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EDITORIAL

The Journal of Adult and Lifelong Learning (NJALL) is a yearly Journal that publishes scholarly and research based analytical papers of value to professional practice in the field of Adult Education and Lifelong Learning. The main objective of this journal is to extend access and improve the quality and outcomes of all engaged in the discipline and practice of Adult Education and all its components. It is of paramount importance to disseminate information on policy planning, research and implementation of Adult and Lifelong Learning work and practice.

It is also designed to establish links between academic members of staff and students in the university environment for professional development and career advancement and the three tiers of government and the society at large.

It is intended that the publications in this journal will respond to the advanced and diverse learning needs of adults generally as well as improve both theoretical and practical aspects of Adult and Lifelong Learning for national growth and development.

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Professor (Mrs.) Lucy Adesomon Okukpon PhD
Editor

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FINANCIAL LITERACY AND WOMEN EMPOWERMENT

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Abstract

The relationship between financial literacy and women empowerment has received a great deal of attention throughout the modern history of literacy and women. This can be traced to the work of Gachuka (2004), who argued that women of all ages are still left behind in the area of basic literacy. Building on the work of Gachuka, Egunjobi (2005) pointed out that women economic empowerment is low in Nigeria compared to their male counterparts. She explained further that many women still live on menial job and that most jobs performed by women do not have economic values. Recent research (World Bank, 2001) indicates that gender inequalities in developing countries inhibit women (empowerment) and economic growth. The national literacy rate for women is only 56% compared to 72% for male. Low education coupled with poverty has been variously argued to be one of the major constraints to women empowerment. There are growing numbers of studies analyzing the effect of literacy on women empowerment. In most cases, their conclusion is that literacy stimulates women empowerment. The theories in the finance and education literature suggest that education (literacy) reduces the disincentive to entrepreneurship, at the same time give women a sense of belonging and opportunity to contribute to the growth and development of the economy. Financial literacy is the ability to spend, save and manage household income in an effective way in order to lift women and their families out of poverty. The absence of financial literacy can lead to making poor financial decisions that can have adverse effects on the financial health of an individual. Financial literacy according to Valerie-Jarrett (2011) influences savings and investment and ensures efficient allocation of resources.

Introduction

The issue of financial literacy and women empowerment is a global concern. Recent developments in African and developing countries of the world have shown

women economic empowerment as low compared to their male counterparts. More than half of the poor citizens of heavily indebted developing countries are women (IDA, 2002). This shows that majority of women in developing countries live on less than one US\$1 per day. Access of these women to education, training and credits are critical, along with legal and property rights equal to those of men (World Bank, 2006). Studies have shown that literacy is more of women's problem the world over. An international Organization for Economic Cooperation and Development (OECD) study was published in 2003 analyzing financial literacy surveys in OECD countries. The result revealed 67% of the respondents indicated that they understood the concept of compound interest, yet when they were asked to solve a problem using the concept; only 28% had a good level of understanding. Another survey in United States of America also found out that four out of ten American workers are not saving for retirement. A British survey equally found out that consumers do not actively seek out financial information. The information they received is acquired by chance. A survey of women consumers across Asia Pacific Middle East Africa (APMEA) comprises basic money management, financial planning and investment. This revealed top ten of APMEA women financial literacy index as Thailand 74%, New Zealand 71%, Australia 70%, Vietnam 70%, Singapore 69%, Taiwan 69%, Philippines 68%, Hong Kong 68%, Indonesia 66% and Malaysia 66% (Wikipedia). The data suggests that financial education programme is encouraging and found to be reasonably effective in the developed world. However, academic analyses of financial education in Africa most in particular Nigeria have found no evidence of measurable success at improving financial well-being of women in Nigeria.

The level of education of women is low most especially in the Northern parts of Nigeria. The national literacy rate for female is only 56% compared to 72% for male, and in certain states the female literacy enrolment and achievement rates are much lower (Akomolafe, 2012). For instance, The Nomadic Education Policy (1989) specified an adult education programme for both women and men. The women's adult education blue print stated the objectives as: obtaining functional literacy and numeracy, skills acquisition that will empower women (Nomadic Commission Action Plan, 1990). Female literacy enrolment and achievement rates are much lower in Nigeria, for example, women enrolment in Sokoto is 15% compared to 59% for men (UNICEF 2002). In most cases, women enrolments for adult literacy are subject to spousal approval. According to UNESCO statistics, 31% of women in Nigeria are literate against 54% for men. Egunjobi (2005) pointed out that women make up to two thirds of illiterate adults. All these facts show women are particularly vulnerable to financial insecurity.

