

Enrolment or a Job? The Dilemma of Economic Crisis Among Young People: “A Case study of First Year Students in Higher Education Institutions and New Employees in the Labor Market in Cyprus, before and after the Financial Crisis”

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Abstract

Many people in Cyprus are living in the worst financial and subsequently economic crisis worldwide. As a result of the global financial crisis, society has been hit hard, with the youth facing the biggest blow to its development, with the result of revising the selection process for enrolling in universities or looking for jobs. In this paper I analyze the main factors contributing to the selection of young people during the economic crisis through a quantitative study, with 201 youth participants taking part. At present, about 100 Greek-Cypriot first-year students from two universities in Cyprus, one public and one private are the sample of tertiary students, and about 100 young people from the labor market. The study showed that grants and allowances, student loans, total current expenditure as well as capital expenditures fell significantly. In addition, research findings have shown that young people need and wish to continue their studies because they believe that guarantee's a safe or better career. Nonetheless, young people prefer admissions to public universities because of the excessively high costs and the difficulty of borrowing and repaying loans as well as changing bank policy in relation to the inability of family's to make an income. Lastly, males appear to have suffered more in comparison to females with regards to their participation in higher education.

Keywords: Economic crisis, Student choices, University decision making, Enrolment, Job decision making, Seeking for job, Economic impact

Introduction

The financial crisis that erupted in 2007, which is largely due to the inability of borrowers to pay their bank loans, which in turn had a liquidity problem in the interbank lending markets (Barrell et al., 2008); has led to the worst economic crisis that has affected European economies since the first global economic crisis in the 1930s attributed to the longest and deepest crisis in the West (Mok and Neubauer, 2016), and later, the Great Depression that began in the late 1970s (Crotty, 2009). The impact of the crisis vary in different impacts across various economic sectors such as falling income, declining job opportunities, unemployment, volatility (Fallon and Lucas, 2002; Green, 2013; Stiglitz, 2012), restricting access to credit, reducing public spending as well as the social security net (Torche, 2010), with a significant impact on all social groups, especially youth (Forrest, 2015; Mok and Neubauer, 2016; Robertson, 2015). This study focuses mainly on the causes of the financial crisis regarding the enrollment of tertiary education students.

This paper begins with the identification of the situation and the impact of the economic crisis among young people on their choice to either educational upgrade or their entry into the labor market. Drawing on these findings, my analysis identifies a huge challenge to young people's decision to choose, taking into account a multitude of factors.

The opinions seem to be disseminated among researchers about the enrollment of students in tertiary education institutions during the economic crisis. Some researchers report that young people are investing in education during the economic crisis to acquire more skills and to improve their employability or delaying their entry into the labor market by undertaking additional qualifications (Contreras, 2002; Mok and Neubauer, 2016; Raczynski and Romaguera, 1995), while other researchers talk about dropping out of school to find work in order to support the family financially due to the unbearable financial difficulties (Torche, 2010).

Existing evidence of investing in education during the economic crisis

As weird as it may seem, in 2014 Cyprus held the second highest percentage of tertiary education in the EU, with 52.5% compared to the other European countries, averaging 37.9% (EAC, 2015). However, these employment prospects in Cypriot tertiary education graduates were very poor, resulting in a difficult transition of young people from universities to the labor market. In addition, between 2008 and 2013, the highest unemployment rate among EU higher education graduates was recorded in Cyprus with an increase of 36.2% (EAC, 2015).

As a result of this unemployment phenomenon, Cyprus records the highest rate in the EU (39.7% in 2013), according to figures from the European Commission (2015), which many young people are forced to look for

and work in positions that are not in line with their level of qualifications, especially among women (EAC, 2015; European Commission, 2015). Some other findings from the International Labor Organization study based on ISCO's measurement methodology indicate that this phenomenon is recorded by 29.5% of young women as opposed to 23.9% of young men in Cyprus (EAC, 2015; ILO, 2014). Nor can the shocking findings of the OECD survey be omitted, on the results of recent tertiary education Cypriot graduates in numeracy and literacy skills, to be near or even lower than the best performers of the recent EU secondary education graduates (EAC, 2015; OECD, 2013).

In the first case, where young people invest in education during the economic crisis, it is supported by a study that took place in Chile, where there is no reduction in admission to colleges, suggesting that even in difficult economic circumstances poor families protect their educational investments (Torche, 2010), where some researchers (Raczynski and Romaguera, 1995) attribute it to a more effective targeting of educational spending. Another element comes to mind, since in Latin America it has shown that women's education has increased for the younger groups (Torche, 2010; Unesco, 2003), in relation to the reduced advantage of men where it is explained by universality (Torche, 2010). Other researchers (Hall and Patrinos, 2006; Hoynes, 2000) explain that women are more likely to be more vulnerable to a crisis, mainly due to the fact that they have fewer skills, which makes them less able to retool and consequently are less likely to benefit from the expected recovery.

