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### RESEARCH ARTICLE

## FINANCIAL ANXIETY LEVEL AMONG GENERATION Z IN GUJARAT: AN EMPIRICAL STUDY

Varsha Gondaliya<sup>1</sup>, Ruchita Lodaliya<sup>2</sup> and Apexa Patel<sup>3</sup>

1. Assistant Professor, C.K.Pithawalla College of Commerce – Management – Computer Application, Surat, Gujarat, India.
2. Research Scholar, Gujarat Technological University, Ahmedabad, Gujarat, India.
3. Research Scholar, Sarvajanic University, Surat, Gujarat, India.

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#### Abstract

This study investigates the level of financial anxiety among postgraduate students in Surat City and evaluates gender-based differences using the original dataset of 287 respondents. Financial anxiety has emerged as a critical concern among students because of rising educational costs, uncertainty regarding future employment, and increasing dependence on financial planning. Data were collected through a structured questionnaire consisting of thirty validated financial anxiety items evaluated on a 7-point Likert scale. Descriptive statistics, reliability and transforming the data to compute the total score by using SPSS. The findings reveal an above-average Financial Anxiety Score (113.2343), indicating that financial concerns significantly affect postgraduate students. Male respondents and female respondents reported similar financial anxiety score which is higher than average score (105). The study contributes to the literature on student financial well-being and offers implications for educational institutions, policymakers, and financial counsellors.

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#### Introduction:-

Financial well-being is increasingly recognized as an important component of overall quality of life. The ability to manage financial resources effectively affects both economic stability and psychological health. Financial anxiety is widely acknowledged as a multifaceted phenomenon that influences financial behavior, mental health, overall well-being, academic achievement, career choices, and long-term wealth accumulation. Financial anxiety refers to persistent concern, stress, or fear related to financial matters, including income, expenditures, debt obligations, and future financial security. Financial anxiety has become a prominent psychological, economic, and societal issue among Generation Z (Gen Z), typically described as those born between 1997 and 2012. Among students, financial anxiety is particularly important because educational attainment often requires substantial financial commitments. Tuition fees, living expenses, transportation costs, educational materials, and uncertainty regarding future employment contribute to financial pressure. These concerns may influence academic performance, concentration, emotional health, and long-term career planning. In the evolving Indian higher education ecosystem, rising technical

**Corresponding Author:-** Varsha Gondaliya

**Address:-** Assistant Professor, C.K.Pithawalla College of Commerce – Management – Computer Application, Surat, Gujarat, India.

tuition costs, expanding educational credit options, and highly competitive post-graduation career spaces demand a higher level of economic self-sufficiency from Generation Z. Financial literacy encompassing both objective financial knowledge and subjective financial confidence acts as a vital psychological buffer. When students lack proper financial literacy, minor economic planning tasks degrade into persistent cognitive financial anxieties, directly impacting their academic persistence and overall well-being.

According to research, Generation Z has more financial stress and uncertainty than previous generations due to rising living costs, property prices, student debt, precarious employment, economic volatility, and social media use. This paper covers Generation Z's financial anxiety's theoretical frameworks, empirical data, motives, implications, measuring methods, and future research. The analysis reveals research gaps and provides a coherent conceptual framework for future studies. Financial anxiety is chronic worry, tension, or uncertainty about money, economic security, and fiscal decisions. Financial anxiety is a psychological response to imagined financial problems. The present study seeks to measure financial anxiety among Generation Z in Gujarat and examine whether gender differences exist in financial anxiety experiences.

### **Literature Review:-**

Past studies have established a strong correlational relationship between financial strain and psychological symptoms in undergraduate students, a solid understanding of the potential mediating mechanisms for this relationship has not yet been established. Engle and Tinto (2008) found that first-generation college students are less likely to get parental financial support and more focused on family and work. Bui (2002) studied UCLA third-quarter freshman first-generation college students. These youngsters were from lower-income homes and worried more about college funding than non-first-generation college students. Bennett et al. (2015) discovered that college-tuition-conscious students fared worse in economics. Chen and Carroll (2005) discovered that first-generation college students work full-time. Engel and Tinto (2008) found that 20-hour-a-week workers are more persistent, which may improve academic performance. However, working more than 20 hours a week lowers graduation rates. It was shown that FGCSs received less parental money. Due to outside obligations, these students spent less time in class study groups, university aid programs, and with instructors. Thus, just 34% of low-income first-generation college students graduated from four-year public institutions within six years, compared to 66% of their wealthier peers.

