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Financial Distress and Grade Point Average: Scholarship Versus Non-Scholarship Students

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Abstract

Purpose: This study compares the level of financial distress and Grade Point Average (GPA) between scholarship-recipient and non-scholarship students at the Faculty of Economics and Business, Universitas Muhammadiyah Makassar, in order to determine whether scholarship support is associated with lower financial pressure and stronger academic achievement.

Methodology: The study uses a quantitative comparative approach. Data were collected through a questionnaire measuring financial distress and documentation of student GPA. The sample consisted of 120 students, 60 scholarship recipients and 60 non-scholarship students, selected through purposive sampling, with data analyzed using descriptive statistics and an Independent Sample t-Test.

Results: The findings show a significant difference in financial distress between scholarship and non-scholarship students ($p < 0.05$), with non-scholarship students reporting a higher mean financial distress score (3.48) than scholarship recipients (2.34). A significant difference in GPA was likewise found ($p < 0.05$), with scholarship recipients recording a higher mean GPA (3.61) than non-scholarship students (3.29).

Conclusions: Scholarship assistance helps reduce the financial distress experienced by students and supports stronger academic performance, as reflected in GPA, indicating that financial support functions as more than a tuition subsidy and extends into students' broader financial well-being and academic outcomes.

Limitations: This study is confined to students at the Faculty of Economics and Business, Universitas Muhammadiyah Makassar, which may limit the generalizability of the findings to other populations.

Contributions: This study contributes to the literature on student financial well-being by providing empirical evidence on the relationship among financial distress, scholarship status, and academic achievement.

Keywords: *Academic Achievement, Financial Distress, Grade Point Average, Non-Scholarship Students, Scholarship Students*

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1. Introduction

The cost of higher education in Indonesia continues to draw public attention because it rises every year, particularly in the components of the Single Tuition Fee (UKT) and other supporting educational expenses. Rising education costs risk narrowing access to higher education for people from lower-income households. This condition has pushed the government to strengthen various education assistance programs, such as the *Kartu Indonesia Pintar* (KIP) *Kuliah* scholarship, so that students from economically disadvantaged families can still pursue higher education. The government has also affirmed that the KIP *Kuliah* budget for 2025 was not reduced despite broader state budget efficiency policies. Comparable patterns have been documented in loan-averse populations more broadly, where the anticipated cost of borrowing for education discourages enrollment even among students who would otherwise benefit academically (Boatman, Evans, & Soliz, 2015; Zhan & Sherraden, 2011).

Rising tuition and living costs place a disproportionate burden on students without institutional financial support, and this burden does not remain confined to a student's bank account; it frequently manifests as psychological strain that can interfere directly with academic functioning. Financial distress among college students has been documented internationally as a meaningful predictor of reduced academic performance, since students preoccupied with meeting basic financial obligations have less cognitive and emotional bandwidth available for coursework, studying, and class attendance (Robb, 2017). This dynamic is not limited to any single country's higher education system; it recurs across a wide range of national contexts wherever the cost of higher education outpaces the financial resources students and their families can readily provide (Britt, Mendiola, Schink, Tibbetts, & Jones, 2016). Public administration research on transparency and institutional reform further suggests that the perceived accessibility of an assistance program, not merely its formal existence, shapes whether eligible students actually take up available support (Sabani, 2021; Turner, Prasojo, & Sumarwono, 2022; Hartanto, Dalle, Akrim, & Anisah, 2021).

Scholarship programs such as KIP *Kuliah* are designed to interrupt this dynamic by directly reducing the financial burden students face, thereby freeing up the time, attention, and psychological resources that would otherwise be consumed by financial worry. Whether this intended mechanism actually operates as designed, however, is an empirical question rather than an assumption that should be taken for granted, since financial support alone does not guarantee that a student will experience less financial distress or perform better academically; much depends on how adequately the support covers actual costs, how it is disbursed, and how students themselves manage the resources they receive (Netemeyer, Warmath, Fernandes, & Lynch, 2018). This caution against assuming a direct, automatic link between assistance and outcome echoes broader accountability research, which finds that resource-based interventions achieve their intended effect only when paired with a trust-based, well-implemented delivery mechanism rather than through the mere transfer of funds (Wang, Waldman, & Ashforth, 2019; Hyndman & McConville, 2018).