A UNDP analysis as quoted by Iheduru (2002) similarly confirmed a strong correlation between gender empowerment measures and gender related development indices and its Human Development Index (HDI). Thus, there is an apparent feminization of poverty calling for policies and measures through financial literacy programmes that specifically address these needs of women. In recent surveys, two out of every three women said they have little or no knowledge of financial products and services (Valerie-Jarrett, 2011). These women may likely not be able to plan for retirement, less able to save and are more likely to fall victim to deceptive, abusive, or predatory financial practices. The low level of financial literacy is not only peculiar to Nigerian women. Women of all races bring home less income and own fewer assets, on average than men of the same race. Most women see their husbands or male counterparts tending to the financial affairs in the house and believing that men should make financial decisions. Thus when faced with a life crisis, they are unable to handle their financial crisis.

Culturally and traditionally, it is believed in Africa that women should not be financially buoyant than their husbands neither should they hold assets. The belief is that such women will not have good homes or rather pride will not allow them to be submissive to their husbands. In extreme cases, when a woman is richer than her husband, it is termed that the woman has used her husband's aural as exchange. These are negative myths or opinions about women and money (money beliefs). These made the average Nigerian women to have less money. Apparently, this belief has been jettisoned as a result of adult literacy education. Consequently, Nigerian women control the majority of household consumer spending. The burden of family responsibility and management are known to have shifted from men to women. Women need to be financially literate so as to handle their wealth and invest wisely. Financial literacy will go a long way in helping women adapt to the changing world and workforce and improve the stability of women and the Nigeria economy.

The concept of Financial Literacy

The terms financial literacy, financial knowledge and financial education are often used interchangeably in the literature. Few scholars have attempted to define or differentiate these terms. Financial literacy is the ability to make informed judgements and to take effective decisions regarding the use and management of money (Beal and Delpachitra 2003 and ANZ, 2008). Cude, Brenda, Lawrence, Lyons, Metzger, LeJeune, Marks and Krisanna (2006) defined personal financial literacy as the ability to read, analyze, manage and communicate about the personal financial conditions that affect material well-being. According to them, financial literacy includes ability to discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future and respond competently to

life events that affect everyday financial decisions, including events in the general economy.

Servon and Kaestner (2008) referred to financial literacy as a person's ability to understand and make use of financial concepts. Similarly, financial literacy according to United States of America Financial Literacy and Education Commission (2007) is the ability to use knowledge and skills to manage financial resources effectively for a life time of financial well-being. Although several financial literacy definitions have been proposed, there is no universally accepted meaning. For the purpose of this study, financial literacy is defined as individual ability to use knowledge and skills effectively in managing resources for well-being. From this definition, financial literacy entails individual ability to market, invest and manage time and money, and all economic activities for well being. More so, this definition does not contradict existing definitions of literacy. For literacy in the broadest sense is the ability of individual to read, write and calculate to function in the society. To be financially literate, individuals must acquire knowledge and skills for personal finance that affects material well-being. From the analysis above, it can be concluded that financial literacy is indeed the knowledge, skills and abilities of individual to manage financial resources that will make him or her survive in modern society.

Women Empowerment

A key challenge to women empowerment is inadequate resources to fund education by government. This has constrained governments from allocating the necessary resources in meeting financial obligations for women empowerment. Observations have shown that resources that are of great importance in meeting the needs and empowerment of women are inadequate. Women in Nigeria are considered to be the poorest of the poor Oduola and Olaniran (2011). Economic empowerment of women has been challenged due to their inability to plan their monetary goals and financial operations and prepare themselves for unforeseen circumstances or situations. Though women run households and they show good management skills with the money that is given to them. But women are seen to be lacking in knowledge of managing long term assets.

The Microsoft Encarta Dictionaries (2007) define the word "empower" as give power or authority to somebody, and to make more confident or assertive; to give somebody a greater sense of confidence or self-esteem. In management terms, empowerment is the act of giving power and authority to a person to perform a designated task in whatever way he wants, and having the power in decision making. Thus the logic of empowerment implies overcoming obstacles in life and helping people gain control over their own lives. Women empowerment is the development of mental and physical capacity, power or skills in women for them to operate

meaningfully in their social milieu, thereby experiencing a more favourable level of social recognition and subsequently enhance their economic status. Financial literacy will go a long way in women empowerment.

Statement of the Problem

Women have traditionally been home makers and men the money-earners of the family. The efforts of Nigerian government in using education as an instrument for women empowerment seems not to have yielded significant positive results. Women are particularly vulnerable to financial insecurity. Nigerian women are considered to be the poorest of the poor. The focus of this paper therefore is to examine the impact of financial literacy on women empowerment, highlighting why financial literacy is necessary for women and their well-being.

