

Impact of Financial Stress and Peer Pressure on Anxiety and Aggression among University Students

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Abstract: *This paper provides insights into the journey of a liberal arts university in Pakistan towards adopting online or remote Open-Book Examination (OBE) as an attempt to shift from conventional examination to foster deeper learning, critical thinking, and knowledge application skills among undergraduate students. This journey encompassed the creation of a twelve-member Community of Practice (CoP) involving diverse stakeholders representing the full spectrum of the university community including faculty, students, leadership, and administrative departments. After a series of regulated meetings, the CoP collaboratively developed assistive resources for the faculty to be able to plan for, prepare, and implement OBE. This initiative was housed at the Center for Learning and Teaching (CLT), a hub of pedagogic innovation and excellence. The OBE resources were disseminated to all faculty through the webpage. These resources are available for viewership beyond the institutional community and serve as a guide for faculty in Higher Education willing to adopt the OBE approach. The paper also unpacks some key attributes of OBE and sets a way forward for capacity building in low-resourced institutes.*

Key Words: Open-book Exam (OBE), Community of Practice (CoP), Center for Learning and Teaching (CLT), Pakistan, Low-Resourced Institutes

Introduction

Financial crises are a global phenomenon, but it has affected the developing world the most. In Pakistan, it not only disrupts the daily lives of people but also has a very severe impact on mental health, causing stress, anxiety, and an increased risk of suicide (National Health Services, 2023). University students are especially vulnerable to the pressures of financial stress among different populations. The university settings, tuition fees, rent bills, and daily expenses weigh heavily on students, who are often subject to increased levels of anxiety and violent behavior (Moore et al., 2021). According to Usman & Banu (2019), financial stress is enhanced by the desire to conform to others and therefore increases emotional and psychological turmoil.

In addition to financial demands, peer influence strongly affects the psychological well-being and behavioral outcomes of students. Social pressure, including lifestyle choices, academic performance, or social requirements, creates an atmosphere of incessant comparison that often exacerbates stress and anxiety among students (Filade et al., 2019). The combination of financial stress and social pressure gives rise to feelings of inadequacy and alienation, fostering an environment where violence and anxiety become coping tools (Shah et al., 2023).

Hunt et al. (2010) investigate that students belonging to lower socio-economic strata, who juggle part-time jobs with academic responsibilities, are more susceptible to these stressors. This financial

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burden affected academic performance and increased the risk of mental health issues, which are significantly associated with increased anxiety and aggression. Furthermore, at such a critical developmental stage characterized by swift change and social ills, peer influence creates added psychological distress and violent behavior (Yavuzer et al., 2014). These interrelated stresses underscore the potent influence financial stress and peer pressure have on university students' mental health, especially their experiences of anxiety and hostility.

Financial stress is strongly allied with mental health consequences, especially anxiety and anger. As McCloud and Bann (2019) investigated, subjective assessments of financial stress are consistently associated with worse outcomes, such as elevated anxiety. Drentea and Reynolds, (2012) discovered that debt makes people feel more angry and anxious, underscoring the importance of financial stress for people of all ages.

The effect of financial stress on deteriorating mental health was validated by Herrmann et al. (2019) and Mohammad et al. (2021) in France. Results called for measures to address financial concerns among Malaysian students. Fuad et al. (2015) have observed that medical students frequently experience anxiety as a result of academic and financial strains. Students are also impacted by peer-related financial stress. Heckman et al. (2014) observed that social comparisons cause stress, while Potter et al. (2020) discovered that first-generation students are more at risk because of their low financial literacy.

Aggression has also been connected to financial stress. Students who experience financial hardship and frustration are more likely to act aggressively (Barlett & Anderson, 2014). Eldelekioglu (2017) and Coleman (2020) stated that peer pressure has an impact on aggression, especially when combined with particular parenting philosophies or contradicting signals regarding violence.