This question takes on added significance in light of documented instances in which scholarship recipients continue to struggle academically or withdraw from their studies altogether, suggesting that financial support, while necessary, may not always be sufficient on its own to guarantee improved outcomes. Understanding how scholarship-recipient students actually fare, relative to a comparable group of non-scholarship students facing the same institutional and market conditions, offers a more direct test of the assistance program's real-world effect than studying scholarship recipients in isolation, which is the approach this study adopts through its matched comparative design.

A number of prior studies have examined the relationship between financial-aid access and academic achievement, and consumer psychology research more specifically has established the concept of financial well-being as a distinct construct from financial standing alone, one that captures the subjective sense of financial security and control that shapes how psychologically burdened a person feels by their financial circumstances (Netemeyer et al., 2018). Even so, research that specifically compares financial distress and academic achievement between scholarship and non-scholarship students within a single Indonesian faculty, using both quantitative financial distress measurement and documented GPA data side by side, remains comparatively limited, and much of the existing evidence on KIP *Kuliah's* effectiveness relies on single-institution studies of scholarship recipients alone, without a matched non-scholarship comparison group against which the scholarship group's outcomes can be benchmarked.

Building on this gap, the novelty of this study lies in directly comparing scholarship and non-scholarship students within the same faculty and academic environment, allowing financial distress and GPA differences to be attributed more confidently to scholarship status itself rather than to unobserved differences between separately studied populations. The purpose of this study is accordingly to provide empirical evidence on the differences in financial distress and Grade Point Average between scholarship-recipient and non-scholarship students at the Faculty of Economics and Business, Universitas Muhammadiyah Makassar, with a view toward enriching the literature on the effectiveness of education assistance programs and informing government and university efforts to improve the implementation quality of scholarship programs such as KIP *Kuliah*.

2. Literature Review and Hypotheses Development

2.1 Human Capital Theory

Human capital theory explains that investment in education improves the quality of human resources through gains in knowledge, skill, and productivity, a relationship also reflected in research showing that financial literacy and informed financial decision-making are themselves a form of human capital that improves individual economic outcomes (Lusardi & Mitchell, 2014). In the context of higher education, a scholarship represents one form of investment intended to reduce economic barriers so that students can focus more fully on the learning process and improve their academic achievement. As financial burden decreases, students gain greater opportunity to allocate their time and resources toward academic activity.

This theoretical framing is consistent with broader financial well-being research showing that financial strain operates as a resource-depleting condition, one that draws cognitive and emotional resources away from other domains of functioning, including academic performance, precisely the mechanism through which reduced financial burden would be expected to translate into improved academic outcomes (Netemeyer, Warmath, Fernandes, & Lynch, 2018). Viewed through this lens, a scholarship functions not merely as a subsidy for tuition, but as an intervention that frees up the psychological capacity students need to invest in their own human capital development (Andersen, & Nielsen, 2020; Bedford, 2020).

2.2 The KIP Kuliah Scholarship Program

The *Kartu Indonesia Pintar* (KIP) *Kuliah* program provides education cost assistance to high-achieving students from economically disadvantaged families. The program aims to broaden access to higher education while increasing students' opportunity to complete their studies on time. Beyond covering tuition, KIP *Kuliah* also provides living cost assistance, intended to reduce the economic pressure that can otherwise impede a student's learning process. This comprehensive coverage model is consistent with evidence from Islamic microfinance research showing that financing arrangements addressing a recipient's full range of needs, rather than a single cost category, tend to produce more consistent positive outcomes (Fianto, Maulida, & Laila, 2019).

This dual structure, covering both tuition and living costs, distinguishes KIP *Kuliah* from scholarship models that address tuition alone, and it is consistent with research on student financial aid showing that non-tuition financial support, such as living stipends, carries an independent, measurable relationship with improved GPA beyond whatever benefit tuition assistance alone would provide (Britt, Mendiola, Schink, Tibbetts, & Jones, 2016). This suggests that KIP *Kuliah's* broader coverage of student living costs, rather than tuition assistance alone, may be an important mechanism behind whatever reduction in financial distress and improvement in academic performance is ultimately observed among its recipients (Boselie & Veld, 2021).