Objectives

The main objective of this study is to assess the extent to which financial literacy will improve the socio-economic status of women. The specific objectives were to:

- determine how effective financial literacy will empower women and reduce poverty level;
- analyze the impact of financial literacy on the financial behavior of market women;
- examine financial behaviour of market in Lagos and look at women financial literacy level and their financial sustainability; and
- measure the impact of financial literacy and behavioural change to women well-being

Research questions

The following research questions were raised to guide the study:

1. What is the level of financial literacy of market women in Lagos state?
2. Does the level of financial literacy influence the financial behavior of market women in Lagos State?
3. Does the level of financial literacy influence the financial planning of market women in Lagos State?
4. Does marital status influence the financial literacy level of market women in Lagos state?

Research hypotheses

The following research questions will guide the study

1. There will be no significant relationship between the financial literacy and the financial behavior of market women in Lagos state.

2. There will be no significant relationship between financial literacy and empowerment among market women.
3. There will be no significant influence of financial literacy and financial planning of market women in Lagos State
4. There will be no significant difference in the financial literacy of married and single market women in Lagos state

Methodology

The study adopted a descriptive survey research design. This method was deemed the most appropriate design for this study because it involves selecting samples from a large population to discover the relative incidence distribution and inter-relations of some variables of interest to the researchers. The population of the study covered market single and married women in all markets in Shomolu Local Government Area of Lagos.

A sample of 600 respondents formed the sample size. In selecting the respondents a multi-stage sampling procedure was adopted. First a random sampling was used to select six markets from the ten existing markets in Shomolu Local Government. In selecting the markets two criteria were considered: first, the markets must be registered with the Lagos State Ministry of commerce and industries and also must have been in existence for more than five years. Thereafter, a stratified random sampling was used to select 150 respondents (Market single and married) each from the 5 participating markets. In all, a total of 650 respondents formed the sample size. A Structured interview questionnaire designed by the researchers was the major instrument used for data collection. The instrument was divided into two sections: A and B. Section A contains the demographic information of the respondents while section B is a close ended questions with few open ended questions designed in line with the relevant research questions. This type of instrument was adopted because of the segment of the population under investigation. While some may be able to read and understand, majority of respondents could neither read nor understand hence the need for structured interview to aid their understanding of the questions. Some major components of the questionnaire dealt with literacy, money management, financial planning, financial behavior, and so on.

The face validity of the instrument was strengthened by experts and colleagues drawn from the Faculty of Education and Economics, University of Lagos. Thereafter, a pilot study was later conducted with 50 respondents (Market Women) from a Market in Shomolu which though is a member the population but not among the sampled group to revalidate the instrument. With respect to reliability of the instrument, Crombach alpha method of reliability was used and the reliability yielded a coefficient of 0.85 alpha. In collecting the data, the researchers visited the markets for the purpose of familiarization with the leadership of the market and

getting the necessary approval before the true commencement of data collection. Having secured approval from the leadership of the market associations, trained research assistants were used to administer the instrument to the subjects in their various shops and stations. The administration of the instruments lasted for six weeks.

Collected data were coded and analysed using descriptive statistics involving the use of frequency, percentages and mean while the hypotheses were tested using inferential statistics - Pearson Moment Correlation

Result

Hypothesis 1: There is no significant influence of financial literacy on financial behavior of market women.

Table 1: Correlation between financial literacy and financial behavior of market women

Variables	N	Mean	SD	df	r-cal	p
Financial Literacy	600	2.39	.412			
				598	0.53	0.000
Financial behaviour	600	2.17	.073			

$P < 0.05$; $df = 598$

The result shows that the r- calculated ($r\text{-cal} = 0.53$) is significant at $p = 0.00$, given 598 degree of freedom at 0.05 level of significance. Thus, the null hypothesis which stated that there is no significant influence of financial literacy on the financial behavior of market women was rejected while the alternate hypothesis was accepted. This result implies that there is a significant relationship between financial literacy of market women and their financial behavior in Lagos State.

Hypothesis 2

In the null form, the hypothesis states that there will be no significant relationship between the level of financial literacy of market women and the level of women empowerment in Lagos State.

Table 2: Correlation showing financial literacy and women empowerment

Variables	N	Mean	SD	df	r-cal	p-value
Financial Literacy	600	2.39	.412	598	0.72	0.0112
Women empowerment	600	2.02	.391			

P < 0.05; df = 598

In the table presented above, the r- calculated ($r\text{-cal} = 0.72$) is significant at $p=0.011$ given 598 degree of freedom at 0.05 level of significance. Thus, the null hypothesis which stated that there is no significant relationship between the level of financial literacy and women empowerment of market women was rejected while the alternate hypothesis was accepted. The result implies that the level of financial literacy among the market women to a large extent plays a significant role on their ability to manage money.

