

## Factors Affecting On Existing Student's Higher Education Continuation During The Economic Crisis In Sri Lanka

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### ABSTRACT

This study examines the factors influencing the continuation of higher education among students during the economic crisis in Sri Lanka. As the crisis unfolded, the higher education sector faced significant challenges, prompting management at various institutions to take urgent measures to mitigate the situation. However, they often lacked a clear understanding of the underlying issues and potential solutions. Despite the efforts of higher education authorities to encourage students to advance to the next level, many have chosen to discontinue their studies, and most initiatives have not yielded the desired results. Recent research has identified numerous factors impacting higher education continuation, yet the specific elements that significantly influence this process during an economic crisis remain unclear. This study aims to enhance student enrollment in higher education by identifying the key reasons behind students' decisions not to pursue further studies and encouraging management to implement effective strategies. The study's population included 11,000 students, with a sample size of 398. Data were analyzed using structural equation modeling (SEM). The findings reveal that teacher-student interaction and financial aid are strongly positively correlated with institutional factors, which, in turn, relate to higher education continuation. However, during an economic crisis, the direct correlation between teacher-student interaction and financial aid with higher education continuation diminishes. This study ultimately seeks to support the increase of student enrollment in advanced courses within the higher education sector.

**Keywords:** *Teacher-student interaction, financial aid, Institutional factors, External factors, Gender, Higher Education Continuation*

### INTRODUCTION

Higher education institutions in Sri Lanka are categorized into three types: state universities and government higher education institutes (HEIs), semi-government universities and semi-government HEIs, and private universities and private HEIs (National Education Commission, 2014). Recently, there has been a significant and sudden decline in student registrations across these institutions (ADB, 2020). In March 2020, the pandemic forced campuses to close, leading to lockdowns and social distancing measures (Majumdar, 2022). As a result of the COVID-19 pandemic, the economic crisis emerged, shifting the expectations of both students and parents. Previous studies have identified several factors that influence the continuation of studies among existing students, including motivation, self-efficacy, family and peer influence, financial aid, institutional factors, and teacher-student interaction (Mahdzar et al., 2021). The intention to continue studies in higher education is a broad and complex topic. Course structure plays a crucial role in this decision, as limited options may be available for students advancing to higher studies (Chow & Shi, 2014, pp. 1145-1149). If the available further study options do not meet students' expectations, they may be disinclined to continue.

Course structure components, such as duration, prior learning requirements, medium of study, and entry qualifications, are critical (Tremblay et al., 2012). If the duration of a current course does not fulfill the entry requirements for advanced courses, students may find themselves unable to register for the next level. Additionally, student satisfaction directly impacts their intention to continue their studies (National Council of Professors of Educational Administration, 2016). Factors influencing student expectations include delivery methods, evaluation criteria, infrastructure, resource availability, selection procedures, faculty interaction, and engagement with non-academic staff, training arrangements, practical experiences, industrial training placements, affordability, flexibility, and job placement opportunities (Suleri, 2020, pp. 91-96). This study aims to increase enrollment in higher education by identifying key factors that influence students' decisions to continue their studies.

While numerous studies have theoretically examined the impact of economic crises on student's educational outcomes (Behrman and Deolalikar, 1991; Duryea et al., 2007; Fallon and Lucas, 2002; Dellas and Sakellaris, 2003; McIntyre and Pencavel, 2004; McKenzie, 2004; Schady, 2004), a debate among experts continues regarding the specific factors influencing existing students' intention to continue their studies. Koe & Saring (2012) identified several independent variables, including university location, cost, reputation, academic programs, learning facilities, parental and peer influence, and the country's image. They considered institutional and external factors as mediating variables, intending to pursue postgraduate programs as the dependent variable. Harris & Halpin (2002) conducted research that examined self-efficacy, locus of control, parental influence, peer influence, relative functionalism, the glass ceiling effect, and teacher-student interaction, general perceptions of college, and financial aid as independent variables. They sought to understand the factors that encourage individuals to pursue higher education. Ng et al. (2011) focused on rewards/opportunities, personal attitudes, work-related knowledge, financial support, program structure, and social support as independent variables, with the dependent variable being students' decisions to pursue doctoral studies in Malaysia. However, the roles of teacher-student interaction and financial aid, particularly during a financial crisis, have often been overlooked concerning higher education continuation. Previous studies have not treated these factors as independent variables impacting students' decisions. Additionally, the mediating role of institutional factors between teacher-student interaction, financial aid, and higher education continuation has not been explored. Furthermore, prior research has neglected to examine external factors and gender as moderating influences on the relationships between teacher-student interaction and financial aid with higher education continuation. This highlights a significant knowledge gap, as the aforementioned studies focused on the general student population rather than existing students, especially in the context of an economic crisis.

