

# 'Money anxiety': Understanding HE students' experiences of the cost-of-living crisis

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## Abstract

The ongoing cost-of-living crisis is causing immense stress and hardship for families, individuals and communities, with increases in utility bills, food prices and transport costs. Actors from civil society, politicians and academics have demonstrated concern as to the effect this is having at local and national levels, specifically the disproportionate impact on already marginalised and vulnerable groups. One demographic particularly affected is higher education students, however, due to the lack of support measures being aimed at this cohort, they are at significant risk of becoming overlooked and forgotten. While recent survey data has acknowledged the negative experiences of this group, there is a lack of understanding of their everyday lived realities. To address this gap, this article draws on empirical research conducted with HE students in the North-West of England between 2022 and 2023. The study explores the diverse ways in which students navigate the crisis and the impact this has on their health and well-being. It concludes with a call for urgent action and policy response to elevate unprecedented and devastating student hardship triggered by the cost-of-living crisis.

## KEYWORDS

cost-of-living crisis, financial hardship, higher education, lived experience, money anxiety

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## 1 | INTRODUCTION

Since late 2021, the UK has been experiencing a cost-of-living crisis with the cost of food and everyday essentials rising at a much faster than average incomes. According to the Office of National Statistics, as of March of 2023, the overall inflation rate in the country had reached a 41-year high, with inflation for food and non-alcoholic beverages rising at the fastest rate in 45 years—to 19.2%. It has been argued that the initial phase of this rapid and steep hike in inflation was mainly due to international factors; strong global demand for consumer goods—a consequence of the Covid-19 pandemic and associated lockdowns, related supply chain disruption and soaring energy and fuel prices—particularly, but not exclusively, due to Russia's full-scale invasion of Ukraine in February 2022 (Harari et al., 2023). However, the extent, severity and persistence of the crisis have undoubtedly been determined by the preceding set of neo-liberal policies, such as the retrenchment of the British welfare state and more than a decade of punitive austerity measures (Farnsworth, 2020).

Higher education (HE) students constitute a demographic significantly impacted by the ongoing cost-of-living crisis. Whilst a proportion of students have always been vulnerable to financial hardship (Pollard et al., 2019), recent reports highlight the unprecedented scale of challenges that this cohort is facing (Blackbullion, 2023; NUS, 2022; The Sutton Trust, 2023). According to the Russell Group Cost-of-Living Survey (2023), 81% of students report being affected by the crisis, with a disproportionate impact on already marginalised and under-participating groups. The Sutton Trust (2023), for example, found that students from lower socio-economic backgrounds were more likely to report skipping meals to save on food costs, and the proportion of students who said their financial situation had worsened since the last academic year was higher for students from working-class than middle-class backgrounds. Such alarming trends have led to calls to 'consider students as a vulnerable group at all levels of the cost-of-living response' (Freeman, 2023, p. 57).

Currently, students have access to a range of resources that can help to elevate their financial hardship. These can be broadly categorised as governmental student support (in the form of maintenance loans), university support that takes the shape of bursaries, hardship funds and other support measures, welfare support which is available to the general public and assistance provided by third-sector organisations (e.g., food banks). The most substantial and comprehensive support received by students is maintenance loans. Two-thirds of students (68%) access these loans, however, 56% of students report that they are not sufficient to cover their basic living costs (ONS, 2023a). Reports and surveys have documented that this shortfall, coupled with other limited support options, has meant that many students are having to seek alternative ways to cope with the rising cost of living (OfS, 2023; Save the Student, 2023).

While existing surveys and polls provide important insights regarding the negative impact of the crisis on this cohort, qualitative research on the everyday lived realities of students in this context is scarce. This article therefore fills important gaps in the existing literature by presenting the results of a qualitative study that provides a unique, timely and nuanced discussion of students' first-hand experiences of the crisis. Drawing on interview accounts with 16 students in the North-West of England during 2022 and 2023, the article provides a detailed overview of the key coping strategies students draw on to deal with the rapidly escalating crisis. It then documents the impact these strategies are having on students' overall health and well-being, often manifesting as 'money anxiety'.

This article begins with a brief discussion of existing students' support systems along with their shortfalls and draws attention to common coping mechanisms they are currently adopting. The following sections then draw on interview data to explore students' experiences of the crisis—the everyday impacts, the coping strategies used to 'weather the storm' and the effect this has on their overall health and well-being. Having highlighted the commonalities and complexities in students' experiences, this article concludes with calls for immediate policy responses towards alleviating current students' financial hardship.

