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Assessment of Post-Secondary Institutions' Preparedness to Deal with Student Withdrawal Due to Financial Hardship

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Abstract:

With the growing demand for skilled workers in the labor market who possess high academic capabilities, it is not surprising that the presence of undergraduate graduates is required in almost every industry and corner of Indonesia. However, a major issue is the lack of financial strength among young Indonesians to complete their undergraduate studies. Therefore, President Joko Widodo recently requested that the Indonesian government review the student loan program to address this issue. This study aims to reveal Indonesian students' perceptions of the student loan program. Despite the impact of the pandemic, many students in Indonesia have difficulty completing their studies due to financial difficulties. This study uses a mixed method exploratory sequential approach. The results of this study indicate that satisfaction with the chosen university and financial anxiety encourage students to take out student loans if available. Another surprising finding in this study is that financial literacy does not influence students to take out student loans. This finding is contrary to previous research. Financial distress is a valuable finding in this

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research, and this variable explains why many students are in the dilemma of student loan perceptions. The implication that we found is that the stakeholders who administer student loans must pay attention to being trustworthy and open to the student loan program if they want to be made a national-scale policy. Another finding of the study was that many students in Indonesia have no faith in the concept of student loans.

Keywords: College satisfaction, Student Anxiety, Financial distrust, Student loan

1. Introduction

Indonesia has encountered a notable predicament stemming from its relatively low Gross Enrollment Ratio (GER) for post-secondary education, as Indonesia has been hit hard by its low enrollment rate for higher Education (GER); Enesco revealed only 36 percent in 2017. If we look at the UK, the United States, Australia, New Zealand, and Canada provide a lot of financial aid and scholarships; unfortunately, it is not like that in Indonesia. Therefore, in many other parts of the world, student loan programs, known as student loans, are rife to solve the low enrollment rate. However, lending presents a new problem. The affordability of loans is the first thing that comes to mind, namely the extent to which this loan scheme can be rolled out to make it easier for students in terms of access and the process. The second thing is the feasibility of this loan scheme; lending requires more than just government effort to make this work.

Two very complex problems are the overall low quality of education and the low enrollment rates for higher education. Only ten million workers have bachelor's degrees (Ministry of Research and Technology of the Republic of Indonesia, 2019). The tuition fees that students have to pay before enrolling are the main factors that prevent them from continuing their education in college—however, the education sector's challenges lie in its ability to produce a skilled workforce in sufficient numbers. The relatively low participation in higher education will also be a challenge. Currently, the average educational attainment of the working-age population is about eight years of schooling, with only about a quarter of Indonesia's population enrolled in higher education. There is no evidence of a large and increasing over-demand labour market for highly educated workers, which can constrain economic growth to its full potential. Therefore, increasing tertiary participation is necessary for sustaining economic growth and escaping the middle-income trap. With the labour market demanding an increasing number of highly skilled workers, education will be a fundamental issue to ensure that Indonesia breaks free from the middle-income trap and is equipped to continue on its high growth path. However, without genuine improvements in education governance and an effective higher education lending system, it is not easy to see how Indonesia will find itself in the high-income domain shortly. Kassim, Damio, & Omar (2020) in his study revealed that increasing university graduates could contribute to economic productivity, especially in the field of the gig economy, where Indonesia can reflect on the experience in Malaysia (Kassim et al., 2020).

Another factor that causes inequality in education is the high-income inequality that occurs in society. A condition in which the distribution of income received by the community is uneven, resulting in a difference between high-income and low-income people. Todaro and Smith (2011) show a positive relationship between education and income levels (Todaro & Smith, 2011). The higher the education inequality achieved by the population of a region, the higher the income inequality. The results of previous studies, which state that income inequality causes educational inequality, research results (Harahap & Daud, 2020) show that income inequality has a positive and significant effect on inequality. The higher the income inequality, the smaller the opportunity for income inequality. Community to access education. However, this is different from research conducted (Bustomi, 2012) which concluded that income inequality has no effect and has a negative coefficient value on educational inequality.