On the contrary, young people may have fewer employment opportunities during a financial crisis (EAC, 2015), possibly resulting in better job opportunities through higher education, thus creating a theoretically higher real income for life (Mok and Neubauer, 2016). At the same time, various scholars suggest the primacy of positive substitution effects in an economic context, (Frankenberg et al., 1999; Jacoby and Skoufias, 1997; Rucci, 2003; Thomas et al., 2004), clearly including educational enrollment.

Existing evidence of abandoning education and seeking employment

In the second case, it is strongly shown that among the low-paid families, economic impacts appear to be more detrimental (Frankenberg et al., 1999; Rucci, 2004; do Valle Silva, 2004; Thomas et al., 2004), where the negative income phenomenon may lead to a reduction in the total educational investment-enrollment in a context of economic decline (Fallon and Lucas, 2002; Torche, 2010). As a result of the economic crisis, demand for education is diminishing as parents act in a compensatory strategy to meet the needs of balancing the economy in relation to market needs and to benefit children themselves as social members, but at the same time the demand for education is boosted in a context of reduced wages and rising unemployment (Torche, 2010).

The funding of educational institutions is under pressure due to the commitment of the government to reduce public spending and reduce public deficits as incomes are reduced (Mundial, 2009). The financial problems were brought by the economic crisis and therefore led to increased negative consequences to the economy. The consequences mainly affect the level of economic activity in a specific given area. According to Weisbrod (1997), it may be viewed in terms of personal income (including wages), value added (or gross regional product), jobs, business output (or sales volume) and wealth (including property values). Any of these can be a determinant of improvement in the economic well-being of area residents, which is usually the major goal of economic development efforts (Weisbrod, 1997).

In related studies (Dellas and Sakellaris, 2003; Long, 2014; Schady, 2004), the way in which the global economic crisis can affect admissions to higher education has been examined, showing that college enrollments grew faster during the economic downturn. The main outcome of an economic crisis is a significant temporary reduction in the overall level of production and income (Ferreira and Schady, 2009). As a consequence, in the short term, it could affect public and private expenditure, as well as the demand for education, with long-term high economic and social costs, as students who give up of universities may not be able to recover from the learning gaps that will be created or may not enroll again (Mundial, 2009). Furthermore, Long (2014) claims that higher education institutions per household expenditure also increased after the financial crisis. Particularly, Cyprus has been affected by the Great Depression, where it has been seen since the start of the economic crisis that Cyprus's public spending on education has fallen by more than 5% in 2012, where it continued for the second consecutive year in 2013 (EAC, 2015).

Additionally, in the Cypriot context, the phenomenon of early school leaving appears to be almost four times larger for young men (11.2%) than young women (2.9%). Also, aged 15-24 in 2014, Cyprus still has a relatively high percentage of youth 17.0%, not working, education or training (NEET), compared to the EU-28 average by 12.4% (EAC, 2015), as formed in the rise in unemployment rates and the reduction of household spending. As a result, it has led to a reduction in enrollment and spending in higher education.

Negative indications on college enrollment, including falls in family income, stability, and assets, had a relatively stronger effect, thus leading to a lower net result for the enrollment compared to states that did not suffer so much (Long, 2014). Several researchers (Card and Lemieux, 2001; Long, 2004), have also found a positive relationship between college enrollment and unemployment rates. For instance, if the college enrollment increases, unemployment rates rise too and vice versa. In addition, a study by Breneman (2002) has shown that

reducing benefits coupled with a reduction in government benefits has led to a significant increase in tuition fees in private and public universities and colleges.

During Economy Crisis

In a European context, four countries (Lithuania, Italy, Latvia and Bulgaria) followed a reduction in the number of institutions in order to control public spending (European Commission, 2013). The European Commission (2013) adds that between 2010 and 2012, seven countries, namely Bulgaria, the Czech Republic, Ireland, Cyprus, Slovakia, the United Kingdom and Iceland reduced public funds for the construction, maintenance and renovation of higher education institutions. In contrast, three countries (Greece, Poland and Slovenia) had increases in capital expenditure for higher education in 2011 and 2012. Due to the economic crisis, in response to the need to reduce state expenditure, Latvia showed similar budget cuts for the year 2010, compared with 2009.

On the other side, in the U.S. context, a recent report published by the U.S. Census Bureau (2014) discovered a drop in college enrollment rates between the year 2012 and 2013 by nearly half a million students (463,000). The biggest drop of 930,000 for these two years was the largest one ever lived in any drop in enrollment at college, according to the US Census Bureau Statistics.