## **LITERATURE REVIEW**

Students drop out of courses for a variety of reasons (Robertson, 2020), and the economic crisis triggered by the pandemic has introduced new factors contributing to this trend. Despite these challenges, some reasons still motivate students to continue their studies during such crises. According to the World Economic Forum (2023), higher education administrators periodically adjust course structures to align with evolving environmental and technological advancements, necessitating regular updates to course content. An economic crisis can profoundly affect societal behavior and priorities, leading to changes in students' intentions to continue their education.

Research on students' intentions to pursue higher studies is limited (Baranova et al., 2022). A student is defined as an individual who enrolls in an institution to acquire knowledge (Tough, 2006, pp. 1-12). Education systems vary from country to country, tailored to each nation's objectives. In Sri Lanka, education is categorized into primary, secondary, and tertiary levels (Aturupane & Little, 2021, pp. 695-732). The Ministry of Education governs primary and secondary education, while higher education falls under the purview of the Ministry of Higher Education. This ministry oversees state universities and higher education institutes, along with non-government and semi-government institutions, regulated by bodies like the University Grants Commission (Vigashini, 2022).

The desire to continue studying is often an internal feeling for students (Menon et al., 2016, pp. 831-843), influenced by numerous factors. Typically, students enroll in educational institutions to complete courses and earn certificates, which they expect will lead to job opportunities. The COVID-19 pandemic hit Sri Lanka on January 27, 2020, and spread rapidly, leading the government to impose travel restrictions and lockdowns (L.P.D.S, 2020, pp. 73-77). Offices and factories closed, and the economic and social landscape changed drastically, resulting in

widespread job losses. The tourism, construction, and agriculture sectors were particularly hard hit, leading to a collapse in the export market and the closure of many businesses (Deyshappriya, 2020).

In Sri Lanka, many students rely on parental funding, making parental influence a key factor in their educational intentions. Both male and female students have equal access to educational opportunities (Wedikandage & Gunawardana, 2021, pp. 463-471). Motivation also plays a significant role in students' decisions to continue their studies; it encompasses their needs, desires, and drives (Management Guide Study, 2022). Self-efficacy, defined as an individual's belief in their ability to execute a plan in various situations, is another critical factor (Bandura, 1977). Family influence can come from parents, siblings, or spouses, while peers, defined as individuals of equal standing, can significantly affect students' continuation of their studies (Nickson et al., 2019). Typically, students register for advanced courses together, and financial aid: defined as assistance to cover educational expenses, can come from government, institutional, or private sources in the form of grants, scholarships, work-study jobs, or loans (US Department of Education, 2024).

Previous research has indicated that demographic factors, student attributes, social influences, and financial aid significantly affect students' intentions to continue their studies (Jalaluddin et al., 2019). The level of education that students have attained also plays a crucial role in their decisions to pursue further education (Aboagy et al., 2020). Additionally, a study focused on postgraduate programs found that both institutional and external factors influence students' choices (Koe & Saring, 2012). In Sri Lanka, a developing country where many families fall within the lower to middle-income brackets, cost considerations heavily impact students' course selections for further studies (Central Bank of Sri Lanka, 2020). Learning facilities are classified into various categories. Physical facilities are essential for students to engage in their studies, while electronic resources facilitate easier learning (Eze et al., 2018). These facilities serve multiple purposes, including academic work, entertainment, and infrastructure support, ultimately making the learning process more accessible.

