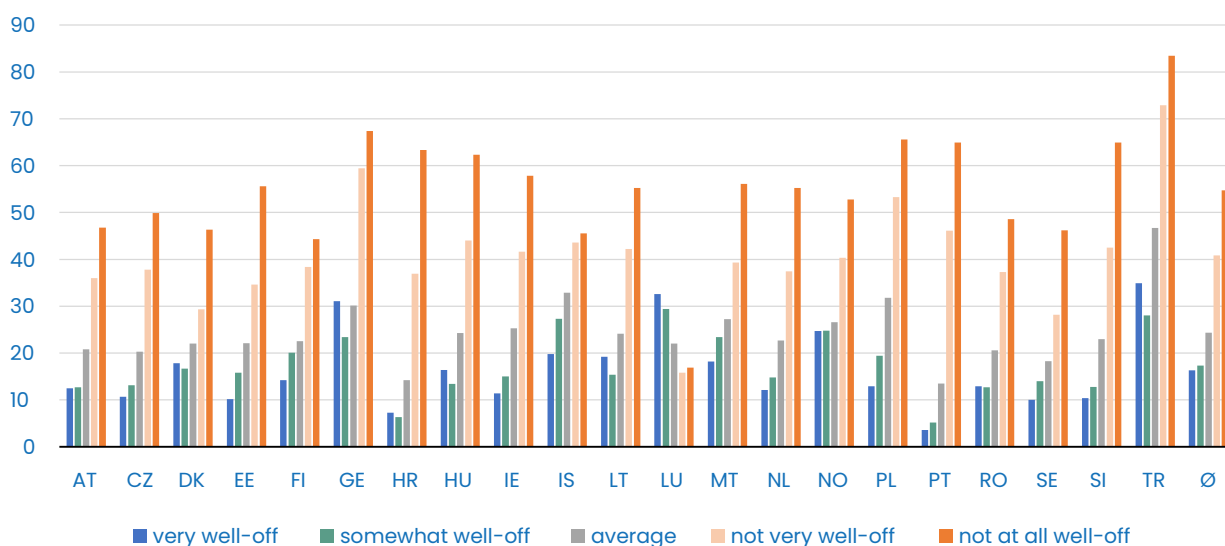
**EUROSTUDENT question(s):** "What is the highest level of education your mother/guardian and father/guardian have obtained?"

**Deviations from survey conventions:** AT, CZ, FR.

The effect of family background measured by the highest educational degree achieved by students' parents shows a relatively even pattern across all countries. Generally, students with parents with low degrees more often experience financial difficulties, while students with parents with medium degrees do not show huge differences when compared to the general student population and students with parents with higher education degrees indicate financial difficulties (slightly) less often. However, the concrete relations between the different subgroups vary between countries (Fig. 5). Students with parents with low education in Georgia (+17pp.), Lithuania (+12pp.), Switzerland (+12pp.) and Austria (11pp.) experience financial

difficulties much more often, while the other subgroups do not deviate from the average of their national student population too much. Students with parents with higher education degrees are more noticeably above-average in Turkey (-12pp.), Portugal (-5pp.) and Slovenia (-5pp.), while the other subgroups do not deviate from the average of their national student population to a huge extent. France and Hungary, however, show a pattern of general differentiation: students from low education family background indicate more financial difficulties than the national average, while those from higher education family background perform far better than this average.

**Figure 6. (Very) Serious Financial Difficulties by Parental Wealth**  
(as share of (subgroup) totals in %)



**Data source:** EUROSTUDENT VII, database. **No data:** CH, FR, IT.

**Data collection:** Spring 2019, except PT, RO, TR - reference period during COVID-19 pandemic in 2020 and/or 2021.

**EUOSTUDENT question(s):** "How well-off financially do you think are your parents (or guardians) compared with other families?"  
Item adapted from IEA (2006).

**Deviations from survey conventions:** DK, HR, IE, NL, NO, PT.

Parents' education background is, certainly, an indicator which is difficult to interpret. Not only are higher education systems and their relation to job markets very different across countries, but the education of students' parents was in most cases (depending on their age and biography) obtained at least one or two decades ago and might, hence, be outdated (i.e. relatively unrelated to contemporary job market performance, financial wealth or social status). Therefore, the impact of the family background of students is probably far better caught by measuring parents' actual economic status (Fig. 6). The correlation between parents' and

