

IMPACT OF COVID-19 ON STUDENT LOANS AND FINANCING FOR EDUCATION AMONG UNIVERSITY STUDENTS

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Abstract: Covid-19 has laid a severe impact on learners throughout the globe. The pandemic has affected the academic progress of billions of learners. Covid-19 has led to an increased number of students postponing graduation and dropping out of college. The crisis situation arising from the Covid-19 pandemic has resulted in many shortcomings and injustices that have been uncovered in this survey. This study aims to enlighten Covid's effect on the learner. This analysis shows that during pandemic students were not given any kind of special support from their institution for the continuation of studies. This survey also clearly shows that there was no support in the continuation of their studies from banks/financial institutions and little support from the Government and educational institutions.

Keywords: Covid-19, Student Loans, Financing for Education, University Students, Survey

Introduction

This article explores the impact of Covid-19 on student loans and financing for education among university students. We live in a generation where information digitalization has resulted in significant changes in all aspects of life. This is especially true for college-aged children, who are thought to be the most frequent internet users of any age group. However, since the Covid period, this has raised concerns, as social media addiction has become a major problem among college students. The point of this paper was to survey the writing via online media compulsion among school-going understudies and mental problems understudies.

We know people were different when they didn't know about social media. They connected people through posting letters or emails or simple text messages, however, as soon our generation was introduced to social media, they had an immense influence on their style of living. This is a brief scenario of a time when people used to go out, meet people daily and were busy with their school, college and jobs. Now that the world has to face an uninvited virus Covid-19, we all have to go through necessary precautions that were lockdown all over the world. But it seemed less stressful when people got closer to different platforms of social media.

The questionnaire was developed to compare the addiction of social media among students and through their responses we can conclude that students use different social media platforms but are most active on WhatsApp and Instagram. Before the pandemic they tend to use less of social media in comparison to now they use more of it or mostly are engaged in learning on social media or influencing through their ideas. Playing games or interacting with their friends and family via video calls or voice calls.

This virus had a wide-ranging influence touching all compartments of our society. Higher education is no different.

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Impact of COVID-19 on Student Loans and Financing for Education Among University Students

According to the American Council on Education, matriculation is forecasted to drop by 15% in the 2020's mid-time of summer, despite the fact that various establishments may encounter pressures about major deduction in tuition fees if courses are in digital mode. This study aims to enlighten Covid's effect on learners. To begin, we portray and accurately measure the unintended consequences of saying "Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2)" epidemic on a major number of aspects in students' group.

Our conclusion based on the evidence and reasoning on scholastic end result indicates that Covid-19 has led an increment to a large number of people who are postponing graduation (13%), dropping out of school (11%) and intending to change major (12%). The Covid-19 epidemic has crossed national borders and still spreading. Many shortcomings and injustices have been uncovered as a result of the crisis.

Literature Review

Despite the fact that "education pays the best interest, "rising expenses have made it harder for parents to invest in their children's education. It gets even worse with the Covid crisis. (Qian and Fan, 2021). Since the pandemic has started, many recent studies have shown that banks are now focused on the problem of funding education for university students (Evans and Paulina, 2021). While there have been many types of research on funding education, few researchers have taken into consideration student loans (Chen et al., 2020).

During the pandemic, many hurried to enrol in a short-term up-skilling course or upgrade to an executive course, thus, increasing the demand for education loans to new heights. Apart from domestic up-skilling, there has been a 35% increase in the number of people applying to institutions abroad (Nishimura et al., 2021). Although demand has surged as a result of the Covid-19 epidemic, funded payment has remained low, with only Rs 11,000 crore funding in the 12 months leading up to September 2020 (Sahu, 2020).

The Indian government implemented numerous interest subsidy programs, such as the Central Sector Interest Subsidy Scheme, to help lower the financial burden on low-income people while also encouraging lenders to grant school loans. While several aspects of this program might be improved, such as the loan amount restriction, it is still a step in the right direction (Thatcher et al., 2020). Banks will also have to make changes and adopt a model in which education loans are granted based on parameters such as students' future earning potential, the ranking of the college and course, and the parents' financial status (Drane et al., 2020)

Methodology

The authors have used quantitative methods to gather data of the students who may have been affected by Covid-19 regarding student loans and finance issues. These methods include surveys with various questions that assessed whether students were affected, helped or unaffected by various factors like Government, Covid-19, colleges/schools etc. The survey was distributed among various students of Sharda University (age group of 18-20 years old). The survey was made with the specific set of questions made available on google forms. Table 1 provides the Questionnaire for the survey.

