

# The Effect Of Student Loan Experience During Enrollment On Academic Stress Among University Students

Mi Ran Lee<sup>1</sup>

<sup>1</sup>(Department Of Social Welfare, Kosin University, Korea)

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## Abstract:

**Background:** This study aims to explore the experiences and actual impact of student loans among college students in Korean society, where population decline and the reduction in school-age populations have made support for future generations extremely urgent.

**Materials and Methods:** By identifying various methods to improve academic performance and quality of life, it seeks to provide foundational data for youth welfare and future welfare—resources critical to the nation's future. A survey was conducted on 100 students from ten four-year universities in Korea, focusing on the academic stress of students who had experience with student loans.

**Results:** According to the descriptive statistical analysis, students with loan experience were negatively affected in terms of campus life due to the loan repayment amounts. Simultaneously balancing employment and academics during enrollment aggravated their difficulties, thereby increasing academic stress.

**Conclusion:** Therefore, to reduce academic stress, improve the quality of life for college students, and overcome future youth unemployment, a multifaceted approach to alleviating student loan burdens must be pursued. Beyond simply considering income levels, there is a mid- to long-term need to redesign student loans. This study is unique and significant in that it analyzes youth welfare from the perspective of the consumer, focusing on academic stress, an area that constitutes the greatest part of college students' lived experience.

**Key Word:** Student Loans; University Students; Academic Stress; Youth Unemployment; Youth Welfare.

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## I. Introduction

Because of the strong emphasis placed by Korean parents on education, coupled with high expectations of success and the widespread expansion of higher education, the university enrollment rate in Korea now exceeds 70%. However, socioeconomic factors such as growing income disparities, widening gaps between social classes, and rising tuition fees have increasingly amplified the financial burden on both parents and students. In response to this situation, the government operates a student loan program aimed at alleviating families' financial strain, ensuring educational opportunities for economically disadvantaged students, and promoting academic stability [1].

According to the university information disclosure provided by the Ministry of Education, the number of students using student loans from the Korea Student Aid Foundation (KOSAF) has risen annually [2]. Last year, 13.8% of all enrolled students relied on student loans, an increase of 0.9% over the same period, with private universities (14.8%) exceeding national/public universities (10.8%), and Seoul/metropolitan-area universities (14.8%) surpassing non-metropolitan institutions (12.9%) (Ministry of Education & Korean Council for University Education, 2024).

Furthermore, an analysis of the "August 2024 University Information Disclosure" for 193 general and educational universities conducted by the Ministry of Education and the Korean Council for University Education found that 442,880 students used KOSAF loans last year, an increase of 31,787 students (7.7%) from the previous year [3]. However, the total amount of scholarships awarded to students reportedly decreased slightly during the same period.

Because KOSAF loans generally carry lower interest rates, they have been recognized as a valuable tool that reduces household financial burdens and supports students in continuing their studies. Nonetheless, the obligation to repay these loans still creates pressures, and the accumulated principal every semester can become substantial, imposing a growing financial weight on young people. Thus, student loans are not exclusively beneficial but also present certain drawbacks. Accordingly, it can be said that these student loans have not been entirely positive up to now.

According to surveys conducted by some online job portals, 74.5% of college graduates reported having used student loans during their studies, and 53.9% of those with loan experience had encountered repayment delinquencies [4]. These statistics demonstrate how the substantial burden of student loans can negatively affect young people's job-search efforts after graduation.

Over time, this issue has worsened. As the proportion of students with loans continues to grow, the burden of repayment and the risk of delinquency have resulted in more young people facing compromised credit, underscoring the inadequacy of societal responses and compounding the seriousness of this social problem.

Student loans acquired during college can act as a form of personal debt that burdens students even before they formally enter the workforce. At a stage when they are just beginning their careers, the pressure of repayment can become a psychological barrier, impeding the pursuit of new ambitions [5]. Even after finding employment and earning a salary, student loan repayment obligations persist for a certain period, hindering students' capacity to plan financially for the future or realize their aspirations. Such loan repayment pressure is highly likely to become a source of multiple stressors. Summarizing these considerations, it can be inferred that student loans do not merely affect the broad post-graduation life of college students but also exert a diverse range of impacts on them while they are still enrolled.