McCloud and Bann observed that financial concerns are widespread among higher education students and significantly affect mental health. Heckman, Lim, and Montalto identified a strong association between financial stress and academic difficulties. Several studies further indicate that demographic characteristics such as gender, family income, and financial literacy influence financial anxiety levels. Despite extensive international research, relatively few studies have examined postgraduate students in the Indian higher education context. This gap justifies the present investigation.

### **Research Gap:-**

Most previous studies focus on undergraduate students, general populations, or Western educational systems. Limited evidence exists regarding financial anxiety among postgraduate students in India, particularly in Surat City. Moreover, gender-based comparisons remain insufficiently explored. The present study addresses these gaps by providing localized empirical evidence from postgraduate students using a structured 30-item financial anxiety scale evaluated on a 7-point Likert system. Furthermore, this study builds a conceptual justification for gender-based comparisons. While historical financial literature often assumes that financial risk socialization patterns and societal expectations cause baseline variances in financial anxiety between male and female students, this study tests whether those traditional demographic disparities hold true for the highly uniform academic and economic pressures faced by Generation Z in urban Gujarat."

### **Objectives and Hypotheses:-**

#### **Objectives:-**

- 1. To measure the financial anxiety level among postgraduate students in Surat City.**
2. To compare financial anxiety levels between male and female students.
3. To identify major financial concerns influencing student well-being.

#### **Hypotheses:-**

H01: The average financial anxiety score is less than or equal to 105.

H02: There is no significant difference in financial anxiety levels between male and female students.

**Methodology:-**

The study adopts an empirical, descriptive research design. Primary data were collected through a structured questionnaire containing 30 distinct items evaluating core dimensions of financial anxiety (including educational debt, career uncertainty, and personal expenditure pressures). The questionnaire underwent comprehensive validation procedures, including a pilot study with higher education scholars and content validity vetting by field experts to ensure structural clarity. Responses were obtained from a sample of 287 valid postgraduate student respondents across Surat City using a 7-point Likert scale (1 = Strongly Disagree to 7 = Strongly Agree). The 30-item scale utilizes a 7-point response system, generating a potential cumulative individual score ranging from 30 to 210. Statistically, the absolute baseline score of 105 was selected as the evaluation threshold because it represents the perfect mathematical mid-point index of the instrument. Scores significantly exceeding 105 signify above-average, disruptive financial anxiety levels.

**Table 1 Reliability Statistics**

Cronbach's Alpha	N of Items
0.951	30

**Table 2 Financial Anxiety Score**

<b>Financial Anxiety Score</b>	113.2343
<b>Interpretation</b>	Above Average Financial Anxiety

**Table 3 Gender wise Financial Anxiety Score**

Gender	Sample %	Anxiety Score
Male	24.04	113.7553
Female	75.95	113.2997

Table 1 indicates Cronbach Alpha which is used to evaluate reliability for the survey statements. The answer is 0.951 which means excellent reliability or internal consistency for the statements. A total of 287 valid responses were included in the analysis and the total financial anxiety score has been calculated (Table 2). The answer reflects total score of financial anxiety which is 113.2997. The sample consisted of 24.04% male respondents and 75.95% female respondents. Further, total score has been calculated using SPSS for the collected data. Table 3 shows that the Financial Anxiety score for male respondents is 113.7553 while that of female is 113.2997. There is no difference between male and female respondent’s financial anxiety score (Table 3).