Funding central level strategic and other designated budgets for the development of students' digital competences in institutions has so far been heavily insisted on the impact of the economic crisis. However, due to the economic crisis, four countries (Cyprus, Poland, Spain and Iceland) have shown that in recent years, central government spending on ICT equipment in institutions has decreased (Education, 2013). The high educational attainment is characterized by the evolution of human resources in Cyprus (Education, 2013). In 2011, people with tertiary education who were between 25-64 years contributed to 37%, which is a rise compared to the corresponding European Union 27% average and 26% in 2010 (Education, 2013). Among the Cypriot population, there is a strong cultural trend that supports the higher education. Nearly 82% of students completing upper secondary education have the will to join higher education institutions (Education, 2013). Close to half of the European countries report that the financial and economic crisis has had an impact on the funding of human resources in the education sector (Education, 2013).

Theoretical Framework

The main focus of my research is to identify the decision-making of Cypriot youth in relation to education and the labor market. Further exploration is made on the relationship between the economic crisis and their decision on access to higher education or job search. In order to be able to cope with the needs of the study, the use of the decision theory or else the theory of choice is made, under both the certainty and uncertainty and encompasses two aspects of decisions by the agents, normative and descriptive (Ben-Haim and Cogan, 2017).

Normative Decision Model

The model is based on the assumption that agents making decisions are rational and there is near ideal information (Ben-Haim and Cogan, 2017; Hansson, 2005). Such a situation results in a best decision and modeling of the most accurate agent. In this case, the students can estimate the length of economic crises and assess the availability of resources to fund higher education. Besides, precise information improves the decisions related to delaying job entry to enhance employment qualification. Information can also be used to make decisions to defer enrollment for university education to look for funds. Others can use the information to improve the decisions to find a job while attending classes at a university. Overall, reliable and valid information is crucial in picking the best decision from a set of choices (Vroom and Yetton, 1973). The quality of decisions made by the students will affect their personal and national welfare in future. Based on the data on the economic crises, there are significant effects on employment and education caused by the low incomes and rising level of unemployment.

It is essential to recognize there are many agents in the education and business sectors that will be applying the decisions theory. In the education sector, the government takes actions to subsidize the university fees and introduce programs that will improve the employability of the potential workers to avoid the impacts of economic crises. On the other hand, business could retrench workers to maintain their level of profits during the economic crises. Alternatively, companies can opt to absorb cheap labor provided by university students to control the costs of labor. The interaction of the relevant agents in making decisions related to the university education and employment welfare is crucial in understanding the impacts of economic crises in Cyprus. It is also essential to conduct decision analysis before, during and after economic crises to improve the future response to hardships that may offset the balance between education and employment. The accurate agents and decisions will contribute to future decisions through modeling and recommendation in later part of the study.

Qualitative Decision Model

In contrast, a qualitative decision is based on a norm or a procedure rather than on prevailing condition. The agents applying the qualitative decision model are not primarily affected by changes such as financial crises and low income, yet play a role in their decisions. There is persistence to decide due to influence from the parents

and the society. For instance, most students hope they will be admitted and join universities while a considerable number of graduates will look for employment after completing universities. The preconditioned way of doing things constitutes the qualitative decision model (Hansson, 2005). When one considers qualitative factors such as financial plan and economic capability depending on his choice, loans, and parental contribution, he makes it possible to decide on what to use when making decisions where a solution is consistent with a knowledge base and in maximum agreement with their preferences and beliefs (Graboč, 2004). Besides, the government policies university regulations and standards in the job market could also create procedures that accommodate positive decisions. The defined way of life has led to some of the students in Cyprus being either in employment or universities because of the decisions by other agents other than themselves despite that they were primarily interested parties.

Methodology

The study used purposive sampling for both questionnaire and interview procedures from the two different universities that were selected for the sample of 50 first-year students from each institution. A sampling frame was constructed from the list of all first-year students by choosing odd numbers starting from number 1 to number 99, where it constitutes the sample of 50 participants for each university.

For the newly employed workers in several cities of Cyprus, a snowball sampling has been used. However, the criteria involving an age bracket of 18-25 young people in the employment sector was applied to select 100 respondents from the employment sector. On the other hand, to establish the impact of the economic crisis on the choice, vital statistics from both the Ministry of Education and the Cyprus Statistical Bureau, including population growth, economic growth trends, employment rates, enrolment rates and government expenditure on education trends were selected for a period of 10 years; beginning from 2004 to 2014.

Instrument

The questionnaire consists of three sections like students' preference between seeking employment and pursuing higher education in the economic crisis; factors that influence student choice to either pursue higher education or seek employment; and choices available to students during the economic crisis. In the second section, the factors are divided into two parts, such as the factors for the choice of students for education or work, and the factors that influence the choice of work for the follow-up of tertiary education. The items were report on a 5-point Likert scale level of agreement; 22 questions of the beliefs scale were scored on an agreement scale, ranging from strongly disagree to strongly agree.