## 2 | STUDENTS' SUPPORT IN A CONTEXT OF CRISIS

Current cost-of-living support for HE students primarily comes from student finance loans, grants or bursaries, with other government interventions, systems and policy decisions largely overlooking and excluding this population.

Whilst there are some exceptions, most full-time students are not eligible to claim means-tested benefits, such as Universal Credit<sup>1</sup> and therefore not entitled to receive any of the five payments introduced to help with the rise in the cost of living between 2023 and 2024. It has also been argued that government support schemes such as the Energy Bills Support Scheme (introduced in October 2022) and the Council Tax rebate (offered to bands A–D during April–November 2022) have left HE students worse off. As students are exempt from paying council tax, this group did not qualify for the rebate and as calculated, missed out on £40 million of support (Save the Student, 2022).

The most substantial and comprehensive support received by students is maintenance loans. All home students in England are eligible to apply for this form of support which enables them to partially subsidise their living expenses for the duration of their studies. Usually, the amount of the maintenance loan depends on the student's living situation (whether they live at home during term time or if they are based in or outside London) and their parental income level. Maintenance loan entitlements are adjusted each year in line with a forecast for one measure of inflation: RPIX (the Retail Prices Index excluding housing costs). This adjustment is designed to uphold the real value of entitlements over time. Nonetheless, in recent years, inflation has exceeded official forecasts by a significant margin (Ogden & Waltmann, 2023). In January 2023, the government revealed that maintenance loan allowances for the 2023–24 academic year would see a 2.8% increment aligned with RPIX projections (Ogden & Waltmann, 2023). Despite being presented as a 'boost for student living expenses', this increase was based on inaccurate and dated inflation forecasts that fall approximately 8% short of consumer price inflation (Waltmann, 2022). This has resulted in the value of support for students' living costs falling to its lowest level in 7 years and maximum maintenance loan entitlements falling short of what could be earned in minimum wage employment. With student living costs amounting on average to £1078 per month and the average maintenance loan set to £496 per month, students are facing a shortfall of £582 per month. For the average student, this amounts to less than half (46%) of their total spending (Save the Student, 2023).

Universities have provided extra support for students. A website audit of 140 members of Universities UK found that universities have introduced or expanded their hardship funding, provided food vouchers, access to food pantries and affordable eating schemes, absorbed some of the increases in rental costs and provided free transportation between campuses (Freeman, 2023). More specifically, the audit highlighted that three-quarters of universities (76%) help their students with food and drink, with nearly half (47%) helping with health and more than a third (35%) with travel and digital (Freeman, 2023). Despite the noted significant increase in demand for hardship support by universities across the county (Harari et al., 2023) considering that students from deprived backgrounds are less likely to know about, or how to access such entitlements (Pollard et al., 2019) it remains unclear whether these services are reaching those most in need.

As a consequence of this crisis and the lack of adequate comprehensive support mechanisms, surveys have highlighted that students are having to seek alternative ways to cope with the crisis (Blackbullion, 2023; NUS, 2022; OfS, 2023; ONS, 2022; Save the Student, 2023; The Sutton Trust, 2023). To manage financially, students are cutting back their spending on essential items such as food, transport and hygiene products or trying to reduce their use of energy at home (OfS, 2023; The Sutton Trust, 2023). According to Blackbullion (2023) a student financial wellbeing platform, 34% of respondents to the survey said that they were going hungry, while 16% were limiting how much they spent on personal hygiene. These trends are alarming—financial hardship and stress can have detrimental effects on the health and well-being of individuals, in the short and long term (Ridley et al., 2020). As a result, food bank use has also increased within the student population—18% of students surveyed by the National Student Money Survey had used a food bank in the previous academic year. This is almost double the figure from findings in 2022 (Save the Student, 2023). Research has also demonstrated that students are cutting back on activities that are often categorised as non-essential, such as socialising and taking part in sports and student societies—The Sutton Trust's (2023) poll found that 47% had stopped or reduced going out socially with friends. Taking on part-time employment or increasing their working hours, as well as accumulating financial debt (via the use of credit cards or overdraft facilities) are also ways that students are using to cope financially (The Sutton Trust, 2023).

