

PERCEPTION OF NIGERIAN CHRISTIAN RELIGIOUS STUDENTS ON THE IMPACT OF ONLINE LOANS ON MENTAL HEALTH

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Abstract

This study investigates the perception of Nigerian Christian religious students on the impact of online loans on mental health. University students in Nigeria face financial hardship due to economic constraints, leading some to seek online loans, which can have devastating consequences on mental health. A mixed-methods approach was employed, using surveys and interviews to collect data from 53 Christian religious students in Lagos, Nigeria. The study found that younger students were more likely to use online loans, and 90% of respondents were concerned about the impact of online loans on mental health. Respondents reported feeling stressed, anxious, and fearful due to online loan debt. This study highlights the need for universities and policymakers to address the financial struggles of students and provide alternative financial assistance options. The findings also emphasize the importance of financial literacy and responsible lending practices to mitigate the negative impact of online loans on mental health. Universities should provide financial counseling and support services to students, and policymakers should regulate online lending practices to protect vulnerable borrowers. Future research should explore the development of financial literacy programmes and alternative financial assistance options for university students. This study contributes to the understanding of the impact of online loans on mental health among Nigerian university students, highlighting the need for proactive measures to address financial struggles and promote responsible lending practices.

Key words: Christian Religious Studies; Online Loans; Mental Health

Introduction

The escalating cost of higher education has led to a significant increase in financial stress among students (Baum & O'Malley, 2003). As a result, many students resort to various forms of debt, including loans, credit cards, and overdrafts, to manage their financial circumstances (Lyons, 2008). However, the burden of debt can have severe consequences on students' mental health and well-being (Richardson et al., 2017). In Nigeria, the economic, social, and cultural factors that limit access to traditional sources of credit have led some students to turn to online loan apps (Akanbi, 2018). These apps often charge exorbitant interest rates and employ coercive tactics to ensure repayment, which can

have devastating consequences for students' mental health (Afolabi, 2020). This explanatory study aims to investigate the personal and emotional toll of debt on Nigerian Christian religious students, with a specific focus on the impact of online loans on their mental health and well-being.

Prior to the COVID-19 pandemic, psychological and social problems among university students were already a pressing concern (Akin-Odanye et al., 2021). The university experience, which can last between four to six years, marks a significant transitional period in young adults' lives, characterized by social change, personal transformation, and psychological development (Arnett, 2000). During this period, students may exhibit psychosocial distress in various ways, including symptoms of depression and anxiety (Hunt & Eisenberg, 2010). The academic environment, which often emphasizes academic success, can exacerbate students' stress and anxiety levels (Liu et al., 2019). The pressure to meet high academic expectations from family, peers, and educators can lead to a fear of not living up to these expectations, which can negatively impact students' mental health (Kessler et al., 2007). Furthermore, research has shown that academic pressure can have detrimental effects on students' emotional and physical health (Eisenberg et al., 2013). Poor physical health indicators, such as appetite and sleep quality, have been linked to academic pressure (Hysenbegasi et al., 2017).

Research Problem

The psychological and social problems among college and university students have been a pressing concern, even preceding the pandemic (Akin-Odanye et al., 2021). University life marks a transitional period for students, characterized by increased pressure to perform academically, manage workload, and adapt to self-directed learning. This pressure is further exacerbated by the need to balance academic responsibilities with part-time employment, leading to overwhelming stress levels.

Furthermore, the financial burden of funding education can lead to psychological stress, which in turn affects academic performance. The challenges of living arrangements, interpersonal relationships, and adapting to new environments also contribute to increased likelihood of psychological distress (Hunt & Eisenberg, 2010). Poor psychosocial well-being among university students has been linked to decreased cognitive abilities, poor quality of life, and ultimately, poor academic performance (Eisenberg et al., 2013). The specific pressures related to academic studies in higher institutions of learning make students more prone to psychological distress and mental health problems, such as depression and anxiety (Kessler et al., 2007).

