

# STUDENTS' SAVING STRATEGIES AND ANXIETY LEVELS IN THE CONTEXT OF ECONOMIC INSTABILITY

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## Abstract

Economic instability is a persistent and formidable challenge that impacts individuals at all levels of society. In recent years, fluctuations in global and national economies have created periods of uncertainty, directly affecting the financial and psychological well-being of various demographics. Among the most affected groups are university students, who are at a critical juncture in their lives as they transition from educational environments to professional careers. Students often find themselves navigating the demands of academic life while simultaneously grappling with concerns about their financial futures. In the context of economic instability, students' approaches to saving and their resultant levels of anxiety display complex and multilayered characteristics.


**Keywords:** Economic instability, student savings, anxiety levels, financial strategies, higher education, financial literacy, emergency funds, income diversification, financial insecurity, mental health.

## Introduction

One of the most salient features of economic instability is its pervasive effect on expectations and planning. When economic indicators such as inflation, unemployment, or currency fluctuations become unpredictable, long-term financial planning becomes exceedingly difficult. For students, whose primary resources are often limited to scholarships, parental support, or part-time employment, the ability to save becomes fraught with uncertainty. Students are consequently forced to develop adaptive strategies to manage their resources effectively. The saving strategies students employ during economically unstable periods are influenced by several factors. Firstly, the immediate availability of financial resources is a decisive determinant. Students from families with relatively stable incomes may be able to set aside regular savings, even if modest. Conversely, students without such support must adopt more creative or stringent saving methods, which may include budgeting to the bare minimum, foregoing non-essential expenses, and seeking additional informal sources of income [1].

Attitudes toward money also play an integral role in determining saving behaviors. Those students who have been taught to understand the value of money and prudent spending from an early age tend to approach saving with greater discipline. Nonetheless, even the most financially literate students are not fully protected from the emotional burden imposed by





economic volatility. The fear that one's savings might lose purchasing power due to inflation, or that a sudden economic downturn could increase living expenses or decrease employment opportunities, can significantly undermine motivation and induce anxiety. A common strategy among students during periods of economic instability is the prioritization of emergency funds. Many attempt to allocate a small portion of their income or allowances to an emergency fund, even if doing so requires sacrificing discretionary spending. The knowledge that some financial resources are available “just in case” offers a sense of psychological security. However, the rapid increase in prices and costs associated with higher education, such as tuition, books, and housing, often means that such emergency funds are depleted faster than anticipated. Another strategy involves diversification of income streams. Instead of relying solely on one source of funding, students may attempt to balance multiple part-time jobs, freelancing opportunities, or small-scale entrepreneurial activities. The gig economy has offered students a range of flexible employment options, enabling them to adjust their working hours according to academic schedules and income requirements. While these opportunities can supplement existing income and support saving, they often come at the expense of leisure time and may contribute to additional stress [2].

Budgeting and financial literacy also take on heightened importance. Students who master the basics of personal finance—such as tracking expenditures, distinguishing needs from wants, and planning for both short-term and long-term needs—are generally more equipped to withstand the shocks of economic instability. Universities and non-profit organizations have increasingly recognized the need to provide financial literacy programs, seeking to empower students to make informed choices regarding their finances. Despite the adoption of prudent saving strategies, the psychological burden of economic instability cannot be discounted. Anxiety is a near-universal experience among students during times of economic uncertainty. The sources of this anxiety are manifold, ranging from the fear of running out of money to concerns about future employability and long-term financial independence. The constant pressure to economize, the need to weigh every purchase decision carefully, and the uncertainty surrounding job prospects after graduation can lead to chronic stress, which affects academic performance and personal well-being. Research consistently finds a strong correlation between financial insecurity and mental health concerns among students. Anxiety related to finances can manifest itself in several ways, including sleep disturbances, difficulty concentrating, irritability, and even symptoms of depression. For some students, anxiety is exacerbated by a lack of social support or the stigma attached to financial hardship. In cultures where material success is closely linked to individual worth, students may hesitate to discuss their financial difficulties, further isolating themselves and intensifying their stress [3].

The relationship between saving strategies and anxiety is not linear. Some students, for example, may become so preoccupied with saving that they restrict their spending to the point of self-deprivation, sacrificing necessary social, educational, or health-related activities. In their efforts to achieve a sense of security, they may ultimately compromise their quality of life. Others may avoid thinking about their finances altogether, engaging in avoidance behaviors that can lead to greater long-term insecurity. Peer influence and family expectations further shape students' approaches to saving and their psychological responses to financial uncertainty.



In societies where family plays a central role in supporting students during higher education, the redistribution of household resources can place additional stress on both students and their relatives. Family expectations regarding academic success, financial contribution, or future earnings may lead students to internalize additional anxiety, particularly if economic instability threatens their ability to meet these expectations. The role of institutional support is crucial in this context. Universities can mitigate some of the negative impacts of economic instability by offering financial aid, emergency grants, flexible payment plans, and affordable on-campus housing. In many cases, access to counseling services dedicated to financial empowerment and mental health is vital. Institutions that foster a culture of transparency and support help reduce the stigma associated with financial hardship, encouraging students to seek help before financial anxiety escalates into more serious issues. During economically unstable times, digital technologies also offer students new tools for managing their finances. Mobile banking apps, expense trackers, and automated savings programs can make it easier to maintain oversight of income and expenditures, identify areas for savings, and set concrete financial goals. However, access to and proficiency with such technologies is not universal, potentially creating further disparities among students [4].

Looking at the broader picture, the interplay between economic instability, saving strategies, and anxiety among students is reflective of larger socio-economic trends. As the cost of higher education continues to rise, and labor market conditions become increasingly unpredictable, students' financial resilience is contingent on a combination of individual, familial, institutional, and societal support systems. While personal saving strategies remain essential, they are not a comprehensive solution. Systemic change—such as greater investment in affordable education, more predictable financial aid structures, and robust job creation policies—is ultimately necessary to offer students greater financial security and peace of mind [5].

### Conclusion:

In conclusion, economic instability presents a unique set of challenges to students, compelling them to develop adaptive saving strategies while navigating elevated levels of anxiety. Students' saving behaviors are shaped by a complex array of factors, including immediate financial resources, upbringing, access to financial education, institutional support, and cultural expectations. Although students employ a combination of budgeting, income diversification, emergency saving, and technology-driven solutions to mitigate financial insecurity, these strategies can only partially offset the pervasive sense of uncertainty. Anxiety, in this context, is both a consequence of genuine financial hardship and of the broader societal pressures attached to economic self-sufficiency and success.

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