Poverty is also one of the factors that affect inequality in education. Poverty significantly impacts demand and school enrollment rates, where the education level of the poor will be low. Poverty and inequality in education A person can be said to be poor or living below the poverty line if income or access to goods and services is relatively low. In absolute terms, a person is said to be poor if his income or living standard is below the previous poverty line (Harahap & Daud, 2020). Several studies related to the effect of poverty on educational inequality have been investigated (Adiningtyas & Budyanra, 2020; Banunu, 2021; Harahap & Daud, 2020) poverty has a positive effect on educational inequality, namely (Soejoto et al., 2016) showing that the poorer an area is, the more high educational disparity. This phenomenon happens because of the economic factors of low-income families. Children from low-income families have few opportunities to go to school because they prefer to help their parents in meeting the family's economic needs rather than continuing their education. Thus, the disparity in education between community groups will be even more significant. Therefore the poor or those whose funds constrain need a loan assistance program to continue their education. According to Hardinawati (2015), scholarships in the form of scholarships only cover 4.6 percent of education demand, and even then, only most of them are postgraduate (Hardinawati, 2015).

Nevertheless, keep in mind that there are many cases in developed countries where student loans can bring difficulties and even bankruptcy to the borrowers; this is confirmed by Baker and Montalto (2019), where if not accompanied by integrity and openness of the system, student loans can be disastrous (Baker & Montalto, 2019). Financial difficulties are the main barrier and stunting factor for the Education Participation Rate to growth. This study aims to answer whether students in Indonesia are open to and accept the concept of student loans to complete their studies and education. This study was also written to provide an initial picture of whether it is possible if this student loan to be carried out with the concept of payment based on income in the future. The utilization of student loan instruments throughout the Asia Pacific area, including countries such as Japan, Korea, and China, has led to considerable developments in education policies, particularly in emerging nations like Indonesia. In contrast, Indonesia and other ASEAN nations have exhibited a delay in the implementation of student loan programs. Consequently, there is a pressing need for research to comprehensively comprehend the underlying factors contributing to this absence and the obstacles impeding their development. The present study presents a novel methodology and research focus that has not been explored in prior scholarly works. This study offers an introductory examination of the challenges encountered during the implementation of student loans in Indonesia. The objective of this study is to investigate the viability of Higher Education Institutions in mitigating student attrition caused by financial limitations through the implementation of a flexible student loan program. Additionally, the objective of this study is to determine the potential success of implementing such a program.

2. Methodology

2.1. Study 1

This preliminary qualitative study employs a phenomenological methodology to examine the impact of student loans on economically disadvantaged students' ability to effectively complete their academic pursuits. Due to the limited availability of existing literature pertaining to this subject matter, a research approach known as mixed-method exploratory sequential design has been selected in order to offer an initial comprehension of the student loan program. The participants for this phenomenological study were purposefully chosen to consist of eight students who were facing challenges in meeting their financial obligations related to tuition payments. The research study included semi-structured face-to-face interviews as the primary data collection method. These interviews were performed and recorded in audio format, with an average duration of 45 minutes each session. The interviews were conducted in the Indonesian language, and two researchers verified their accuracy through direct validation. The interview was conducted over a duration of three months, commencing in March 2023 and concluding in May 2023.

Table 1. Phenomenology respondents' data

Initial	Origins	Semester Level
WA	Public University	8
SE	Private University	8
TF	Public University	5
SR	Public University	6
YS	Private University	5
MR	Public University	3
YLB	Public University	3
WS	Public University	7

Students described that the study journey, colored by financial hardship, gave them a lot of insight and learning. Students were bombarded with many worries about whether they would graduate, then added shame and discouragement because they saw themselves being left behind by their classmates. They considered that they were pretty satisfied with the study program and university choice. Therefore, the students chose to fight and did not give up on their study journey despite suffering from financial difficulties. They work odd jobs as freelancers to lighten the burden of financing their studies, and they rely on one hope that when they graduate, they will get much better wages and live a more decent life. Getting out of this economic entanglement is considered quite complex. It is illustrated that they emphasize that they must be smart enough to manage finances and provide mature assessments before making financial decisions.