The availability and quality of facilities provided by higher education institutions (HEIs) significantly influence students' decisions to pursue further studies. The intention to continue education is important not only for the students themselves but also for their families, the educational institutions, and the government (Gunatilaka et al., 2010). Sri Lanka relies heavily on foreign employment opportunities, which necessitates that job seekers meet specific academic and professional qualifications. Job categories in foreign employment typically include laborer, technician, and manager positions (International Labor Office Geneva, 1990). The government also plays a role in encouraging students to pursue further education, aiming to reduce the unemployment rate by preparing the workforce to meet the demands of the current job market (Gunatilaka et al., 2010).

Demographic factors refer to the identifiable characteristics that connect individuals to broader social patterns (Lazarus & Oluwole, 2020). The physical differences between males and females can influence their capacities, strengths, and limitations in various situations (Newman, 2022). In Sri Lankan culture, males are often seen as the primary providers and protectors of the family (Kamdar, 2020). However, there are relatively few restrictions on females regarding education and employment opportunities (International Labour Organization, 2016). Students expect equality, recognition, and the same opportunities from their lecturers (Cicekci & Sadik, 2019).

Sri Lanka, classified as a lower-middle-income country with a GDP per capita of USD 3,852 in 2019 and a population of 21.8 million (The World Bank, 2022), sees many families entering higher education from middle-class backgrounds. These middle and lower-income families often allocate most of their income to essential needs such as food and shelter, placing education lower on their priority list. Consequently, the high fees associated with higher education can be prohibitive. In some instances, part of these fees must be paid in foreign currencies. To assist students, higher education institutions facilitate access to educational loans from banks and connect them with financial institutions (Ministry of Education (Higher Education), 2017). Additionally, they offer scholarships to talented students, reducing their course fees (Open University of Sri Lanka, 2021).

Research indicates that an open classroom climate, where students feel comfortable voicing their opinions and are taken seriously, enhances their engagement in class (Dijkstra et al., 2015; Geboers et al., 2013; Keating and Janmaat, 2016; Torney-Purta, 2002). Many studies have shown that students are more likely to enroll and remain at institutions that provide attractive financial packages or support (Barr & McClellan, 2010; Britt et al., 2017; National Student Clearinghouse Research Center, 2022; Olbrecht et al., 2016). However, the reality is that the financial support offered by institutions often falls short, especially when students face rising living costs, financial stress, and debt (Barr & McClellan, 2010; Britt et al., 2017).

Students are often financially supported by their parents, and family influences play a significant role in their

decision-making regarding higher education. Choosing to attend college represents a significant financial commitment that families must consider together. Unsurprisingly, college costs significantly impact student retention rates (Ericksen, 2022). Research by Perna (1998) and St. John (2000) indicated that increased financial aid correlates with higher retention rates. However, Gansemer-Topf and Schuh (2006) found that the relationship between financial aid and retention varies by institutional selectivity. Specifically, increased financial aid in less selective institutions is positively associated with retention, whereas the same does not hold for highly selective institutions, where financial aid is not significantly linked to retention.

Furthermore, Hearn (1991) noted that low-income students often attend less selective institutions despite their academic abilities. Much of the existing research has concentrated on student attributes, pre-college characteristics, and socioeconomic factors (Chen, 2012; Voigt & Hundrieser, 2008). However, there has been limited examination of how institutional characteristics—such as institution type, selectivity, and financial support in the form of scholarships—affect retention rates (Marsh, 2014). Lee (2010) explored the ongoing use of online learning through the integration of several theoretical frameworks, including Expectation Confirmation Theory (ECT), the Technology Acceptance Model (TAM), the Theory of Planned Behavior (TPB), and Flow Theory. ECT is particularly effective in explaining and predicting learners' intentions to continue using a learning platform, as highlighted by Alraimi et al. (2015). It encompasses four primary constructs: expectations, perceived performance, disconfirmation of beliefs, and satisfaction.