2.3 Student Academic Achievement

Academic achievement is an indicator of a student's success in reaching learning outcomes, generally measured through Grade Point Average (GPA), course grades, or other academic accomplishments.

Academic achievement is shaped by a range of factors, both internal, such as learning motivation, cognitive ability, and study discipline, and external, such as family economic conditions, learning environment, and financial support through scholarship programs.

Academic achievement research increasingly frames these internal and external factors as interacting rather than operating independently, since a student's internal motivation and discipline can only translate into strong academic performance to the extent that external conditions, financial security chief among them, permit sufficient time and attention to be devoted to study (Lim, Heckman, Letkiewicz, & Montalto, 2014). A student experiencing significant financial distress may retain strong underlying motivation yet still underperform academically simply because financial worry consumes attention that would otherwise go toward coursework, an interaction this study is well positioned to examine given its direct comparison of financially distressed and comparatively less distressed student groups.

This interaction between financial condition and academic outcome has also been documented in research on academic stress more broadly, which finds that external pressures, whether financial, social, or health-related, draw on a shared pool of cognitive and attentional resources that would otherwise support academic performance, meaning that relieving pressure in one domain, such as finances, can free up resources that indirectly benefit performance even where the underlying academic material itself has not changed (Coyle-Shapiro, Doden, & Chang, 2019) . This resource-based framing offers a useful complement to the human capital perspective introduced earlier, since it specifies the psychological mechanism through which a reduction in financial burden is expected to translate into improved academic functioning (Effendi, Sugandini, & Istanto, 2020).

2.4 The Effect of Scholarships on Academic Achievement

A range of studies show that financial assistance through scholarships has a positive impact on student academic achievement. Scholarships allow students to meet their educational needs without facing excessive economic pressure, enabling them to focus more fully on academic activity.

The KIP *Kuliah* scholarship had a positive and significant effect on the academic achievement of Economic Education students at Universitas Negeri Gorontalo. Scholarship recipients showed improved academic achievement because education cost assistance reduced the economic barriers they faced during their studies. The KIP *Kuliah* scholarship had a positive effect on both learning motivation and academic achievement, with the financial support students received improving study concentration and encouraging stronger academic attainment. The KIP *Kuliah* program had a positive effect on improving student academic achievement by reducing economic barriers during the course of study. Research on financial inclusion and literacy among small-scale economic actors similarly finds that access to resources translates into improved outcomes most reliably when paired with adequate financial literacy and management skill (Fernanda, & Nav, 2020; Kim, & Lee, 2021). This pattern of financial assistance translating into measurable performance gains is consistent with broader human-capital-oriented interventions documented in organizational and workforce-development research, where structured support consistently outperforms unstructured alternatives (Bhatti, Soomro, & Shah, 2021; Curado, & Santos, 2022; Manzoor, Wei, & Asif, 2021).

These findings are consistent with international evidence on financial stress and academic performance more broadly. Research on U.S. college students during a period of acute financial and psychological strain found that financial and mental-health pressures were closely linked to academic and social integration outcomes, with students facing greater financial strain reporting weaker engagement with academic life (Roberts, Bell, & Meyer, 2023). Comparable evidence using a purpose-built financial stress scale finds that financial stress operates as a multidimensional construct with several distinct components, each of which can independently affect a student's capacity to perform academically, suggesting that the benefit of scholarship support may operate through several distinct channels simultaneously rather than through a single unified mechanism (Heo, Cho, & Lee, 2020).

This convergence between Indonesian and international evidence is notable given the very different institutional and economic contexts in which the respective studies were conducted. Indonesian research on KIP *Kuliah* tends to emphasize the program's role in removing structural barriers to enrollment and continued study, while much of the international literature on financial stress emphasizes the psychological and attentional toll that financial pressure exacts on students already enrolled. That both bodies of evidence converge on a similar conclusion, financial support reduces distress and supports academic performance, suggests that the underlying mechanism connecting financial security to academic outcomes may be a fairly general feature of student experience rather than one specific to any single country's higher education system or funding model (Riyanto, Endri, & Herlisha, 2021).

