UNIJERPS
Unizik Journal of Educational Research and Policy Studies VOL.19 (3);
January-June, 2025 https://unijerps.org
2023 Impact Factor:* 6.834; 2022 *Impact Factor*: 5.156; *2021 Impact Factor:* *5.641; 2020 Impact Factor:* *5.355. *Indexing and Impact Factor URL:* *http://sjifactor.com/passport.php?id=21363*

FINANCIAL LITERACY AS A PREDICTOR OF ENTREPRENEURSHIP INTENTION AMONG UNDERGRADUATES IN PUBLIC UNIVERSITIES IN OGUN STATE

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ABSTRACT
Entrepreneurship is a critical driver of economic growth and development, yet many undergraduates lack the financial knowledge needed to start and sustain businesses. This study investigated the relationship between financial literacy and entrepreneurship intention among undergraduates in public universities in Ogun state. A descriptive survey research design was used, with a sample of 1,186 undergraduates; using stratified random sampling from Tai Solarin University of Education (TASUED) and Olabisi Onabanjo University (OOU). The Financial Literacy Questionnaire (FLQ) and Entrepreneurship Intention Questionnaire (EIQ) were used for data collection, with reliability coefficients of .947 and .938, respectively. Results showed that the financial literacy of undergraduates is high ($\bar{x}$ = 2.94), entrepreneurship intention of undergraduates is high ($\bar{x}$ = 3.18). Also, the result indicates a significant positive relationship between financial literacy and entrepreneurship intention ($r = 0.724$, $p < 0.05$). It was concluded that financially literate students are more confident in starting businesses due to their ability to manage financial resources effectively. Therefore, the study recommends incorporation of compulsory financial literacy courses into university curricular, expansion of practical entrepreneurship training, and promotion of digital entrepreneurship education.

Keywords: Financial Literacy, Entrepreneurship Intention, Undergraduates, Nigeria

Introduction

Entrepreneurship is a key driver of economic development, fostering innovation and reducing unemployment. However, university graduates in Nigeria struggle to get jobs due to the country's high unemployment rate. Despite the growing emphasis on entrepreneurship as a solution to youth unemployment, many Nigerian undergraduates lack the financial knowledge required to start businesses. This financial illiteracy limits their ability to manage risks, access funds, and sustain business operations.

Entrepreneurship intention is the deliberate mindset that gives way for action and guides interest toward entrepreneurial behaviours such as establishing a business and becoming a job creator. Entrepreneurial intention is an individual's self-realized conviction to start a business and make conscious efforts to manifest that conviction (Thompson, 2019). According to Chhabra et al. (2020), entrepreneurial intention is a mentality that eventually motivates a person to create a new business idea and pursue an entrepreneurial career. Entrepreneurial intention is the will to learn more, engage in entrepreneurial activities, and launch a new firm with the goal of being self-employed (Anal & Singh, 2023).

According to Abubakari (2021), financial literacy is one's ability to make informed judgements and to make relevant decisions in relation to the use of and management of finance or money. Yeh (2022) sees financial literacy as one's ability to access, organise, evaluate and use financial resources. On the other hand, Antoni et al. (2020) see financial literacy as an individual's knowledge of concepts, principles, facts and technological tools that are required to make a person to become financially smart. Abidin & Zainuddin (2021) posited that financial literacy can be defined as an individual's capacity to use information and skills to manage financial assets effectively for a life time of financial soundness.

Kang et al. (2024) examined how financial literacy and digital capability influence university students' entrepreneurial intentions, with entrepreneurship acting as a mediating factor. The results show that financial literacy has a partially positive effect on both entrepreneurship and entrepreneurial intention, while digital capability positively impacts both. Ahmad et al. (2019) explored the role of financial literacy as medium influencing entrepreneurial intentions among Malaysian accounting students. The findings revealed that the financial literacy levels among the students were moderate. Aldi et al. (2019) examined the impact of financial literacy on entrepreneurial intention among undergraduate students at Musamus University. The analysis revealed a significant relationship between financial literacy and entrepreneurial intention. Students with higher financial literacy showed a stronger entrepreneurial intent compared to those with lower literacy. Rachapaettayakom and Sopanik (2023) examined the impact of financial literacy on entrepreneurial intentions among Generations Y and Z in Thailand emphasizing the importance of financial knowledge in fostering young entrepreneurs. The findings revealed that while current financial literacy levels among these generations are moderate, a significantly higher degree of financial literacy is required to support their ambitions of becoming successful start-up entrepreneurs.

This study is anchored on the Theory of Planned Behaviour (Ajzen, 1991), which explains that entrepreneurship intentions are influenced by; i. Attitude towards entrepreneurship (personal beliefs about the benefits of starting a business), ii. Subjective norms (social influences from family, friends, and educators), iii. perceived behavioural control (confidence in one's ability to succeed as an entrepreneur. However, financial literacy enhances perceived behavioural control, increasing students' confidence in managing financial risks and business decisions.