TAM, on the other hand, comprises two key constructs: Perceived Usefulness (PU) and Perceived Ease of Use (PEOU). External variables, such as social influence, play a crucial role in shaping users' attitudes toward technology. When both PU and PEOU are present, individuals are more likely to develop positive attitudes and intentions to use the technology (Venkatesh et al., 2000). The Theory of Planned Behavior (TPB) includes three main constructs: attitude, subjective norms, and perceived behavioral control, which collectively influence an individual's behavioral intentions. Research by Koe and Saring (2012) highlights that both institutional and external factors significantly impact students' decisions to continue their education in postgraduate programs. Institutional factors include university location, cost, reputation, academic programs, and learning facilities. In contrast, external factors encompass influences from parents and peers, as well as the overall image of the country. Their analysis found a strong positive correlation between university reputation and enrollment in postgraduate programs.

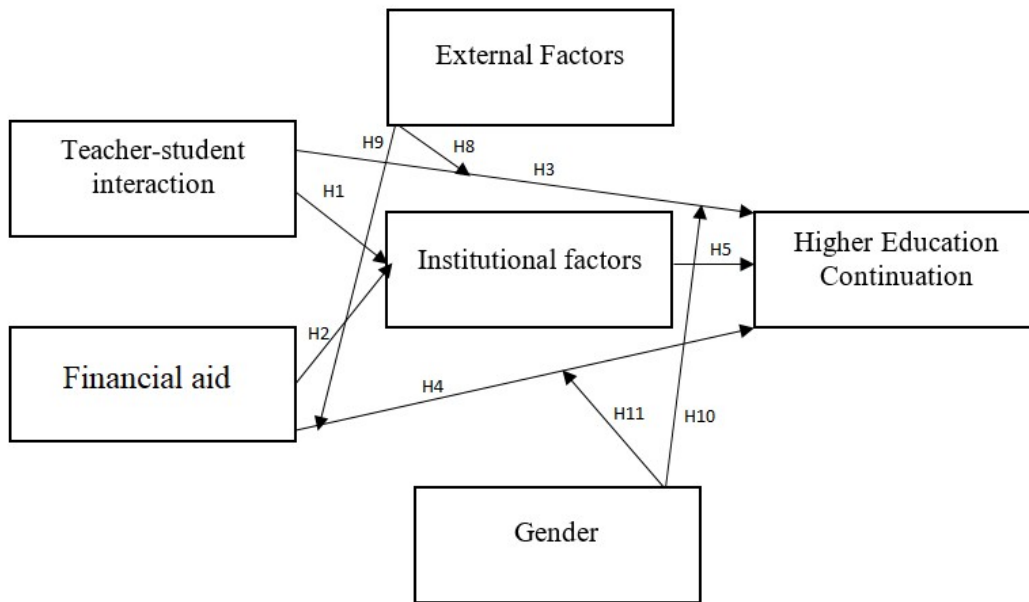
Additionally, Harris and Halpin (2002) identified various factors influencing individuals' pursuit of higher education, including self-efficacy, locus of control, parental influence, family influence, peer influence, relative functionalism, the glass ceiling effect, teacher-student interaction, general college preparation, and financial aid. Their study focused on developing and validating the Factors Influencing the Pursuit of Higher Education (FIPHE).

Another study examined factors affecting students' decisions to pursue doctoral degrees in Malaysia, identifying rewards/opportunities, personal attributes, work-related knowledge, financial support, program structure, and social support as influential. This research supported the idea that these six factors significantly impact respondents' decisions to pursue their doctorate degrees. Notably, rewards/opportunities, program structure, and support exhibited high standard deviation values, indicating variability among respondents' perceptions (Ng et al., 2011).

## **RESEARCH METHODOLOGY**

The conceptual model for this study is based on the foundational principles of Expectation Confirmation Theory (ECT), the Technology Acceptance Model (TAM), the Theory of Planned Behavior (TPB), and Flow Theory (FT) to elucidate the factors influencing learners' willingness to continue using educational resources. ECT is particularly effective in explaining and predicting learners' intentions to persist in their studies, providing a robust framework that has been validated in the research domain (Alraimi et al., 2015).