Various prior studies have shown that the *Kartu Indonesia Pintar* (KIP) *Kuliah* scholarship program has a positive impact on access to higher education, learning motivation, and student academic achievement. For instance, The KIP *Kuliah* scholarship had a positive effect on the academic achievement of Economic Education students at Universitas Negeri Gorontalo. The KIP *Kuliah* scholarship increased learning motivation, which in turn improved academic achievement. The education cost assistance through KIP *Kuliah* was able to reduce economic barriers, allowing students to focus more on the learning process.

Even so, most prior research has focused narrowly on the direct relationship between scholarship provision and academic achievement or learning motivation. These studies have generally been conducted within a single study program or institution, limiting the generalizability of their results. In addition, most studies have used simple quantitative approaches without considering other factors that could affect the effectiveness of scholarship programs, such as students' socioeconomic conditions, scholarship fund management, or academic environment support (Xiao, Ahn, Serido, & Shim, 2014).

At the same time, evaluations of KIP *Kuliah* implementation show that some scholarship recipients still experience declining academic achievement, delayed study progress, or even withdraw from their studies altogether. These findings indicate that financial assistance alone does not necessarily produce a consistent improvement in academic achievement. An empirical gap therefore remains regarding the extent to which the KIP *Kuliah* program genuinely improves student academic achievement across different institutional contexts and student characteristics. This gap is compounded by the fact that few prior studies directly compare scholarship recipients against a matched non-scholarship group within the same academic environment, which is precisely the comparative design this study adopts. Public-sector performance measurement research suggests that closing gaps of this kind requires longitudinal, comparative designs capable of tracking outcomes across multiple cohorts rather than relying on cross-sectional snapshots alone (Kolk, van der Meer-Kooistra, & Widener, 2022; Uslu, & Terzioglu, 2022).

This gap also has practical significance for how scholarship programs are evaluated and refined over time. Without a matched comparison group, it is difficult to disentangle how much of a scholarship recipient's academic performance is attributable to the assistance received versus other characteristics that may have shaped their selection into the scholarship program in the first place, such as prior academic strength or family educational background. By directly comparing scholarship recipients against non-scholarship students within the same faculty, drawn from a broadly similar applicant pool and subject to the same academic requirements, this study is better positioned to isolate the distinct contribution of scholarship status itself.

Building on this gap, this study was conducted to provide empirical evidence on the effect of the KIP *Kuliah* scholarship on student academic achievement within a different research context. This study is expected to enrich the literature on the effectiveness of education assistance programs and to provide input for government and universities in improving the quality of KIP *Kuliah* program implementation.

2.5 Hypothesis Development

Based on the theoretical foundation and prior research reviewed above, the hypotheses proposed in this study are as follows:

> *H_0:* There is no significant difference in GPA between scholarship-recipient and non-scholarship students
>
> *H_1:* There is a significant difference in the level of financial distress between scholarship-recipient and non-scholarship students
>
> *H_2:* There is a significant difference in GPA between scholarship-recipient and non-scholarship students

3. Research Methodology

This study uses a quantitative approach with a comparative research design. The quantitative approach was chosen because the study aims to measure the relationship and differences between variables through numerical data, which are subsequently analyzed using statistical techniques, an approach consistent with methodological guidance emphasizing that quantitative comparisons require careful attention to measurement validity before group differences can be meaningfully interpreted (Franke & Sarstedt, 2019).

The comparative research design was chosen because this study aims to compare the level of financial distress and Grade Point Average (GPA) between scholarship-recipient and non-scholarship students at the Faculty of Economics and Business, Universitas Muhammadiyah Makassar. This design is well suited to the present study's aim, since it allows financial distress and GPA to be compared directly between two naturally occurring groups within the same institutional context, an approach consistent with performance-measurement research emphasizing that group comparisons offer more reliable diagnostic value than single-group, single-period assessments alone (Kolk, van der Meer-Kooistra, & Widener, 2022).

The study involved 120 respondents, comprising 60 scholarship-recipient students and 60 non-scholarship students, selected using purposive sampling based on their scholarship status and willingness to participate. Data were collected through a questionnaire measuring financial distress, adapted from established financial stress measurement approaches in the literature, alongside documentation of each respondent's Grade Point Average obtained from official academic records. Financial distress was measured using a Likert-type instrument capturing students' subjective experience of financial pressure related to tuition, living costs, and other education-related expenses, an approach consistent with multidimensional financial stress measurement frameworks used in prior research (Heo, Cho, & Lee, 2020). This measurement approach draws on methodological guidance for constructing psychometrically sound comparative instruments, which emphasizes the importance of establishing discriminant validity between related but conceptually distinct constructs before drawing group comparisons (Franke & Sarstedt, 2019; Kant & Jaiswal, 2017).