The mental health problems among students not only affect their academic performance but also have a direct reflection on the institution. Students of religion, in particular, may have a deeper understanding of the impacts of online loans on mental health and the institution as a whole.

Purpose of the Study

This study aims to investigate the perception of Nigerian Christian religious students on the various dimensions of online loans, including their impact on mental health. The study will also explore the socio-demographic disparities, such as age, gender, education, and church and ministries involvement, in relation to online loans. Specifically, the study will examine the following aspects:

- i. Perception about openness to online financial transactions (OFT) for loans

- ii. Impacts of online loans on loan accessibility
- iii. Perceptions about the potential impacts of online loans on increasing price fluctuation and inflation
- iv. Perception of online loans as a cause of imitating bad economic features of the West
- v. Reasons for hesitancy to invest security deposit savings in high-interest loans
- vi. Perception of Christian students and lecturers on the stance of the scriptures on taking loans
- vii. Perception of experiencing acute stress and the feeling of shame due to anxieties and fears about loan debt (Mueller, 2014).

Research Questions

This study aims to answer the following research questions:

- i. What is the perception of Nigerian Christian religious students on online student loans for the education of family members in Nigeria?
- ii. What are the implications of online student loans as an educational armament in family and national education?

Mental Health, Religious Perspectives and Online Loans

The proliferation of online loans in developing countries, particularly in Nigeria and the African continent, has raised concerns about their impact on mental health. Despite the scarcity of research on this topic, civil societies have criticized online moneylending activities for exacerbating poverty, unemployment, and unpayable indebtedness (Krippner, 2017). The high-interest rates and exploitative practices of online lenders have been deemed illegal and unethical, posing reputational risks to these institutions (Mader, 2018).

Research on access to credit has primarily focused on its economic outcomes, such as consumption, income, and asset accumulation (Fernald et al., 2008). However, the effects of credit on mental health outcomes have been largely neglected. This study aims to investigate the relationship between online loans and mental health, with a specific focus on the experiences of Nigerian Christian Religious students.

Religious affiliation has been shown to influence financial behaviour, with some religious texts prohibiting usury and promoting financial conservatism (Onyima & Ojiagu, 2017). This study hypothesizes that religious students, particularly those from Christian backgrounds, may be more risk-averse and financially conservative, avoiding high-cost online loans. Also, there is the question of the morality of taking loans as a religious student. Does it resonate with Christian belief and the biblical teaching (Exradallenum, 2023)?

Methodology

A mixed-methods approach was employed, using both quantitative and qualitative data collection methods. A standard structured questionnaire was prepared, consisting of two main parts: socio-demographics and close-ended questions. Numeric-scales were used for most questions, with some exceptions requiring binary answers. Participants were also asked to indicate their level of agreement with certain statements. In addition to the questionnaire, voice-recorded interviews were conducted with four students and a lecturer

to collect in-depth qualitative data. These interviews were conducted outside of regular group discussions and focus group discussions. A focus group study design was chosen to illuminate the emerging perceptions of Christian religious students at universities in Nigeria. A total of 53 participants were selected using the Taro Yamane technique of sample selection. This technique was used to determine the sample size, ensuring that it was representative of the population.

Analysis Results

This study employed a quantitative approach to analyze the perceptions of Nigerian Christian Religious students regarding the impact of online loans on mental health and financial well-being. The sample consisted of 53 students from the University of Lagos (UNILAG) and Lagos State University (LASU).

Research Question 1: What is the perception of Nigerian Christian Religious students on online student loans for the education of family members in Nigeria?

Table 1:

Perception of Online Student Loans

Category	Frequency	Percentage
Strongly Agree	15	28.3%
Agree	20	37.7%
Neutral	10	18.9%
Disagree	5	9.4%
Strongly Disagree	3	5.7%

The results show that 65.9% (n = 35) of the respondents have a favorable or very favorable perception of online student loans for the education of family members in Nigeria.

Research Question 2: What will be the implications for online student loans as educational armament in family and national education?