### 3 | RESEARCH DESIGN AND ANALYSIS

This article draws on interview data collected between October 2022 and November 2023 with 16 students studying at an HE institution in the North-West of England. Participants were selected through a purposive sampling approach, defined by Maxwell as ‘particular settings, persons, or events that are deliberately selected for the important information they can provide that cannot be gotten as well from other choices’ (Maxwell, 1997, p. 87). For this study, the main selection criteria was enrolment in a university degree course. Participants were recruited through the distribution of research leaflets and the placement of advertisements in university news bulletins. A small incentive, a £5 food voucher, redeemable at the institution’s cafeteria, was offered to students for their participation in the project. Despite being aware of the debates that circulate around the ethics of incentivisation in the research process (see Hall, 2015), due to the topic being discussed and the context in which the research was taking place, it was deemed important to compensate students for their time and offer a small contribution to their nutritional and financial wellbeing. Fifteen interviews took place on the premises of the campus, while one interview was conducted online using Zoom. With the consent of the participants, interviews were recorded and transcribed. The identities of interviewees were anonymised and pseudonyms were allocated. This research was granted ethical approval from the ethics committee in the School of Social Sciences at Liverpool Hope University.

The sample contained undergraduate and postgraduate students, mature students, and those who were single, cohabitating, married, and with caring responsibilities. The majority of the interviewees were women. The fact that more female students expressed interest in this study might reflect wider trends among the student cohort; as noted by the 2023 Student Money and Wellbeing survey, female students have been impacted by the cost of living more severely than their male counterparts. This has increased the financial gender gap by 20% in 1 year (Blackbullion, 2023). In terms of background, the cohort consisted of international, Northern Irish and English students, the majority of whom were from the North-West of England. A large number of students undertook some form of additional employment, with several working up to 50 hours a week.

Interviews were analysed thematically, going ‘beyond counting explicit words or phrases and focusing on identifying and describing both implicit and explicit ideas within the data’ (Guest et al., 2012, p. 10). While several different themes were identified in the data set, this article analyses two key themes; the navigational strategies that students apply to deal with the cost-of-living crisis, and the effect the adoption of such strategies has had on their health and well-being. Repeated themes emerged in the interviews, which indicated that valid generalisations could be made. Analytical themes were outlined based on two key techniques: (1) predetermined themes that reflected the overall research questions; and (2) newly emerged themes that were identified as recurring statements given during the interviews.

### 4 | NAVIGATING THE CRISIS

It has been long established that people affected by financial hardship often have to develop and adopt strategies to enable them to make ends meet (Atas, 2019; Dabrowski, 2020; Lister & Strelitz, 2008; McKendrick et al., 2003; Patrick, 2014). These strategies can be broadly classified into two categories; ‘living with shortage’ and ‘living with debt’ (Kempson et al., 1994). While reports demonstrate that some students are resorting to debt during the current crisis (see The Sutton Trust, 2023), for the majority of students in our cohort, falling into debt was not a viable choice due to the lack of available sources of borrowing. Therefore, managing on a heavily restricted budget and ‘living with shortage’ was the only feasible coping strategy.

The ‘living with shortage’ approach requires a great deal of planning, decision-making, time and effort (Kempson et al., 1994; McKendrick et al., 2003). Relentless budgeting and cutting back on essential expenses, such as food, vital clothing, utilities and transportation were routinely adopted by all participants of this study. This mirrors the national trend recorded among university students—according to the Office for Students (2023), 43% reported

having to cut back on their food spending, 56% described needing to limit their social costs and 51% reported having to cut back on buying new clothes. The remainder of the article will therefore focus on exploring the approaches used by students in the research study to 'weather the storm'—making do with less, reducing the use of electricity and gas, cutting down or removing transport costs and increasing paid employment. The overall effect these coping strategies are having on their overall health and well-being will then be explored.

## 5 | MAKING DO WITH LESS

The most common coping strategy reported by respondents to navigate through the cost-of-living crisis was cutting down on their spending and consumption habits. This was more generally related to food consumption; bulk buying food, frequenting supermarkets less often and being more strategic in terms of spending. There was a strong acknowledgement that before the crisis students were able to make choices based on their desired preferences. Now these decisions were based on a more limited pool of affordable options. If treats such as takeaways were consumed, students explained that this was the result of careful planning and sacrifice during the previous week. This included meal preparation, batch cooking as well the use of discounts or Apps that aided financial planning.