Moreover, Ponnet et al., (2014) found a connection between parental financial stress and teenage aggression, particularly in father-child relationships, while Adams et al., (2016) and Khurshid et al. (2012) showed that financial stress might worsen both anxiety and aggression.

Objectives

1. To investigate the relationship between Financial Stress, Peer Pressure, Anxiety, and Aggression among University students.
2. To investigate differences in Financial Stress, Peer Pressure, Anxiety, and Aggression based on gender among University students.

Hypotheses

1. There is a positive relationship between financial stress, peer pressure, anxiety, and aggression.
2. There is a higher financial stress, peer pressure, anxiety, and aggression experienced by male university students as compared to female university students.

Method

Research design

The possible relationships between financial stress, peer pressure, anxiety, and aggression among university students were investigated using a cross-sectional survey research design. The study's sample size was 400 participants ($N=400$), and in order to guarantee a varied representation, participants were specifically selected from Islamabad's Government and private universities. During the study researcher chose 200 participants from Government Universities (100 males and 100 females) and 200 participants from private universities (100 males and 100 females). Convenient sampling was used to recruit research participants.

Instruments

The study administered the APR Financial Stress Scale (Heo et al., 2020) to measure financial stress, the Peer Pressure Questionnaire-Revised (Saini, 2016) to measure peer pressure, the Generalized Anxiety Disorder-7 (Spitzer et al., 2006) to measure anxiety, and the Aggression Questionnaire-Short

Form (Bryant & Smith, 2001) to measure aggression. The scales were administered after obtaining permission from the authors.

APR Financial Stress Scale

The 24-item multidimensional financial stress scale developed by Heo et al. (2020) used in this study included affective (A), physiological (P), and relational (R) elements of financial stress. Items are scored using a 5-point Likert scale with 1 being strongly disagree and 5 being strongly agree. Cronbach's alpha coefficient for the scale is 0.96.

Peer Pressure Questionnaire-Revised

The 25 items on the PPQ-R are meant to measure the different dimensions of peer pressure such as the pressure to conform, the readiness to take risks, and the resistance towards peer pressure. It was developed by Sunil Saini (2016). The scale uses a 5-5-point Likert scale. The scale has good reliability as demonstrated by its Cronbach's alpha coefficient of 0.79.

Generalized Anxiety Disorder-7

With each item assessed on a four-point Likert scale (0 = hardly at all to 3 = almost every day), the seven-item GAD-7 assesses symptoms of anxiety and worry. The reliability of the scale is indicated by its Cronbach's alpha coefficient, which is $\alpha = .92$ (Spitzer et al., 2006).

Aggression Questionnaire-Short Form

The Aggression Questionnaire-Short Form (Bryant & Smith, 2001) was utilized to evaluate the student's aggressive inclinations. This twelve-item scale assesses relational, physical, and verbal violence. Participants will rate their agreement with each statement on a 5-point Likert scale. The AQ-SF shows good internal consistency in terms of psychometric validation, with a Cronbach's alpha of 0.87.

Procedure

The subjects were approached from both government and private universities of Islamabad. Participants were given questionnaires and asked for their informed consent before any data was collected. The participants were urged to freely complete the survey, submit their answers, and complete the questionnaire. All ethical considerations were taken into account. The study was approved by the local ethics committee of Riphah International University's Applied Psychology Department in Islamabad. The students were not given a time constraint. The Statistical Package for the Social Sciences (SPSS) version 26 was used to analyze the data.

Results

This study aimed to investigate the impact of financial stress and peer pressure on anxiety and aggression among university students. To achieve this, correlation analysis was conducted to examine the relationships between the variables: financial stress, peer pressure, anxiety, and aggression. This analysis provided insight into how financial stress and peer pressure might influence anxiety and aggression levels. Additionally, an independent-sample t-test was conducted to assess gender differences, allowing for a clearer understanding of how male and female students may differ in their experiences of financial stress, peer pressure, anxiety, and aggression.