Findings and Discussion

Section I: Students' preference between seeking employment and pursuing higher education in the economic crisis

The economic crisis is defined as the result of a financial crisis with an impact on employment and consequently creating a social crisis and as a result a political crisis (Fallon and Lucas, 2002; Forrest, 2015; Mok and Neubauer, 2016; Robertson, 2015; Rudd, 2009). An economy of any country which faces an economic crisis will experience a falling GDP (Torche, 2010), a drying up of liquidity and falling /rising prices due to decrease/ increase in demand and supply (Mok and Neubauer, 2016). The term financial crisis is widely applied in various situations where certain financial assets suddenly lose a large part of their nominal value and the value of liquidation, due to demand for liquidity by producers or consumers (Diamond, 2007).

Based on Eurostat's general government expenditure statistics, only three other EU Member States have outperformed Cyprus on public spending in education during 2013, at 6.5% of GDP, compared to the EU average of 5% (EAC, 2015). However, since the onset of the economic crisis, there have been many reductions in public spending in many European countries, including Cyprus where by 2014 they have reduced public investment in education sector by more than 5% among six European countries, with a major impact on the tertiary sector (EAC, 2015). In addition, Cyprus paradoxically seems to have the highest salary for teachers at all levels of education from all EU countries for the year 2013/14 (EAC, 2015; European Commission 2014).

Likewise, credit booms or failures have been identified with financial crises (Reinhart and Rogoff, 2009). Also, financial crises include the explosion of other financial bubbles and stock market crashes, state defaults and currency crises. (Kindleberger and O'Keefe, 2001; Valencia and Laeven, 2008). Therefore, these horrific situations for repaying relevant loans in case they will be needed to attend a university leave the students in a big dilemma about whether they will be able to repay their loans; hence their choice for enrolling in universities.

Nevertheless, the respondents indicated high preference in continuing education after completing high school studies was positively perceived with a percentage of 62.7%, n=97. The strong willingness of young people to pursue higher studies is a fact since 87.6% (n=176) of the respondents wanted to be admitted to a university, and with 59.5 % (n=119) to refute the myth that studying does not guarantee them a secure career. Indeed it give you the privilege of knowledge and education which makes you valuable and important for your

skills and abilities in every different major but the same time includes you in the harsh competition of the labor competition, which automatically makes you a competitive worker. A competitive worker always needs something more to show that is capable than other, which comes through acquired education.

This option of choosing to follow education meets a lot of supporting factors since 53.2% (n=107) of the participants preferred not to seek for employment instead of working. Student's life here seems to be a strong feeling of letting all the other factors that might influence it, out of it. This is confirmed by their reliance of quitting education if they get a good job, with 59.5% (n=119) of the sample to argue with that, concluding that they would prefer to have free education through public university with 94% (n=189), and definitely on scholarship or financial aid with 82.1% (n=165) to cover a large amount of expenses since there is no job to support. Even if they can't access in public universities, the idea of getting in private ones makes them nonchalant (43% n=86), but the range of self-finance becomes too high among them with 57.2% (n=115) to be positive.

Completing High School Studies

Participants were asked to choose their future plan after high school studies, if they had the opportunity to turn back the clock and be graduates, or had a second chance to choose what they would do. Approximately 14.4% (n=29) chose to seek for job and about 48.3% which is the predominant answer of nearly half of the respondents choice: to continue education (48.3%, n=97). This is due to the fact that people living through the economic crisis realize that the environment and the circumstances for each case and for every job is becoming more competitive so people are choosing to continue with education. About 34.8% (n=70) answered both and just 2.5% (n=5) answered none, leaving themselves to the undecided. Long (2004), in an earlier study, found that as the unemployment rate grows, college enrollment rates tend to increase, while Bell and Blanchflower (2011), point out that this is a fact, particularly among 16 to 24-year-olds caused by lack of employment opportunities.

Admission in University

The participant's responses for university admission showed that 87.6% (n=176) of the respondents wanted to be admitted to a university, compared to 12.4% (n=25), that they prefer not to be admitted. This question generally includes admission to universities of either the public or the private sector.

Studying Does Not Guarantee a Secure Career

The participants response to studying does not guarantee a secure career were as follows: 28.9% (n=58) strongly disagree, 30.3% (n=61) disagree, 20.9% (n=42) neutral, 12.4% (n=25) as agree and 7.0% (n=14) of the sample strongly agree. The rest of the respondents 0.5% (n=1) did not answer. People tend to believe that studying guarantees a secure career and more than one third of the participants' response was neutral.

Seeking Employment instead of Studying Further

The research study was intended to investigate employment versus Higher education, where the findings showed that, out 201 respondents, 45 respondents (22.4%) would not choose to seek employment instead of studying further and 65 respondents (30.8%) disagree to do so. About 55 respondents (27.4%) answer was neutral, and 33 respondents answered positively with 28 (13.9%) agree and 11 (5.5%) strongly agree. This confirms the choice of the participants to be education rather than work. Long (2014) comes to confirm that the growth in unemployment and financial aid could encourage many to enroll in college.