Over half of students had to limit the range of food groups they would consume or the number of meals they would eat in a day. The fact that students reported having to compromise on their dietary needs is hardly surprising. Several studies have shown that people living on low incomes often consider their food budget to be one of the most flexible and constrained parts of a household's expenditure (Beresford & Croft, 1995; Seeley & Lobstein, 2004); most commonly lower on the priority ladder than paying utility bills or covering other essential expenses. Staple carbohydrates in the form of pasta, rice, noodles or potatoes were favoured due to their low cost. Problematically fast food or high-calorie, high-sugar foods were also cited as a frequent alternative to more balanced meals. As John, 33, explained 'we do like to do healthy things, but it's cheaper just to get tins of stuff, pizzas and fast stuff'. Having to juggle post-graduate study, with child caring responsibilities and a part-time job, like other parents in the sample, John cited time and money as key reasons for this choice: 'I think it's a lot easier, a lot cheaper to get fast cooking food that you can throw in the microwave. Sometimes you've just got to choose what is faster and what is cheaper'.

Most concerning was the acknowledgement by three students that they had begun to skip meals to compensate for the rise in the cost of food. Emily, a 31-year-old, post-graduate student noted that whilst being on campus, she would often skip lunch due to the increase in canteen costs 'and then for supper, just have toast'. Likewise, Hayley, a 20-year-old undergraduate student, reflected that she was 'sometimes not eating properly' and often 'having a crisp sandwich' to fill her up. Both Emily and Hayley commented that they often felt hungry, but adopted this strategy to save money. This inevitably leads to poorer, inadequate, nutritional intake triggered by a reduction of the quality or quantity of consumed food, known as 'food poverty' (Radimer et al., 1992, p. 39S). Knowing that they were not able to sustain a healthy nutritious diet, added to students' overall worry and distress levels. When discussing her diet, Jen said;

I do think about my diet quite a lot and whether it is healthy enough, but then when you go to the shops, you notice that most healthy food is probably way more expensive than unhealthy food. So, it does stress me out that I can't buy the things that I want to buy to make myself physically and mentally feel better.

The inability to afford items deemed by students as necessities or essentials before the crisis extended beyond food products. Students revealed that they were not able to purchase seasonal clothing, basic footwear, subscription services, self-care products or services, and for some, even underwear. Jane, a 22-year-old undergraduate student, for example, revealed that she had struggled to buy a warm winter coat due to the expense. Having to compromise

on the thickness and warmth of the item, despite the cold weather, Jane explained that the coat she was finally able to purchase ‘wasn't padded’ and ‘didn't keep her warm’. Jane also described feeling sad and frustrated that she was unable to afford a new pair of casual shoes that would be durable and comfortable to wear around the campus. Emily highlighted that she could no longer afford basic items, such as a new suitably fitting bra, an item she had needed for the last year. Wearing the wrong size bra, Wakefield-Scurr (2018) notes, is not only uncomfortable but can cause a range of health problems—breast pain, breast skin damage, neck, shoulder and back pain and skin abrasions. Discussing the impact this was having, Emily said; ‘I have put some weight on and because my bra doesn't fit, it's making me a little bit self-conscious’. This feeling of self-consciousness also extended to students who reported no longer being able to keep up with self-maintenance. Having stopped going to the hairdressers in favour of ‘box dyeing’ her hair at home due to lack of funds, Laura, a 22-year-old, undergraduate student explained how this had had a large impact on her self-esteem:

I'd always been a big appearance person, but I think more so now, I can't afford to be an appearance person ... It's had a big impact on the way I view myself, and my confidence with things. I used to have nice hair and it looked really cool and felt good, but now these days I mostly just shove my hair up.

Despite the reported negative impact on students' well-being and self-esteem, putting these items on ‘the back burner’ as Laura noted or ‘lower down on the priority list’ to use Joanne's phrase, was now a necessity. Not doing so would result in key needs—such as eating or paying for accommodation—not being met.