Table 1 presents the psychometric properties of the assessment instruments used in this study. The reliability coefficients (Cronbach's alpha) for each scale were as follows: Financial Stress Scale (24 items, $\alpha = .96$), Peer Pressure Questionnaire-Revised (25 items, $\alpha = .91$), Generalized Anxiety Disorder Scale (7 items, $\alpha = .82$), and Aggression Questionnaire (12 items $\alpha = .87$). Descriptive statistics, including means and standard deviations, are also reported.

Table 1

Psychometric Properties of the Instruments (N=400).



Scale	k	M	SD	Range	α
Financial Stress	24	63.45	23.09	24-120	.96
Peer Pressure	25	67.44	20.52	25 – 125	.91
Anxiety	7	16.25	4.62	7 – 28	.82
Aggression	12	33.23	9.62	12 – 60	.87

Note: Mean (M), Standard Deviation (SD), No of Items (k) Cronbach's Alpha (α).

Table 2 presents the sociodemographic characteristics of the participants, highlighting the diversity within the study sample. The participants were evenly divided by gender, and the sample comprised equal proportions from private and government universities. Additionally, the sample included individuals from various family structures, educational levels, and employment statuses. This demographic overview is essential for contextualizing the study's findings.

Table 2

Sociodemographic Characteristics of Participants (N=400)

Variables	Frequencies (f)	Percentages (%)
Gender		
Male	200	50%
Female	200	50%
University		
Private University	200	50%
Govt. University	200	50%
Family Structure		
Joint	195	48.75%
Nuclear	205	51.25%
Education		
Undergraduate	214	53.5%
Post Graduate	186	46.5%
Current employment status		
Employed	217	54.25%
Unemployed	183	45.75%

Correlation analysis revealed significant associations among variables as shown in Table 3: financial stress exhibited a positive relationship with peer pressure ($r = .607, p < .01$), anxiety ($r = .218, p < .01$), and aggression ($r = .427, p < .01$). Peer pressure exhibited a positive relationship with anxiety ($r = .112, p < .01$) and aggression ($r = .393, p < .01$). Additionally, anxiety and aggression has positive relationship ($r = .432, p < .01$), suggesting that financial stress and peer pressure are factors contributing to increased levels of anxiety and aggression.

Table 3

Correlations between the Financial Stress, Peer Pressure, Anxiety, and Aggression.

S. No	Variables	M	SD	1	2	3	4
1	FinStress	63.45	23.09	-			
2	P.Pressure	67.44	20.52	.607**	-		
3	Anxiety	16.25	4.62	.218*	.350**	-	
4	Aggression	33.23	9.62	.427**	.416**	.372**	-

Note: Correlations marked with an asterisk (**) were significant at $p < .01$, and (*) were significant at $p < .05$, FSS= Financial Stress Scale; PPQ = Peer Pressure Questionnaire; GAD = Generalized Anxiety Disorder Scale; AQ = Aggression Questionnaire.

Independent-sample t-tests were conducted to examine gender differences in financial stress, peer pressure, anxiety, and aggression, as summarized in Table 4. The results indicated no significant variations in anxiety or aggression by gender. However, males exhibited considerably higher levels of

peer pressure ($p < .05$) and financial stress ($p < .05$) compared to females.

Table 4

Gender difference in Financial Stress, Peer Pressure, Anxiety and Aggression (N=400)

Variable	Male (n = 200)		Female (n = 200)		t (398)	p	Cohen's d
	M	SD	M	SD			
Fin. Stress	66.65	21.40	60.13	25.19	2.79	.00	.28
Peer Pressure	68.42	18.95	66.10	22.06	1.12	.02	.11
Anxiety	16.00	4.44	16.43	4.89	.91	.18	-
Aggression	34.80	9.97	31.48	9.06	3.49	.30	-

Note: M = Mean, SD = Standard Deviation, p= Level of Significance

Discussion

The study has substantial findings of association between the financial stress of university students, peer pressure, anxiety, and aggression. Financial stress is positively correlated with peer pressure and anxiety, demonstrating a complex relationship among these variables.