Objectives of the Study

This study investigated the relationship between financial literacy

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and entrepreneurship intention among undergraduates in public universities in Ogun state. Specifically, the study:

1. assessed the level of financial literacy among undergraduates in public universities in Ogun state.
2. examined the level of entrepreneurship intention among undergraduates in public universities in Ogun state.
3. ascertained the relationship between financial literacy and entrepreneurship intention in public universities in Ogun state.

Research Questions

1. What is the level of financial literacy among undergraduates in public universities in Ogun state.?
2. To what extent does undergraduates in public universities in Ogun state exhibit entrepreneurship intention?

Hypothesis

Ho1 There is no significant relationship between financial literacy and entrepreneurship intention among undergraduates in public universities in Ogun state.

Methodology

The study adopted a descriptive survey research design, as no variables were manipulated. The population of the study comprised all the 59,312 undergraduates in public universities in Ogun state: Tai Solarin University of Education (TASUED) and Olabisi Onabanjo University (OOU). A sample of 1,186 students was selected using proportionate stratified random sampling technique to select a representative sample from the total population of undergraduates. Data for this study were collected using two standardized questionnaire; Financial Literacy Questionnaire (FLQ) and Entrepreneurship Intention Questionnaire (EIQ) administered via online and paper-based surveys with a reliability coefficient of .95 and .94 respectively.

Results

Research Question One: To what extent is the level of financial literacy among undergraduates in public universities in Ogun state?

Table 1: *Descriptive Statistics of Financial Literacy*

Items	Response (%)						Remarks
	SD	D	A	SA	$\bar{X}$	Std.	
I understand how to create and manage a personal budget.	2.4	5.8	71.6	20.3	.3.10	.589	High Extent
I am aware of how interest rates affect my loans and savings.	2.2	10.7	63.2	23.9	3.09	.653	High Extent
I can distinguish between fixed and variable expenses.	2.5	11.0	63.6	22.8	3.07	.661	High Extent
I can read and understand a bank statement.	1.4	5.6	66.5	26.6	3.18	.586	High Extent
I know the different types of bank accounts available.	2.1	7.0	65.6	25.2	3.14	.623	High Extent
I understand the importance of having an emergency fund.	1.2	7.2	64.0	27.6	3.18	.603	High Extent
I know the difference between gross income and net income.	2.2	11.7	63.1	23.0	3.07	.657	High Extent
I understand the significance of credit scores.	2.0	13.8	62.6	21.6	3.04	.656	High Extent
I am aware of different investment options like stocks and bonds.	3.6	14.8	57.8	23.9	3.02	.727	High Extent
I understand the basics of retirement planning.	2.7	12.6	60.9	23.8	3.06	.686	High Extent
I can calculate simple and compound interest.	2.2	11.0	62.7	24.1	3.09	.657	High Extent

I can identify common financial scams.	2.0	11.5	60.9	25.6	3.10	.665	High Extent
I understand the impact of inflation on my purchasing power.	2.7	9.7	62.8	24.8	3.10	.667	High Extent
I know about financial risk and diversification.	2.2	11.0	63.2	23.7	3.08	.654	High Extent
I understand the pros and cons of using credit cards.	3.4	14.1	59.2	23.3	3.02	.714	High Extent
I know how to use online banking securely.	1.4	7.3	62.0	29.4	3.19	.620	High Extent
I understand the difference between a debit card and a credit card.	1.6	4.8	63.0	30.6	3.23	.606	High Extent
I know the basics of various insurance types.	2.0	13.5	61.6	22.8	3.05	.665	High Extent
I have a savings plan for my goals.	2.3	10.3	58.8	28.6	3.14	.680	High Extent
I understand basic tax concepts and how to file a return.	3.1	17.6	54.4	24.9	3.01	.742	High Extent
Grand Mean = 2.94							

Note: $\bar{x}$ < 2.5 is low extent, while $\bar{x}$ > 2.5 high extent

Table 1 presents the level of financial literacy among undergraduates in public universities in Ogun state, and the findings reveal that the majority of respondents demonstrate a high level of financial literacy ($\bar{x}$ = 2.94).

Research Question Two: To what extent is the level of entrepreneurship intention among undergraduates in public universities in Ogun state?