## 6 | STAYING COLD

Since 2021 households across the UK have experienced an unprecedented increase in energy prices. According to the Department for Energy Security and Net Zero (2023) between 2022 and 2023, domestic electricity prices increased by 57% and domestic gas prices increased by 116%. This has inevitably also affected the student cohort: in the last 12 months, it has been reported that 70% of 800 surveyed students had limited their use of heating to save money on energy bills (SOS-UK, 2023). 59% reported that they felt ‘uncomfortably cold’ in their accommodation and, almost half of these students (48%) felt this triggered feelings of anxiety and depression (SOS-UK, 2023). It must be noted that students in our research cohort are likely to be paying more for energy prices than their counterparts in other regions as the residents of Merseyside were subjected to one of the highest energy price caps in the UK (National Energy Action, 2023).

Despite a proportion of students in the study being spared from the increased utility bills (this cost was included in their overall accommodation price), those who had to pay for their bills separately revealed the difficulty they faced in being able to afford to heat their homes. This led to students turning the heating on less, wearing warmer clothes in the house or frequenting other spaces to make use of their facilities. Joanne, a 41-year-old, undergraduate student for example explained how over the last 12 months she had begun cutting down on her gas and electricity usage; ‘when I go to the gym I have a shower there instead of coming home and having one because it saves money’. Other tactics, such as turning the heating on at certain times or layering were especially prevalent during the winter months. Holly explained that she only turned the heating on when her children were at home. For those without children, it was often reported that households had opted to switch the heating on even less frequently. Lisa's experience is illustrative of this:

Over winter we weren't switching on the heating because we thought, if we switch it on for an hour, it's not going to be worth it—it's going to be quite a lot of money to not even heat the house. It was very cold in the house, we'd put on more and more layers because we didn't want to spend money on the heating (21, undergraduate student).

As a result, Lisa explained that during these periods she constantly had a cold; 'I often had a sniffy nose and a cold. I then couldn't get over the cold because I was always not warm enough'. This experience is not uncommon—living in poorly heated dwellings and experiencing fuel poverty exposes people to several health risks, particularly respiratory and circulatory illness, as well as exacerbating the symptoms of other conditions such as arthritis (Clair & Baker, 2022). Interviewees who revealed that they did not heat their homes at all during winter months, as this would have taken them over their energy allowance, experienced more serious and prolonged health conditions. When discussing the link between illness and lack of heating Laura explained:

There was a period in December, just before we all went home for Christmas where we couldn't afford to have the heating on, otherwise we'd go over our energy allowance. I was very ill at that time and I wasn't getting any better. That was because the heating wasn't on. I was in a cold, damp house whilst also having a chest infection. It was really bad and lasted ages.

As highlighted by Public Health England (2014), living in these types of conditions can not only increase the risk of health problems but also trigger mental health decline (e.g., anxiety and depression) (also see, Davillas et al., 2022). Our interviews revealed that students' mental health was indeed significantly impacted by the inability to adequately heat their homes. Laura recalled:

It was awful. It really brings down your mood. Having to do uni work in the freezing cold, sounds silly, I just wanted to stay in bed all day because it was warm, it was comfy. So it was definitely hard. And it wasn't just me, it was everyone. So everyone's mood was low, and I think it affected friendships a little bit within the house because we were all moody, we were all cold, and understandably not feeling great, so then we'd take it out on other people and things like that. So yes. It was tricky. Those colder months were not nice at all.

All in all, students disclosed that living in cold homes not only had a significant effect on their mental and physical health but also negatively affected their desire to socialise with peers, attend their lectures and progress in their studies. This experience therefore decreases their overall life satisfaction and social engagement.

## 7 | NOT GETTING THERE: CHALLENGES OF TRANSPORTATION COSTS

The cost-of-living crisis not only affected students' ability to heat their homes but also restricted their mobility. All students in the sample spoke about the cost of transport in the area. Those with access to cars described the steep incline in petrol and diesel prices that they had witnessed over the year. These students explained that where possible they would now opt to use public transport. However, the price of bus travel was a key issue facing students who did not own or have access to a car. Complaining about the cost of a student single return bus ticket (£4 per day), those who looked young enough were able to 'get away with buying an under-18 ticket', which Sophie, a 21-year-old, undergraduate student remarked was half price. Free student travel, it was argued, should be introduced to help students navigate the city.

To save further on transport costs, some students explained that they tried to avoid using any means of paid transportation throughout the year. Instead, when possible, they would undertake their journeys on foot. Reflecting on this Sophie said;

I used to get the bus to uni, but now I walk, because if you're spending, thankfully I'm only in uni three days a week, but if you're spending £4 a day on two singles, that's £12 a week, and again, I think that



could go on a food shop or I can get a takeaway with my friends at the weekend, or going towards a train ticket home.