Hypothesis 3:

In the null form, the hypothesis states that the level of financial literacy will not significantly influence the level of financial planning of market women in Lagos state.

Table 3: Pearson product moment correlation coefficient showing financial literacy and financial planning

Variables	N	X	SD	df	r-cal	p-value
Financial literacy	600	2.39	.412	598	0.57	0.000
Financial planning	600	2.70	.032			

P < 0.05; df = 598

The result table presented above shows that, the r- calculated ($r\text{-cal} = 0.57$) is significant at $p=0.00$ given 598 degree of freedom at 0.05 level of significance. Thus, the null hypothesis which stated that there is no significant relationship between financial literacy and financial planning of market women was rejected while the alternate hypothesis was accepted. This result implies that financial literacy to a large extent influences the financial planning of market women in Lagos' state.

Hypothesis 4

In the null form, the hypothesis states that there is no significant difference in the financial literacy of single and married market women in Lagos State.

Table 4: t-test comparison of difference in marital status of financial literacy of market women in Lagos

Variables	N	Mean	SD	df	t-cal	P-value
Single	286	2.410	0.013	596	0.66	0.004
Married	312	2.197	0.023			

P < 0.05; df = 596

In the table presented above, the r- calculated ($r\text{-cal} = 0.66$) is significant at $p=0.004$ given 598 degree of freedom at 0.05 level of significance. Thus, the null hypothesis that stated that marital status does significantly influence the financial literacy of market women in Lagos was accepted while the alternative hypothesis was rejected.

Discussion of Findings

The result of hypothesis 1 shows a significant relationship between the level of financial literacy and financial behavior of market women in Lagos State. This finding shows a strong relationship between financial literacy and financial behavior of market women. This result supports the position of Horgarth and Beverly (2003) who reported that people with low financial literacy are more likely than others to base their behavior on financial advice from friends and are less likely to consult professionals. The findings also is in tune with the position of Mandell (2006) who found that market women with poor financial literacy are more likely than others to take uncalculated risk and invest on intangible goods rather than tangible assets. This may be as a result of the poor knowledge about money management which calls for urgent counseling to improve both the financial literacy as well as financial behavior. Similarly, the result of hypothesis two shows a strong relationship between financial literacy and women empowerment. This finding is in tune with the work of Heena (2008) who reported a strong relationship between financial literacy and women empowerment. A woman's empowerment through financial literacy is depicted through ways by which she influences the family's economic resources, general welfare of the family and participates in economic decision making. Financial education teaches the Knowledge, Skills and Attitudes (KSA) that are required for adopting good money management practices associated with spending, earning, saving, borrowing and investing money. Furthermore, the result shows a strong

relationship between financial literacy and financial planning among market women. The result is consistent with the work of Oniye (2001) in which he linked good financial planning to literacy. This finding is also in tune with the position of George (2008) and Singh (2006) who reported a strong relationship between financial literacy and the level of financial planning of low income earners.

Finally, the finding shows a significant difference in the financial literacy of single and married market women. This result is consistent with the views of Henna (2008) who also reported significant differences in the financial literacy and behavior of married and single women in India. According to him, married women tend to be more prudent in their financial behavior than single women as a result of their higher financial literacy.

Conclusion

Market women are definitely an important group of people in every society. But lack of information and guidance regarding practices of savings and credit results in women taking wrong financial decisions and this stands in the way of empowerment. Wise financial practices and right financial decision making go hand in hand. To achieve this, increased information dissemination, knowledge sharing and promoting the practice of financial planning for the market women is important. Financial literacy workshops that are targeted at women particularly market women would be effective tools to lead women towards economic independence. Emancipation of women is essential to raise their status and this can only happen when women acquire all knowledge about financial practices in a most effective manner.

Recommendations

Based on the findings, the following recommendations were put forward:

1. Promoting of financial literacy in schools as evidence shows that possession of educational qualifications greatly influenced financial literacy.
2. Designing financial literacy programmes for women in all domains of financial literacy.
3. Given the size of the self-employed persons and market women in Nigeria, financial literacy programmes should be provided to them as they also tended to perform less than the employed group and were not significantly different in most domains except for financial experience.
4. Works and Financial Counseling centers could be established by Governmental and Non Governmental Organisations to improve financial literacy of market women;

5. General education on financial planning should be taught at every level of education in Nigeria
6. Involvement of all tiers of government and the private sector in the design and implementation of financial literacy programmes designed for women.

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