**Table 4 One-Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
Total	287	113.234265734265730	36.496253313870320	2.158068699164915

**Table 5 One-Sample Test**

Test Value = 105						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Total	3.816	286	.000	8.234265734265733	3.986490334811626	12.482041133719840

To evaluate H01, a parametric One-Sample t-test was executed, evaluating the empirical mean score against the established neutral instrument mid-point of 105. As shown in Table 5, the true cumulative sample mean score of 113.2343 significantly exceeds the benchmark threshold ( $t(286) = 3.816, p < 0.001$ ). This strong statistical outcome provides the empirical justification to formally reject the first null hypothesis H01, confirming that Generation Z postgraduate students experience severe, above-average financial anxiety.

**Table 4 Independent Samples T Test**

*Independent Samples Test*

		Levene's Test for Equality of Variances							t-test for Equality of Means	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Average	Equal variances assumed	2.696	.102	.841	284	.401	.141515394376544	.168190075058483	-.189541902878660	.472572691631749
	Equal variances not assumed		.766	.966	99.900	.445	.141515394376544	.184636340122994	-.224802330441675	.507833119194763

To evaluate gender-based differences, an Independent Samples t-test was conducted. Levene's test confirmed equal variances (F = 2.696, p = 0.102). The t-test results revealed that the marginal variation between male student anxiety (M = 113.7553) and female student anxiety (M = 113.2997) was statistically non-significant (t(284) = 0.841, p = 0.401, two-tailed). This leads to the acceptance of the null hypothesis. While historical international literature frequently reports higher baseline financial stress and lower financial confidence among female demographics, our urban Gujarati context reveals complete gender alignment. This observed similarity across gender groups points to a broader generational phenomenon; Gen Z postgraduate students in Surat encounter identical socioeconomic pressures regardless of demographic background. Both groups face parallel technical educational tuition costs, identical structural shifts within local entry-level hiring markets, and shared family performance expectations regarding modern higher education return on investment (ROI).

**Findings and Discussion:-**

The reliability test indicated that the scale statements were suitable for statistical analysis. The overall Financial Anxiety Score (FAS) of 113.2343 exceeded the benchmark value which is 105 proposed in the hypothesis, indicating above-average financial anxiety among postgraduate students. Students reported concerns regarding educational fees, debt obligations, financial planning, and personal financial management. More than half of the respondents expressed anxiety about their financial situations, while many reported difficulties concentrating on academic activities because of financial worries. Gender-based analysis revealed that there is no major gap identified between male students and female students. These findings do not align with previous research highlighting the relationship between financial stress and educational outcomes.

**For Educational Institutions and Financial Counselling:-**

The evidence of severe generalized student financial anxiety (113.2343) demands that higher education institutions move beyond traditional, purely academic frameworks. Universities should establish dedicated Campus Financial Wellness Cells. These units must uniquely blend mental health counselling with functional financial guidance, helping students manage short-term educational debt, balance living expenditures, and navigate financial anxiety triggers before they cause academic attrition.

**For Policy Planning and Wellness Programs:-**

From a macro policy perspective, regional educational boards and policymakers must integrate financial wellness into long-term institutional planning. This includes establishing state-subsidized student micro-grant structures, offering clear disclosures regarding institutional fee trajectories, and making practical financial literacy courses a mandatory credit requirement across postgraduate programs to lower career uncertainty stress."

**Conclusion:-**

In alignment with our primary research objectives, this empirical study successfully measured the absolute baseline of financial anxiety among Generation Z postgraduates in Surat City and evaluated demographic variations. The study concludes that financial anxiety is deeply systemic among postgraduate students, with observed scores critically outperforming established standard benchmarks. Furthermore, inferential diagnostics proved that this anxiety operates uniformly across gender parameters, establishing it as an all-encompassing generational issue rather than an isolated demographic variable. Ultimately, alleviating this stress requires unified intervention strategies connecting state policy planning with campus-level financial counseling cells.

**Limitations and Future Scope:-**

The study is limited to postgraduate students in Surat City and therefore may not be generalized to all student populations. Future research may incorporate larger samples, additional demographic variables, and longitudinal designs. Variables such as family income, parental education, occupation, and financial literacy may provide deeper insights into the determinants of financial anxiety.

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