Despite students noting this saving to be ‘worth it’ not only in financial terms but also benefiting their overall health due to increased step count, some students highlighted the toll this adaptation had taken on their everyday lives. As Sophie continued, ‘Now I walk to uni most days. But because it’s a 40-minute walk here and back it tires you out a lot. I’m tired a lot more. I can’t focus as much’. For students who lived a considerable distance from the campus or whose timetabled sessions stretched across the entire week, this adaptation was harder, especially during the winter months due to bad weather, reduced daylight hours and having to carry heavy loads—such as books and laptops.

On some occasions, students had to make a decision not to leave their city of residence to avoid additional spending. Participants highlighted that the increased cost of rail travel—an increase of 5.9% from March 2023 (DfT, 2022)—had affected their ability to visit their families residing in other cities. Rachel, a 20-year-old, undergraduate student, for instance, explained that due to this rising cost, she was not able to visit her parents as often as she had done in the past. This was despite her family living less than 1 h away from her university. She noted:

If it’s £20 to go home for a couple of days, it sounds awful, and I want to see my family, but sometimes it’s just not worth it because that £20 could be going towards food and things. So it sort of has distanced me from going back home a lot more.

National survey data echoes this trend. Research from the ONS (2023b) for example highlights that owing to the rise in the cost of living, 30% of students surveyed noted having to cut back on transport to see family as friends.

## 8 | WORKING HARD WITHOUT PLAYING HARD

Another coping mechanism students employed to try to ‘weather the crisis’ was to take on paid employment. Although the juggling of paid work with further study is not a new occurrence (see Manthei & Gilmore, 2005) due to the rise in living costs, students in the study reported having to increase their hours or adopt a second job to stay afloat. According to a survey by the Higher Education Policy Institute (2023), students in paid employment work an average of 13.5 h per week. However, in discussions with students, for some this tended to be much higher, an increase also reflected in reports by Student Union bodies (see NUS, 2022; Russell Group Student Union, 2023). A number of interviewees described having to work on average 5 days per week, this was despite the majority receiving a maintenance loan. It was only those with visa restrictions and familial support that noted working much less.

Students reported how difficult juggling both academic study and paid work had become. Discussing a punishing work pattern, Joanne, for example, said; ‘All my weekends are gone, I will do work on Saturday evenings and then I’ll carry on working because Sunday is double pay. So I work all day on a Sunday just so that I can do my studies during the week’. Despite acknowledging the ‘sacrifice’ and ‘pressure’ she faced, it was noted that the stress of working longer hours outweighed the stress of ‘not being able to afford anything’.

One of the reported impacts of taking on increased levels of paid work was the feeling of ‘missing out’ and of heightened feeling of social isolation. As Caroline noted, ‘It impacts me quite a bit because most of the time I’m working or catching up on [university] work that I’ve not been able to do because I’m working. So I just sit in my flat whilst everyone else is going out, all I do is study and work’. Coupled with the increase in the cost of social activities, this reported impact mirrors other findings—54% of 4000 surveyed students reported in 2023 that the cost-of-living crisis had negatively impacted their social life (OFS, 2023). Reflecting on the impact of the current situation, Jen said it had a



detrimental effect on her social life. Explaining, she said; 'I work to get more money so that stops me from doing a lot of stuff, because I am like, "Oh I can't, I have to work," and if I don't work, I don't have the money to be able to afford travel and stuff like that'. As a result, Jen felt she was becoming 'a bit of an introvert' and worried that her lack of socialisation would not only affect her friendships, but the way others viewed her. Describing further she said:

I don't want to mention that I can't afford to go out, I don't want them [her friends] to think 'Oh she is just boring, she is not an outgoing person' or, you know, they might just have bad comments thinking 'oh she doesn't want to hang around with us, that's why she can't come out'.

For many, this inability to socialise, go out and enjoy the full 'university experience' triggered increased feelings of disappointment, stress and worry. Illustrated by Sophie, the lived reality of university became different from the expectation; 'Everyone says, "Oh go to university, live away, it's meant to be loads of fun blah blah blah." I'm just a lot more stressed and I think about money a lot more'.