In this research, two independent variables—teacher-student interaction and financial aid—are examined, alongside one intervening variable, institutional factors. The dependent variable is higher education continuation. Additionally, two moderating variables are included: external factors and gender. This model aims to explore the complex relationships among these variables to better understand the dynamics influencing students' decisions to persist in their educational pursuits.



H6: TSI - IF - HEC

H7: FA - IF - HEC

**Figure 1. Conceptual Framework**

Source: Author’s original work

***H1: Teacher-student interaction has positive and significant effects on Institutional Factors:***

The literature has highlighted a clear association between student-teacher relationships and student dropouts (Lessard et al., 2004). Conflicts with teachers often intensify over time, leading to critical moments that contribute to students' decisions to leave their educational programs (Lessard et al., 2008).

***H2: Financial Aid has positive and significant effects on Institutional Factors:***

Financial aid and institutional factors are closely interconnected. Financial aid refers to any formal financial support provided to college students to help cover tuition and living expenses. This can include student loans, grants, scholarships, and work-study programs (Lindsay, 2004). The availability and effectiveness of financial aid can significantly influence students' experiences within their institutions, impacting their ability to continue their education.

***H3: Teacher-student interaction has positive and significant effects on Higher Education Continuation:***

The quality of academic staff, including their qualifications and teaching skills, has a positive influence on student satisfaction (Hussein & Abdul, 2012). When educators are well-qualified and skilled in their teaching methods, students are more likely to feel engaged and satisfied with their educational experience.

***H4: Financial Aid has positive and significant effects on Higher Education Continuation:***

This relationship indicates that financial aid has a direct impact on higher education continuation. A low financial status is often cited as a significant factor contributing to student dropouts (Khan et al., 2011). Access to adequate financial support can help alleviate this burden, enabling students to persist in their studies.

***H5: Institutional Factors have positive and significant effects on Higher Education Continuation:***

Past research indicates that institutional factors have a strong positive correlation with higher education continuation. Ford et al. (1999) identified several critical program-related issues—such as the variety of study programs, flexibility in degree paths, the ability to change majors, and the range of degree options—as key factors influencing students' choices of higher education institutions.

Globally, universities are investing in high-quality facilities as part of their institutional offerings. These facilities play a vital role in supporting students as they complete projects, courses, and research (Awang et al., 2010). Designed to enhance both working and learning environments, these facilities facilitate a smoother educational experience for students (Karna & Julin, 2015).

***H6: Institutional Factors mediate the relationship between Teacher Student Interaction and Higher Education Continuation:***

Institutional and departmental cultures play a significant role in shaping professors' teaching practices. An institutional culture that emphasizes teaching—characterized by a shared commitment to excellence and meaningful assessment of faculty performance—can motivate educators to adopt effective teaching methods (Paulsen & Feldman, 1995). This supportive environment fosters the implementation of best practices, enhancing the overall quality of education (Spencer, White, Peterson, & Cameron, 1989).

***H7: Institutional Factors mediate the relationship between Financial Aid and Higher Education Continuation:***

A financial aid package that effectively attracts students to a college or university may not suffice to retain them when confronted with the realities of living expenses (St. John, 2000). While some researchers suggest that receiving financial aid positively influences student persistence (Bean, 1985; Cabrera, Nora, & Castañeda, 1992; Ishitani & DesJardins, 2002; Voorhees, 1985), the ongoing challenges of rising costs can still lead to significant obstacles for students.

***H8: External Factors moderate the relationship between Teacher Student Interaction and Higher Education Continuation:***

Students possess multiple social identities; they are not just students in the classroom but also children to their parents, peers, and playmates. This indicates that their interactions extend beyond their relationships with teachers and encompass various individuals in their daily lives. Such interactions can significantly influence the teacher-student relationship (Liu et al., 2023).

***H9: External Factors moderate the relationship between Financial Aid and Higher Education Continuation:***

Jackson (1986) concluded that price negatively affects college choice, while financial aid that reduces costs has a positive influence. Many students rely on their parents for financial support in their educational pursuits (Memon et al., 2010).