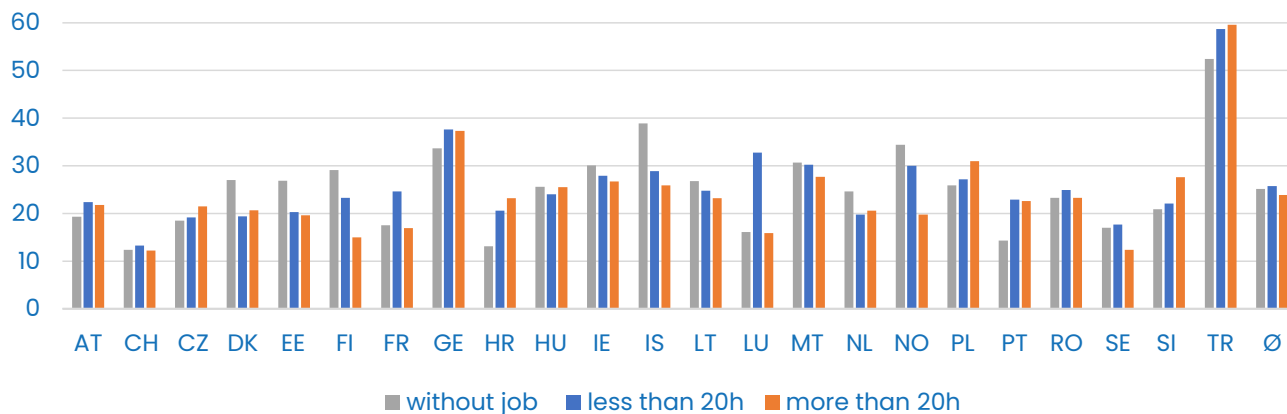
students' financial status seems to be very clear (i.e. the higher the parents' wealth, the lower the share of students experiencing financial difficulties themselves) throughout all countries included in EUROSTUDENT. In comparison of cross-country averages, -10pp. of students with parents that are "very well-off" experience financial difficulties, while the share of students from households that are "not at all well-off" lies +29pp. above the average of all students. The magnitude of this correlation is, however, very different among countries.

## WORK AND STUDY CONDITIONS

While the indicators used above seem to produce at least some general patterns and starting points for typification of higher education

systems and the embeddedness in their social contexts, the following three graphs do not allow similar conclusions.

**Figure 7. (Very) Serious Financial Difficulties by Work intensity**  
(as share of (subgroup) totals in %)



**Data source:** EUROSTUDENT VII, database. **No data:** IT.

**Data collection:** Spring 2019, except PT, RO, TR - reference period during COVID-19 pandemic in 2020 and/or 2021.

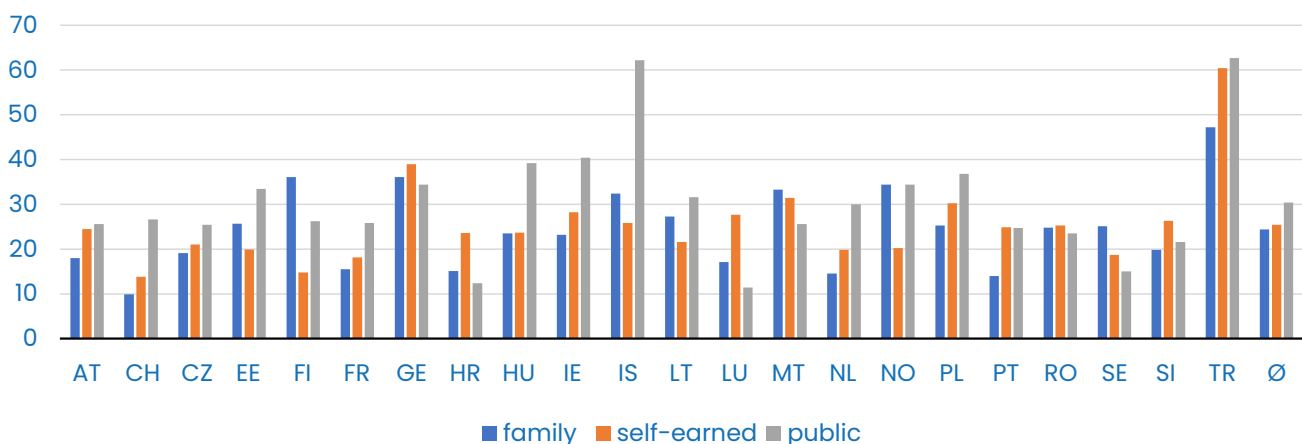
**EUROSTUDENT question(s):** "How many hours do you spend on your paid job(s) in a typical week in the current lecture period?",

**Deviations from survey conventions:** CH.

The unclear picture provided by Figure 7 is not very surprising since students' engagement in the labour market is known to have complex effects. While it appears that "moderate engagement in paid activity appears to be able to help to develop the generic skills necessary for the labour market", long regular working hours can also negatively affect the ability to lay sufficient focus on students' study progress (Oertelé 2019:

3). A major engagement of students in the labour market (i.e. of more than 20 hours per week in terms of EUROSTUDENT database) may also indicate a serious dependency of those students on their self-earned income, which may point to a potential major threat if the job is lost (Ozoloinčiūtė 2019: 4; cf. Van den Berg/Hofman 2005: 437).

**Figure 8. (Very) Serious Financial Difficulties by Work intensity**  
(as share of (subgroup) totals in %)



**Data source:** EUROSTUDENT VII, database.

**No data:** DK, IT.

**Data collection:** Spring 2019, except PT, RO, TR - reference period during COVID-19 pandemic in 2020 and/or 2021.

**Note:** A student is considered dependent on an income source if more than 50% of the student's total income is provided by respective source. Response category "Other" (i.e. no source provides more than 50%) was excluded from this graph.