## 9 | LIVING WITH 'MONEY ANXIETY'

Financial worries resulting from the crisis, coupled with the constant need to adopt a variety of navigation strategies to 'weather the storm' had detrimental effects on the mental health and overall well-being of interviewees. National survey data has highlighted this to be an issue across the student population (OfS, 2023; ONS, 2022; Save the Student, 2022); the National Student Money 2022 Survey (Save the Student, 2022) revealed, for instance, that 82% of students surveyed worried about making ends meet and 59% stated that their mental health had suffered due to increased money worries. This was particularly true in terms of heightened levels of stress, anxiety and feelings of hopelessness (Blackbullion, 2023, Figure 1).

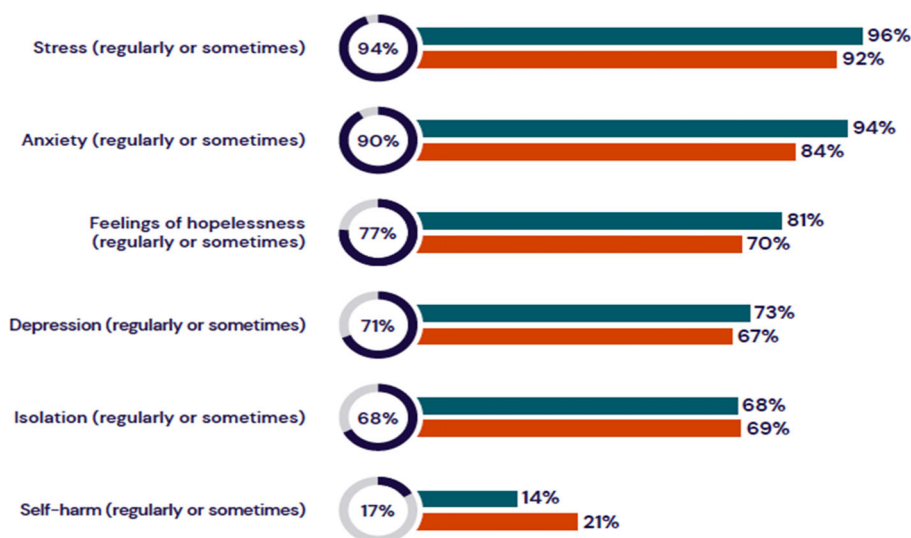
For students in this study, the high levels of stress and anxiety that they felt regarding their finances and the rising cost of living triggered certain patterns of behaviour. Jen, for example, said that 'worrying about money all the time', meant she had begun to compulsively check her bank balance:

I could be sitting in a lecture and then as soon as that lecture is over, my head's like, check your bank and I open the NatWest app. I check my bank quite often on my phone ... I feel like I'm going to open my bank and there's going to be nothing there. So, it causes a lot of anxiety.

Students also reported a heightened feeling of guilt when thinking about spending or having to spend money. This feeling was not just attributed to the consumption of non-essential items, but necessities. As Rose notes, 'When I think about buying things that I bought previously that I needed I'm like, "Oh, why did I buy that? It was a waste." I think too hard about what I'm spending my money on. Like guilt. I now feel guilty about spending money'. This feeling of guilt exacerbates the already high levels of anxiety felt. Some students even developed a term for this money-worrying-induced form of anxiety, which they called 'money anxiety'.

'Money anxiety', students discussed, was heightened during night-time hours and directly affected their sleeping patterns. Finding it difficult to switch off, Rose, Joanne and Jen all described finding it 'hard to sleep', because they were thinking about money all the time. This issue has been widely reported in national student surveys (see, e.g., Save the Student, 2023). Joanne, for instance, described having sleepless nights 'thinking how to manage work life, family life and study life'. Rose, also cited that she would often 'stay up all hours' thinking about possible solutions that would help to counteract her money issues; primarily 'looking for any job possible to apply for'. This constant worry had affected Rose's sleeping patterns so much so, that she now said she suffered from insomnia.