***H10: The relationship between Teacher-student interaction and Higher education continuation is significantly different between males and females:***

Gender has been identified as a significant variable in examining the relationships between students and teachers in formal educational settings (Duffy et al., 2001).

***H11: The relationship between Financial Aid and Higher education continuation is significantly different between males and females:***

Morris (2011) noted that increased equity in access to higher education for women has helped to level the professional playing field between genders. This expanded access has provided opportunities for women that were previously unavailable to them. Regarding the relationship between financial aid and higher education continuation, past literature indicates that external factors have a moderating effect. Jackson (1986) found that price negatively impacts college choice, while financial aid that reduces costs has a positive influence. Many students also rely on parental financial support for their education (Memon et al., 2010).

When examining the role of gender in teacher-student interactions, research shows that males and females respond differently. Girls often engage in cooperative behaviors, emphasizing friendship and equity, while boys tend to adopt a more competitive stance, focusing on winning and control (Coates, 1995; Goodwin, 1993; Sheldon, 1993;

Talbot, 2003). Additionally, gender influences the financial aid process; while both sexes are equally likely to obtain loans for university education, "education" is viewed as more critical for female applicants than for males (Michael & Lesley, 1993).

This quantitative research employs a deductive approach, testing theories to generate data (Apuke, 2017). With a total population of 11,000, the sample was determined using the Morgan chart, which indicates a sample size of 375 (Krejcie & Morgan, 1970). Given the high response rate of 94% among higher education students (UGC, 2022), the sample size was adjusted to 399. Purposive sampling was employed, allowing researchers to use their judgment in selecting participants from the population for the surveys.

### DATA ANALYSIS

The research employs structural equation modeling (SEM) using a two-stage approach: a measurement model and a structural model. The measurement model (see Figure 2) comprises a total of 29 items based on the final results from confirmatory factor analysis (CFA). Specifically, the model includes: Teacher-Student Interaction (TSI) with 6 items, Financial Aid (FA) with 3 items, Institutional Factors (IF) with 7 items, External Factors (EF) with 7 items, and Higher Education Continuation (HEC) with 6 items. Recommended values for the indices and model statistics are summarized in Table 1.

**Table 1. Results of the measurement model**

Fit indices (goodness of fit)	Accepted values (cut-off value)	Result	Model evaluation
Chi square/df	<3	1.793	Good fit
CFI	>0.9	0.967	Good fit
RMSEA	<0.08	0.045	Good fit

Source: Author's original work

The chi-square, CFI (Comparative Fit Index), and RMSEA (Root Mean Square Error of Approximation) indices are close to the recommended values, indicating a good fit for the model. Consequently, the 29 items in the final measurement model adequately represent the data (see Figure 2). This suggests that all items contribute similarly to each construct. The covariance in the measurement model are detailed in Table 2.