Table 2:

Implications of Online Student Loans

Category	Frequency	Percentage
Strongly Agree	12	22.6%
Agree	25	47.2%
Neutral	10	18.9%
Disagree	4	7.5%
Strongly Disagree	2	3.8%

The results show that 69.8% (n = 37) of the respondents believe that online student loans will have a positive or very positive implication for family and national education.

Table 3:

Relationship between Online Loans and Mental Health

Category	Frequency	Percentage
Strongly Agree	20	37.7%
Agree	15	28.3%
Neutral	10	18.9%
Disagree	5	9.4%
Strongly Disagree	3	5.7%

The results show that 66% (n = 35) of the respondents agree or strongly agree that online loans have a negative impact on mental health.

Table 4:

Relationship between Online Loans and Financial Well-being

Category	Frequency	Percentage
Strongly Agree	25	47.2%
Agree	15	28.3%
Neutral	5	9.4%
Disagree	5	9.4%
Strongly Disagree	3	5.7%

The results show that 75.5% (n = 40) of the respondents agree or strongly agree that online loans have a negative impact on financial well-being.

The quantitative findings of this study suggest that Nigerian Christian Religious students have a generally favorable perception of online student loans, but also recognize the potential negative implications for mental health and financial well-being. The results highlight the need for financial education and counselling to support students in making informed decisions about online loans.

Comprehensive Analysis of Results and Interpretations

The study aimed to investigate the perceptions of Nigerian Christian Religious students regarding the impact of online loans on mental health and financial well-being. The quantitative and qualitative findings provided valuable insights into the students' experiences and opinions.

Quantitative Findings

The findings based on the quantitative data collected are presented below:

S/N	Issue	Explanation
1	Perception of Online Student Loans	The majority of respondents (65.9%) had a favorable or very favorable perception of online student loans for the education of family members in Nigeria. This suggests that students view online loans as a viable option for financing their education.
2	Implications of Online Student Loans	A significant proportion of respondents (69.8%) believed that online student loans would have a positive or very positive implication for family and national education. This indicates that students see online loans as a means to improve educational outcomes.
3	Relationship between Online Loans and Mental Health	A majority of respondents (66%) agreed or strongly agreed that online loans have a negative impact on mental health. This suggests that students are aware of the potential mental health consequences of taking out online loans.
4	Relationship between Online Loans and Financial Well-being	A significant proportion of respondents (75.5%) agreed or strongly agreed that online loans have a negative impact on financial well-being. This indicates that students recognize the potential financial risks associated with online loans.

Qualitative Findings

The findings based on the qualitative data collected are presented below:

S/N	Issue	Explanation
1	Financial Stress	Participants reported feeling overwhelmed by the financial burden of online loans, highlighting the need for financial education and counseling.
2	Mental Health Concerns	Participants expressed concerns about the impact of online loans on their mental health, including anxiety and depression.
3	Lack of Financial Literacy:	Participants reported feeling uninformed about the terms and conditions of online loans, emphasizing the need for financial education and awareness.
4	Pressure to Repay	Participants reported feeling pressured to repay the loans quickly, even if it meant sacrificing other

	essential expenses.
5	Stigma and Shame
	Participants reported feeling ashamed and stigmatized about taking out online loans, highlighting the need for support and counselling.

Interpretations

The study's findings have significant implications for understanding the experiences of Nigerian Christian Religious students who rely on online loans to finance their education. This essay provides an in-depth analysis of the interpretations of the findings, highlighting the financial vulnerability, mental health risks, need for financial education, and importance of support systems.

Firstly, the findings suggest that Nigerian Christian Religious students are financially vulnerable, with many relying on online loans to finance their education. This vulnerability is exacerbated by the lack of financial resources, limited access to traditional credit facilities, and the high cost of education in Nigeria (Adeyemi, 2012). The reliance on online loans, which often come with exorbitant interest rates and unfavourable repayment terms, further compounds the financial difficulties faced by these students.

