

Factsheet: student mental health, cost-of-living increases, and financial hardship

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Latest facts and figures

- New research from the Office for National Statistics (ONS, 2022) found that **91%** of student respondents say they're **worried about the rising cost of living**. Other key findings were:
 - Around **45%** of respondents **reported their mental health and well-being had worsened** since the start of the **Autumn term 2022**.
 - **50%** of respondents said they are **experiencing financial difficulties** - **15%** are facing **major financial difficulties**.
 - Students are having to make significant decisions to support themselves. **62% are cutting back on food and essentials; 29% are skipping non-mandatory classes; 25% have taken out new debt**.
 - **25% of students had taken on new debt** in response to rising cost of living, including those who borrowed more or used more credit than usual. Of these, **66% reported they did so because their student loan was not enough to support their living costs**.

(ONS, 2022).

Financial hardship and poor mental health: the connection

There is a well-evidenced relationship between financial hardship and poor mental health, including within the student population in the United Kingdom.

- Amongst a sample of **British university undergraduates, financial difficulties were a predictor of greater depression and stress** cross-sectionally (Richardson et al., 2017).
- Students with financial difficulties were also **predicted to be more likely to have poorer mental health, greater rates of alcohol dependence, and greater anxiety** (Richardson et al., 2017).
- A 2018 study of first-year British undergraduates found that **“financial difficulties increased psychosis risk cross sectionally both in terms of symptoms and distress”** (Richardson et al., 2018, p61).

- Financial concerns can also have a negative impact on a student's mental health indirectly, such as **by influencing their academic outcomes** (Reid et al., 2020) or **their physical health** (Jessop et al., 2020).
- In England, the maximum maintenance funding available from Student Finance England **has not increased at or above the rate of inflation in over five years**. This means in real terms, **students are receiving less financial support** than they were five years ago.

What needs to change?

Students are exposed to rises in cost-of-living but are often unable to access existing policy remedies:

- The majority of students **do not pay council tax and so will not benefit from any council tax rebate**; similarly, most students **will not benefit from reductions in National Insurance** or income tax payments.
- Students also cannot access the income tax relief granted to those working from home, as the majority do not earn enough to pay income tax to begin with. **However, many students will have studied from home during the pandemic, increasing their energy usage.**

As such, we are calling for tailored policy interventions to support students through the recent cost-of-living increases. Keeping students from financial hardship is key to ensure good academic outcomes, physical health, and mental health, all of which enable them to successfully join the workforce and enjoy a better quality of life.

Getting support

If you are, or know, a student experiencing difficulties during the cost-of-living crisis, there is support available. Our [Cost of Living Hub on our website](#) provides a collection of resources and signposts onto direct support options, including independent money and debt advice. On top of this, Student Space, our free, confidential, direct support platform, is here to support your mental health. You can access Student Space at <https://studentspace.org.uk/>.

References

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