Although recent declines in the youth population, along with expansions in government scholarships, have slightly reduced the overall scale of student loans, loan usage remains significant. According to the Korea Education & Employment Panel, 3 out of every 10 college students in Korea rely on KOSAF loans, indicating the notable influence of these loans on students' quality of life [6].

Moreover, because Korea has more private universities than national/public ones, the country's tuition fees are comparatively higher than those in many other nations. As a result, financing children's college education can significantly strain parents' finances while also impeding preparations for parents' retirement—thus creating a potential cross-generational concern. In addition, the debt held by young households after graduation may exert a negative influence on their overall life satisfaction, with heavier debt levels leading to a larger decrease in life satisfaction.

Today's young adults in their twenties often struggle to achieve financial independence due to unstable income sources and student loan debt, compounded by an endemic social environment in which part-time jobs and other avenues of income have become even scarcer. Consequently, many face a heightened risk of severe financial distress, including potential credit bankruptcy [7].

Despite these circumstances, most previous research on student loans has emphasized institutional and policy effects related to loan demand, repayment, delinquency, and financial analyses from the lender or policymaker perspective. Studies focusing on the consumer's viewpoint, particularly those examining how student loan experiences affect the broader living environment and quality of life, are relatively scarce.

Considering this, this study is deemed significant as a timely piece of research at a juncture when, due to population decline, the extinction of the school-age population, and youth unemployment, the need for greater interest in and support for the next generation has intensified. Therefore, by examining the impact of student loans on college students while seeking to understand their serious concerns and explore various ways to improve their quality of life, this study aims to investigate and illuminate the realities faced by young people, who serve as vital national resources, and thereby provide foundational data for youth welfare and future welfare, which underscores the importance of this research.

## **II. Material And Methods**

This study focuses on college students who have obtained student loans, investigating how such loans contribute to their academic stress and examining specific issues arising from these loans, along with the subsequent impact on students' quality of life. The research subjects included students from ten universities—Kyungnam University, Gyeong sang National University, Kyung sung University, Kosin University, Dong Seo University, Dong-Eui University, Masan University, Inje University, Chang shin University, and Changwon National University—who had taken out student loans.

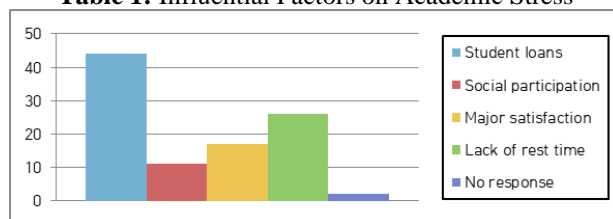
Data were collected using a questionnaire administered to students who had identified student loans as a primary factor contributing to their academic stress. Additionally, an academic stress scale (with a maximum of 16 points) was used, and students scoring within the high range (13–16 points) were interviewed to explore how academic stress specifically affects various aspects of their lives. The survey was conducted from October 29 to November 10, 2024.

### III. Result

#### 1) Survey Results

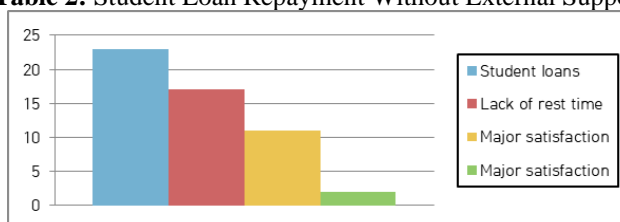
Among the 100 respondents, 44% (44 participants) indicated that student loans most significantly affected their academic stress, followed by insufficient rest time (26%, 26 participants), major satisfaction (17%, 17 participants), social participation (11%, 11 participants), and no response (2%, 2 participants). As shown in Table 1, student loans are ranked as the primary factor influencing academic stress.

**Table 1: Influential Factors on Academic Stress**



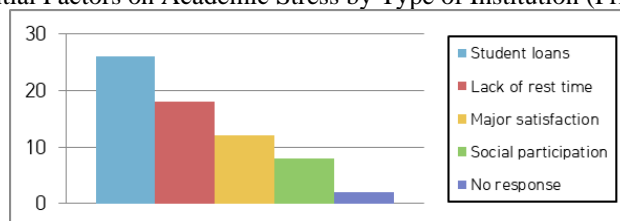
For students who received no external support in repaying their loans, the results showed student loans as the primary stress factor (43.3%, 23 participants), followed by insufficient rest time (32%, 17 participants), major satisfaction (20.7%, 11 participants), and social participation (3.7%, 2 participants). As Table 2 indicates, 43.3% of students in this situation identified student loans as having the greatest impact on their academic stress.