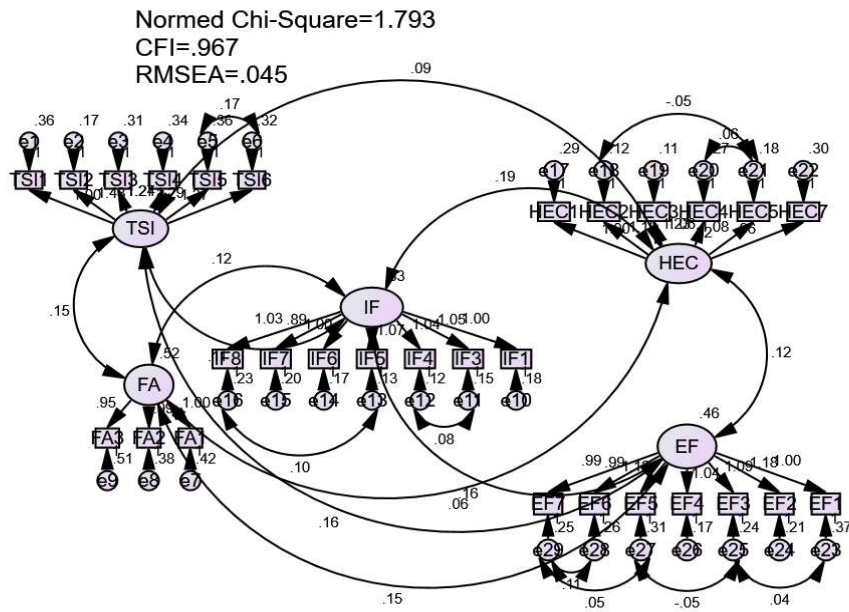


Figure 2. Measurement Model

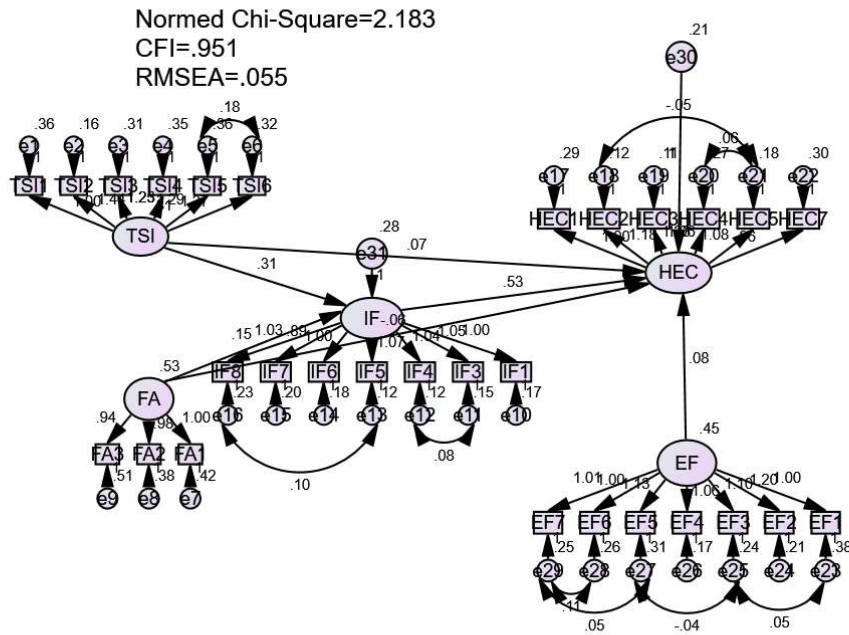
Source: Author’s original work

Table 2: Co-variances of Measurement Model

			Estimate	S.E.	C.R.	P	Correlation
TSI	<-->	FA	.153	.028	5.552	***	.382
TSI	<-->	IF	.114	.020	5.718	***	.356
TSI	<-->	HEC	.087	.019	4.628	***	.276
TSI	<-->	EF	.159	.025	6.405	***	.421
FA	<-->	IF	.122	.026	4.604	***	.293
FA	<-->	HEC	.055	.024	2.264	.024	.136
FA	<-->	EF	.148	.031	4.702	***	.301
IF	<-->	HEC	.190	.023	8.264	***	.582
IF	<-->	EF	.163	.025	6.624	***	.415
HEC	<-->	EF	.121	.023	5.273	***	.314

Source: Author’s original work

This section outlines the validation of the measurement model, which represents the first stage of the analysis. Following this validation, the structural model can be assessed and presented as the second stage of structural equation modeling (Hair et al., 2010). According to Byrne (1989), the purpose of developing the structural model is to clarify the relationships—whether direct or indirect—among the constructs. The final structural model is illustrated in Figure 3.



**Figure 3. Structural model**

Source: Author’s original work

The outcome of the association between variables (Regression weightings) in the final structural model is shown in Table 3.