Preference on Job

The study was incredibly interested to know whether they would quit their studies if they found a good job. The findings showed that 32.3% (n=65) point strongly disagree, 26.9% (n=54) point disagree while 22.4% (n=45) kept neutral. More than half of the participants show dedication to their studies even if they got a good job. Close to 13.9% (n=28) point agree and 4.0% (n=8) strongly agree. One more participant avoided to answer. The strong desire to study is larger than the willingness to find a good job that will be an obstacle to their studies and they would have to quit.

Self-Finance

The research study was intended to specifically investigate the student's preferred mode of financing their higher education studies. The findings showed that, out of 201 respondents, 115 respondents (57.2%, n=115) wanted to study on self-finance and only 86 respondents (42.8%, n=86) answered negatively. These findings show that more than half of the respondents can afford to study by themselves on self-finance.

Study on Scholarship or Financial Aid

The participants' responses for the study on scholarship or financial aid showed that 82.1% (n=165) respondents wanted to study on a scholarship or financial aid, compared to 17.9% (n=36). The giant difference between the answers shows overwhelmingly that students need financial support. Johnson (2011) states that, there has been a marked increase in the preponderance of parents refinancing their homes in the years immediately preceding their children reaching college age.

In a more detailed survey upon request to the Cyprus Statistical Service on the available data of the last 10 years, has shown that in the year 2010 the grants and allowances were 137,821 EUR, a slight decline in the coming year 2011 to 136,548 EUR, and a drop of more than half to 65,922 EUR in the year 2012 (Cyprus

Statistical Service, 2015).

Section II: A) Factors That Influence Student Choice to either Pursue Higher Education Or Seek Employment

In the second section, the factors are divided into two parts, such as the factors for the choice of students for education or work, and the factors that influence the choice of work for the follow-up of tertiary education.

The role and influence of parents was also important, hence, it is obvious that when parents' economic situation is good, students are strongly agree to continue higher education, while when parents' financial position is poor, students are strongly agree to seek job to finance their studies (56.7%). From this point of view, it can be argued that parents' financial position is an important factor in influencing students to pursue higher education. Thus, the economic recession makes enormous difficulties to secure work for young people because employers have stopped recruiting temporary workers or part-time workers (Mok and Neubauer, 2016).

Furthermore, in a presentation of available data of the last 10 years on request to the Cyprus Statistical Service, regarding grants and allowances, student loans, total current expenditure and total capital expenditure in comparison to the population increase, it has shown that up to 2010 there has been a rise in almost all sectors, compared to the following year that recorded a slight decline and in the following year 2012 there was a dramatic decline in all sectors.

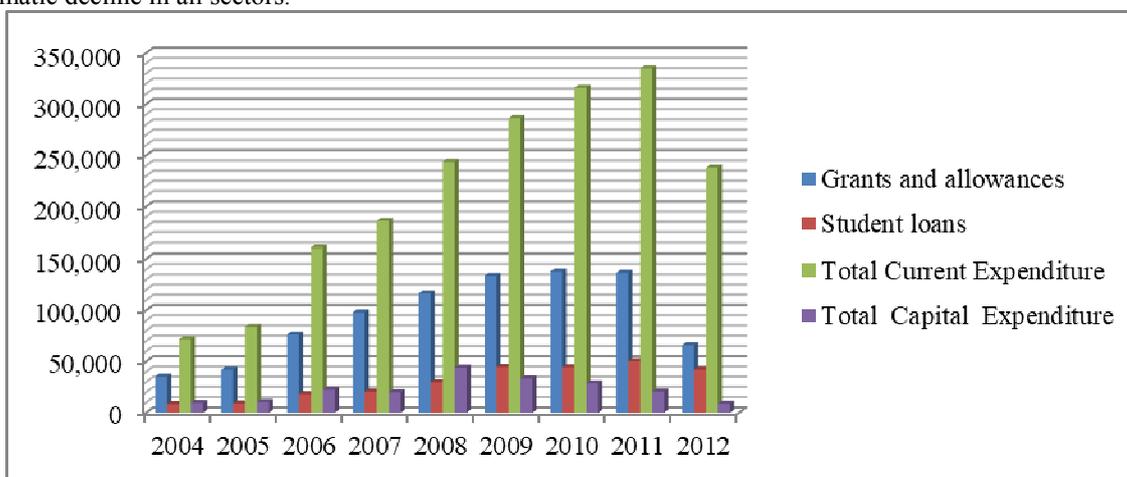


Figure 1: Based on data from the Cyprus Statistical Service upon request

Study over Working Scholarships

Only few respondents were negative on circumstances where they would get a scholarship with 5.0% (n=10) supported strongly disagree and 8.0% (n=16) supported disagree. Neutral position were 23.9% (n=48) of the sample, while most of the participants were positive, with 32.8% (n=66) agree and 29.4% (n=59) strongly agree. Two participants avoided answering. People definitely like to take advantage of the benefit of scholarship since they don't need to pay for further expenses such as the fees which is the most important. Scholarship also includes food and living expenses, which is also an important value since this is also a high cost.