Financial Literacy

Students explain that financial decisions should be taken with proper financial management considerations, so they regret that some were taken too quickly and without studying the consequences of those decisions. They realize that reading and enriching financial literacy will make them wiser in making essential financial decisions.

"I could not continue my education because if I look back, I was often not careful in spending money. I never thought that, at one point, I would be distraught and short of money to continue my studies. If I save and prepare my finances wisely, I will graduate on time." (TF).

"I did not have a good financial plan in the first semester, so I am having difficulty paying for my tuition. Moreover, I wrongly perceived that tuition fees would not be this much because I believed my family would help me greatly. Nevertheless, no family member can help me." (YS).

Many students rely on family capital, especially at the undergraduate level, but that does not mean students could do immature about finances. This attitude can lead to the incompletion of their education. Even though one of their expectations is to become a scholar that is a mandatory family goal. Students must realize that they must be fully mature in managing finances, especially their financial knowledge, so financial literacy can help them be competent in spending.

College Satisfaction

Satisfaction with the study program and university where they study is also a motivation why they want to survive in this financial difficulty. In this experience, they explained that the satisfaction of learning this study cannot be wasted and will be helpful for them in the future. This satisfaction is based on the hope of getting a better social status and a higher income when they graduate.

"I see that if I quit my current course, I would be in a terrible position because I could find myself in a better position. I am sure that after graduating. I can get a job in a well-known company because of the reputation of my campus." (SR).

"I do not regret choosing this major because I can become a professional in the Computer Science field in the future. If I am not mistaken, the salary offered for Computer Science graduates is very satisfying, so I cannot stop now after I hear stories of successful seniors." (YLB).

Choosing a study program and graduating from university is the impetus for them to persevere despite financial difficulties. They cannot expect assistance and scholarships because it is not available in their environment. They must admit that they will still choose the brutal way to graduate, like lending money.

Financial Anxiety

Anxiety about financial management has followed them even since the beginning of their studies; their irregularity in spending money has put them in quite a difficult position. This anxiety covers not only their lectures but also their meeting the necessities of life, such as housing and living costs. This anxiety could lead to psychological stress and distract their study objectives.

"I cannot lie that I am worried not only about the cost of education but also the cost of living; being far away from home and only relying on money sent from my parents makes it difficult for me to focus on my studies. It is hard to earn and get a proper job because I have not graduated yet." (MR).

"I work many freelance jobs because I did not have enough money to attend college. If you look at my current position, I am worried because I only have a little money even though my payment obligations have passed. I feel that the campus does not want to understand this." (WS).

Anxiety about finances has made them mentally depressed, impacting their studies completion. On the other hand, the university has no discourse to accommodate their difficulties. In Indonesia, financial aid and tuition waiver programs are not familiar, making those who excel have to bear a heavy burden in completing their studies.

Financial Optimism

Financial optimism provides a strong impetus for students to continue their studies. People who are optimistic about finance will tend to have financial well-being. Financial optimism is closely related to the management of expectations and financial self-efficacy. Therefore, financial optimism can encourage someone to continue to be in a culture of working hard to create a greater good in the future. This optimism is also characterized by a high motivation that every financial hurdle can be passed well.

"I have changed a lot since I realized that I have to manage my finances. I learned a lot about managing finances. Many seniors have also told me that graduates like me will be highly sought after by employers. From the internet results, I finally know the job's salary range. That is what keeps me motivated to complete my studies." (SE).

"Yes, I am sure I will become a professional lawyer in the future. I have a good network that I got in this academia. Of course, after I graduate, I know that I will have a good career and be able to make my parents proud." (WA).

Students' self-confidence drives their expectations of completing their studies. Financial optimism is their accumulated experience and hope in completing their studies. Not surprisingly, they are focused on completing their studies because it will be life-changing. This optimism also makes them wiser in undergoing financial learning, a life lesson they can carry. They genuinely believe there is a way out where there is a will.