Table 2: *Descriptive Statistics of Entrepreneurship Intention*

Items	Response (%)						Remarks
	SD	D	A	SA	$\bar{x}$	Std.	
I want to start my own business in the future	2.1	1.1	59.3	37.4	3.32	.606	High Extent
I have the skills to be an entrepreneur.	1.2	4.9	62.5	31.4	3.24	.594	High Extent
I often think about business ideas.	1.8	3.5	62.5	32.3	3.25	.605	High Extent
I am willing to take financial risks for a business.	1.7	6.1	64.1	28.1	3.19	.613	High Extent
I can identify market needs and opportunities.	2.3	5.9	64.9	26.9	3.16	.627	High Extent
I have a clear vision for a business.	1.2	5.1	64.1	29.6	3.22	.588	High Extent
I am motivated by being my own boss.	1.8	2.7	58.2	37.3	3.31	.613	High Extent
I am willing to invest time in developing a business idea.	1.3	2.5	62.7	33.5	3.29	.574	High Extent
I see entrepreneurship as a viable career.	1.1	3.2	65.6	30.1	3.25	.563	High Extent
I am comfortable with business uncertainty.	2.6	19.1	58.0	20.3	2.96	.706	High Extent
I have contacts to help start a business.	3.4	22.3	51.2	23.1	2.94	.766	High Extent
I know the steps to start a business.	2.7	10.5	63.8	23.0	3.07	.663	High Extent
I am aware of financial resources for new businesses.	2.7	10.6	61.2	25.5	3.09	.679	High Extent
I am motivated by the potential rewards of entrepreneurship.	1.8	6.5	66.0	25.7	3.16	.607	High Extent
I have considered the legal aspects of starting a business.	1.9	7.9	65.4	24.9	3.13	.621	High Extent
I am willing to learn from successful entrepreneurs.	1.3	2.9	60.3	35.6	3.30	.587	High Extent
I have a business plan or idea I am working on.	2.1	11.2	61.2	25.5	3.10	.665	High Extent
I want to attend entrepreneurship workshops.	1.4	7.7	64.0	26.8	3.16	.614	High Extent
My education has prepared me for entrepreneurship.	2.3	5.2	64.3	28.2	3.18	.626	High Extent
I am determined to overcome obstacles in starting a business.	1.3	3.2	64.1	31.4	3.26	.576	High Extent
Grand Mean = 3.18							

Note: $\bar{x}$ < 2.5 is low extent, while $\bar{x}$ > 2.5 high extent

Table 2 presents the level of entrepreneurship intention among undergraduates in public universities in Ogun state, and the findings reveal that the majority of respondents exhibit a high level of entrepreneurial intention ($\bar{x}$ = 3.18).

Hypotheses One: There is no significant relationship between financial literacy and entrepreneurship intention among undergraduates in public universities in Ogun state.

Table 3: *Pearson Correlation between Financial Literacy and Entrepreneurship Intention*

Variables	N	$\bar{X}$	Std.	r	Sig (p)	Remark
Financial Literacy	1178	61.95	8.353	.656	.000	Significant
Entrepreneurship Intention		63.58	7.391			

Table 3 established the relationship between financial literacy and entrepreneurship intention among undergraduates in public universities in Ogun state, where ($r = 0.656$, $p = 0.000$) which indicated a statistically significant positive relationship between financial literacy and entrepreneurship intention among undergraduates given that the p-value is less than 0.05.

Discussion of Findings

Research question one revealed a high level of entrepreneurship intention among undergraduates. This aligns with Bawalla and Muraina (2019) who examined the impact of entrepreneurship education on undergraduates in South-West Nigeria. It was revealed that students who had acquired entrepreneurship knowledge and skills demonstrated higher entrepreneurial intentions compared to those without such exposure. Similarly, Ibitomi and Adeleke (2020) analyzed the relationship between entrepreneurship education and entrepreneurial intention among Nigerian undergraduates. Their findings indicated a positive and significant correlation; suggesting that students equipped with entrepreneurial skills and knowledge are more inclined to pursue entrepreneurial ventures.

Research question two revealed a high level of financial literacy among undergraduates which aligns with the finding of Kolade et. al. (2022) that examined the determinants of financial literacy and its effects on the financial behaviour of undergraduates at a Nigerian university. The researchers found that higher levels of financial literacy were associated with improved financial behaviors. Similarly, the finding corroborates Ogunwemimo (2024) who investigated the influence of PiggyVest's social media advertisements on financial literacy and money management skills among undergraduates. The study revealed that exposure to these advertisements significantly enhanced students' financial literacy and their ability to manage money effectively.

Hypothesis one revealed a statistically significant positive relationship between financial literacy and entrepreneurship intention among undergraduates. This finding agrees with Ojogbo et al. (2022) who examined financial literacy and the development of entrepreneurial intentions among graduates of selected tertiary institutions in Nigeria. The study found that financial literacy significantly influences entrepreneurial attitudes and innovativeness, suggesting that individuals with higher financial knowledge are more inclined to engage in entrepreneurial activities. This finding also corroborates Akinkuolie et al. (2024) who investigated the influence of entrepreneurial skills on the entrepreneurial intentions of business education undergraduates in South-West Nigeria. The research revealed that financial management skills significantly impact students' entrepreneurial intentions, highlighting the importance of financial literacy in fostering entrepreneurial mindsets.

Conclusion and Recommendations

The study found a significant positive relationship between financial literacy and entrepreneurship intention among undergraduates in Ogun State. Financially literate students are more confident in starting businesses due to their ability to manage financial resources effectively. The study recommends the incorporation of compulsory financial literacy courses into university curricular, the expansion of practical entrepreneurship training, and promotion of digital entrepreneurship education.

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