Table 1 List of questions for the survey

S. No	Questionnaire
1	How are your studies funded?
2	Is the loan payer employed during a pandemic?
3	Is it difficult to repay the loan during a pandemic?
4	What is the difficulty level in paying the loan?
5	Do you think student loan is difficult for students to manage during a pandemic?
6	Do you think students should be given some relief in paying student loans?
7	How do you think this difficulty should be reduced?
8	Is there any helpline support for students for discussing this issue?
9	Was your education discontinued/disturbed due to financial constraints?
10	Have you got any special support from your institution for continuing your studies?
11	Whom do you think was more supportive in continuing your education?

Result and Discussion

Figure 1 shows the distribution of participants of the survey based on the course in which they are enrolled. Figure 2 shows the distribution of participants of the survey based on the university in which they are enrolled.



Figure 1 Classification of participants based on the course studying

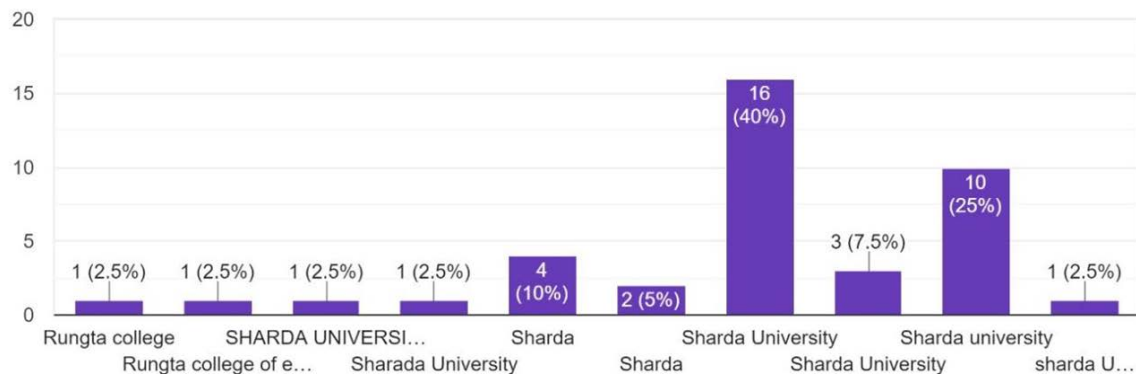
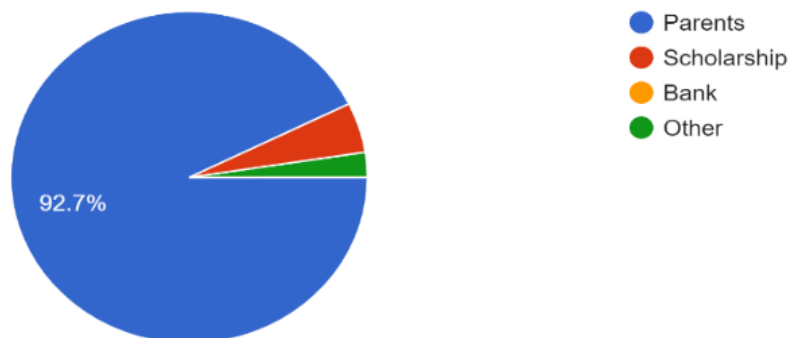


Figure 2 Classification of participants based on the university studying

Figure 3 (a)-(k) shows the response of the survey based on the eleven questions of the survey in which around 40 students participated. The results have been represented in form of a pie-chart for better understanding.

1. How is your studies funded?

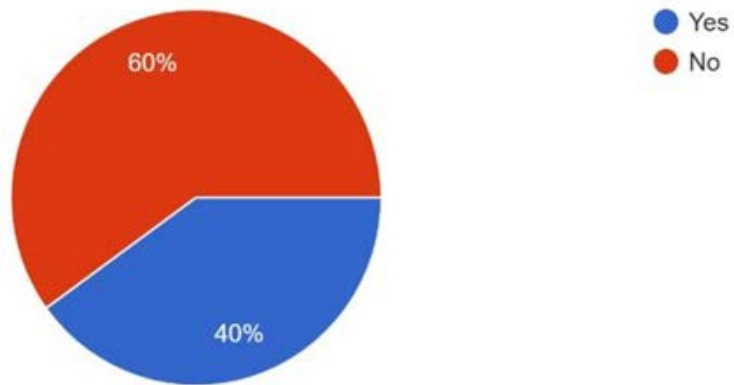
41 responses



(a)

