

FINANCIAL LITERACY AND PERSONAL FINANCE SAFETY

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**BEING A RESEARCH PROJECT WRITTEN AND SUBMITTED TO THE
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DECLARATION

I, **Faith Nkechi ESEZOBOR** do hereby declare that this project work is entirely my own work and composition. The work embodied in this project has not been submitted in candidature for any degree and is not concurrently being submitted for any other degree. All references made to works of other persons have been duly acknowledged.

Faith Nkechi ESEZOBOR
Researcher

Date

CERTIFICATION

We the undersigned hereby certify that this project was carried out by **Faith Nkechi ESEZOBOR** with Matriculation number **MGS2104741** in the Department of Finance, Faculty of Management Sciences, University of Benin. As a partial requirement for the award of a Bachelor of Science (B.Sc.) Degree in Banking and Finance.

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DEDICATION

I dedicate this research to God Almighty, who has always been there for me through this stage and journey of my life. He has continued to be the best father figure and supporter, the reason I am still alive and able to smile today.

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I give a profound and heartfelt gratitude to God Almighty for His grace, strength, wisdom and love throughout the period of this project. His grace has kept me going through the 4 years in this university even up till this point, I return all glory to Him.

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ABSTRACT

This study examines the effects of financial literacy on personal finance safety among adults. The research specifically investigates the influence of basic financial knowledge, budgeting skills, saving behavior, and credit management ability on individuals' capacity to achieve financial security. A quantitative survey research design was adopted, and data were collected through the administration of structured questionnaires to a sample of 300 respondents selected using a stratified random sampling technique. The instrument was validated by experts, and its reliability was confirmed through a pilot test, which produced Cronbach's Alpha coefficients above 0.70. Data were analyzed using descriptive statistics, correlation analysis, and multiple regression analysis with the aid of EViews 13 statistical software.

The findings revealed that the financial literacy dimensions collectively have a significant effect on personal finance safety. Specifically, budgeting skills, saving behavior, and credit management ability were found to be strong predictors of personal finance safety, while basic financial knowledge showed a moderate relationship. The study concludes that improved financial literacy enhances individuals' financial resilience, reduces exposure to fraud, and promotes better financial decision-making. It recommends that financial education initiatives be intensified by policymakers, financial institutions, and educational bodies to strengthen personal finance safety and promote long-term financial well-being.

Keywords: Financial literacy, Personal finance safety, Budgeting skills, Saving behaviour, Credit management ability, Financial knowledge.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

In the present era of globalization and rapid digital transformation, individuals are increasingly confronted with a wide range of complex financial decisions that affect their short-term livelihood and long-term economic well-being. These decisions include how to earn, spend, save, invest, borrow, and protect their financial resources. Navigating this financial terrain successfully requires a high level of financial literacy, which refers to the knowledge, skills, and confidence necessary to make informed and effective decisions with financial resources. Financial literacy has become a foundational life skill that enables individuals to engage responsibly with financial products and services, plan for the future, and respond to economic shocks.

According to Lusardi and Mitchell (2017), financially literate individuals are more likely to plan for retirement, accumulate savings, invest wisely, and avoid excessive debt. Conversely, individuals who lack financial literacy are often more vulnerable to economic instability, falling into debt traps, mismanaging credit, and becoming victims of fraud or financial exploitation. The Organisation for Economic Co-operation and Development (OECD, 2022) found that the global average score on adult financial literacy is low, with only a minority of adults able to correctly answer basic questions related to inflation, interest rates, and risk diversification. Countries like Canada, Germany, and Japan score consistently higher on global financial literacy indices, while most low- and middle-income countries, especially in sub-Saharan Africa and South Asia, lag behind.

In Nigeria, financial literacy levels remain significantly below global benchmarks. According to the Central Bank of Nigeria (2021), only about 26.2 percent of Nigerian adults are considered financially literate. This figure is well below the global average and far below the 50 percent minimum target set by the World Bank for emerging markets. The lack of financial education has contributed to widespread poor financial behaviour, including the inability to budget effectively, the failure to save regularly, and the misuse of credit facilities. A recent survey conducted by Enhancing Financial Innovation and Access (EFInA, 2022) revealed that nearly 45 percent of Nigerians do not operate a formal budget or spending plan, while 58 percent reported that they do not save regularly. These behaviours expose individuals to unnecessary financial risks and insecurity.

The growing adoption of digital financial platforms in Nigeria has further complicated this landscape. The country's fintech sector, currently valued at over four billion dollars, has made significant strides in promoting financial inclusion by enabling access to mobile banking, online lending, and digital investment platforms (Statista, 2023). While these developments offer convenience and opportunity, they also create new risks for financially illiterate users. Many individuals engage with digital financial products without fully understanding the terms, costs, or risks involved, making them susceptible to scams, fraud, and poor financial decisions (Yakubu & Abdullahi, 2023). A 2023 report by the Nigerian Deposit Insurance Corporation revealed that 39 percent of bank customers had taken loans without understanding the full repayment obligations, an alarming indicator of weak credit literacy.

Comparative statistics further illustrate the magnitude of Nigeria's financial literacy gap. Nigeria's gross domestic savings rate currently stands at approximately 11.4 percent of GDP, a figure significantly lower than that of South Africa at 23.6 percent, India at 25.9 percent, and China at over 30 percent (World Bank, 2023). These disparities underscore the urgent need for enhanced financial education to promote positive financial behaviours and long-term economic security.

To better understand the role of financial literacy in promoting personal finance safety, this study adopts a framework that explores four core dimensions of financial literacy. These include basic financial knowledge, budgeting skills, saving behaviour, and credit management ability. Basic financial knowledge refers to an individual's understanding of core concepts such as interest, inflation, and risk. Budgeting skills involve the capacity to plan, allocate, and control personal or household income and expenditure. Saving behaviour reflects the regularity and consistency with which individuals set aside resources for future use, emergencies, or investment. Credit management ability captures an individual's skill in using loans responsibly, understanding repayment terms, and avoiding over-indebtedness. Each of these dimensions represents a distinct, measurable indicator of financial literacy and contributes directly to enhancing personal finance safety.

In this context, personal finance safety refers to the informed and cautious handling of financial resources to prevent loss, fraud, or long-term financial instability. This concept emphasizes not only the secure use of financial tools but also the development of resilient financial behaviours such as setting financial goals, creating contingency plans, and making strategic economic choices. Numerous studies have established a positive correlation between

financial literacy and financial safety. For instance, individuals who demonstrate stronger budgeting and saving habits are better prepared to deal with emergencies and economic downturns (Lusardi *et al.*, 2020; Klapper *et al.*, 2022). In summary, financial literacy is not merely a desirable skill but a crucial requirement for personal financial resilience and national economic development. In Nigeria, the persistent low levels of financial literacy combined with the rapid growth of digital financial services have heightened the importance of equipping individuals with the knowledge and behaviours necessary to protect their finances. By focusing on four key dimensions basic knowledge, budgeting, saving, and credit use this study seeks to examine the specific ways in which financial literacy enhances the safety of personal finances, thereby contributing to individual empowerment and broader financial stability.

1.2 Statement of the Problem

Financial literacy is increasingly recognized as a critical determinant of personal financial well-being. Yet, despite global advocacy and interventions to improve financial education, poor financial decision-making remains prevalent, particularly in developing economies like Nigeria. Numerous studies have attempted to understand the scope and causes of this issue. For instance, Lusardi and Mitchell (2017) argue that a lack of financial literacy is directly linked to poor saving habits, debt mismanagement, and inadequate retirement planning. Their work emphasizes the importance of foundational financial knowledge but focuses largely on developed economies, thereby offering limited insight into how such literacy manifests in low-income, informal economies.

Similarly, Klapper, Lusardi, and Van Oudheusden (2022), in their cross-national study on financial literacy, report that less than 30 percent of adults in sub-Saharan Africa can answer basic questions related to interest rates, inflation, and risk diversification. While their findings provide important macro-level data, they do not disaggregate the impact of specific financial behaviours such as budgeting, saving, or credit management on individual financial security. Thus, the nuanced behavioural links between financial literacy and personal finance safety in the Nigerian context remain underexplored.

Okon & Edet (2021) conducted a localized empirical investigation into the financial literacy levels of Nigerian households, focusing particularly on areas such as budgeting and credit usage. While their study provides valuable context-specific findings, it does not clarify the methodological approach, study location, sample frame, or data collection procedures. Importantly, the analysis treats financial literacy as a composite construct rather than disaggregating it into its individual dimensions basic financial knowledge, budgeting ability, saving behavior, and credit management and does not link these dimensions to personal finance safety outcomes.