**Table 2: Student Loan Repayment Without External Support**



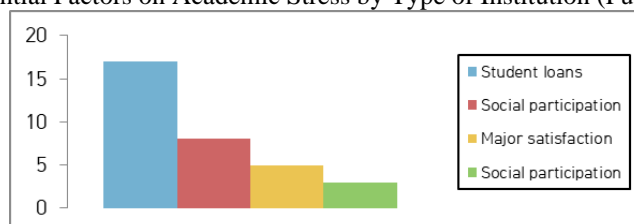
Among respondents at private universities, 39.3% (26 participants) cited student loans, followed by insufficient rest time (27.2%, 18 participants), major satisfaction (18.1%, 12 participants), social participation (12.1%, 8 participants), and no response (3.03%, 2 participants). As Table 3 shows, 42.4% (28 participants) of students at private universities rated student loans as the most significant contributor to academic stress.

**Table 3: Influential Factors on Academic Stress by Type of Institution (Private Universities)**



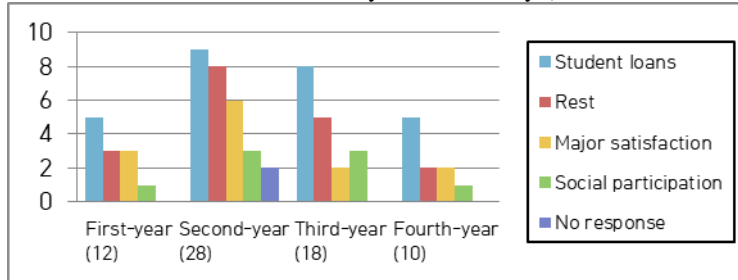
Among respondents at public universities, 51.5% (17 participants) identified student loans, followed by insufficient rest time (27.2%, 9 participants), major satisfaction (15.1%, 5 participants), and social participation (9%, 3 participants). As Table 4 shows, student loans were again the most significant factor, at 51.5% (17 participants).

**Table 4: Influential Factors on Academic Stress by Type of Institution (Public Universities)**



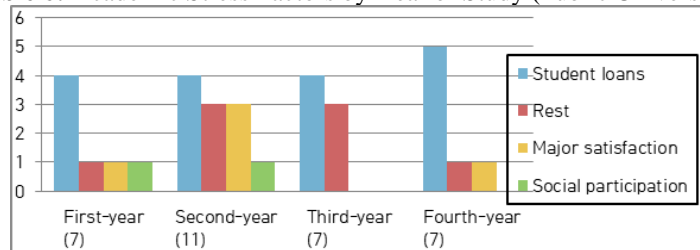
An analysis of private university students by academic year indicates that student loans were the top stress factor for first-year students (41.6%, 5 out of 12), second-year students (39.2%, 11 out of 28), third-year students (44.4%, 8 out of 18), and fourth-year students (50%, 5 out of 10). As shown in Table 5, student loans consistently emerged as the primary source of academic stress across all years.

**Table 5: Academic Stress Factors by Year of Study (Private Universities)**



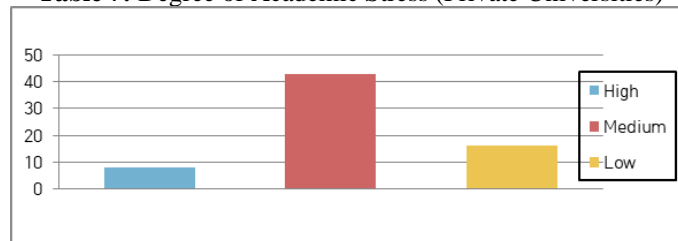
A similar trend was observed among public university students: student loans were the top stress factor for first-year students (57.1%, 4 out of 7), second-year students (36.3%, 4 out of 11), third-year students (57.1%, 4 out of 7), and fourth-year students (71.4%, 5 out of 7). As Table 6 shows, student loans had the greatest impact on academic stress in each academic year.