The majority of our interviewees felt that the financial strain they have been experiencing during the past year had specifically triggered a mental health decline. Hayley, for example, described her mental health as previously



Source: Blackbullion, 2023, p.23

**FIGURE 1** Issues triggered by financial worries of students. Source: Blackbullion (2023, p. 23). [Colour figure can be viewed at [wileyonlinelibrary.com](https://onlinelibrary.wiley.com/doi/10.1111/spa.13048)]

'being quite steady', but now was 'quite up and down'. This was because, she explained, she felt that her whole existence had become impinged by financial concerns, worrying about the ever-increasing cost of products and services, and the inability she had to save for them. Emily, who also revealed that the cost-of-living burden was primarily responsible for her rapidly declining mental health, explained how this had led her to contemplate suicide:

I'd say it's [the cost-of-living crisis] more hit me this year, because of the price of living ... I think when I realised that I didn't have enough money to pay the rent, I was borrowing money, I couldn't cope with it, and it did make me have suicidal thoughts. I didn't know what way to go or who to ask. I felt a bit embarrassed as well.

The feelings of embarrassment and shame felt by Emily are very common emotions reported by people who experience financial stress (Dabrowski, 2020; Patrick, 2014). Similarly, as in Emily's case, a decreased sense of self-worth often accompanied these emotions, and elevated feelings of self-blame and guilt (Walker et al., 2014). Struggling to pay for everyday essentials and necessities made Emily feel like a personal failure: 'I'm starting to think sort of what's wrong here? Why am I not coping financially? And it triggered me thinking, you know, I can't survive'. As Inglis et al. (2022) argue, these feelings can lead to increased feelings of worthlessness, inferiority and stress that can consequently trigger other mental and physical health issues.

## 10 | CONCLUSION AND POLICY RECOMMENDATIONS

In contrast to the limited attention this issue has received, this article underscores that HE students represent one of the most vulnerable groups affected by the cost-of-living crisis. A thorough examination of students' coping mechanisms reveals a spectrum of strategies employed in their daily lives, including adjusting to limited resources, reducing electricity and gas usage, cutting transportation expenses, and increasing paid employment. The utilisation and

frequency of these strategies depend on individual circumstances such as the student's program of study, external employment opportunities, caregiving responsibilities, and available support. The impact of these coping strategies on students' overall health and well-being, manifested as 'money anxiety', highlights that despite the diversity of experience, the crisis is pushing students closer to material and psychological precarity. Overall, these insights significantly contribute to our understanding of the crisis and its profound consequences on the student population.

These findings call for an urgent action and policy response. Addressing the financial gap students face through the support offered by universities does not seem like a far-reaching or sustainable resolution for the entire student population. This is because there is a high disparity in the capacity to provide such support across the HE sector—some institutions are experiencing income surplus while others are dealing with deficits (Augar, 2019). The student population, as highlighted in this paper, are also extremely diverse. Responses that recognise and take into account the multifarious needs of this cohort are of the utmost importance. Targeted and immediate government reforms are therefore essential in alleviating student hardship triggered by the cost-of-living crisis. To enhance the inclusivity of government interventions addressing the crisis, it is imperative to ensure that current (and any forthcoming) measures are stress-tested. This will prevent the arbitrary exclusion of students and learners based on eligibility criteria. Addressing such shortfalls in the maintenance loan system would be the fastest and the most efficient way to achieve this goal and provide an immediate response to the crisis. While falling short of the existing needs of students, maintenance loans are still the most substantial, accessible, targeted, systematic and sustainable source of financial support. Our findings showed that the existing governmental expectation that students (aged 24 and below) from households with an income above £25,000 will have their living cost subsidised by their families is unfeasible for many. This is especially the case in the context when more low-income households than ever are struggling to make ends meet. Assumed levels of parental contributions also limit many students from accessing loans that would more accurately reflect their individual needs. Therefore, the parental income threshold, as well as the maintenance loans, need to be upgraded and adjusted to consumer price inflation, at the minimum. Additionally, a comprehensive reform of the Universal Credit system is necessary. The government should carefully examine the interface between the student loan/bursary system and Universal Credit, with a focus on fostering equitable and vital access for students with complex needs and circumstances, including those from socio-economically disadvantaged backgrounds. This holistic approach will create a more inclusive and fair support system for all groups affected by the cost-of-living crisis.

#### DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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#### ENDNOTE

<sup>1</sup> Universal Credit can only be claimed by HE students for the following reasons; if they are responsible for a child; get Attendance Allowance, Disability Living Allowance, Personal Independence Payment, Adult Disability Payment or Child Disability Payment and have limited capability for work; are over 66; live with a partner who can claim Universal Credit; have taken time out from the course for illness or caring responsibilities, are now recovered/caring responsibilities have ended, and they are waiting to go back to the course.

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