2. Is the loan payer employed during pandemic?

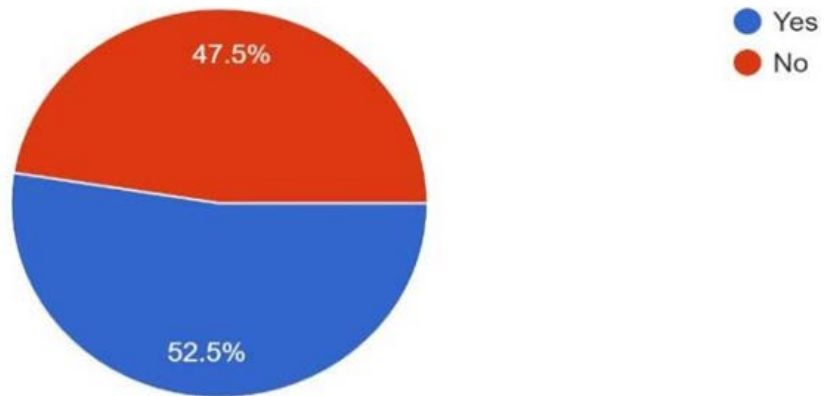
40 responses



(b)

3. Is it difficulty to repay loan during pandemic?

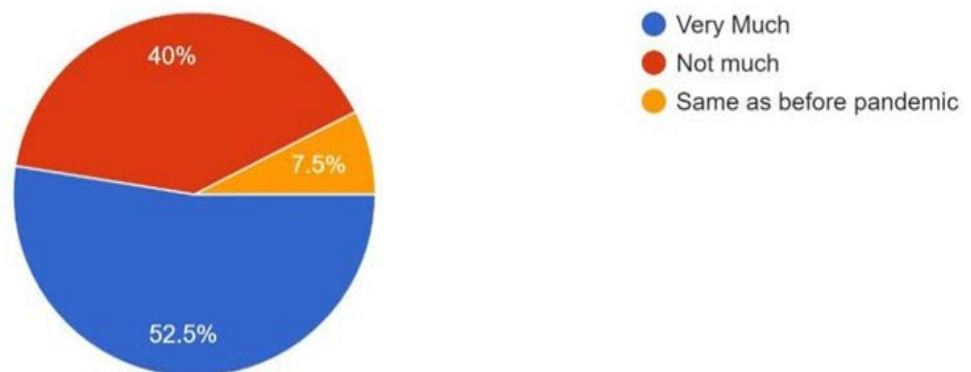
40 responses



(c)

4. What is the difficulty level in paying loan.

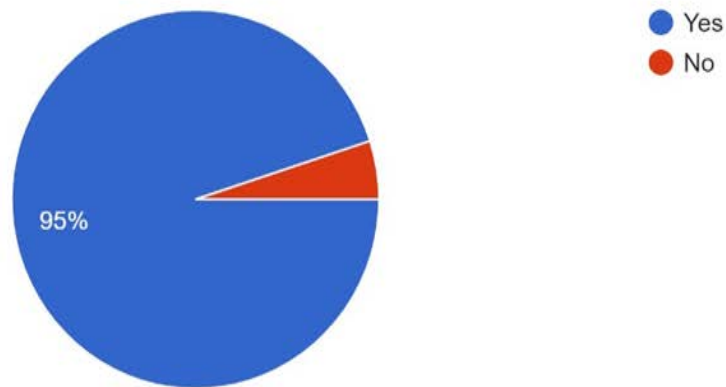
40 responses



(d)

