



The Impact of Financial, Familial, Social Factors on Mental Health Among University Students in Malaysia

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Abstract. This study examines how financial distress, family factors, and social relationships shape mental illness among students in Malaysian private universities, using a cognitive-behavioural lens. A quantitative cross-sectional survey was administered online to university students, using a structured questionnaire with validated Likert-scale items adapted from prior studies. Reliability tests indicated satisfactory internal consistency across constructs. Correlation analysis showed strong positive associations between the predictors and mental illness, with financial distress exhibiting the highest correlation ($r = 0.873$, $p < 0.001$), followed by family factors ($r = 0.848$, $p < 0.001$) and social relationships ($r = 0.830$, $p < 0.001$). Regression results further indicated that financial distress accounted for the largest share of explained variance in mental illness ($R^2 = 0.763$), while family factors ($R^2 = 0.689$) and social relationships ($R^2 = 0.668$) also contributed substantially. The findings suggest that financial strain is the most influential factor in this context, while family support and social connectedness remain important correlates of student mental health. Practically, the results support targeted interventions that prioritise financial counselling and support services, strengthen family-based and institutional support systems, and enhance peer connectedness, alongside cognitive-behavioural strategies that address maladaptive appraisals and coping responses.

Keywords: Mental illness, University students, Financial Distress, Family factors, Social relationships.

1 Introduction

Mental illness has become one of the most pressing public health concerns among university students worldwide. University life represents a major transitional phase in which students are required to adapt to academic demands, financial responsibilities, social expectations, and increasing independence. These challenges often expose students to psychological distress, including anxiety, depression, stress-related disorders, and emotional exhaustion. According to the World Health Organization [1], mental and neurological disorders affect a significant proportion of young adults globally, with university-aged individuals representing one of the most vulnerable groups. Similarly, the American Psychological Association [8] reported that stress

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levels among young adults continue to rise due to academic pressure, financial insecurity, and uncertainty about future career prospects.

In Malaysia, concerns regarding student mental health have increased considerably in recent years. The rapid expansion of higher education, combined with economic pressures and evolving social dynamics, has intensified the psychological burden experienced by university students. Students enrolled in private universities may face additional financial strain due to tuition fees, accommodation costs, and daily living expenses. Financial difficulties have been consistently associated with emotional distress, reduced academic performance, and declining quality of life. Richardson et al. [18] found that financial debt and economic insecurity are closely linked to poor mental and physical health outcomes, while Klontz et al. [16] emphasized that unhealthy financial beliefs and behaviours can further intensify psychological stress.

Beyond financial concerns, family-related factors also play a significant role in shaping students' mental well-being. Family environments characterized by poor communication, emotional neglect, excessive parental expectations, or dysfunctional relationships may increase students' vulnerability to depression and anxiety. Bowlby [3] argued that early attachment experiences strongly influence emotional regulation and psychological resilience throughout adulthood. Students who lack emotional support from their families may experience difficulties coping with academic and social stressors during university life.

Social relationships similarly influence mental health outcomes among university students. Positive peer relationships, social connectedness, and supportive academic environments can provide emotional support and improve psychological resilience. Conversely, social isolation, peer conflict, stigma, and discrimination may worsen emotional distress and contribute to mental illness. Baumeister and Leary [4] highlighted that the need for social belonging is a fundamental human motivation, while Cohen [11] demonstrated that strong social relationships positively contribute to both psychological and physical health. In addition, Mushtaq et al. [17] explained that loneliness and social isolation are strongly associated with psychiatric disorders and deteriorating well-being.

This study adopts the cognitive-behavioural theory perspective to explain how external stressors contribute to mental illness among university students. Cognitive-behavioural theory posits that psychological distress is influenced not only by external events but also by individuals' interpretations and cognitive responses toward those experiences. Beck [9] explained that maladaptive cognitive patterns, such as catastrophizing and negative automatic thoughts, are central contributors to emotional disorders. Furthermore, Butler et al. [10] and Hofmann et al. [14] confirmed the effectiveness of cognitive-behavioural approaches in reducing anxiety and depressive symptoms through cognitive restructuring and behavioural interventions.

Although previous studies have separately examined financial distress, family dynamics, and social relationships in relation to mental health, limited research has comprehensively investigated the combined influence of these factors among university students in Malaysian private universities. Therefore, this study aims to examine the impact of financial distress, family factors, and social relationships on mental illness among university students in Malaysia. The findings are expected to contribute to the

development of more comprehensive mental health interventions and support systems within higher education institutions.

