

THE DISADVANTAGES OF STUDENT LOAN AMONG GRADUATE STUDENT

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Abstract

The aim of this research is to observe the disadvantages of student loan among graduate student in Malaysia. This paper provides the risks, consequences and impacts of the student loan among graduate student.

Keywords: student, debt, student loan, strategy, student loan debt.

INTRODUCTION

Most of the student in this world will use the education loan or student loan to support their studies. In this era that has a lot of problem in economy, there are lacks of money or fund to repay their debt. Thus, the students are did not have a lot of option that they have to take the student loan for their studies. Nowadays, there are a lot of student loan agencies that are offer their support fund. Some of them have interest, some are not. Sometimes, students just take the student loan through their state foundations. All these foundation does not have interest when they are going to repay that particular student loan. It is because, the students are born on that particular state and it can be their advantage. Some universities are offered their own education loan agencies.

There are some of the most popular education loans with Malaysian undergraduates that are offered by the universities or college itself. There are The National Higher Education Fund Corporation (PTPTN), MARA, Koperasi Jayadiri Malaysia Berhad (KOJADI) and Maju Institute of Education Development (MEID). Malaysian university students always used make loan through all these education loans. During their studies, the education loans are always help in their financial, but if they are graduated they may have a lot of problems through these education loans. Some of them are the longer they are not done the payment, the interest will increase.

The growth in student loan debt is often discussed as a problem in and of itself. However, to the range that debtors are using debt as a tool to financial funds in human capital that pay off through greater salaries in the upcoming days, increase in debt may merely be a moderate sign of growing costs on the universities or college. This would be the case if the observed rises in borrowing happened in tandem with enhancements in financial well-being. In contrast, if these costs were spent in ways that don't pay extras in the future, then the observed growth in debt may specify problems for the financial future of debtors. In order to explore this concept empirically, we examine how incomes have changed together with debt over the past two decades. (Akers,2014)

ISSUES

In this paper, I have identified several issues regarding to student loan debt. Based on my observation from the previous study, there are still some limitations about the student loan debt. Some of the limitations are:

- The student must be in pressure if they are not taken student loan.
- They always hang out with friends when they have more money.
- Not all students cooperate with the questionnaires that are given.
- The graduate students are not participating in debt counseling.
- Lack of knowledge about the student loan.
- The graduate students are not having good budgeting.
- There are no balanced in which to succeed academically and desires.

RESEARCH OBJECTIVES

The aim of this research is to observe the disadvantages of student loan among graduate student. In order to achieve this observation, I identify the sub-goals:

- To identify the repayment difficulties for the student loan of graduate student.
- To identify the attitudes of the graduate student in terms of their mental health and belief towards student loan.
- To ensure that the graduate student attend the debt counseling.
- To examine the population those are taken student loan for their studies.

RESEARCH QUESTIONS

- What are the consequences, risk and impact of make of student loan?
- Are the student loan debts a social problem?
- What are the risks of the student loan?
- When the student make of the loan, when can they repay for that?
- Who are going to pay for their loan if they are refused to pay?

LITERATURE REVIEW AND PROPOSED FRAMEWORK

Based on future data collections, I can determine the expected outcome it would be. Each method will explain in different outcome based on the result of questionnaire, interview, as well as observation. Previously, questionnaire has been distributed to the selected graduate student and students that are still studying as well. After I review all the answer from the questionnaire, I found out some of graduate students have repay half of their student loan debt. Mostly, the respondent had stated the reasons why they are still not repaying their debt due to they are not getting their work yet.

Second method is regarding interview session with the graduate student. The answer from the respondents share the same expression which explained the environment that happen when they are still not getting work, so that they still not repaying their student loan. Other than that, the graduate students are having the family problems due to the financial problems. Furthermore, they also have big families that are have many siblings; the student loan that they get will support their family member. By then, the financial problems may burden more because they having the student loan from diploma until they do their master.

Next method been conducted are by doing observation within the faculty. There is decreasing of the students that are doing the money transaction at the end of semester. This probably is because of the lack of knowledge about the budgeting and the money management skill. They also do not attend the debt counseling. It is because in debt counseling the counselor will focus more on budgeting strategies; such how to save money, just use the money for the important thing, and so on.

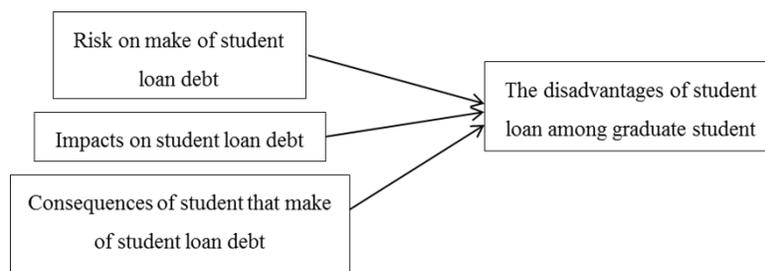


Figure 1. Theoretical Framework.

Based on the research, there will be the change of the graduate students that having the student loan for their studies. Hopefully, graduate students have aware of the disadvantages of the student loan. Other than that, I hope that by expose the students about the disadvantages of student loan debt it will change the student perception and do the repayment as soon as possible. So that, the rate of students that are taken the student loan will be decrease and it will stable the country economic.

CONCLUSIONS

In conclusion, student loan debt is an important thing that every student has to take action on their own life. A lot of people think that the student loan will ease them while their studies and easily to get the job. Those are thought like that is totally wrong, because there are a lot of negatives of the student loan among graduate students. The drawback of the student loan among graduate student; there are some uncertainties of the student that make of student loan debt, the effect on student loan debt and the outcome of the student that use the student loan during their studies.

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