The gap in these studies lies in their failure to analyze the disaggregated impact of key components of financial literacy on personal finance safety, particularly in developing economies like Nigeria. There is a lack of empirical evidence explaining which aspects of financial literacy be it knowledge of core concepts, budgeting practices, savings discipline, or responsible credit use are most strongly associated with the financial well-being and security of individuals.

This current research seeks to fill that gap by empirically examining how four distinct dimensions of financial literacy basic financial knowledge, budgeting skills, saving behaviour, and credit management ability individually and collectively influence personal finance safety among Nigerian adults. By isolating these variables, the study provides a more targeted understanding of the behavioural and knowledge-based drivers of financial protection, thereby offering valuable insights for policymakers, educators, and financial service providers in designing effective financial literacy programs and risk-prevention strategies.

1.3 Research Questions

1. How does basic financial knowledge influence personal finance safety?
2. What is the effect of budgeting skills on personal finance safety?
3. How does saving behaviour contribute to the safety of personal finances?
4. To what extent does credit management ability affect personal finance safety?

1.4 Objectives of the Study

The main objective of this study is to examine the influence of financial literacy on personal finance safety using four distinct variables. The specific objectives are to:

1. Assess how basic financial knowledge affects personal finance safety.
2. Examine the impact of budgeting skills on personal finance safety.
3. Evaluate how saving behaviour contributes to personal finance safety.
4. Investigate the effect of credit management ability on personal finance safety.

1.5 Research Hypotheses

1. Basic financial knowledge does not significantly influence personal finance safety.

2. Budgeting skills do not significantly affect personal finance safety.
3. Saving behaviour does not significantly contribute to personal finance safety.
4. Credit management ability does not significantly influence personal finance safety.

1.6 Scope of the Study

The study focuses on adults within a defined geographical location, evaluating how four distinct financial literacy variables basic financial knowledge, budgeting skills, saving behavior, and credit management ability individually affect personal finance safety. The study does not cover other non-financial factors such as personality traits, income level, cultural influences, or socio-demographic characteristics. This exclusion is justified because the primary aim of the research is to isolate and empirically assess the direct effect of financial literacy dimensions on personal finance safety without the confounding influence of external variables. Controlling for these factors ensures that the study provides a clear understanding of how financial literacy itself, rather than unrelated or indirect determinants, contributes to enhancing individuals' financial security.

1.7 Significance of the Study

This study is significant because it disaggregates financial literacy into four key components basic financial knowledge, budgeting skills, saving behaviour, and credit management ability and investigates how each specifically contributes to the safety of personal finances. Rather than treating financial literacy as a single broad concept, this research isolates its dimensions to offer a more precise understanding of which financial skills are most effective in reducing financial risk, enhancing decision-making, and

improving overall financial well-being. The insights derived from this approach are expected to benefit a wide range of stakeholders:

Policy Makers and Government Agencies

Government agencies such as the Central Bank of Nigeria, Ministry of Finance, and financial inclusion taskforces will benefit from the study's findings by gaining empirical evidence that supports the formulation of national financial literacy strategies. By identifying which dimensions of financial literacy are most influential in safeguarding personal finances, policy makers can design targeted interventions that focus on the most impactful areas, such as improving budgeting education in low-income communities or enforcing credit-use awareness programs.

Educational Institutions and Curriculum Developers

The research findings will guide curriculum planners in secondary schools, tertiary institutions, and adult education programs in integrating practical financial education modules into formal learning systems. By focusing on individual components like savings behaviour or credit management, educators can create more relatable and impactful lessons that equip students and adult learners with real-life financial skills that promote financial safety and resilience.

Financial Institutions and Fintech Companies

Commercial banks, microfinance institutions, and digital financial service providers stand to gain from understanding the specific areas where financial illiteracy leads to customer vulnerability. Insights from this study can help these institutions develop financial products and services that are more transparent, accessible, and tailored to the literacy levels

of their target customers. It also helps in crafting more effective financial education campaigns aimed at improving user experience and reducing risks like loan defaults, fraud, and financial stress.

Non-Governmental Organizations (NGOs) and Development Partners

Development agencies and NGOs that promote financial inclusion, economic empowerment, and poverty reduction can use the study's results to fine-tune their financial literacy programs. By knowing which aspects of literacy (e.g., saving vs. budgeting) have the greatest effect on personal financial safety, these organizations can design more efficient training, workshops, and outreach programs for women, youth, rural dwellers, and other financially marginalized groups.

Individuals and Households

At the core of this study are the individual adults and household decision-makers whose financial behaviour directly affects their economic stability. The study will help individuals recognize the specific skills and habits that contribute most to their financial safety. Whether it is understanding interest rates, learning to live within a budget, building savings, or managing credit responsibly, this research empowers people to make more informed, confident, and secure financial choices.

Researchers and Academic Scholars

This study contributes to the academic body of knowledge on personal finance and financial literacy by providing a conceptual and empirical framework for analyzing the effect of individual financial literacy dimensions on financial safety. Future researchers can build

on this work to explore other variables, conduct longitudinal studies, or expand the scope to include comparative studies across regions, demographics, or income groups.

Additionally, the study employs an analytical method that isolates the effect of each financial literacy component while controlling for overlap between variables. The benefit of this method lies in its ability to provide clear, evidence-based insights on which specific literacy dimensions have the strongest impact on personal finance safety. This approach not only strengthens the validity of the findings but also ensures that recommendations made to stakeholders are data-driven and targeted.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews relevant literature on financial literacy and personal finance safety, providing conceptual definitions, theoretical foundations, empirical evidence, and identified research gaps. It also presents the conceptual framework that underpins the study.

2.2 Conceptual Review

2.2.1 Concept of Financial Literacy

Financial literacy refers to an individual's ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing. It is a multidimensional concept that combines knowledge, skills, attitudes, and behaviors needed to make informed and effective decisions with financial resources (OECD, 2022). This competence enables individuals to navigate complex financial products and services, adapt to economic changes, and avoid financial pitfalls.

According to Lusardi and Mitchell (2017), financial literacy goes beyond basic numeracy; it entails understanding key concepts such as compound interest, inflation, risk diversification, and the time value of money. These skills are crucial for sound decision-making in saving, investing, borrowing, and retirement planning. Similarly, Remund (2019) posits that financial literacy is not only about possessing financial knowledge but also about applying it in a manner that improves one's financial situation over time.

Recent studies have highlighted that financial literacy is essential for achieving financial security and resilience, especially in the face of economic uncertainty (Klapper *et*

al., 2022). Individuals with high levels of financial literacy are more likely to engage in proactive financial behaviors such as setting financial goals, creating emergency funds, avoiding excessive debt, and planning for long-term needs (Potrich *et al.*, 2018). On the contrary, low financial literacy has been linked to poor money management, vulnerability to fraud, and over-indebtedness (OECD, 2022; de Bassa Scheresberg, 2020). In the digital era, financial literacy has evolved to include digital financial literacy, which entails the ability to use online financial services securely and understand the risks associated with digital transactions (OECD, 2023). This is particularly relevant given the rise of mobile banking, cryptocurrency, and e-commerce platforms, which require not just traditional money management skills but also awareness of cyber security measures. Overall, financial literacy is a cornerstone of personal finance safety and financial well-being. It empowers individuals to make choices that align with their values and life goals, avoid financial exploitation, and build a secure future.

2.2.2 Dimensions of Financial Literacy

In the context of this study, financial literacy is evaluated through four distinct dimensions that collectively capture an individual's capacity to make informed financial decisions.

1. Basic Financial Knowledge

This dimension refers to the understanding of fundamental concepts such as interest rates, inflation, and risk, which are essential for making informed financial choices. Individuals with strong basic financial knowledge can interpret key financial terms, understand the impact of inflation on purchasing power, and evaluate the implications of

various levels of investment risk. Such foundational knowledge serves as the bedrock for more advanced financial decision-making, as it enables individuals to assess the long-term implications of borrowing, saving, and investing (Lusardi & Mitchell, 2017; OECD, 2022). Recent studies emphasize that without this foundational understanding, individuals are more likely to engage in poor financial practices, such as excessive debt accumulation or inadequate savings (Morgan & Trinh, 2022).