2 Literature review

2.1 Financial Distress and Mental Health

Financial distress has consistently been identified as one of the primary contributors to psychological problems among university students. Students frequently encounter financial pressures related to tuition fees, accommodation costs, transportation, educational materials, and daily living expenses. These financial burdens may create chronic stress, negatively affecting emotional well-being, academic performance, and overall quality of life. Joo and Grable [2] argued that financial behaviour, financial literacy, and financial independence significantly influence stress levels and financial satisfaction among young adults.

Previous studies have shown that prolonged financial insecurity is strongly associated with anxiety, depression, emotional exhaustion, and feelings of helplessness. Richardson et al. [18] demonstrated that personal debt and financial insecurity are closely linked to poorer mental and physical health outcomes. Similarly, Ben Ayed [5] found that financial stress negatively influences students' academic performance and emotional stability. Berger [6] further explained that students experiencing financial difficulties often report lower academic engagement and higher levels of psychological distress.

Financial beliefs and cognitive interpretations also influence how students respond to financial challenges. Klontz et al. [16] introduced the concept of maladaptive money beliefs, suggesting that unhealthy financial attitudes and behaviours can intensify stress and emotional instability. From a cognitive-behavioural perspective, students facing financial difficulties may develop distorted thoughts such as catastrophizing, hopelessness, or fear of failure, which can worsen mental health symptoms.

2.2 Family Factors and Mental Health

Family environments play a crucial role in shaping psychological development and emotional resilience among university students. Supportive family relationships can provide emotional security, guidance, and coping resources, while dysfunctional family dynamics may contribute to stress, anxiety, and depression. Family-related stressors may include poor communication, emotional neglect, parental conflict, excessive control, unrealistic expectations, and lack of emotional support.

Bowlby [3] emphasized that early attachment experiences significantly influence emotional regulation and interpersonal functioning throughout adulthood. Students who develop insecure attachment patterns may experience greater psychological vulnerability when facing academic or social pressures. Emotional support from family members is therefore essential in helping students manage stress and maintain mental well-being.

Research has also highlighted the relationship between family functioning and mental illness among young adults. Fisher and Baum [13] argued that social determinants, including family relationships and household environments, substantially influence mental health outcomes. Students from unstable or conflict-oriented family environments may experience lower self-esteem, emotional instability, and difficulties coping with university life. In contrast, positive family support systems can improve resilience, self-confidence, and emotional adjustment.

2.3 Social Relationships and Mental Health

Social relationships are another important factor influencing mental health among university students. Positive interactions with peers, lecturers, and social communities can foster emotional support, social belonging, and psychological resilience. Supportive friendships may help students cope with academic stress and emotional difficulties more effectively.

Baumeister and Leary [4] proposed that the need to belong is a fundamental human motivation, suggesting that strong social connections are essential for emotional well-being. Cohen [11] further demonstrated that supportive social relationships positively influence both mental and physical health outcomes. Conversely, social isolation, loneliness, peer conflict, bullying, discrimination, and social rejection may increase emotional distress and contribute to mental illness.

Mushtaq et al. [17] found that loneliness and social isolation are strongly associated with psychiatric disorders, including anxiety and depression. Hunt and Eisenberg [15] similarly reported that university students frequently experience emotional difficulties related to social adjustment and interpersonal stress. In addition, Corrigan et al. [12] highlighted that stigma surrounding mental illness may discourage students from seeking psychological support, thereby worsening emotional distress and psychological vulnerability.

2.4 Cognitive-Behavioural Theory

This study is grounded in cognitive-behavioural theory, which explains that emotional and behavioural responses are shaped by individuals' cognitive interpretations of life experiences. According to Beck [9], negative automatic thoughts and maladaptive cognitive patterns are central contributors to psychological disorders such as anxiety and depression. External stressors, including financial problems, family conflict, and social difficulties, may trigger distorted cognitions that negatively affect emotional well-being.

Cognitive-behavioural theory suggests that individuals who experience persistent stress may develop irrational beliefs, catastrophizing tendencies, and negative self-perceptions, leading to maladaptive emotional responses. Butler et al. [10] demonstrated that cognitive-behavioural therapy is highly effective in treating emotional disorders by helping individuals identify and restructure dysfunctional thought patterns. Hofmann et al. [14] further confirmed the effectiveness of cognitive-behavioural interventions in reducing anxiety, depression, and stress-related symptoms.

Within the university context, cognitive-behavioural theory provides a useful framework for understanding how financial distress, family challenges, and social difficulties contribute to mental illness among students. Students' subjective interpretations of stressful experiences may determine whether external pressures develop into severe psychological distress.

2.5 Conceptual Framework and Research Gap

Previous studies have independently examined the effects of financial distress, family relationships, and social support on mental health outcomes. However, limited research has comprehensively explored the combined influence of these variables among university students in Malaysian private universities. Most existing studies focus on isolated predictors without integrating multiple psychosocial dimensions within a single framework.