Financial Distrust

Financial distrust in both self-management and other institutions often hinders crucial financial decisions. This doubt underlies students to refuse all loan options in credit cards, non-contingent loans, and other forms of loans. This distrust is fostered by experience and ignorance of the loan mechanism, so it has a negative impression of borrowing some funds. Moreover, they only know that student loans in developed countries sound more like a negative narrative because they are stuck in simplification in the context of loans.

"As far as I know, student loans have more harm than good; what I read in the news reports is that many students in the United States cannot pay their debts even though they have graduated. I feel that only those in the United States cannot afford it; how can I do it better?" (SE).

"I see that this student loan has a good purpose; it is just that we know how to manage it in our country. If we want to be honest about student loans, let us see that the BANSOS (government social program) only has many irregularities by the operator. I like the student loan concept; truth be told, I am afraid of only the execution in the field. It is noticed that not all students can get scholarships to complete their studies on time." (WS).

The distrust of financial management is more directed at student loan operators, but they implicitly have doubts about their financial management. With the increasing need for living and considering inflation, it is clear that they are worried that this financing burden cannot be met regularly in the future.)

*2.2. **Study 2***

Table 2. Quanitative respondents' data

Name	Percentage	Amount
Public University	33,6	37
Private University	66,4	73
Bachelor/Undergraduate	73,6	81
Post Graduate	26,4	29

Financial Literacy

Being financially wise, so being able to make sound financial choices based on basic financial knowledge and financial concepts, is, therefore, an important life skill that is equally important for the benefit of oneself and also the community in which it is embedded (Lusardi, 2021; Lusardi & Mitchell, 2014). The findings show that many individuals worldwide are financially at the bottom level, which is quite worrying, at least when measuring their literacy on financial measures as a result of making crucial financial decisions such as investment and spending decisions (Lusardi & Mitchell, 2014). This event is troubling, given the surge in introducing new and increasingly sophisticated financial products. However, they are also required to deal with more basic everyday situations where individuals and families face economic decisions that are just as important as long-term financial investments (Hilgert et al., 2003; Lusardi & Mitchell, 2007). In a meta-analysis of 188 studies conducted by Fernandes et al. (2014) analyzing the role of financial literacy and financial education on financial behavior, the results are disappointing; Financial literacy can only explain 0.1% of the variance in financial behavior. The authors also look at the pattern in which financial literacy studies correlation and financial choices such as investments (Fernandes et al., 2014).

College Satisfaction

Lodi et al. (2021) provide clues in their study that student satisfaction will bring students closer to welfare; their findings clearly show that student satisfaction gives them self-confidence and the formation of a career vision in the future (Lodi et al., 2021).

Many students have negative experiences. Only 52.5% of them are enrolled at the university, and it takes four years to complete their degree (Noble & Sawyer, 2013).

In addition, 45% of current and former students stated that the college was not eligible to be selected based on cost. Nevertheless, the percentage of students dissatisfied with college decreases as their incomes increase, as seen by the US College Financing Survey.

The relationship between student debt levels and student attitudes is blurred and unclear; this attitude will depend on several variables (Bauer, 2015). For example, alumni with large student loans will report lower satisfaction with college than those without debt. Nevertheless, the relationship between the two is not linear; their satisfaction with high student debt (defined as more than $10,000) was not statistically different from their satisfaction with no debt (Barkley, 1993).

On the other side, an increase in student debt is associated with an increase in graduation rates (Cofer & Somers, 2000). Scholars have suggested that higher levels of debt allow students to focus more on their studies while working less and enrolling in private institutions with higher graduation rates than publicly funded institutions (Chaney & Farris, 1991). Supporting the above opinion are studies showing that an increase in student debt levels is associated with a decrease in stress and anxiety among students (Drentea, 2000). Therefore, we predict that college-satisfied students will report more favorable impressions of lenders who allow them to attend college.