5. Do you think student loan is difficult for the students to manage during pandemic?

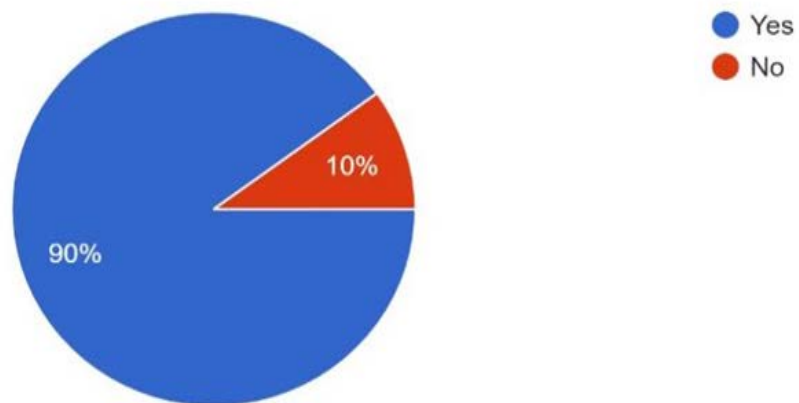
40 responses



(e)

6. Do you think students should be given some relief in paying student loans?

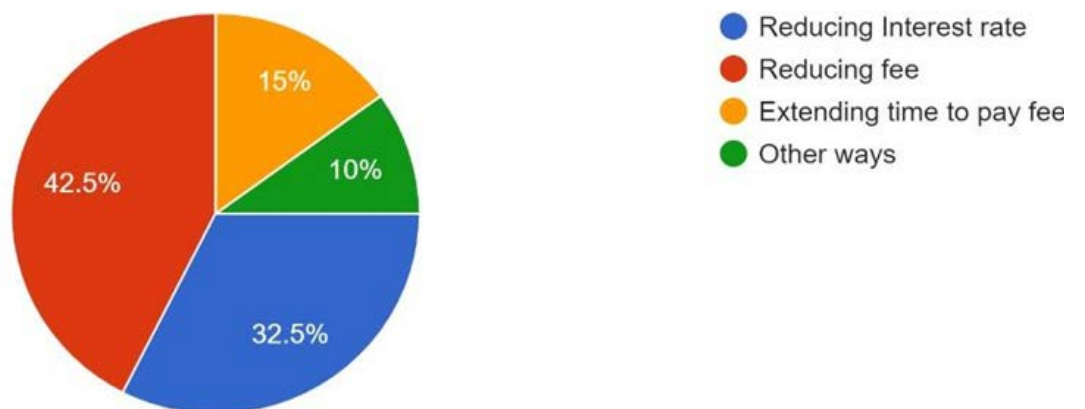
40 responses



(f)

7. How do you think this difficulty should be reduced?

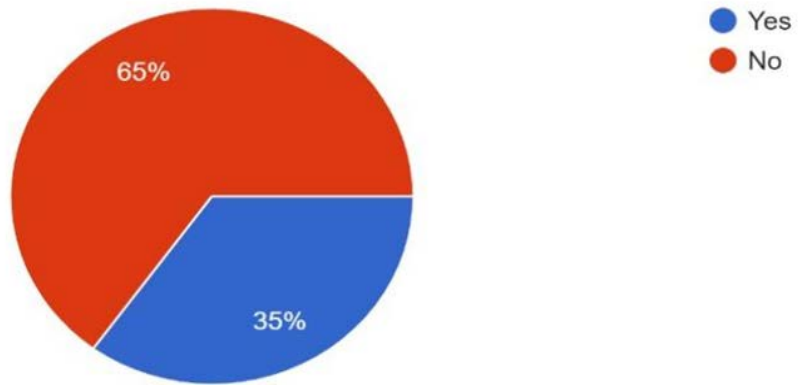
40 responses



(g)

8. Is there any helpline support for student for discussing this issue?

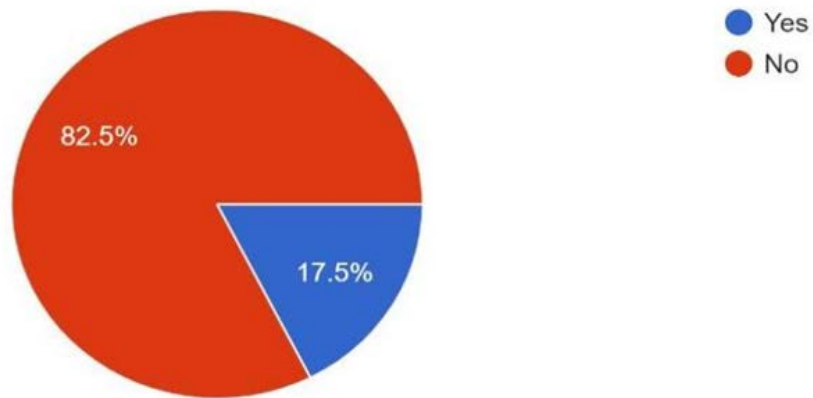
40 responses



(h)