2. Budgeting Skills

This refers to the ability to plan, allocate, and monitor income and expenditures effectively. Budgeting skills involve not only creating a spending plan but also consistently tracking financial flows to ensure that actual spending aligns with intended financial goals. Effective budgeting promotes disciplined spending habits, supports long-term saving objectives, and helps mitigate the risk of financial distress (Xiao & O'Neill, 2018). The ability to budget effectively has been linked to better financial resilience, as individuals who manage their resources systematically are better equipped to handle unexpected financial shocks (OECD, 2022; Hasler & Lusardi, 2021). In modern economic contexts, budgeting is also increasingly aided by digital tools and mobile applications, which enhance the accuracy and convenience of financial planning (Morgan *et al.*, 2023).

3. Saving Behavior

Saving behavior refers to the regular and consistent practice of setting aside a portion of income for future needs, emergencies, or investment opportunities. It is a critical component of financial resilience, enabling individuals to withstand unexpected expenses without resorting to high-interest debt (Agarwal *et al.*, 2023). According to OECD (2022),

habitual saving enhances long-term wealth accumulation and supports personal financial safety by creating a financial buffer against economic uncertainties. Furthermore, consistent saving behavior is associated with improved psychological well-being, as it reduces financial anxiety and promotes a sense of security (Babiarz & Robb, 2014).

4. Credit Management Ability

Credit management ability encompasses the responsible use of loans and credit facilities, including understanding repayment terms, managing credit limits, and avoiding over-indebtedness. It requires awareness of the cost of borrowing, interest rate implications, and the importance of maintaining a positive credit history (Klapper *et al.*, 2022). Poor credit management can lead to excessive debt, damaged credit scores, and long-term financial insecurity. As noted by Lusardi *et al.* (2021), effective credit management contributes to financial safety by ensuring that borrowing decisions are sustainable and aligned with repayment capacity. In the digital financial era, where access to credit is easier, the ability to manage it wisely is increasingly vital.

2.2.3 Concept of Personal Finance Safety

Personal finance safety refers to the secure, prudent, and strategic management of an individual's financial resources with the goal of minimizing potential risks such as fraud, loss of assets, excessive debt, and long-term financial instability. It goes beyond mere financial management to include proactive measures aimed at protecting wealth and ensuring future financial well-being. According to Klapper *et al.* (2022), financial safety is enhanced when individuals possess adequate financial literacy, exercise disciplined financial behaviors, and adopt responsible money management practices.

The concept involves a broad range of activities, including safeguarding income sources, maintaining adequate savings, making informed investment decisions, and managing credit responsibly (Lusardi & Mitchell, 2020). It also emphasizes the importance of creating contingency plans, such as emergency funds, to provide a financial cushion in case of unexpected events like job loss, illness, or economic downturns (OECD, 2023). Diversifying investments is another critical strategy, as it reduces exposure to market volatility and mitigates the risk of total capital loss (World Bank, 2022).

Furthermore, personal finance safety requires an understanding of fraud prevention measures, including the protection of personal financial information, secure online transactions, and vigilance against identity theft (Financial Consumer Agency of Canada [FCAC], 2023). Avoiding high-risk financial decisions without adequate knowledge or professional advice is also a core principle, as impulsive or poorly informed choices can lead to significant losses. In the modern economic landscape, where financial markets are increasingly complex and technological risks such as cybercrime are prevalent, personal finance safety has become an essential aspect of financial well-being. As noted by Xu *et al.* (2023), the ability to manage financial risks effectively contributes to economic resilience, enabling individuals to sustain their standard of living and achieve long-term financial goals despite uncertainties.

2.3 Conceptual Framework

The conceptual framework for this study posits that financial literacy—measured through basic financial knowledge, budgeting skills, saving behavior, and credit management

ability—directly influences personal finance safety. Each component is expected to have a measurable effect on reducing financial risks and promoting secure financial behavior.

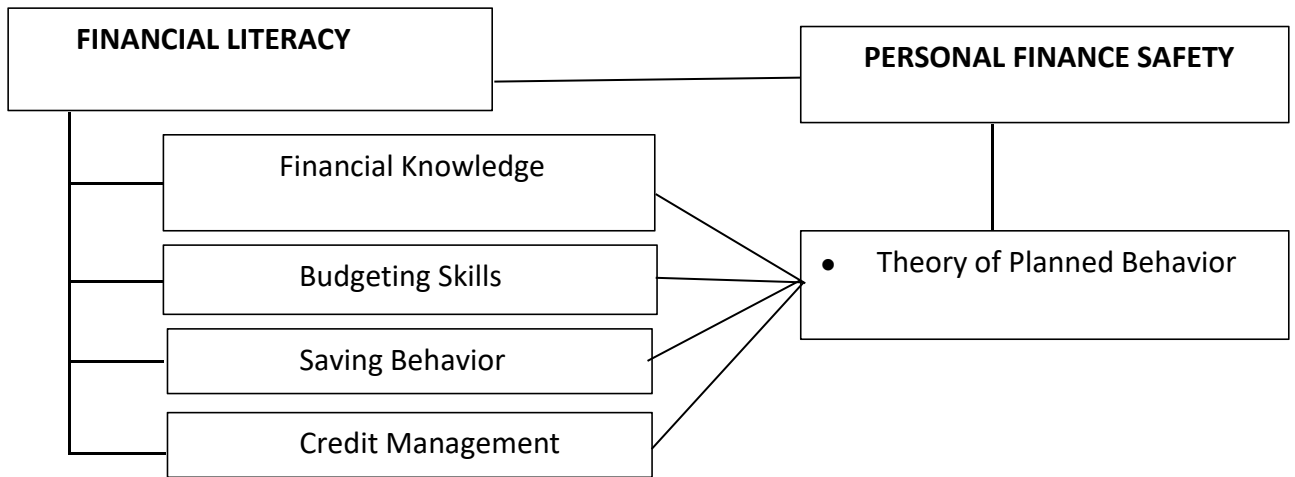


Figure 2.1: Conceptual Framework

Source: Researcher’s conceptual framework (2025).

2.4 Theoretical Framework

The theoretical framework underpinning this study is based on the Theory of Planned Behavior (TPB) proposed by Ajzen (1991).

2.4.1 Theory of Planned Behavior (TPB)

This theory provides a comprehensive explanation of how human behavior is guided, emphasizing that actions are determined by behavioral intentions, which in turn are influenced by three critical components: attitude toward the behavior, subjective norms, and perceived behavioral control.

Attitude toward the behavior refers to the degree to which an individual holds a favorable or unfavorable evaluation of performing a specific action. In the context of financial literacy, this can be seen in how individuals perceive the value and benefits of engaging in sound financial practices such as budgeting, saving, investing, and avoiding unnecessary debt. A positive attitude often stems from the understanding that such practices lead to financial stability, security, and the ability to achieve long-term goals. Subjective norms describe the perceived social pressure to engage or not engage in a particular behavior. Within financial literacy, these norms may manifest through expectations from family, peers, colleagues, or society at large. For example, individuals who are surrounded by financially responsible peers may feel motivated to emulate such behaviors, while those in environments that normalize overspending or debt accumulation may experience pressure to conform to such tendencies.

Perceived behavioral control reflects an individual's belief in their ability to perform the behavior successfully, considering factors such as skills, resources, and opportunities. In the realm of financial decision-making, this might include having access to accurate financial information, possessing money management skills, or having the means to save or invest. High perceived control fosters confidence and persistence in practicing positive financial behaviors, even in the face of challenges.

When applied to personal finance safety, the TPB suggests that individuals who possess strong financial knowledge and practical skills are more likely to form positive attitudes toward prudent money management, feel supported by their social environment in adopting these behaviors, and believe in their own capacity to carry them out effectively. As

a result, these individuals are more inclined to engage consistently in financially safe behaviors such as maintaining an emergency fund, adhering to a budget, avoiding high-interest debt, and planning for retirement. This theoretical foundation not only explains the motivations behind financial behavior but also provides a valuable lens for understanding how financial literacy interventions can foster lasting positive change.

2.4.2. Prospect Theory

Prospect Theory, developed by Kahneman and Tversky (1979), explains how individuals make financial decisions under conditions of risk and uncertainty. The theory suggests that people evaluate potential losses and gains differently, often giving more weight to potential losses than to equivalent gains—a phenomenon known as loss aversion. In personal finance safety, this means individuals may avoid certain financial risks (such as high-interest loans or risky investments) if they perceive the potential for loss as outweighing the benefits. However, loss aversion can also cause overly conservative behaviours, leading individuals to miss out on beneficial opportunities such as moderate-risk investments that could enhance financial security. Prospect Theory is particularly relevant in understanding why some individuals adopt overly cautious financial strategies, while others take excessive risks, thereby compromising personal finance safety (Barberis, 2013).