Financial Anxiety

Financial anxiety among college students has received much attention from researchers interested in the relationship between anxiety and academic performance or persistence in college learning. Financial anxiety is prevalent among college students, with some reports that up to 71% of students experience stress from personal financial problems (Heckman et al., 2014). The American College Health Association (2013) reports that financial problems are one of the leading causes of stress among college students, with nearly 35% experiencing financial anxiety in the past 12 months. Specific student characteristics have shown a significant relationship with financial anxiety.

Financial anxiety is an unhealthy response to negative financial stimuli (O'Neill et al., 2006; Shapiro & Burchell, 2012). Financial anxiety is prevalent in modern society, as post-recession societies have experienced fluctuations in fuel and food prices, higher mortgage foreclosures and bankruptcy rates, stricter lending practices, and declining savings (McCormick, 2010). Several negative financial behaviors have been linked to financial anxiety. First, financial anxiety avoids seeking information on financial topics (Shapiro & Burchell, 2012). In addition, spending that exceeds income, difficulty paying bills, and reaching maximum credit card rates are negative behaviors associated with financial anxiety (Sages et al., 2013).

Financial Optimism

Financial optimism is a person's assessment of the possibilities they will have monetary success in the future (Gunter & Furnham, 2014). Students tend to be optimistic about their financial future

(Seaward & Kemp, 2000). Even if such optimism is unfounded, it is still related to the experience of studying at a good university. Financially optimistic students are less likely to feel financially depressed (Heckman et al., 2014). Logically, a student who expects a loan can be a good investment. This optimism gives them confidence that this student loan is an instrument that gives them leverage in their future careers.

Financial Distrust

Donovan (2019) stated that trust in education depends on policies surrounding the implementation of education (Donovan, 2019). This situation is why students' trust in educational institutions will increase if they feel that the school or university pays attention to all aspects, including their obligations, such as payments and others.

Furthermore, students' distrust of loans will make them think deeply about taking loans. This behavior is in the risk assessment and how credible the loan provider can be trusted.

Interaction Effect

This study wants to test whether Financial Anxiety, Financial Optimism, and Financial Distrust can be a moderator of the Student loan perspective. This interaction is based on the fact that financial anxiety, financial optimism, and distrust of finances should be able to encourage students to take student loans.

3. Result and Discussion

3.1.Finding

The findings can be seen below:

Table 3. Descriptive statistic (n=110)

Instrument	Mean	Median	SD	Kurtosis	Skewness
CS1	4.027	4.000	0.948	0.881	-1.028
CS2	3.755	4.000	1.266	-0.313	-0.806
CS3	3.700	4.000	1.164	-0.095	-0.723
FA2	3.082	3.000	1.287	-1.159	-0.258
FA3	3.245	3.000	1.336	-1.138	-0.206
FD1	2.827	3.000	1.227	-0.797	0.246
FD3	3.236	4.000	1.293	-0.939	-0.477
FD5	3.118	3.000	1.406	-1.294	-0.213
FL2	4.045	4.000	1.030	0.286	-0.901
FL3	4.000	4.000	0.991	0.115	-0.796
FO2	3.927	4.000	0.988	1.454	-1.113

FO3	4.173	4.000	1.017	1.468	-1.302
SL1	3.609	4.000	1.362	-0.709	-0.725
SL2	3.527	4.000	1248	-0.659	-0.546
SL3	3.682	4.000	1.348	-0.754	-0.710

Table 4: Reliability and Validity

Instrument	**Cronbach's Alpha**	**Rho A**	**Composite Reliability**	**(AVE)**
CS	0.783	0.843	0.867	0.685
FA	0.704	0.762	0.868	0.767
FD	0.740	0.748	0.852	0.659
FL	0.850	0.851	0.930	0.870
FO	0.714	0.889	0.866	0.765
SL	0.847	0.897	0.902	0.755

This study conducted several tests to determine discriminant and convergent validity using Fornell-Larcker, Heterotrait-Monotrait Ratio (HTMT), and Average Variance Extracted (AVE). Meanwhile, to test the reliability of this study using the Composite Reliability approach and Cronbach Alpha. The test results show that all variables are valid and reliable, whereas, in table 4.2, all numbers show above the threshold of 0.7 (Cronbach alpha and Composite Reliability) and AVE numbers above 0.5, where all variables are declared valid.