**Table 3. Regression weightings in the structural model**

H. No				United. Estimate	S.E.	C.R.	P	Std. Estimate	Remarks
H1	IF	<---	TSI	.310	.057	5.447	***	.303	H1 supported
H2	IF	<---	FA	.151	.045	3.331	***	.192	H2 supported
H3	HEC	<---	TSI	.070	.049	1.417	.156	.070	H3 not supported
H4	HEC	<---	FA	-.057	.039	-1.443	.149	-.075	H4 not supported
H5	HEC	<---	IF	.529	.058	9.068	***	.545	H5 supported

Source: Author’s original work

**Table 4: The Hypotheses Testing Result with Mediator**

Path			Estimate	S.E.	C.R.	P	Significance
IF	<---	TSI	.310	.057	5.447	***	Significant
IF	<---	FA	.151	.045	3.331	***	Significant
HEC	<---	TSI	.070	.049	1.417	.156	Not Significant
HEC	<---	FA	-.057	.039	-1.443	.149	Not Significant
HEC	<---	IF	.529	.058	9.068	***	Significant

Source: Author’s original work

**Table 5: The Significance of Direct and Indirect Effects - Two-Tailed Significance**

H. No	Hypothesis	Direct Effect	Indirect Effect	Result	Remark
H6	TSI>IF> HEC	0.085(ns)	0.119 ***	Partial Mediation	Hypothesis supported since indirect effects are statistically significant
H7	FA>IF>HEC	-0.031(ns)	0.062**	Full mediation	Hypothesis supported since indirect effects are statistically significant

\*\* = p<0.05, \*\*\*=p<0.001, ns = Not Significant

Source: Author’s original work

**Table 6: The Hypotheses Testing Result with Continues Moderator**

H. No	Path	Estimate	S.E.	C.R.	P	Significance	Remark
HEC	<--- TSI	.184	.052	3.515	***	Significant	-
	<--- FA	.020	.050	.402	.688	Not Significant	-
H8	HEC <--- EF_TSI	-.030	.045	-.678	.498	Not Significant	Not Supported
H9	HEC <--- EF_FA	.079	.047	1.673	.094	Not Significant	Not Supported

Source: Author’s original work

**Table 7: The Hypotheses Testing Result with Nominal Moderator**

H.No				Male		Female		z-score	Remark
				Estimate	P	Estimate	P		
H10	HEC	<--	TSI	0.338	0.000	0.207	0.003	-1.363	Supported
H11	HEC	<--	FA	0.041	0.550	0.049	0.458	0.082	Not Supported

Notes: \*\*\* p-value < 0.01; \*\* p-value < 0.05; \* p-value < 0.10

Source: Author’s original work

The results of the relationships among the variables in the final structural model are summarized in the table. It indicates a significant positive effect (P < 0.01) between Teacher-Student Interaction (TSI) and Institutional Factors (IF), between Financial Aid (FA) and Institutional Factors (IF), and between Institutional Factors (IF) and Higher Education Continuation (HEC).

**CONCLUSION**

Descriptive statistics were utilized to summarize the data. Following this, an Exploratory Factor Analysis (EFA) using Maximum Likelihood and Varimax rotation was conducted in SPSS to explore the initial structure of the scales. Confirmatory Factor Analysis (CFA) was then performed in AMOS to validate the factor structure derived from the EFA. Hypotheses were tested by assessing the structural model using AMOS.

In terms of the demographic profile, the descriptive analysis indicated that most respondents were aged between 16 and 25 years and were pursuing diploma-level education. The sample predominantly comprised unmarried females, accounting for 71.6% of the respondents.

Previous literature has identified Teacher-Student Interaction, Financial Aid, Institutional Factors, and External Factors as crucial elements that enhance higher education continuation. Many scholars have explored the relationships among these factors and their impact on students' decisions to pursue higher education. Building on this prior research, the findings of the current study contribute to a clearer understanding by proposing a model that synthesizes and refines existing knowledge. This model aims to elucidate how Teacher-Student Interaction,

Financial Aid, Institutional Factors, and External Factors collectively influence higher education continuation among students in Sri Lankan private higher education institutes.

Additionally, the study examines how students' intentions to continue their education are affected during periods of economic crisis. This aspect is particularly significant, as economic downturns can severely impact students' financial capabilities, access to resources like financial aid, and perceptions of institutional support—all critical factors shaping their decisions regarding higher education continuation. By addressing these dimensions, the research not only builds on previous findings but also provides insights into the dynamics of higher education persistence amid economic challenges, thereby contributing valuable knowledge to both academic literature and practical policymaking in the field of education.

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