Higher Education Students' Loan

For this part the results show that 5.0% of the respondents (n=10) were strongly disagree and 13.4% (n=27) were disagree. The biggest percentage went to the neutral, something that is obvious due to the fact that 100 respondents were from the labor market. This is in conflict with students that were already in universities. Positive were the biggest amount of the respondents since 26.9% (n=54) chose agree and 23.4% (n=47) strongly agree supported that financial aids are indeed very helpful in new student enrollments. Students tend to believe that while student loans are indeed helpful, and in some cases necessary (Mok and Neubauer, 2016), but at the same time, they are running the risk of falling into debt with all the following consequences that might have.

Accommodation Fee

The research study also investigated whether students would continue with their studies if they got free accommodation, which few respondents indicate strongly disagree with 6.5% (n=13) and less unlike 9.5% (n=19). Neutral was up to 23.4% (n=47) and more than half of the respondents, 34.3% (n=69) agree and 26.4% (n=53) strongly agree. Here indicates that most of the respondents support that if they got free accommodation they would continue their studies. These elements need a large amount of money, to let someone carry on their studies and definitely enroll in higher education.

Parents' Influence on Choosing Studies or Job

According to this part, opinions differ since strongly disagree is 19.4% (n=39) and disagree 21.4% (n=43) while strongly agree is 10.0% (n=20) and agree is 22.4% (n=45) showing that from both sides they have similar opinions. Neutral is close to 26.9% (n=54) showing that they are independent as far as the influence of their

parents. Opinions differ as the replies have been divided into approximately equal levels. Parent's decision and influence derived through the need of parents to support yet weakness due to economic incompetence (Mok and Neubauer, 2016).

Parents' Influence on Selecting Major of Study

The respondents have been asked to answer whether the parents decide what their major would be. The findings showed that, out of 201 respondents, 49.8% (n=100) answer strongly disagree while 24.4% (n=49) answer disagree, 16.9% (n=34) chose neutral while 5.0% (n=10) and 3.5% (n=7) answer agree and strongly agree respectively. Most of the respondents answered strongly disagree and disagree, showing that they are not being influenced by their parents. Due to the early life guidance that rises in each house, students are mature enough to choose by themselves what their major will be when the time comes. Therefore most of the participants answered negatively.

Parents Cannot Support Me Financially

The study was incredibly interested to know whether they would seek a job if their parents could not support them financially. The findings showed that 6.5% (n=13) point strongly disagree, 13.9% (n=28) point disagree while 26.9% (n=54) kept neutral. More than half of the participants show dedication to their studies by seeking a job if their families cannot support them financially, with a percentage close to 35.8% (n=72) pointed agree and 16.9% (n=34) strongly agree. Even if the parents are unable to help the students financially, for young people this is not an obstacle, since Cypriots are passionate enough with the need of education; and that is something that cannot discourage them.

Start working and continue studying, due to parents' inability to provide financial support

Last but not least, I intended to check whether students would start a job and carry on with their studies if their parents were unable to support them financially. The findings showed that 2.0% (n=4) point strongly disagree, 7.5% (n=15) point disagree while 33.3% (n=67) kept neutral. More than half of the participants show compassion and at the same time willingness to continue education by seeking a job and carrying on with their studies if their families cannot support them financially, with a percentage close to 39.3% (n=79) pointed agree and 17.4% (n=35) strongly agree. The need for education appears for one more time, showing the dedication and seriousness that pervades an issue like this.

Section II: B) Influencing Factors for Choosing Working over Pursuing Higher Education

This study also highlight that students prefer to continue higher education, which includes the following in order of importance; availability of reliable source of funding for higher studies such as scholarships (M=3.734, 62.2%), students loan schemes (M=3.22, 50.3%). Furthermore, the second category of factors includes accommodation that was perceived as an important condition (M=3.647, 60.7%) followed free learning materials (M=3.582, 53.7%) and high cost of higher education in terms of tuition fees (M=3.575, 53.7%).

Parents Income

According to the findings, out of 201 respondents, 14 respondents (7.0%) disagree that parents' income is a reason to decide whether they will pursue higher education or seek employment: 30 respondents (14.9%) disagree and out of 201 respondents, 80 respondents (39.8%) kept neutral position. Partly 48 respondents (23.9%) agree that is a main factor that influence the decision of enrolment or employment and 27 respondents (13.4%) totally agree by concerning it as a significant factor. Two participants avoid answering. Long (2014), highlights that the growth in unemployment and financial aid could encourage many to enroll in college, but the decrease in family income, increase in the difficulty of securing private financing, increasing tuition prices, and strain on institutional capacity suggest that the propensity for college enrollment could decrease. The participants in the study mostly answered Neutral to their parents' income having anything to do with their decision, showing that it does not affect their decision to study.