**Table 6: Academic Stress Factors by Year of Study (Public Universities)**



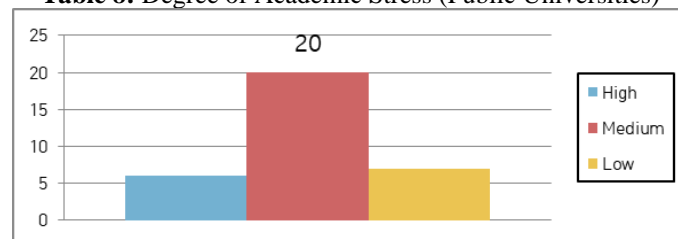
Among respondents at private universities, 11.9% (8 participants) reported high levels of academic stress, 64.1% (43 participants) reported moderate levels, and 23.8% (16 participants) reported low levels. As shown in Table 7, moderate levels of academic stress (64.1%) were the most prevalent among private university students.

**Table 7: Degree of Academic Stress (Private Universities)**



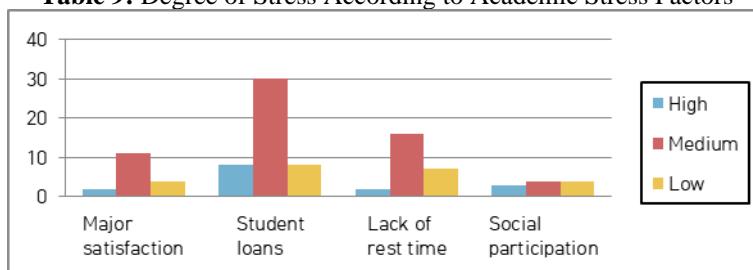
Among respondents at public universities, 18.1% (6 participants) reported high levels of academic stress, 60.6% (20 participants) reported moderate levels, and 21.2% (7 participants) reported low levels. As Table 8 illustrates, moderate levels of academic stress (60.6%) were again the most common among public university students.

**Table 8: Degree of Academic Stress (Public Universities)**



Out of the 46 participants who identified student loans as the most influential factor on their academic stress, 17.3% (8 participants) indicated a high level of stress (13–16 points), 65.2% (30 participants) reported moderate stress (8–12 points), and 17.3% (8 participants) reported low stress (4–7 points). As Table 9 shows, across all four subgroups, moderate stress (8–12 points) was the most reported range on the academic stress scale.

**Table 9:** Degree of Stress According to Academic Stress Factors



## 2) Qualitative Research Results

A follow-up interview was conducted with students who had named student loans as their chief academic stress factor and scored in the high range (13–16 points) on the academic stress scale (out of a possible 16). The goal was to investigate the specific ways in which academic stress affects their lives. From these interviews, it became evident that a wide spectrum of additional negative issues emerges because of student loans:

“Since I got discharged from military service, I’ve had to work part-time on both weekdays and weekends. Because of this, I barely spend any time on campus, and I have relatively little opportunity to socialize with my friends.”

“Even after graduation, I still have to repay my loans. I can’t ask my parents to cover all the expenses, so I feel pressured to maintain good grades, and I also feel pressured not to take out any more loans.”

“I question whether I should be borrowing money just to attend college. I feel doubtful about continuing my studies if it means going into debt.”

“I commute from home, and my parents bring up the student loan situation every day. They lecture me about my studies, which causes me a lot of stress.”

“Because my parents know my class schedule now that I’ve taken out a loan, they call me whenever I don’t go straight home after class. I can’t hang out with my friends often, which hurts my personal relationships.”

“After seeing my grades for the first semester, my parents told me they wouldn’t pay my tuition anymore if I didn’t improve. They also said I’d have to pay back the student loans myself. My relationship with them has really deteriorated.”

“My parents and I have conflicts over my student loans, and I find it stressful to even go home. Overall, it makes my current life feel negative.”

“Although my parents don’t say it outright, they seem to expect me to secure enough scholarships or academic success to cover my tuition. Feeling pressured to excel academically sometimes prevents me from focusing on my studies.”

“Because I took out a post-employment repayment loan, while others have already cleared their debts, I still face the burden of repaying mine in the future. During the week, I’m busy with assignments and studying, and on weekends, I work to cover the interest on my student loan, leaving little room for rest or leisure.”

“If my grades don’t improve, I can’t get government scholarships, so I’ll have to take out even more student loans. Thinking about accumulating debt makes me feel that student loans are my biggest source of academic stress.”