9. Was your education discontinued/disturbed due to financial constraints.?

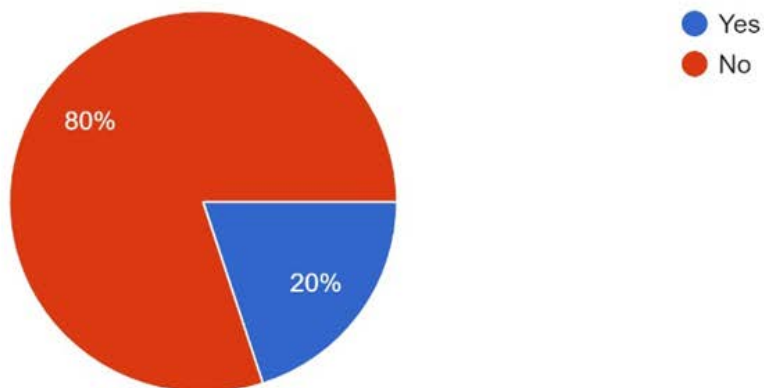
40 responses



(i)

10. Have you got any special support from your institution for continuing your studies?

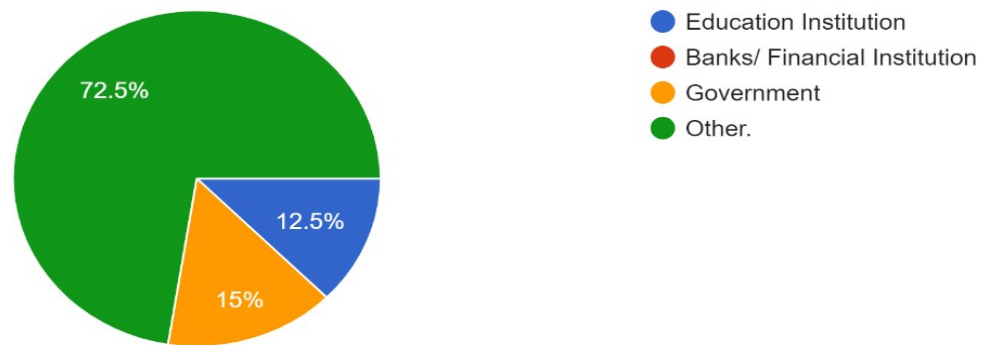
40 responses



(j)

11. Whom do you think was more supportive in continuing your education?

40 responses



(k)

The results obtained from the survey has been properly analyzed. Most of the students are funded for studies by their parents and then very few from banks and others. According to the survey, approximately 60% of loan payers are employed during a pandemic. Here we can see that most of the students have faced difficulty repaying loans. Through the survey, we can note that there was a very high difficulty level for 52.5 % of people and not much for 40% of people. Here, with a very high percentage of 95% students, a survey has analyzed that yes, student loan was difficult for students to manage during Covid. Agreeing to this analysis, 90% of students have claimed that students should be given some relief in paying student loans. Mostly, students have said that difficulty should be reduced either by reducing fees or reducing interest rates. Here, 65% of students think there is no helpline support and 35% think there is, so we can assume that maybe there is helpline support that most of them do not know. The majority of students think there was no discontinuation/disturbance due to constraints. This analysis shows 80% of students were not given any kind of special support from their institution for the continuation of studies. This survey clearly shows that all of the students think there was no support in the continuation of their studies from banks/financial institutions and little support from the Government, educational institutions and mostly from another source.

Conclusion

The impacts of Covid-19 on student loans are examined for the first time in this research. The authors polled around 40 students at different Universities to investigate these consequences, and hence present quantitative evidence demonstrating the pandemic's detrimental impact on students' outcomes and expectations. Covid-19 has caused trouble to a number of students. Expanding on these findings, we show that the pandemic's consequences are very diverse, with lower-income students 55 per cent more likely than their higher-income peers to pursue education with loans. Studies show that the negative economic and health effects of Covid-19 have been much greater for less advantaged populations and that these disparities can help to explain some of the underlying variability we observe. Our findings imply that policymakers may be able to reduce the economic and health burden caused by Covid-19 by focusing on a small number of mitigating factors.

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