**Deviations from survey conventions:** CZ, GE, IE, PT, RO, SI.

The approach of this paper (i.e. comparing as many countries as possible simultaneously) reaches its boundaries, as work and study conditions as well public and private support structures are highly different among EUROSTUDENT countries and, therefore, produce very different distributions (Fig. 8). If looking at correlations of reciprocal nature, further analysis would require a deeper inquiry into national contexts. Whether students receiving public

support, for example, points to their financial difficulties in the first place or successfully counteracts respective troubles, could not be said by rough comparisons between general student population averages and respective subgroups. Most probably public support will have different causes and effects depending not only on students' individual situation but highly on issues like national welfare policy or broader economic development.

## CONCLUSIONS AND OUTLOOK

This first overview of the experience of financial difficulties among key subgroups of the general student population and its comparison between those countries participating in the EUROSTUDENT VII project provided some general hints to those social differences that seem to be heavily intertwined with financial scope. It seems as if financial stress does not simply relate to national economic wealth but has its roots in the social and political contexts of national higher education systems. However, it was also possible to identify some dimensions of social difference which seem to have either a very small or very large impact on whether (very) serious financial difficulties are experienced by larger shares of the student population that would certainly need further and deeper inquiry:

- Although sex should certainly be considered as a factor which constitutes moments of exclusion, it does not seem to manifest itself in financial terms. It would be interesting (and possible to explore with the EUROSTUDENT database) to compare whether this has changed over time and how gendered exclusion may manifest itself in other aspects of student life.
- Questions of migration background, educational background and impairment have proven to constitute major factors (and, in the case of the latter, partly effects) of financial difficulties. Although this fact shows itself in all countries in general, it is also possible to observe the impact of national contexts in this relation. EUROSTUDENT VII provides at least some additional information on support and limitations experienced by students with impairments and, with regards to all students, perceptions of institutional support and social and academic integration

into the higher education system, that could lay ground for further inquiries on this topic.

- Not very surprisingly, parents' financial status seems to have the most influence on whether students face (very) serious financial difficulties. The magnitude of this influence exceeds all other factors shown within this Intelligence Brief's framework. This constitutes problems not "only" for students individually, but also casts clouds over the higher education system itself, since "high and sustained levels of inequality [...] can significantly undermine individuals' educational and occupational choices, generate wrong incentives" (Gwosć 2019: 5). The effect observable above doesn't only exist in financial terms, but also beyond that in terms of practical social capabilities: Studies have shown that familiarity with social graces, norms and role expectations depends on family background, which is crucial in terms of "academic self-efficacy on students' career and life success expectations" (Kim 2014: 404). The availability of social networks highly relevant in academic environments is also highly dependent on family background (cf. Mishra 2020).
- Students' parental background – educational, financial, and with regard to migration – is clearly related to their financial difficulties. It would be of interest to make sense of the impacts of national social policy on this persistent and problematic relationship. The last graphs on working and study conditions point to the fact that respective inquiry needs to theorize and deepen its methodical approach to provide explanations of the shown distributions.



The countries assembled in the European Higher Education Area (EHEA) and Bologna Process have several times stated their will to provide a socially inclusive higher education area across its member states (cf. BFUG Working Group 2015: 4-5). Their self-declared mission is to “enhance the social dimension of higher education, improve gender balance and widen opportunities for access and completion, including international mobility, for students from disadvantaged backgrounds” (EHEA 2015:

2-3). The – admittedly superficial – overview provided some numerical basis for the claim that this hope is still unredeemed: social background has still a major impact on students’ individual study conditions. The figures measured by EUROSTUDENT therefore at least in some extent confirm the conclusion of Mishra (2020), that “even though access to higher education has expanded owing to a series of reforms, the integration of new students groups remains a distant goal” (ibid: 13).

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## About EUROSTUDENT

The EUROSTUDENT project collates comparable student survey data on the social dimension of European higher education, collecting data on a wide range of topics, e.g. the socio-economic background, living conditions, and

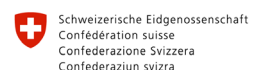
temporary international mobility of students. The project strives to provide reliable and insightful cross-country comparisons. The data presented here stem from the seventh round of the EUROSTUDENT project (2018-2021).

## Countries participating in EUROSTUDENT VII

Albania (AL)**	Germany (DE)	Poland (PL)
Austria (AT)	Hungary (HU)	Portugal (PT)*
Croatia (HR)	Iceland (IS)	Romania (RO)*
Czech Republic (CZ)	Ireland (IE)	Slovenia (SI)
Denmark (DK)	Italy (IT)*	Sweden (SE)
Estonia (EE)	Lithuania (LT)	Switzerland (CH)
Finland (FI)	Luxembourg (LU)	The Netherlands (NL)
France (FR)	Malta (MT)	Turkey (TR)*
Georgia (GE)	Norway (NO)	

\* reference period during COVID-19 pandemic; \*\* results will be available in database.

## Consortium members



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