Likewise, peer pressure is significantly associated with both anxiety and aggression, showing how these factors are interconnected. In addition, anxiety and aggression are positively associated with each other, suggesting that these emotional states influence each other. Implications from these findings outline the importance of monetary stress and peer pressure that triggers the mental health concerns of students.

These findings conform to previous studies, which highlight that financial stress negatively impacts mental health. Guan et al., (2022) point out that financial stress heightens the risk of developing mental health conditions such as depression and anxiety. Harbor (2024) further points out that financial stress often begets anxiety and uncertainty, which often translates to tense individual mental health over time. In addition, peer pressure had a significant influence on both anxiety and aggression.

Jiang et al. (2020) posits that persons who are pushed to gain the approval of others may be in a higher stress and anxiety state. Borsari et al. (2001) research prove that the wellness of students depends on peer acceptance, which generally results in aggression or dangerous conduct. These research findings together imply that peer relations, mental state, and behavior outcomes are linked.

The findings of this study are not incompatible with the literature. According to Chung et al. (2019), anxiety can take the form of aggression because of subconscious emotional dysregulation or frustration. Yavuzer et al. (2014) also identify peer influence and cognitive factors as major predictors of aggression among adolescents, which further underlines the fact that social issues contribute a lot to aggressive behavior. Farrell et al. (2020) further clarify that deviant peer behaviors both contribute to the initiation and perpetuation of aggressive acts, focusing attention on peer relations in adolescence.

Collectively, these findings point to the notion that financial stress and peer pressure not only considerably increase anxiety and aggression but are also interlocked stressors that exacerbate the effects of one another. These factors can thus be addressed within university settings to mitigate their impact on the welfare of students by implementing targeted interventions. Some strategies proposed include financial counseling, peer support programs, and enhanced mental health services among others.

Although this research provides insightful findings, it indicates that there is no significant difference in anxiety or aggression based on gender. However, males reported significantly higher levels of peer pressure and financial stress than females. This is in line with the research by Ponnet et al., (2014), showing that men are more deeply affected by financial stress, especially in contexts of positive parenting. Similarly, Bukhari et al., (2017) reported the tendency of having irritability as well as physically aggressive behavior with a higher order in male students while female students often have a higher level of hostility and verbal confrontations. In addition, Hossain et al. (2023) found that



there is a positive correlation between gender and financial stress, indicating that women usually have lower financial stress. At the aggregate level, the results presented together point out how psychological distress due to financial stress and related psychosocial factors disproportionately affect men, and thus, gender-sensitive intervention strategies are warranted.

Limitations and Recommendations

Future studies that will examine the effects of financial stress and peer influence on anxiety and aggression among the students in the university should seek to include other confounds such as academic performance, background family, and other socioeconomic characteristics. This holistic approach can help understand better the factors that influence anxiety and aggression in students. Moreover, the effect of parental financial stress and peer pressure at different stages of life can further help to understand the relationship between financial and social pressures and psychological well-being.

Several other limitations characterize this study. A reliance on self-report surveys potentially introduced social desirability bias, such that participants may over- or under-report experiences linked to anxiety, aggression, financial hardship, or peer pressure. The findings will not be as easily generalizable to students drawn from diverse ethnic or regional backgrounds, as cultural dynamics in the universities of Islamabad may not capture those found elsewhere in Pakistan.

Implications

This study can help educators, parents, and mental health professionals identify ways to develop interventions for students on academic performance, financial stress, peer pressure, anxiety management strategies, and self-esteem. By closing the gap in existing research, which predominantly focuses on clinical samples, this study highlights the necessity of addressing the needs of students and the general population.

Conclusion

In summary, the findings of this study reveal positive correlations among peer pressure, financial stress, anxiety, and aggression. Addressing these interconnected factors is crucial for improving mental health outcomes among university students and fostering a supportive academic environment.

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