Insecure Income

The findings showed that, out of 201 respondents, 18 respondents (9.0%) disagree that insecure income is a reason to decide whether they will pursue higher education or seek employment; 52 respondents (25.9%) disagree and out of 201 respondents, 61 respondents (30.3%) kept neutral position. Partly 44 respondents (21.9%) agree that is a main factor that influence the decision of enrolment or employment and 25 respondents (12.4%) totally agree by concerning it as a significant factor. 1 participant avoided to answer that question. Long (2014), indicates that In terms of families, or the demand side of higher education, the downturn of the economy has affected incomes and unemployment rates, thereby reducing economic well-being and stability.

Lack of Scholarship and Loans for Higher Education

According to these findings, more than 40% support that banks do not support students with student loans, with 34.3% (n=69) to maintain agree and 10.0% (n=20) strongly agree. From the whole sample 27.4% (n=55) kept passive attitude and just close to 26% different opinion with 21.4% (n=43) disagree and 5.5% (n=11) strongly disagree. As it seems 1.5% (n=3) respondents avoid to answer this part. A recent study of Spellings (2006) acknowledged problems with the current aid process by concluding that some students "don't enter college because of inadequate information and rising costs, combined with a confusing financial aid system".

High Tuition Fees

On the question of university tuition fees are hiked, only 4.0% (n=8) believe that this does not apply possessing strongly disagree and 11.9% (n=24) possessing disagree. Beyond that 29.9% (n=60) kept Neutrality and more than the half percentage agreed that the university tuition fee indeed went too high with 30.3% (n=61) agree and 23.4% (n=47) strongly agree to stipulate. One participant did not answer. According to Long (2014), families suffered from reduced college affordability in the form of decreasing family incomes and home values and rising college tuition prices.

Free Learning Materials

The study was particularly interested to know whether they would carry on with their studies if they received free learning materials. The findings showed that 3.5% (n=7) point strongly disagree, 9.5% (n=19) point disagree while 33.3% (n=67) kept neutral. A large percentage of the participants show positivity with a percentage close to 32.8% (n=66) agree and 20.9% (n=42) strongly agree.

Accommodation Expenses

The need of hostels and accommodation expenses is an important factor to make someone rethink the financial cost of his or her studies. The study also aimed to find out whether the costs are too high for the students, showing that 4.0% (n=8) support strongly disagree, 16.9% (n=34) support disagree and 32.3% (n=65) Neutral. Moreover 32.8% (n=66) experience that accommodation expenses are too high and 13.4% (n=27) support strongly agree. 0.5% (n=1) didn't answer the question. Johnson (2011) in his study, points out that the home price index is certainly related to the probability of college attendance, so it is not shocking that college enrollment would fall as home values fall.

Dinning and Food Costs

At this point the findings are almost the same from both sides since from one side 7.5% (n=15) support strongly disagree that dinning and food costs are too expensive, while from the other side 8.0% (n=16) support strongly agree. The same with disagree with 27.9% (n=56) and 25.4% (n=51) agree. The neutral percentage is quite high 30.8% (n=62) showing that in this part the respondents are unaffected from this factor. One participant was not in view.

Section III: Choices Available to Students during the Economic Crisis

Generally the respondents indicated high preference in pursuing with higher education in which the option of finding a job while studying was positively perceived with a percentage of 47.8 (M=3.38). This option includes alternatives such as students enrolling in evening programs, full time job and enrollment, part time job and enrollment.

Other possible option such as students' loans from banks was highly disagreed by the respondents with 48% (n=97). This situation is partly contributed by the Banks' policy on student loans which not conducive. However in case of shortage of other friendly options students have no choice rather than to take bank loans, but nowadays due to the banking crisis is difficult to take any because of banks restrictions (Fратиanni and Marchionne, 2009).

Currently some of the private companies provide finance higher education students by employing them and providing financial support for their studies in which the students have to work while studying and later continue working after graduation. This seems to be viable option, so it is imperative for most of the companies to provide this kind of sponsorship which has beneficial effects to the companies, students and the country in general. On the other hand, the government of Cyprus provides grants to all citizens; however the grants are not enough to meet the cost of higher education. It is suggested that the government should increase the amount of grant provided so that it meet the costs of higher education.

Find Job while Studying

The respondents were asked to answer whether they would attempt to find a job while studying. The findings showed that, out 201 respondents, 6.0% (n=12) answer strongly disagree while 15.4% (n=31) answer disagree, 30.8% (n=62) chose Neutral while 29.9% (n=60) and 17.9% (n=10) answer agree and strongly agree respectively. Most of the respondents from both type of universities and from the labor sector, close to half percent show that they need to work while studying and 62 more as neutral who do not deny searching for a job while studying.