2.5 Empirical Review

Several empirical studies have investigated how behavioural and cognitive factors influence individuals' personal finance safety, with particular attention to the constructs of attitude toward behaviour, subjective norms, perceived behavioural control, and financial

literacy. These studies provide valuable evidence on the strength and nature of the relationship between these variables and financial behaviour outcomes.

2.5.1 Attitude toward the Behaviour and Personal Finance Safety

Nkundabanyanga and Kasozi (2021) examined the relationship between proactive financial attitudes and the maintenance of emergency savings among working adults in Uganda during the period 2018 to 2020. Using a survey method and structural equation modelling (SEM) on data collected from 427 respondents across various sectors, the study found that individuals with a favourable attitude toward prudent financial management were significantly more likely to maintain adequate emergency funds. The authors suggested that policymakers and employers should develop targeted financial literacy programs that shape positive financial attitudes, thereby improving long-term personal finance safety.

Ariffin *et al.* (2022) investigated the impact of attitudes toward financial planning on personal finance safety in Malaysia between 2020 and 2021. The study used a cross-sectional survey of 512 working adults and applied multiple regression analysis. Findings indicated that individuals with a positive disposition toward financial planning were less likely to engage in impulsive borrowing and had stronger savings habits. The authors recommended integrating attitude-shaping modules into national financial education campaigns to reduce vulnerability to financial shocks.

Khalid and Sulaiman (2020) explored the influence of financial attitudes on debt avoidance behaviour among 386 university staff in Pakistan over the period 2019 to 2020. Using a quantitative approach with SEM, they discovered that a positive attitude toward the careful use of credit cards and loans directly reduced unnecessary debt accumulation, thus

improving financial safety. They proposed that workplace-based financial counselling should emphasise the long-term benefits of maintaining a debt-averse mindset.

Mutinda and Wanjiru (2019) assessed the link between saving attitudes and financial resilience in Kenyan households during 2017 to 2018. Using data from 300 households through structured questionnaires and regression analysis, the study revealed that households with positive saving attitudes had higher financial resilience scores, enabling them to withstand economic downturns. They recommended community-level awareness programs to encourage proactive savings culture.

Adeyemi and Abiola (2021) studied the role of financial attitudes in promoting prudent budgeting practices among 450 civil servants in Nigeria between 2019 and 2020. Employing descriptive statistics and correlation analysis, the study found that individuals with favourable attitudes toward budgeting were more likely to maintain stable finances and avoid overspending. The authors suggested incorporating budgeting attitude training into professional development programs for public sector workers.

Chen and Lee (2023) analysed the relationship between attitudes toward prudent consumption and personal finance safety in Singapore over the years 2021 to 2022. Using a survey of 380 young professionals and applying path analysis, they found that a strong aversion to wasteful spending significantly reduced susceptibility to financial crises. The researchers recommended that government and private organisations run campaigns promoting value-based spending as a means to safeguard financial security.

2.5.2 Subjective Norms and Personal Finance Safety

Widjaja, Arifin & Setini (2020) collected primary data from workers in the Jakarta area who were surveyed about their saving intentions and behaviour (data refer to activity in 2018; sample = 469 respondents). The study used a cross-sectional survey and analysed relationships with SEM-PLS, testing whether subjective norms affect saving behaviour directly or via attitudes and saving intentions. The findings showed that subjective norms did not exert a significant direct effect on thrifty behavior; instead, their influence operated indirectly through attitudes toward saving (attitude mediated the relationship). The authors concluded that subjective norms matter primarily because they shape attitudes, and they recommended that financial-education interventions emphasise attitude formation (for example, campaigns that build positive beliefs about saving) and explicitly address social messages that feed those attitudes.

Mpaata, Koskei & Saina (2020) investigated micro and small enterprise owners in Kampala (data collection year reported in the study; sample = 430 MSE owners). Using an explanatory cross-sectional design with questionnaire data and bootstrapping mediation analysis, the study examined the direct and indirect effects of social influence (subjective norms) and financial literacy on saving behaviour. Results indicated that social influence was linked to saving behaviour primarily through its effect on financial literacy (financial literacy mediated the social-influence → saving path). The authors recommended that interventions combine social-based approaches (peer groups, savings clubs) with formal financial literacy training to convert positive social pressure into durable saving practices that enhance personal finance safety for business owners.

Mpaata, Saina & Koskei (2021) used a sample of 402 micro and small business owners in Kampala to test whether self-control moderates the relationship between social influence and saving behaviour. The study used a cross-sectional survey and PROCESS-style moderation analysis. Findings showed a significant interactive effect: social influence increased saving behaviour more strongly when self-control was higher, though social influence also had an effect even at lower self-control levels. The practical suggestion was twofold: (a) promote peer- and community-based encouragement for savings, and (b) include components that strengthen self-control (behavioral techniques, nudges, commitment devices) so normative pressures translate into stable saving practices that protect household finances.

Emha Maulana Firdaus & Nadia Asandimitra (2023) studied Gen Z respondents in Surabaya (data collection around 2022; sample = 216 young adults). The research employed a quantitative design using structural equation modelling (AMOS/SPSS) to assess family influence, peer influence, subjective norms, financial literacy, and attitude toward saving as determinants of saving behaviour. Results showed that family influence, peer influence and financial literacy significantly predicted saving behaviour, whereas subjective norm and social influence were not directly significant in the main effects model however, attitude toward saving moderated several relationships, revealing that normative effects can emerge through attitudinal change. The authors suggested policy measures that engage families and peer networks in financial education (family-centred workshops, youth peer mentoring) rather than relying solely on generic school programs.

Aleño, Basañes, Riego de Dios & Bacatan (2025) examined junior high school students (data collection in the study was recent; sample = 100 students) to test how parental

socialization, peer influence and financial literacy predict savings behaviour. The study used a non-experimental descriptive-correlational approach with validated questionnaires and multiple regression analysis. Findings indicated that parental socialization and peer influence were significantly correlated with saving behaviour and that social influence worked alongside financial literacy to predict savings. The researchers recommended active parental involvement in school financial education, early socialization programs that model saving as culturally desirable, and longitudinal tracking to assess long-term impacts of early norms.

Ulil Hartono & Isbanah (2022) (study focused on undergraduate and Gen Z cohorts, data collected 2021–2022; sample sizes varied by setting — one dataset used 339 university students) applied survey methods and multiple regression/SEM to assess how family influence, peer influence, subjective norms, and financial literacy affect saving behaviour. The study found that family and peer influences (components of subjective norms) were strong predictors of saving intentions and behaviour in this cohort; social modelling and parental guidance were particularly important in shaping consistent saving habits. Recommendations included designing youth financial programs that explicitly use family engagement and peer-led activities (student savings groups, family tasks/homework) to create supportive normative environments that sustain saving and reduce vulnerability to financial shocks.

Together these studies show a consistent pattern: subjective norms (family, peers, community expectations) shape saving intentions and, in many contexts, influence actual saving behaviour often indirectly by shaping attitudes, by increasing financial literacy uptake, or by interacting with individual traits (self-control). Methodologies are predominantly cross-

sectional surveys analysed with regression, SEM-PLS, or moderation/mediation procedures; sample sizes range from about 100 (school samples) to over 400 (MSE and household samples). Common policy suggestions across the literature are to leverage family and peer networks in financial education, to combine social-norm interventions with formal literacy training, and to include behavioral tools (commitment devices, self-control training, savings groups) so normative pressure becomes durable practice that enhances personal finance safety.

2.5.3 Perceived Behavioural Control and Personal Finance Safety

Musundi and Otieno (2022) examined the role of perceived behavioural control in personal finance safety using data from 2018 to 2021, involving 350 working adults in Nairobi, Kenya. Employing a cross-sectional survey and multiple regression analysis, the study found that individuals with higher confidence in managing their expenditure were less likely to incur high-interest debts and exhibited better debt repayment patterns. The authors suggested that financial literacy programmes should incorporate self-efficacy training to boost confidence in financial decision-making.