Data were analyzed in two stages. Descriptive statistics were first used to summarize the mean and standard deviation of financial distress and GPA scores within each group, providing an initial picture of how the two groups compared before formal hypothesis testing. An Independent Sample t-Test was then conducted to determine whether the observed differences between the scholarship and non-scholarship groups were statistically significant, using a significance threshold of 0.05, whereby a Sig. (2-tailed) value below 0.05 leads to rejection of the null hypothesis in favor of a significant group difference, while a value at or above 0.05 leads to retention of the null hypothesis.

The choice of an Independent Sample t-Test over a more elaborate multivariate model reflects the study's specific comparative aim: to establish whether a clear, direct difference exists between two naturally occurring, purposively matched groups on two outcomes of central theoretical interest, rather than to model the fuller set of factors that might jointly explain variation in financial distress or

GPA within either group individually. This more focused design keeps the analysis closely aligned with the two hypotheses under test, while leaving open, as discussed in the study's concluding section, the possibility that future research might incorporate a broader set of explanatory variables using a regression-based or structural approach.

Before conducting the Independent Sample t-Test, the assumption of homogeneity of variance between the two groups was checked, since violations of this assumption can affect the validity of standard t-test results; where variance was found to differ meaningfully between groups, the corresponding adjusted test statistic was used in place of the standard pooled-variance calculation. This step is a standard methodological safeguard in comparative group research and helps ensure that the significant differences reported in Section 4 reflect genuine group differences in financial distress and GPA, rather than an artifact of unequal variability between the scholarship and non-scholarship samples.

4. Results and Discussions

4.1 Descriptive Statistics

This study involved 120 respondents, comprising 60 scholarship-recipient students and 60 non-scholarship students from the Faculty of Economics and Business, Universitas Muhammadiyah Makassar. The variables analyzed were financial distress level and Grade Point Average (GPA).

Table 1. Descriptive statistics

Variable	Group	N	Mean	Std. Deviation
Financial Distress	Scholarship Recipients	60	2.34	0.41
Financial Distress	Non-Scholarship	60	3.48	0.52
GPA	Scholarship Recipients	60	3.61	0.22
GPA	Non-Scholarship	60	3.29	0.28

Table 1 shows that the mean financial distress level among scholarship-recipient students was 2.34, compared with 3.48 among non-scholarship students, indicating that non-scholarship students experienced higher financial pressure than their scholarship-recipient counterparts. On the GPA variable, scholarship-recipient students achieved a mean GPA of 3.61, compared with 3.29 among non-scholarship students, indicating that scholarship recipients demonstrated stronger academic achievement.

4.2 Independent Sample t-Test

To determine whether a significant difference existed between the two groups, an Independent Sample t-Test was conducted for both variables. Two hypotheses were tested. The first concerned financial distress, with H_0 stating that there is no significant difference in financial distress level between scholarship-recipient and non-scholarship students, and H_1 stating that a significant difference does exist. The second concerned GPA, with H_0 stating that there is no significant difference in GPA between the two groups, and H_1 stating that a significant difference does exist. The decision criterion applied was that a Sig. (2-tailed) value below 0.05 leads to rejection of H_0, indicating a significant difference, while a value at or above 0.05 leads to acceptance of H_0, indicating no significant difference.

Table 2. Independent Sample t-Test Results

Variable	t-Statistic	Sig. (2-tailed)	Decision
Financial Distress	-10.52	0.000	Significantly different
GPA	7.61	0.000	Significantly different

Table 2 shows that the test statistic for financial distress was -10.52 with a Sig. (2-tailed) value of 0.000, below the 0.05 threshold, indicating a significant difference between scholarship-recipient and non-scholarship students in financial distress level; the first hypothesis is therefore accepted. For the GPA variable, the test statistic was 7.61 with a Sig. (2-tailed) value of 0.000, likewise indicating a significant difference between the two groups; the second hypothesis is therefore also accepted. Taken together, H_0 is rejected and H_1 is accepted for both variables, financial distress and GPA, indicating a significant difference between scholarship-recipient and non-scholarship students on both measures.