Bank Loans to Finance Studies

Here we see a predominant negative view with 48 (23.9%, n=48) supporting strongly disagree and almost equivalent number of 49 (24.4%, n=49), to support disagree. Rate of 24.9% (24.4%, n=50) chose neutral whilst a small rate of 17.4% (17.4%, n=35) chose agree, but an even smaller percentage of 9.5% (9.5%, n=19) chose strongly agree. The prevailing view here with almost half of them is that they will not seek a loan to co-fund their studies, and half of them chose neutral and more contracted position wanting to show that, in case that needed to get a loan then perhaps they will get it if they have no alternative choice.

According to the official publication of central Bank of Cyprus (2007), interest rates in Cyprus for loans to households from 1 to 5 years stand at 4.27%. The annual report of Bank of Cyprus (2008) showed that interest rates in Cyprus for new loans to households for consumption purposes also rose, with the average interest rate reaching 7.85% at the end of 2008 from 6.42% in January 2008. The data received from the official website of

central Bank of Cyprus (2015) states that the base rate of central Bank of Cyprus from 5.00% to 4.00%.

Bank Loans to Students' Enrollment

According to the results whether the bank policy in Cyprus has a significant effect on student's enrollment, respondents opinion is mostly neutral instead of likely or strongly disagree with more than the one third of the whole sample, 74 to answer neutral (36.8%, n=74). A small number of respondents 8 (4.0%, n=8) replied strongly disagree and 39 respondents (19.4%, n=39) disagree. More than the one third answer positively since 50 answer agree (24.9%, n=50) and 29 answer strongly agree (14.4%, n=29). One respondent did not respond to the question.

As for the student loans, Bank of Cyprus (2015) invent a tricky student loan, named loan "Relax", with the base rate of bank starting from 3.70% for 1 year and then + 1.25% for every year. Actually the annual percentage rate is calculated to 5.30%. Furthermore, the Bank of Cyprus (2015) gives a warning for people or students that intent to take a student loan by announcing:

"The Bank reserves the right to refuse any application at its discretion and to withdraw any plan at all times. The interest rate and the loan installment may be amended by the lender from time to time"

"You run the risk of losing your immovable property if you do not pay your mortgage installments on time or any other loan secured by a mortgage on your immovable property"

It's obvious that bank's policies do not permit people that are having economic issues to take the risk of loans due to the high tuition fees, since they expose themselves to the possibility of losing their houses, jobs, business or real estate.

Employment instead of Higher Education

Respondents prefer to study further instead of being employed, since 22.4% (n=45) answer strongly disagree and 30.8% (n=62) disagree. A large percentage near to 27.4% (n=55) kept neutral stance, while 13.9% (n=28) answer agree and 5.5% (n=11) strongly agree. Through the findings of this table it is obvious that the majority prefer to pursue a higher education.

Concluding remarks

The main purpose of this study was to investigate the factors affecting students through the economic crisis on whether to enroll in universities or find jobs. The findings of the research were that, the young people need and want to continue their studies and take admissions in universities but also to work at the same time if they have to do it in order to carry on their studies. Most of the young people believe that studying a major, guarantees a secure career and they don't need to opt for the employment route. People definitely prefer to take admissions in public universities instead of private ones due to the high expenses that this option implies; almost half of them would avoid applying to both. Only in cases that they can't gain admission in public universities, they would consider the private one; which is the choice for those who cannot study in the public university. Even so, they would consider studying on a self-finance basis since people don't have jobs or even those who have a job; they are losing them due to the financial crisis. It goes without saying that most have the desire and the hope to study on scholarships or financial aids. On the other hand, they prefer not to take bank loans, except if they have no other choice than to take a bank loan. Banks do not provide loans easily nowadays; something that might be a problem for someone that has no other choice from taking out a bank loan, and the banks do not approve them, meaning that, those people will remain without educational knowledge even if they want to continue.

For the choice of choosing a job or enrollment, a significant factor such as the family income, which comes from the parents, plays an important role for students. However, it does not hold them back from studying. Although some believe that their parents have unsafe income while others do not know, they also understand that banks are not going to support them with a student loan but still choose to continue their education. Certainly, parents don't have the power to make their children follow a specific major or even to force them to choose either a job or a university. If there is any possibility that their parents will not be able to support them financially then they will look for work and continue studying. These circumstances are considered by young people to be unable to invest in education compared to those who have already graduated and probably found an occupation.

Overall, this study underscores the need for policy-making throughout students' lives up to adulthood, feeding them with appropriate information and guidance for their choice during the economic downturn. In order to ensure equal opportunities for those from different socio-economic backgrounds, it is the duty of all stakeholders, including universities and schools, in relation to the labor market, and employers to provide opportunities for the most vulnerable social groups with deprived backgrounds. Additional study is needed to investigate the change after exiting the economic crisis.

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