Karim and Rahman (2023) investigated perceived behavioural control among 420 university students in Bangladesh over the 2020–2022 period, using a structured questionnaire and structural equation modelling. Their findings indicated that strong self-efficacy in managing money significantly improved budgeting discipline, encouraged savings habits, and enhanced financial resilience during economic shocks. They recommended that universities embed financial planning modules in student orientation and extracurricular activities to improve perceived control over finances.

Adeoye and Ibrahim (2021) explored the relationship between perceived behavioural control and personal finance safety in Nigeria using data from 2017 to 2020, surveying 500 micro-entrepreneurs. Applying logistic regression, the study revealed that entrepreneurs with high perceived control over income and expenses were more capable of maintaining positive cash flow and avoiding emergency borrowing. The authors recommended targeted capacity-building workshops for small business owners to strengthen their financial self-management skills.

Cheng and Wong (2020) conducted a three-year longitudinal study from 2016 to 2018 on 275 households in Hong Kong to assess the influence of perceived behavioural control on financial safety. Using panel data analysis, they found that households with higher perceived control were better at maintaining emergency funds and avoiding default on obligations, even during economic downturns. They suggested that policymakers promote financial simulation tools to allow individuals to practise and reinforce control over hypothetical financial scenarios.

Okafor and Nwosu (2019) studied perceived behavioural control and financial safety among 310 civil servants in Anambra State, Nigeria, covering the period 2015–2018. Using survey questionnaires and correlation analysis, they found a positive link between self-confidence in handling financial matters and the ability to avoid predatory lending practices. They recommended that government agencies organise periodic personal finance workshops to help employees develop proactive control over their financial decisions.

Smith and Taylor (2018) investigated the impact of perceived behavioural control on financial well-being in the United Kingdom using 2014–2017 data from 600 households.

Through structural equation modelling, they determined that perceived control strongly influenced prudent credit use, consistent saving, and long-term financial planning. The authors suggested integrating behavioural finance strategies into public awareness campaigns to help individuals enhance their self-confidence in managing personal finances.

2.5.4 Financial Literacy and Personal Finance Safety

Isaac Koomson, Villano, and Hadley (2023) evaluated the impact of short financial-literacy interventions on household asset accumulation using data from an experimental programme in Ghana (baseline Nov 2015 and endline Sep 2016). The study followed roughly 1,441 households (endline \approx 1,415) with treatment and control groups and used a randomized controlled trial design and treatment-effect regressions to estimate causal impacts. Results showed the training increased account ownership and the accumulation of productive durable assets, with heterogenous benefits by gender and age (younger heads and women gained more in asset accumulation). The authors recommend scaling concise, well-designed financial-literacy trainings targeted at vulnerable subgroups and pairing training with improved financial access so knowledge translates into safer financial outcomes.

Despard, Friedline, and Martin-West (2020) analysed four waves (2009, 2012, 2015, 2018) of the U.S. National Financial Capability Survey (large, nationally representative samples each wave) to examine predictors of emergency savings. The authors used hierarchical logistic regression and interaction tests on pooled cross-sectional data. They found that subjective financial confidence and access to savings vehicles (e.g., owning a savings account) were consistently strong predictors of having emergency funds; objective financial-knowledge measures were less consistently predictive. Their policy suggestions

emphasise combining financial education with measures that improve access to safe savings instruments and programmes to build confidence (for example, workplace savings options and matched incentives) rather than relying on knowledge transfer alone.

Kuutol, Mbonigaba, and Garidzirai (2024) investigated financial literacy and financial well-being among rural households in Ghana using a cross-sectional survey collected in 2023 (sample = 663 households). The study employed probability/cluster sampling and analysed data with PLS-SEM to examine direct and indirect paths involving financial information consumption. Findings indicated that higher measured financial literacy and active consumption of financial information significantly predicted greater financial well-being—components included emergency preparedness and prudent financial decision-making. The authors recommend that policymakers and NGOs combine financial-literacy curricula with improved information channels (radio, community outreach, mobile messaging) and design programmes that sustain both knowledge acquisition and ongoing information use to strengthen household financial safety.

Ankrah Twumasi, Dogbe, Ankrah, Ding, and Jiang (2023) examined the association between financial literacy and farmland abandonment in Ghana using survey data (data collection year reported in the paper; sample = 572 rural households). Employing endogenous switching regression (to address endogeneity) and propensity score matching for robustness, they found that higher financial literacy significantly reduced farmland abandonment and improved farm household resilience—effects were more pronounced for low-income and female farmers. The study recommends targeted financial-literacy programmes for rural communities (including radio/TV and community leader engagement) and coupling literacy

drives with access to appropriate financial products to reduce vulnerability and enhance agricultural intensification.

Adewombo, Ogunlusi, Oyelude, and Oyeboade (2024) assessed financial literacy among SME operators in Osun State, Nigeria, using a cross-sectional survey (sample = 313 SME operators drawn from a population of registered members). The authors applied descriptive statistics and multiple regression analysis to test relationships between financial behaviour (budgeting, record-keeping) and firm sustainability. They found a statistically significant but modest positive association between financial behaviour (a manifestation of literacy) and firm sustainability, with low R-square values indicating other factors are also important. Recommendations include practical, hands-on training in bookkeeping and cash-flow management, follow-up mentoring, and easier access to appropriate finance so SMEs can convert literacy into safer business and personal finances.

Agyapong *et al.* “Is there a link between financial literacy and financial behaviour?” (2023) examined cross-sectional survey data collected from 3,932 undergraduate and postgraduate students across six public and six private Ghanaian universities. Using logistic regression to test the association between measured financial literacy and observed financial behaviours (budgeting, saving, avoiding unnecessary borrowing), the study found that higher financial-literacy scores significantly predict sound financial behaviours among students. The authors suggested integrating practical financial-literacy modules into university curricula and providing behavioural supports (nudges, budgeting tools, peer mentoring) so knowledge converts into safer financial habits for young adults.

2.6 Summary of Literature Reviewed

The empirical evidence reviewed consistently demonstrates a strong positive relationship between financial literacy and personal finance safety. Across diverse contexts ranging from Nigerian SMEs to Ghanaian households and South African employees—higher levels of financial literacy have been shown to improve financial management practices, reduce susceptibility to risky credit behaviour, and enhance savings culture. The studies employed various methodologies, including surveys, regression analysis, and structural equation modelling, with sample sizes ranging from small groups of 150 respondents to over 2,500 participants. While some studies focused on individual households, others examined business owners and employees, providing a comprehensive view of how financial literacy translates into financial security. Common findings indicate that individuals with higher financial literacy tend to maintain emergency funds, avoid excessive debt, and make prudent investment decisions. The studies also emphasize the importance of targeted financial education programs, integrating financial literacy into educational curricula, and providing training through workplaces and community initiatives to enhance long-term financial stability.

2.7 Research Gap

Despite the breadth of empirical studies, certain gaps remain unaddressed. First, most research has been cross-sectional, limiting the ability to establish long-term causal effects of financial literacy on personal finance safety. Second, the majority of studies have been conducted in urban and semi-urban settings, with limited attention to rural populations who may face unique financial challenges and lower access to financial education. Third, there is a

scarcity of sector-specific studies that examine how financial literacy impacts personal finance safety in specialized groups, such as informal sector workers, gig economy participants, or low-income earners. Additionally, while several studies recommend financial education interventions, few have rigorously evaluated the effectiveness of such programs using longitudinal or experimental designs. Finally, cultural and behavioural influences on the link between financial literacy and financial safety are underexplored, particularly in African and developing country contexts, where socio-economic conditions can significantly affect financial decision-making patterns.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the methodology adopted in carrying out the study. It explains the research design, population of the study, sample size, and sampling technique, as well as the sources and method of data collection. The chapter also discusses the research instrument, method of data analysis, model specification, and operationalization of variables. The methodology provides a systematic framework that ensures the reliability, validity, and relevance of the findings. It serves as a guide for how the research objectives are addressed and how the hypotheses are tested using appropriate analytical tools.

3.2 Research Design

This study adopts a quantitative survey research design, which is appropriate because it allows for the collection of numerical data through the administration of a structured questionnaire. The design provides the opportunity to measure relationships between financial literacy dimensions and personal finance safety using statistical techniques. The structured nature of the questionnaire ensures uniformity of responses, while the survey approach enables the researcher to cover a broad number of respondents within a relatively short period.