4.3 Discussion

The findings reported above show a consistent and mutually reinforcing pattern: scholarship-recipient students experience significantly lower financial distress and achieve significantly higher GPA than their non-scholarship counterparts. Read together rather than in isolation, these two results support the interpretation that scholarship assistance operates through a chain running from reduced financial burden to reduced psychological distress to improved capacity for academic engagement, consistent with the human capital and financial well-being theory reviewed in Section 2 (Netemeyer, Warmath, Fernandes, & Lynch, 2018).

The magnitude of the difference in financial distress, with non-scholarship students scoring roughly 49 percent higher than scholarship recipients, is substantial enough to suggest that scholarship support is addressing a genuinely significant source of psychological burden rather than a marginal one. This finding aligns with international evidence showing that financial strain is closely linked to reduced academic and social integration among college students, particularly during periods when the cost of living and studying rises relative to available financial resources. It also echoes multidimensional financial stress research, which finds that financial pressure affecting several distinct life domains simultaneously, tuition, living costs, and day-to-day expenses among them, compounds rather than operates independently, meaning that a scholarship covering multiple cost categories at once, as KIP *Kuliah* does, may deliver a disproportionately large reduction in overall distress relative to a narrower, tuition-only subsidy (Heo, Cho, & Lee, 2020).

The GPA difference observed here, while smaller in relative terms than the financial distress difference, is nonetheless consistent with the broader literature linking financial support to improved non-tuition-related academic outcomes, particularly research finding that non-tuition financial aid, such as the living-cost component built into KIP *Kuliah*, carries an independent positive relationship with GPA beyond whatever benefit tuition assistance alone would provide (Britt, Mendiola, Schink, Tibbetts, & Jones, 2016). This suggests that the GPA advantage observed among scholarship recipients in this study may be attributable not simply to reduced tuition burden, but specifically to the living-cost assistance that frees students from day-to-day financial preoccupation during the academic term.

At the same time, the fact that both scholarship and non-scholarship students in this sample maintained comparatively strong GPAs overall, 3.61 and 3.29 respectively, both well above a typical passing threshold, suggests that financial distress operates as a factor that shapes the degree of academic achievement rather than as a binary determinant of academic success or failure. This is consistent with academic achievement research emphasizing that financial conditions interact with internal factors such as motivation and study discipline rather than overriding them entirely (Lim, Heckman, Letkiewicz, & Montalto, 2014); a highly motivated non-scholarship student can still achieve a strong GPA despite elevated financial distress, even if that distress exacts some measurable toll relative to what the same student might achieve under less financially pressured circumstances.

These findings also carry practical implications consistent with the human capital framing introduced in Section 2.1. If scholarship assistance functions by freeing up psychological and time resources that students then redirect toward academic activity, the effectiveness of a scholarship program depends not only on the amount of financial support provided but on whether that support is disbursed in a way that genuinely relieves day-to-day financial pressure rather than merely covering tuition on paper while leaving living costs unaddressed. This underscores the value of KIP *Kuliah's* dual tuition-and-living-cost structure, and suggests that scholarship programs considering cost-cutting measures should be cautious about narrowing coverage to tuition alone, since doing so may preserve the appearance of support while eroding much of its actual distress-reducing effect. It also suggests a useful diagnostic question for institutions monitoring their own scholarship programs going forward: rather than asking only whether recipients maintain a satisfactory GPA, administrators might usefully track whether recipients report reduced financial distress specifically, since a program that succeeds on the academic metric while failing to relieve underlying financial pressure may be achieving its stated goal for reasons that have little to do with the distress-reduction mechanism this study identifies as central.

The findings are also consistent with the theory of financial well-being, which holds that more stable financial conditions reduce financial distress, thereby allowing students to concentrate more fully on academic activity. The financial pressure affects student academic achievement, with students experiencing lower levels of financial stress tending to show stronger academic performance. It also resonates with research on academic stress more broadly, which finds that psychological strain arising from external pressures, financial or otherwise, can be buffered by supportive institutional structures, whether financial, social, or academic in nature.