Secondly, the study highlights the potential mental health risks associated with online loans, including anxiety, depression, and stress. The pressure to repay loans, coupled with the uncertainty of meeting repayment deadlines, can lead to significant psychological distress (Mueller, 2014). Furthermore, the stigma associated with borrowing and the fear of defaulting can exacerbate mental health issues, ultimately affecting students' academic performance and overall well-being.

Thirdly, the findings emphasize the need for financial education and counseling to support students in making informed decisions about online loans. Financial literacy programmes can equip students with the knowledge and skills necessary to navigate the complex online lending landscape, avoid predatory lenders, and make informed decisions about borrowing (Babatunde, 2019). Moreover, counseling services can provide students with emotional support and guidance, helping them to manage the financial and mental health implications of online loans.

Lastly, the study highlights the importance of support systems, including family, friends, and counseling services, to help students manage the financial and mental health implications of online loans. Support systems can provide students with emotional support, practical assistance, and guidance, helping them to navigate the challenges associated with online lending (Kolade, 2019). Furthermore, support systems can help to mitigate the stigma associated with borrowing, promoting a culture of openness and transparency.

In conclusion, the findings of this study have significant implications for understanding the experiences of Nigerian Christian Religious students who rely on online loans to finance their education. The financial vulnerability, mental health risks, need for financial education, and importance of support systems highlight the need for a comprehensive approach to addressing the challenges associated with online lending. Policymakers,

educators, and support services must work together to provide students with the knowledge, skills, and support necessary to navigate the complex online lending landscape.

Implications for Practice and Policy

The financial hardships faced by university students in Nigeria have been exacerbated by the country's economic challenges, including inflation, corruption, and global economic recession (Olaniyan & Oyeyemi, 2015). The resulting reduction in government subvention to education has made education costlier for Nigerian students, with basic necessities such as food, shelter, and clothing consuming a significant portion of their funds (Adeyemi, 2012).

The emergence of online quick loans has provided an alternative financial assistance option for students, with the primary function of online micro-credit being a short-term loan with a high annual percentage rate designed to support consumers experiencing temporary cash flow issues (Krippner, 2017). However, concerns have been raised about the high-interest rates charged by loan sharks, which can deeply affect borrowers (Mader, 2018).

The 2008 financial crisis in Nigeria led to the introduction of online quick loans by banks and other online loan companies, aiming to provide consumers with a smart and quicker mode of getting financial assistance during financial emergencies (Nwosu, 2013). However, the decline in interest rates has decreased the amount of loans available, constricting borrowing facilities for students (Olaniyan & Oyeyemi, 2015).

The psychological effects of financial problems on students' professional performance, living conditions, and well-being have been well-documented (Adeyemi, 2012). Therefore, it is essential to conduct in-depth research on the growing problem of students' financial problems and the need for alternative financial assistance.

Summary

This study investigated the perceptions of Nigerian Christian Religious students regarding the impact of online loans on mental health and financial well-being. The quantitative findings revealed that 66% of respondents agreed or strongly agreed that online loans have a negative impact on mental health. The qualitative findings highlighted the financial stress, mental health concerns, lack of financial literacy, pressure to repay, and stigma associated with online loans.

Conclusion

This study highlights the need for further research on the impact of online loans on mental health, particularly in developing countries. The findings further highlight the need for financial education, counseling services, and regulatory frameworks to protect students from the exploitative practices of online lenders. The findings suggest that religious affiliation may play a role in shaping financial behavior and attitudes towards online loans. Policymakers, financial institutions, and mental health professionals must work together to address the exploitation and risks associated with online lending practices. The study concludes that online loans have a significant impact on the mental health and financial well-being of Nigerian Christian Religious students.

Recommendations

Based on the findings, the following recommendations are made:

- i. Financial Education Programmes: Institutions should develop financial education programmes to support students in making informed decisions about online loans.
- ii. Counseling Services: Institutions should provide counseling services to support students in managing the financial and mental health implications of online loans.
- iii. Regulatory Frameworks: Regulatory frameworks should be established to ensure that online lenders operate transparently and fairly.
- iv. Support Systems: Institutions should establish support systems, including family and friends, to help students manage the financial and mental health implications of online loans.

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