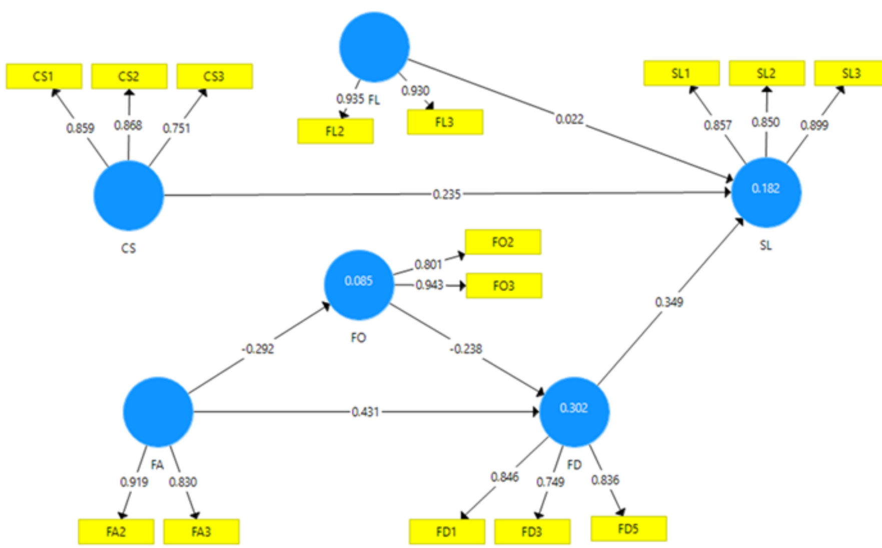

Fig 1. Quantitative Result

Table 5. Fornell-Larcker Criterion

	CS	FA	FD	FL	FO	SL
CS	0.828					
FA	0.027	0.876				
FD	0.012	0.500	0.812			
FL	0.123	0.103	0.092	0.932		
FO	0.425	-0.292	-0.364	0.149	0.875	
SL	0.242	0.340	0.340	0.083	-0.104	0.869

Table 6. Heterotrait-Monotrait Ratio (HTMT)

	CS	FA	FD	FL	FO	SL
CS						
FA	0.147					
FD	0.107	0.679				
FL	0.163	0.146	0.120			
FO	0.613	0.381	0.452	0.180		
SL	0.267	0.401	0.408	0.104	0.151	

The Fornell-Larcker Criterion was employed to establish discriminant validity, wherein it is required that the square root of Average Variance Extracted (AVE) surpasses the correlation between latent variables. Similarly, the calculation of the Heterotrait-Monotrait Ratio (HTMT) indicates that a value below 0.9 enhances the discriminant validity.

Inferential statistics refers to the branch of statistics that involves drawing conclusions or making inferences about a population based on a sample.

Upon confirming the validity and reliability of all variables and conducting the necessary assumption tests, this study proceeds to present its findings through the Structural Equation Modeling (SEM) test. The obtained R-square value is 0.302, indicating that financial distrust accounts for 30.2% of the variance in student loans, while financial optimism explains approximately 8.5% of the variance in student loans.

Table 7. R Square

	R Square	R Square Adjusted
FD	0.302	0.289

FO	0.085	0.077
SL	0.182	0.159

Table 8 shows that all independent variables influence the dependent variable except for financial literacy on Student Loans, where the p-value is more significant than 0.05, which is 0.834. Judging from the adjusted R Square, the model gives a moderate picture of how this pattern can explain student loans. This figure can only mean one thing, namely that Financial Literacy does not have any effect on student loans.