Therefore, this study addresses this research gap by simultaneously examining financial distress, family factors, and social relationships as predictors of mental illness among university students. By applying a cognitive-behavioural perspective, this study also contributes theoretically by explaining how external stressors may shape students' cognitive and emotional responses.

3 Methodology

A quantitative cross-sectional design was used to investigate the relationships between the identified variables. The research population consisted of MSU students aged 18 to 31. Using Krejcie and Morgan's table to determine the sample size, 375 participants were targeted initially. As shown in Table 1, a total of 421 responses were successfully collected via Google Forms, which were distributed through social media platforms and university networks.

The structured questionnaire consisted of 25 items on a Likert scale, divided into four sections: symptoms of mental illness, financial distress, family factors and social relationships. Each item was rated on a five-point scale (1 = strongly disagree to 5 = strongly agree). The instruments were adapted from validated scales by Ben Ayed [5], Berger [6] and Ibrahim [7].

Reliability tests showed good internal consistency for all constructs: financial distress ($\alpha = 0.912$), family factors ($\alpha = 0.852$), social relationships ($\alpha = 0.856$) and mental illness ($\alpha = 0.903$). The data was analysed using SPSS version 29.0. Descriptive analysis provided demographic findings, while correlation and multiple linear regression assessed the strength and significance of relationships among variables.

4 Results

The descriptive analysis confirmed that all variables followed an approximately normal distribution, with skewness and kurtosis values remaining within acceptable limits.

Data were collected from 421 respondents via Google Forms, distributed through strategic social media channels and university networks. As summarized in Table 1, the sample was demographically diverse, with a higher representation of female respondents (56.1%) compared to males (43.9%). The age of participants ranged from 18 to 31 years, with the majority (51.5%) concentrated in the 21–25 age bracket.

Table 1. Respondent profile (n = 421)

Characteristic	Reported result
Gender	56.1% female; 43.9% male
Age	18–31 years
Dominant age group	21–25 years (51.5%)

Prior to inferential testing, the internal consistency of the constructs was evaluated using Cronbach's alpha (α). The results, presented in Table 2, indicate high reliability for all instruments, as all coefficients exceeded the recommended threshold of 0.70. Specifically, financial distress yielded the highest consistency ($\alpha = 0.912$), followed by mental illness ($\alpha = 0.903$), social relationships ($\alpha = 0.856$), and family factors ($\alpha = 0.852$).

Table 2. Reliability (Cronbach's alpha)

Construct	Cronbach's alpha (α)
Financial distress	912
Family factors	852
Social relationships	856
Mental illness	903

Pearson correlation analysis revealed strong positive associations between each independent variable and mental illness. As detailed in Table 3, financial distress showed the highest correlation with mental illness ($r = 0.873$, $p < 0.001$), followed closely by family factors ($r = 0.848$, $p < 0.001$) and social relationships ($r = 0.830$, $p < 0.001$).

Table 3. Correlations with mental illness

Predictor	Correlation with mental illness (r)	p-value
Financial distress	873	< 0.001
Family factors	848	< 0.001
Social relationships	830	< 0.001

The regression analysis further confirmed the predictive power of these variables. As summarized in Table 4, financial distress explained the largest portion of variance in mental illness ($R^2 = 0.763$), while family factors and social relationships explained 68.9% and 66.8% of the variance, respectively. These findings suggest that financial distress is the most significant factor impacting student mental health in this context.

Table 4. Explained variance in mental illness

Predictor	R ²
Financial distress	763
Family factors	689
Social relationships	668

5 Discussion

The findings of this study demonstrate that financial distress, family factors, and social relationships significantly influence mental illness among university students in Malaysia. Among the three predictors, financial distress emerged as the strongest factor associated with mental illness, followed by family factors and social relationships. These findings highlight the multidimensional nature of student mental health and reinforce the importance of examining psychological well-being through economic, familial, and social perspectives simultaneously.

The strong relationship between financial distress and mental illness supports previous studies emphasizing the psychological burden associated with economic insecurity among university students. Financial challenges related to tuition fees, accommodation expenses, transportation, and daily living costs may create continuous stress that negatively affects emotional well-being and academic functioning. Poor financial management and financial insecurity contribute significantly to stress and reduced life satisfaction [2]. Financial stress also adversely affects students' academic performance and psychological stability, while financially stressed students frequently experience anxiety, emotional exhaustion, and reduced academic engagement [5, 6].