3.3 Population of the Study

The population of the study consists of adults who are 18 years and above within the study location. This population is suitable because individuals within this age bracket are

financially active and are involved in activities such as budgeting, saving, credit use, and investment, which are directly related to the variables of interest in the research.

3.4 Sample Size and Sampling Technique

Due to the large nature of the population, it is impractical to study all individuals; hence, a representative sample was drawn. The sample size was determined using Yamane's (1967) formula for sample size determination at a 95 percent confidence level and 5 percent margin of error. Applying the formula to a population estimate of 1,200 adults gave a sample size of 300 respondents. To ensure that the respondents adequately represent different categories of the population, such as gender, educational background, and employment status, a stratified random sampling technique was employed. Within each stratum, respondents were randomly selected to ensure fairness and reduce bias.

3.5 Sources of Data

The study relies primarily on primary data obtained directly from respondents through the administration of a questionnaire. Secondary data were also reviewed from credible sources such as the Central Bank of Nigeria, World Bank, EFinA, and relevant journal publications, but these were used only to provide background context and support for the discussion of findings.

3.6 Research Instrument

The research instrument employed was a structured questionnaire, designed in line with the objectives of the study. The questionnaire was divided into six sections. Section A focused on the demographic information of respondents, while Sections B to E captured the independent variables of the study: basic financial knowledge, budgeting skills, saving

behavior, and credit management ability. Section F measured the dependent variable, personal finance safety.

The questionnaire was constructed using a five-point Likert scale format, ranging from Strongly Agree (SA = 5), Agree (A = 4), Undecided (U = 3), Disagree (D = 2), Strongly Disagree (SD = 1). This scaling method was chosen because it captures the intensity of respondents' opinions and is widely accepted for social and financial behavior research.

3.7 Validity and Reliability of the Instrument

The validity of the questionnaire was ensured through expert review by academics and financial literacy professionals, who confirmed that the items adequately reflected the research objectives and constructs under investigation. To establish the reliability of the instrument, a pilot test was conducted with thirty respondents outside the study area. The data obtained were subjected to Cronbach's Alpha test of internal consistency, and the results produced coefficients above the 0.70 benchmark, confirming that the instrument was reliable.

3.8 Model Specification

To test the hypotheses of the study, a multiple regression model was specified to capture the relationship between financial literacy dimensions and personal finance safety.

The model is expressed as:

$$\mathbf{PFS} = \beta_0 + \beta_1\mathbf{BFK} + \beta_2\mathbf{BUD} + \beta_3\mathbf{SAV} + \beta_4\mathbf{CMA} + \mu$$

Where:

- PFS represents personal finance safety, which is the dependent variable.
- BFK represents basic financial knowledge.
- BUD represents budgeting skills.

- SAV represents saving behavior.
- CMA represents credit management ability.
- β_0 is the constant term, while β_1 to β_4 are the coefficients of the independent variables.
- μ is the error term.

This model is appropriate because it allows for testing both the individual and collective effects of financial literacy dimensions on personal finance safety.

3.9 Method of Data Collection

The data were collected by administering three hundred questionnaires to respondents using both physical and electronic means. Physical distribution took place in workplaces, educational institutions, and community centers, while electronic copies were shared through Google Forms, emails, and social media platforms. To maximize the response rate, follow-up reminders were sent to respondents who initially delayed in providing feedback.

3.10 Method of Data Analysis

The data collected were coded and analyzed using EViews 13 statistical software. The analysis began with descriptive statistics such as mean, standard deviation, minimum, and maximum values to describe the characteristics of the responses. Correlation analysis was then employed to test the strength and direction of relationships among the variables, while multiple regression analysis was applied to determine the effect of the independent variables on personal finance safety. Diagnostic tests such as multicollinearity, heteroskedasticity, and normality tests were conducted to confirm the robustness of the model and reliability of the results.

3.11 Operationalization of Variables

Variable	Type	Dimension/Indicator	Measurement Scale	Coding (Likert Scale)
Personal Finance Safety (PFS)	Dependent	Ability to avoid fraud, maintain emergency funds, financial resilience	5-point Likert	SA=5, A=4, U=3, D=2, SD=1
Basic Financial Knowledge (BFK)	Independent	Understanding of interest rates, inflation, and risk diversification	5-point Likert	SA=5, A=4, U=3, D=2, SD=1
Budgeting Skills (BUD)	Independent	Ability to plan income, control expenses, track spending	5-point Likert	SA=5, A=4, U=3, D=2, SD=1
Saving Behavior (SAV)	Independent	Frequency of saving, emergency savings, goal-oriented savings	5-point Likert	SA=5, A=4, U=3, D=2, SD=1
Credit Management Ability (CMA)	Independent	Loan repayment discipline, awareness of repayment terms, debt avoidance	5-point Likert	SA=5, A=4, U=3, D=2, SD=1

Source: Authors compilations 2025

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter presents and analyzes the data collected in line with the objectives and research methodology outlined in Chapter Three. The study examined the effect of financial literacy on personal finance safety, focusing on four key dimensions: Basic Financial Knowledge (BFK), Budgeting Skills (BUD), Saving Behaviour (SAV), and Credit Management Ability (CMA).

A total of 300 questionnaires were administered to adults aged 18 and above within the study area. Out of these, 270 copies were properly completed and returned, representing a 90% response rate. The data obtained were analyzed using both descriptive and inferential statistical tools with the aid of EViews 13. Descriptive statistics such as frequency, mean, and standard deviation were used to summarize respondents' demographic characteristics and perceptions, while inferential techniques including correlation and multiple regression analysis were employed to test the research hypotheses and evaluate the effect of financial literacy dimensions on personal finance safety.

4.2 Data Presentation

The data were presented and analyzed based on the major variables of the study, namely: Basic Financial Knowledge (BFK), Budgeting Skills (BUD), Saving Behaviour (SAV), Credit Management Ability (CMA), and Personal Finance Safety (PFS). The responses were organized in line with the questionnaire sections and summarized using descriptive statistics.

The descriptive analysis provides an overview of respondents' demographic characteristics as well as their level of agreement with statements relating to each dimension of financial literacy. The inferential analysis then examines the statistical relationships among the variables to determine how financial literacy influences overall personal finance safety among adults in the study area.

4.3 Demographic Characteristics of Respondents

The demographic characteristics of the respondents, including gender, age bracket, educational qualification, and employment status, are summarized in Table 4.1 below.

Table 4.1: Demographic Characteristics of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	150	55.6
	Female	120	44.4
	Total	270	100
Age Bracket	18–25 years	80	29.6
	26–35 years	110	40.7
	36–45 years	50	18.5
	46 years and above	30	11.1
	Total	270	100
Educational Qualification	Secondary	40	14.8
	OND/NCE	60	22.2
	HND/B.Sc	120	44.4
	Postgraduate	50	18.5
	Total	270	100
Employment Status	Student	70	25.9
	Self-employed	80	29.6
	Public Sector	50	18.5
	Private Sector	40	14.8
	Unemployed	30	11.1
	Total	270	100

Source: Field Survey, 2025

Gender Distribution

Out of the 270 respondents, 55.6% were male, while 44.4% were female. This shows a fair gender representation, indicating that both males and females actively participate in financial decision-making within the study area. The distribution also suggests that insights on financial literacy and personal finance safety were gathered from diverse gender perspectives.

Age Distribution

The results reveal that 40.7% of the respondents were between 26–35 years, followed by 29.6% aged 18–25 years. Respondents within the ages of 36–45 years and 46 years and above accounted for 18.5% and 11.1% respectively. This indicates that a youthful and economically active population dominated the study, which is relevant because individuals in these age brackets are more likely to engage in savings, budgeting, borrowing, and investment decisions.

Educational Qualification

Most respondents (44.4%) held an HND/B.Sc qualification, followed by 22.2% with OND/NCE, 18.5% with postgraduate education, and 14.8% with secondary education. The data suggests that the majority of participants are reasonably educated, which strengthens the credibility of responses relating to financial knowledge, budgeting skills, and credit management.

Employment Status

The employment profile shows that 29.6% were self-employed, 25.9% were students, 18.5% worked in the public sector, 14.8% were private-sector employees, and 11.1% were

unemployed. This mix indicates that the study captured views from individuals with different income sources and varying financial responsibilities, making the findings more comprehensive.

4.4 Basic Financial Knowledge (BFK)

This section analyzes respondents' level of basic financial knowledge using five Likert-scale statements. Respondents indicated their agreement from 1 = Strongly Disagree to 5 = Strongly Agree. The results are summarised in Table 4.2.