This finding is in line with the research by Robb and Sharpe (2009) and Finney and Finney (2018), which states that student loans can be predicted through college satisfaction and financial conditions (Robb & Sharpe, 2009; Zachary Finney & Finney, 2018). The most surprising finding is that financial literacy does not affect Student Loan Perspective. This finding is contrary to the study of Evans and Boatman (2019) but is in line with the findings of Markle (2019).

Table 8. Path Coefficients

	Original Sample (O)	**Sample Mean (M)**	**Standard Deviation (STDEV)**	**T Statistics (|O|STDEV|)**	**P Values**
CS → SL	0.235	0.252	0.098	2.405	0.017
FA → FD	0.500	0.506	0.084	5.983	0.000
FA → FO	-0.292	-0.302	0.074	3.930	0.000
FA → SL	0.175	0.183	0.059	2.972	0.003
FD → SL	0.349	0.358	0.086	4.057	0.000
FL → SL	0.022	0.034	0.104	0.210	0.834
FO → FD	-0.238	-0.243	0.082	2.908	0.004
FO → SL	-0.083	-0.086	0.035	2.389	0.017

Table 9 reveals that the indirect impact findings indicate the acceptance of all mediation patterns, as evidenced by the p-values being below the threshold of 0.05. This discovery indicates that the interaction effect is supported, while also elucidating that intervening variables, such as financial distrust and financial optimism, have a partially mediating role due to their minimal impact on the independent variable, specifically student loans.

Table 9. Indirect effect

	Original Sample (O)	**Sample Mean (M)**	**Standard Deviation (STDEV)**	**T Statistics (|O|STDEV|)**	**P Values**

CS → SL					
FA → FD	0.069	0.077	0.030	2.343	0.020
FA → FO					
FA → SL	0.175	0.183	0.059	2.979	0.003
FD → SL					
FL → SL					
FO → FD					
FO → SL	-0.083	-0.089	0.035	2.366	0.018

3.2.Discussion

Based on the results inferential test, this study found much confidence that student loans are influenced by college satisfaction, financial anxiety, financial distrust), and Financial Optimism. Further exciting findings are financial literacy that, in some literature, it is considered to affect a student loan; in fact, it does not in this study. Through these findings, we can see the relationship with other research studies, such as those conducted by Chhatwani and Mishra (2021); they write that financial literacy has no connection with financial fragility, so the possibility of financial literacy does not influence financial decision. Another article that has a wedge with our research is that of Potter, et.al (2020); Financial Anxiety from students is something real; it explains their urgency to be able to finish their studies and gives an idea of how difficult it is to start education with a low-income background.

The original finding of this research is the financial distrust variable, which answers why many students in Indonesia refuse the student loan program. Financial distrust gives reasons for refusal to take a loan because of distrust of external and internal parties. This finding is reinforced by studies conducted by Saiedi, Mohammadi, Broström, and Shafi; distrust in financial institutions such as banks and peer-to-peer lending will lead consumers to distance themselves from these service products. This finding also explains why distrust plays an essential role in this research for students to take student loans, regardless of whether they have financial literacy. The government needs to pay attention to these findings if it wants to make student loans a national program, trustworthy is needed to reduce the effect of distrust on student loans. Other stakeholders, such as universities, need to accommodate student difficulties continuously. This move will have a good impact on the sustainability of education in the long term.

Implications For Higher Education

The prevalence of depression among Indonesian university students has become a pervasive phenomenon in contemporary times. The presence of depression among students has been found to have detrimental effects on their overall well-being and academic achievements, underscoring the crucial importance of providing appropriate support. Presently, Indonesian universities provide many tools with the objective of assisting students who may be grappling with depression, including the provision of student health and wellness centers. However, the availability of financial coaching for students is often limited. While the aforementioned services hold significant value, educators can also play a role in alleviating depression by assisting students in avoiding detrimental financial management practices. Higher education institutions (HEIs) have the potential to alleviate the negative consequences associated with economic difficulties. Higher education institutions (HEIs) have the potential to enhance awareness regarding student loans, foster an inclusive environment that encourages individuals to openly exchange experiences and knowledge related to financial management and mental well-being, and offer references to university-provided resources aimed at supporting students. Initiatives of this nature implemented by higher education institutions (HEIs) hold significant value for persons dwelling in socioeconomically disadvantaged areas, first-generation students, and students from marginalized minority communities.