“Paying both the principal and interest on the loan each month really limits my spending on leisure activities and hobbies. And because I worry about keeping my grades up, I can’t truly relax with my friends.”

A holistic analysis of these interviews indicates that student loans give rise to additional negative factors, such as difficulties in maintaining interpersonal relationships, lack of leisure and rest time, and concerns about future life plans. Participants often mentioned an array of negative emotions, disappointment, anxiety, oppression, and a sense of compulsion—revealing the pervasive adverse effects that student loans can have on their daily lives.

## IV. Discussion And Recommendations

The purpose of this study was to examine the concerns of college students who have taken out student loans in an era marked by population decline, the dwindling school-age population, and rising youth unemployment. It aimed to explore various ways to enhance the quality of life of these students, investigate the

current realities faced by young people (who constitute vital future resources), and provide foundational data for improving youth welfare and future welfare.

Therefore, based on the findings of this study, when examining the loan experiences of college students who have taken out student loans with a focus on academic stress, it appears that the amount borrowed or the amount due for repayment has a significant impact on whether they can continue their college lives. Moreover, the additional burden of balancing both work and academics while enrolled was found to lead more directly to academic stress.

Specifically, nearly half (44%) of the respondents identified student loans as the foremost factor contributing to their academic stress, and this trend was consistent among those with no external support and among students from both public and private institutions. Private university students generally reported higher levels of academic stress related to student loans, with notable variations across different academic years.

Moreover, interviews with respondents revealed that the specific negative factors generated by student loans place various burdens on maintaining interpersonal relationships and on attitudes toward life, thereby significantly lowering overall quality of life.

Therefore, it appears that the reason current college students identify student loans as the primary factor contributing to academic stress is that they lack specific plans and strategies for repaying their loans, which in turn heightens their anxiety. As a result, most of their time is consumed by part-time jobs and coursework, leading to a repetitive lifestyle that causes difficulties in interpersonal relationships, a sense of doubt or powerlessness about life, limited leisure activities, and worsening relationships with parents, among other negative effects.

Based on these research findings, the following recommendations are proposed. Rather than focusing on whether students have taken out loans, there is a need for practical student support based on the amount borrowed and the amount that must be repaid. Moreover, for students who hold large student loan balances and consequently face high repayment burdens, it is necessary to develop active and detailed support measures. Lastly, considering that the total amount borrowed and the amount to be repaid are closely linked to continuing college enrollment and give rise to a negative causal relationship with academic stress, colleges themselves should inspect the actual conditions of their student loan programs. In addition, they need to formulate not only measures for adapting to college life and coping with academic stress but also plans for restoring family relationships and effectively using leisure time, thereby improving the overall quality of life for college students.

The student loan system mitigates the credit constraints and financial difficulties faced by disadvantaged college students, offering opportunities for future academic endeavors and thus contributing to enhanced social equity and various forms of upward mobility [8]. However, student borrowers remain in the position of debtors for an extended period, experiencing considerable financial and psychological side effects [9]. Moreover, for low-income college students, student loans are not perceived solely as a positive investment for the future; rather, they adversely affect quality of life and can exert negative influence well into the future [10].

Above all, vulnerable groups, who face the burden of housing and living expenses alongside limitations on external services due to their own or their parents' credit status, and who find it difficult to afford additional costs for developing job skills, must have continued access to student loans designed as youth welfare measures. These loans are essential for enabling students to continue their studies and prepare for their future.

To address the diverse needs of young people, collaboration with youth organizations is crucial to strengthening government policies and local government initiatives. Concrete efforts should be made to develop various youth welfare projects and policy options, such as support for rental housing for college students and living-expense loans provided by the Ministry of Education, to ensure economic and housing stability.

As this study does not include an analysis of the long-term impacts of student loans, future research could develop a more positive or negative exploration of student loans by income level, thereby offering new approaches to designing student loans for different income classes. Additionally, as this study limited the factors affecting academic stress to four main categories, subsequent research might extend these findings by incorporating additional social, psychological, and demographic factors.

Unlike previous studies on student loans, this research stands out by adopting the perspective of the user and consumer. It analyzes academic stress, which constitutes a major part of college students' daily lives, and examines its impact on their quality of life, underscoring the importance of the study.

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