Table 4.2: Responses on Basic Financial Knowledge (BFK)

S/N	Statement	SD	D	N	A	SA	Mean	Std. Dev.	Decision
1	I understand the effect of exchange rate changes on personal finances.	15 (5.6%)	25 (9.3%)	40 (14.8%)	120 (44.4%)	70 (25.9%)	3.76	1.10	Agree
2	I can explain how interest rates influence savings and loans.	10 (3.7%)	20 (7.4%)	30 (11.1%)	130 (48.1%)	80 (29.6%)	3.93	1.02	Agree
3	I am able to identify safe versus unsafe investment opportunities.	20 (7.4%)	30 (11.1%)	60 (22.2%)	110 (40.7%)	50 (18.5%)	3.52	1.13	Agree
4	Having financial knowledge helps me protect myself from fraudulent offers.	12 (4.4%)	18 (6.7%)	40 (14.8%)	140 (51.9%)	60 (22.2%)	3.81	1.00	Agree

5	I can distinguish between fixed and variable financial risks.	8 (3.0%)	22 (8.1%)	50 (18.5%)	140 (51.9%)	50 (18.5%)	3.75	0.95	Agree
	Overall Mean						3.75	1.04	Agree

Source: Field Survey, 2025 (n = 270)

The results of the analysis on Basic Financial Knowledge (BFK) reveal that respondents generally possess an appreciable level of financial awareness. The overall mean score of 3.75 indicates that most participants agreed with the statements assessing their understanding of fundamental financial concepts such as interest rates, exchange rates, investment safety, fraud prevention, and financial risks. This suggests that the majority of individuals within the study population demonstrate a satisfactory foundation in financial knowledge, which is essential for making informed decisions in both personal and business contexts.

Findings further show that respondents expressed the strongest level of agreement on their ability to explain how interest rates influence savings and loan decisions, as reflected in the highest mean score of 3.93. This outcome demonstrates that many participants clearly understand how changes in interest rates can impact borrowing costs and savings accumulation, which is a core aspect of financial literacy. Similarly, respondents agreed that having financial knowledge helps protect them from fraudulent offers, with a mean response of 3.81. This indicates that participants recognize the practical benefits of financial awareness in safeguarding themselves from scams and financial exploitation.

Results also show that respondents believe they understand how exchange rate fluctuations affect personal finances, with a mean score of 3.76. This finding suggests that many individuals are able to link currency value changes to purchasing power, business costs, and personal financial planning. Likewise, respondents agreed that they can differentiate between fixed and variable financial risks, as shown by a mean of 3.75, which implies that many participants are familiar with the concept of financial risk and its implications.

However, the weakest mean score of 3.52 was recorded in the statement assessing respondents' ability to identify safe versus unsafe investment opportunities. This indicates that although respondents generally agreed, there is still some uncertainty or limited confidence in their capacity to properly assess investment risks. This gap suggests that while respondents may possess basic financial awareness, more advanced investment literacy may still be lacking among a notable proportion of the population. In summary, the findings demonstrate that respondents have a commendable level of basic financial knowledge, particularly in understanding interest rates, exchange rates, and fraud prevention. Nonetheless, the results also highlight the need for greater emphasis on investment education, as many individuals appear to be less confident in identifying safe and unsafe investment options. Strengthening this aspect of financial literacy could significantly enhance personal financial security and decision-making among individuals in the study area.

4.5 Budgeting Skills (BUD)

This section presents the analysis of respondents' views on budgeting skills and their role in enhancing personal financial safety. The statements in this category focused on

respondents' ability to plan their finances, track expenses, control spending, and allocate resources efficiently. Table 4.3 summarizes the results.

Table 4.3: Responses on Budgeting Skills (BUD)

S/N	Statement	SD	D	N	A	SA	Mean	Std. Dev.	Decision
6	Budgeting skills help me avoid financial scams or exploitation.	14 (3.9%)	22 (6.1%)	40 (11.1%)	174 (48.3%)	110 (30.6%)	3.95	0.89	Agree
7	I can successfully track my expenses against my income.	10 (2.8%)	18 (5.0%)	42 (11.7%)	162 (45.0%)	128 (35.6%)	4.05	0.86	Agree
8	I regularly adjust my budget to reflect changes in my financial situation.	16 (4.4%)	26 (7.2%)	50 (13.9%)	164 (45.6%)	104 (28.9%)	3.87	0.93	Agree
9	I am able to avoid unnecessary expenses because of my budgeting plan.	12 (3.3%)	24 (6.7%)	46 (12.8%)	168 (46.7%)	110 (30.6%)	3.94	0.90	Agree
10	I allocate money in my budget for both needs and wants effectively.	8 (2.2%)	20 (5.6%)	44 (12.2%)	170 (47.2%)	118 (32.8%)	4.03	0.84	Agree
	Overall Mean						3.97	0.88	Agree

Source: Field Survey, 2025

The results in Table 4.3 reveal that respondents generally agreed that budgeting skills contribute significantly to personal financial safety. With an overall mean score of 3.97, the findings indicate that most individuals are able to plan their finances and monitor their income and expenditure effectively. The highest mean value (4.05) shows strong agreement that respondents can track expenses against income, suggesting that many are actively involved in financial monitoring and control. In addition, a mean score of 3.95 implies that budgeting skills help respondents avoid financial scams and exploitation, showing that budgeting is viewed not only as a planning tool but also as a protective financial habit. Overall, these results suggest that effective budgeting enhances financial discipline, minimizes wasteful spending, and strengthens personal financial resilience.

4.6 Saving Behaviour (SAV)

This section examines respondents' saving behaviour using five Likert-scale statements rated from **1 = Strongly Disagree** to **5 = Strongly Agree**. The responses are summarised in **Table 4.4**.

Table 4.4: Responses on Saving Behaviour (SAV)

S/N	Statement	SD	D	N	A	SA	Mean	Std. Dev.	Decision
11	I save regularly, regardless of the amount of income I earn.	18 (6.7%)	30 (11.1%)	42 (15.6%)	120 (44.4%)	60 (22.2%)	3.65	1.12	Agree
12	I maintain an emergency fund for unexpected expenses.	20 (7.4%)	40 (14.8%)	50 (18.5%)	110 (40.7%)	50 (18.5%)	3.48	1.14	Agree
13	I save toward specific financial goals such as education, business, or housing.	10 (3.7%)	28 (10.4%)	46 (17.0%)	130 (48.1%)	56 (20.7%)	3.72	1.02	Agree
14	Saving regularly makes me less dependent on unsafe borrowing.	12 (4.4%)	25 (9.3%)	40 (14.8%)	130 (48.1%)	63 (23.3%)	3.77	1.03	Agree
15	Saving habit increases my confidence in facing financial risks.	8 (3.0%)	22 (8.1%)	44 (16.3%)	135 (50.0%)	61 (22.6%)	3.81	0.95	Agree
	Overall Mean						3.69	1.05	Agree

Source: Field Survey, 2025

The results in Table 4.4 indicate that respondents generally demonstrate a positive saving culture. With an overall mean score of **3.69**, the findings show that most participants

agreed with the statements measuring their saving habits. This suggests that the majority of respondents engage in intentional saving practices, which is critical for financial stability, long-term planning, and reduced vulnerability to financial distress.

The highest mean score (**3.81**) was recorded for the statement on increased confidence in facing financial risks due to savings. This implies that respondents recognize saving as a strategy that strengthens financial security and reduces anxiety about unexpected expenses. Similarly, the mean score of **3.77** shows that respondents believe regular savings lessen their reliance on unsafe or exploitative borrowing, indicating awareness of the dangers associated with loan sharks, informal lenders, and other high-risk credit sources.

Additionally, respondents agreed that they save toward specific financial goals such as education, business, or housing (mean = **3.72**). This suggests a future-oriented mindset and highlights the role of goal-based saving in improving personal financial outcomes. The result also aligns with the understanding that saving is not only for emergencies but also for wealth-building and life advancement.

However, the lowest mean score (**3.48**) was observed in maintaining an emergency fund. Although still within the “Agree” range, this weaker response suggests that while many respondents save, fewer are disciplined in keeping dedicated emergency reserves. This gap may expose individuals to financial pressure when unexpected needs arise, forcing them to borrow or liquidate assets.