Higher education institutions (HEIs) have the potential to boost students' comprehension by intentionally utilizing student loans as a framework for teaching various ideas. In basic business modules, instructors have the opportunity to emphasize the practical implementation of management principles in the context of personal finance management. Furthermore, an instructor giving a course on organizational behavior may delve into the correlation between the need for social affiliation, such as the pursuit of social desirability, and the propensity for excessive expenditure. The utilization of the student loan context by accounting and finance lecturers offers an opportunity to impart knowledge on topics such as loan amortization and the time value of money. This pedagogical approach serves to underscore the importance of financial management while also cautioning students about the potential adverse outcomes associated with student loans over an extended period.

Higher education institutions (HEIs) have the potential to create an inclusive atmosphere that encourages students to freely engage in debates regarding mental health and the difficulties associated with acquiring student loans, alongside their existing role in promoting discussions on student loans. Higher education institutions (HEI) have the ability to purposefully communicate their challenges related to the repayment of student debts or mental health issues in order to facilitate substantive dialogues. Engaging in such discussions can foster an environment characterized by transparency and the establishment of trust, create stronger bonds between educators and learners, and contribute to the mitigation of societal prejudices surrounding mental health concerns. Furthermore, Higher Education Institutions (HEIs) have the potential to serve as mediators, facilitating the connection between students and the various resources offered by universities. Students can receive education regarding the importance of mental health through their involvement in financial literacy programs and counseling facilities. Additionally, they may have the chance to accrue additional academic credit by enrolling in courses that focus on financial management. Educators possess the capacity to emphasize the significance of obtaining assistance and inspire students to assume accountability for their mental and financial welfare

4. Conclusion

The implication that can be drawn from the findings above is that students in Indonesia view student loans as a last resort if they encounter financial difficulties in completing their studies. This output is due to their doubts about their ability to repay and distrust of the loan system. Reflecting on the research of Robb, Chatterjee, Porto and Cude (2019), the determinant of taking a student loan in the UK is important because taking a student loan will be related to social mobility. Our research indicates that the student loan burden will be carried throughout the lives of students who take this student loan. Therefore, it is hoped that in future research, these findings should be explored in depth through another method, also by expanding this research to include the variable self-efficacy and personal background as a predictor of student loans in the subsequent study. Student loans in Indonesia can only be implemented if all stakeholders understand the interests of students in it. The student loan program must consider that many students have financial difficulties but do not have sincere help. This study provides a reminder that Indonesia has a lot to learn from other countries in the case of student loans.

In the current complex economic environment, it is crucial for students to acquire the requisite abilities to swiftly and effectively adjust. This research investigates the impact of student loans on the overall welfare of present-day students and offers recommendations for educators. The results of this study indicate that financial challenges have a propensity to amplify negative behavior among college students, leading to an increased likelihood of experiencing symptoms of depression. This study highlights the need of raising awareness about the mitigation of stress and anxiety as a means of lowering student sadness caused by economic hardship. In conclusion, this study examines various intervention strategies that educators might employ within their classrooms to support pupils. Hence, it is anticipated that future investigations will delve into these findings more comprehensively by employing other methodologies. Additionally, it is recommended that subsequent studies expand upon this research by incorporating self-efficacy and personal background as potential predictors of student loans. The successful implementation of student loans in Indonesia necessitates a comprehensive understanding of the many stakeholders' perspectives and their recognition of the inherent benefits for students. The student loan program should take into account the financial challenges faced by a significant number of students who lack adequate assistance. The effectiveness of student loan programs in Indonesia relies on the proficient administration of lending terms and the control of credit risk. The achievement of desirable results can be accomplished by formulating student loan agreements that effectively tackle incentive problems related to moral hazard, expensive income verification, and restricted borrower commitment.

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