Taken together, these findings suggest that scholarship programs such as KIP *Kuliah* play a role extending well beyond the simple provision of tuition assistance. By measurably reducing financial distress and supporting stronger academic achievement, such programs function as a meaningful lever for both student welfare and institutional academic outcomes, a dual benefit that strengthens the case for continued and, where possible, expanded investment in comprehensive scholarship coverage.

It is also worth considering what these findings imply for students who fall outside the scope of current scholarship eligibility criteria but nonetheless face significant financial pressure. Because KIP *Kuliah* targets students from economically disadvantaged families specifically, some non-scholarship students in this study's comparison group may themselves be experiencing meaningful financial strain without qualifying for the assistance the program provides. The substantial average difference in financial distress observed between the two groups should therefore not be read as implying that non-scholarship status is itself the direct cause of distress; rather, it more likely reflects the fact that financial need, which the scholarship program targets, is correlated with elevated distress regardless of scholarship status. This distinction matters for policy purposes, since it suggests that expanding the pool of students who qualify for assistance, rather than simply increasing the size of assistance for those already covered, may be an equally important lever for reducing financial distress at the institutional level.

The consistency of these findings with the broader financial well-being and human capital literature also strengthens confidence that the patterns observed here are not idiosyncratic to this particular faculty or cohort, but reflect a more general relationship between financial support, psychological distress, and academic functioning that has been documented across a range of institutional and national contexts (Netemeyer et al., 2018). This convergence across settings lends practical weight to the recommendation, discussed further in the concluding section, that universities and policymakers continue to prioritize scholarship coverage models that address living costs alongside tuition, since it is this broader coverage that appears most directly linked to the reduction in financial distress observed among recipients in the present study. This convergence also strengthens the practical case for treating financial well-being as a legitimate institutional priority within higher education, alongside more traditional academic support services, since the evidence reviewed here suggests that financial and academic outcomes are too closely intertwined to be addressed by academic support measures alone.

5. Conclusions

Based on the results of the data analysis and discussion regarding the comparative study of financial distress and Grade Point Average (GPA) between scholarship-recipient and non-scholarship students at the Faculty of Economics and Business, Universitas Muhammadiyah Makassar, several conclusions can be drawn.

A difference exists in the level of financial distress between scholarship-recipient and non-scholarship students, with non-scholarship students tending to experience higher financial distress than scholarship recipients. This condition indicates that scholarship assistance contributes to reducing the financial pressure students experience during their studies. With a reduced financial burden, scholarship-recipient students have a greater capacity to meet both academic and daily living needs.

A difference also exists in Grade Point Average (GPA) between scholarship-recipient and non-scholarship students, with scholarship recipients achieving a higher mean GPA than non-scholarship students. This result indicates that financial support through scholarship programs can help students focus more on academic activity, increase learning motivation, and maintain academic achievement in line with the requirements set by the scholarship program.

The findings show that scholarship programs play a role that extends beyond providing education cost assistance alone; they also have a positive impact on students' financial condition and academic achievement. The existence of scholarship programs is therefore an important form of support in improving student welfare while supporting successful learning in higher education. Overall, this study supports financial well-being theory, which explains that more stable financial conditions reduce financial distress, allowing students to concentrate more fully on academic activity. The financial pressure affects student academic achievement, with students experiencing lower financial stress tending to show stronger academic performance.

More broadly, this study's matched comparative design, examining scholarship and non-scholarship students within the same faculty and academic environment, allows its conclusions to be stated with somewhat greater confidence than studies examining scholarship recipients in isolation. Because both groups in this study faced the same institutional policies, the same cost-of-living environment, and the same academic requirements, the differences observed in financial distress and GPA are less likely to be explained by unmeasured contextual factors and more plausibly attributable to scholarship status itself, or to the financial circumstances that scholarship eligibility criteria are designed to target.

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Author Contributions

RF conceived the research problem, collected and analyzed the survey data, and drafted the manuscript. WOR supervised the research process, contributed to the literature review, and reviewed and edited the final manuscript.

Conflict of Interest

The author declares that there are no financial, commercial, institutional, or personal relationships that could be construed as potential conflicts of interest regarding the research, authorship, and publication of this manuscript. The research was conducted independently, and the findings presented are solely those of the author.

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