The present findings are also consistent with evidence showing that financial debt and economic insecurity are strongly associated with poorer mental and physical health outcomes [18]. From a cognitive-behavioural perspective, persistent financial difficulties may trigger maladaptive cognitive patterns such as hopelessness, fear of failure, catastrophizing, and negative self-evaluation. Distorted cognitive interpretations often intensify emotional disorders, particularly anxiety and depression [9]. In addition, maladaptive money beliefs and unhealthy financial behaviours may further worsen emotional distress [16]. Therefore, students experiencing financial instability may become psychologically vulnerable not only because of objective

financial problems but also because of their negative cognitive responses toward those difficulties.

Family factors also showed a substantial influence on students' mental health. Emotional support, healthy communication, and positive family relationships are essential protective factors that help students cope with academic and personal stress. Conversely, dysfunctional family environments characterized by neglect, conflict, excessive parental pressure, or emotional detachment may increase vulnerability to mental illness. Attachment experiences within the family environment significantly shape emotional regulation and resilience throughout adulthood [3].

The findings align with previous studies highlighting that social determinants, including family and household environments, substantially influence mental health outcomes [13]. Students who lack emotional support from family members may struggle to manage stress effectively, leading to feelings of loneliness, insecurity, and emotional exhaustion. Family expectations regarding academic achievement and future career success may also intensify psychological pressure among university students. Within the cognitive-behavioural framework, negative family interactions may reinforce maladaptive thoughts such as feelings of worthlessness or inadequacy, which contribute to anxiety and depressive symptoms.

Social relationships were also found to significantly affect students' mental health, although the strength of the relationship was slightly lower than financial and family-related factors. Positive social relationships provide emotional support, social belonging, and opportunities for healthy coping during stressful situations. The need to belong represents a fundamental psychological need, while supportive social relationships positively contribute to both mental and physical well-being [4, 11].

On the other hand, social isolation, loneliness, peer conflict, and stigma may worsen emotional distress among university students. Loneliness is strongly associated with psychiatric disorders and declining psychological health [17]. University students also commonly experience emotional difficulties associated with social adjustment and interpersonal stress [15]. Furthermore, stigma surrounding mental illness may discourage students from seeking psychological support, thereby increasing emotional vulnerability and psychological distress [12].

The findings of this study also support the relevance of cognitive-behavioural theory in explaining the relationship between external stressors and mental illness among university students. Cognitive-behavioural theory posits that emotional disorders are influenced not only by stressful events themselves but also by individuals' interpretations and cognitive reactions toward those experiences. Financial insecurity, family conflict, and negative social experiences may trigger distorted cognitions such as catastrophizing, self-blame, hopelessness, and negative automatic thoughts.

Maladaptive cognitive patterns are central contributors to anxiety and depression, while cognitive-behavioural interventions effectively reduce psychological distress by helping individuals restructure dysfunctional thinking patterns [9, 10, 14]. Therefore, psychological support services within universities should not only address external stressors but also focus on improving students' coping strategies, emotional regulation, and cognitive resilience.

Practically, the findings suggest that universities should adopt more comprehensive mental health interventions that integrate financial, familial, and social support systems. Financial counselling services, scholarship assistance, and financial literacy programmes may help reduce economic stress among students. Family-based support initiatives and counselling programmes may strengthen emotional resilience and communication between students and their families. In addition, universities should promote peer-support programmes, mentoring systems, and inclusive social environments to improve students' sense of belonging and emotional well-being.

Overall, this study contributes to the growing literature on student mental health by demonstrating that financial distress, family factors, and social relationships collectively influence mental illness among university students in Malaysia. The findings reinforce the importance of adopting multidimensional and psychologically informed approaches in addressing mental health challenges within higher education institutions.

6 Conclusion

Mental ill health in university students is a multifaceted problem influenced by financial instability, family challenges and social disconnection. This study emphasises the urgency of comprehensive mental health strategies in the university environment. Institutions need to introduce proactive measures such as financial counselling, peer mentoring programmes and family involvement initiatives. Training faculty in identifying signs of mental health issues and creating safe spaces for dialogue can also help foster a culture of mental safety.

By addressing the root causes identified in this study, universities can significantly improve student outcomes and promote long-term well-being. The integration of academic, emotional, and social support systems will enable students to manage the complexities of university life better.

Although this study provides important findings, it is not without limitations. First, it was conducted at a single institution, which limits its generalisability. Second, while the cross-sectional design captures correlations, it cannot prove causality. Third, the use of self-reporting can lead to bias in the answers.

Future studies should involve multiple universities across Malaysia and include larger, more diverse samples. Longitudinal studies could examine changes over time and establish causal relationships. In addition, the inclusion of qualitative methods, such as interviews or focus groups, would enrich understanding of students' life experiences and the nuances behind their psychological challenges.

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