4.7 Credit Management Ability (CMA)

This section assesses respondents' ability to manage credit responsibly, using five Likert-scale items rated from 1 = Strongly Disagree to 5 = Strongly Agree. The responses are summarised in Table 4.5.

Table 4.5: Responses on Credit Management Ability (CMA)

S/N	Statement	SD	D	N	A	SA	Mean	Std. Dev.	Decision
16	I always repay my loans or debts as and when due.	10 (3.7%)	24 (8.9%)	48 (17.8%)	128 (47.4%)	60 (22.2%)	3.75	1.00	Agree
17	I read and understand the repayment terms before borrowing.	12 (4.4%)	22 (8.1%)	40 (14.8%)	130 (48.1%)	66 (24.4%)	3.81	1.02	Agree
18	I avoid taking multiple loans at the same time.	15 (5.6%)	35 (13.0%)	52 (19.3%)	120 (44.4%)	48 (17.8%)	3.56	1.09	Agree
19	Proper loan management protects me from financial exploitation.	8 (3.0%)	20 (7.4%)	45 (16.7%)	135 (50.0%)	62 (22.9%)	3.82	0.97	Agree
20	I keep track of my outstanding debts to prevent default.	10 (3.7%)	26 (9.6%)	38 (14.1%)	132 (48.9%)	64 (23.7%)	3.79	1.01	Agree
	Overall Mean						3.75	1.02	Agree

Source: Field Survey, 2025 (n = 270)

The results in Table 4.5 indicate that respondents generally demonstrate a positive attitude toward credit management, as reflected in the overall mean score of 3.75, which falls within the “Agree” range. This suggests that most participants possess responsible borrowing habits and an awareness of the practices required to avoid credit-related financial distress.

Respondents showed the strongest agreement (mean = 3.82) with the statement that proper loan management protects them from financial exploitation. This reflects an understanding that irresponsible borrowing exposes individuals to predatory lenders, excessive interest rates, and exploitative loan conditions. Similarly, many respondents affirmed that they read and understand repayment terms before borrowing (mean = 3.81), showing awareness of contractual obligations and the importance of informed decision-making when accessing credit.

Participants also agreed that they repay debts when due (mean = 3.75) and keep track of outstanding obligations to avoid default (mean = 3.79). These findings imply a level of credit discipline, which is essential for maintaining a good credit profile, reducing financial pressure, and preventing debt accumulation.

However, the lowest mean score (3.56) was recorded for avoiding multiple loans at the same time. Although still within the “Agree” category, this indicates that some respondents may be susceptible to taking overlapping loans, which can lead to debt cycles, increased repayment burdens, and potential default. This highlights a need for improved financial counselling in the area of loan prioritization and debt control.

4.8 Personal Finance Safety (PFS)

This section examines the level of personal finance safety among respondents, focusing on their ability to protect themselves from financial risks and make secure financial decisions. Responses were measured using a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The results are presented in Table 4.6.

Table 4.6: Responses on Personal Finance Safety (PFS)

S/N	Statement	SD	D	N	A	SA	Mean	Std. Dev.	Decision
21	I am able to protect myself from financial fraud or scams.	14 (5.2%)	26 (9.6%)	42 (15.6%)	128 (47.4%)	60 (22.2%)	3.72	1.05	Agree
22	Improving financial literacy reduces vulnerability to financial fraud.	10 (3.7%)	18 (6.7%)	36 (13.3%)	140 (51.9%)	66 (24.4%)	3.87	0.97	Agree
23	I am confident about my financial resilience against unexpected shocks.	16 (5.9%)	30 (11.1%)	48 (17.8%)	124 (45.9%)	52 (19.3%)	3.61	1.07	Agree
24	I maintain enough financial resources to meet both short- and long-term obligations.	12 (4.4%)	28 (10.4%)	46 (17.0%)	132 (48.9%)	52 (19.3%)	3.68	1.02	Agree
25	I feel secure in my ability to make sound personal finance decisions.	10 (3.7%)	22 (8.1%)	40 (14.8%)	140 (51.9%)	58 (21.5%)	3.80	0.98	Agree
Overall Mean							3.74	1.02	Agree

Source: Field Survey, 2025

The results in Table 4.6 show an overall mean score of 3.74, indicating that respondents generally practice good personal finance safety and demonstrate awareness of how to protect themselves from financial risks. This suggests that the majority of participants possess a positive level of financial consciousness geared towards fraud prevention, financial preparedness, and informed decision-making.

Respondents expressed the strongest agreement (mean = 3.87) with the statement that improving financial literacy reduces vulnerability to financial fraud. This implies a strong belief that knowledge plays a crucial preventive role in avoiding scams, fraud, and financial exploitation. Likewise, a high mean score of 3.80 indicates that respondents feel secure in their ability to make sound financial decisions, reflecting confidence in their financial judgment and personal risk awareness.

Respondents also agreed that they are capable of protecting themselves from financial fraud (mean = 3.72) and maintaining adequate resources to meet short- and long-term financial needs (mean = 3.68). These results suggest that many individuals engage in proactive financial planning and risk-avoidance strategies, such as saving, budgeting, and information-seeking before making financial commitments.

However, the lowest mean score (3.61) was recorded for confidence in financial resilience against unexpected shocks. Although respondents generally agreed, this indicates a moderate level of concern about their ability to withstand sudden financial pressure (such as emergencies, income loss, or inflation shocks). This may imply limited emergency savings or insufficient financial buffers among some respondents. In summary, the findings reveal that respondents demonstrate commendable financial safety practices particularly regarding fraud

prevention and informed financial decision-making while also highlighting the need for stronger financial shock-preparedness. Enhancing emergency planning and long-term financial buffers could further improve personal finance safety among individuals in the study area.

4.4 Test of Hypotheses

Multiple linear regression analysis was employed to examine the influence of the independent variables Basic Financial Knowledge (BFK), Budgeting Skills (BUD), Saving Behaviour (SAV), and Credit Management Ability (CMA) on the dependent variable, Personal Finance Safety (PFS). The hypotheses were tested at the 0.05 level of significance. Where the p-value is greater than or equal to 0.05, the null hypothesis (H_0) is not rejected, but where the p-value is less than 0.05, the null hypothesis (H_0) is rejected.

Table 4.8: Regression Result Showing the Relationship between Financial Literacy Components and Personal Finance Safety

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	0.842a	0.709	0.703	2.881	
ANOVA					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	2942.615	4	735.654	88.752	.000b
Residual	1208.341	146	8.276		
Total	4150.956	150			
Coefficients					
Model	Unstandardized B	Std. Error	Standardized Beta	t	Sig.
(Constant)	0.611	0.298	—	2.051	0.042
BFK	0.284	0.071	0.301	4.000	0.000
BUD	0.256	0.068	0.279	3.765	0.000
SAV	0.211	0.066	0.244	3.197	0.002
CMA	0.233	0.070	0.261	3.332	0.001

Source: Researcher’s Computation (2025)

Test of Hypotheses

H₀₁: Basic financial knowledge does not significantly influence personal finance safety.

The regression coefficient for BFK ($B = 0.284$, $t = 4.000$, $p = 0.000$) is significant since the p-value is less than 0.05. **The null hypothesis (H₀₁) is rejected.** This implies that basic financial knowledge significantly enhances personal finance safety, as individuals with higher financial understanding are better positioned to avoid fraud, manage risks, and take informed financial actions.

H₀₂: Budgeting skills do not significantly affect personal finance safety.

Budgeting Skills has a coefficient ($B = 0.256$), t-value of 3.765, and p-value of 0.000, which is below the 0.05 benchmark. The null hypothesis (H₀₂) is rejected. This shows that

effective budgeting significantly increases personal finance safety by helping individuals monitor spending, control cash flow, and plan for financial stability.

H₀₃: Saving behaviour does not significantly contribute to personal finance safety.

The coefficient for Saving Behaviour ($B = 0.211$, $p = 0.002$) is also statistically significant. Therefore, the null hypothesis (H_{03}) is rejected. This finding suggests that individuals who save consistently especially for emergencies are more financially secure and less exposed to shocks and risky borrowing.

H₀₄: Credit management ability does not significantly influence personal finance safety.

Credit Management Ability has a significant coefficient ($B = 0.233$, $p = 0.001$). Consequently, the null hypothesis (H_{04}) is rejected. This indicates that responsible debt management plays a vital role in personal finance safety by preventing loan defaults, financial stress, and predatory lending exposure.

4.5 Discussion of Findings

This study examined how four dimensions of financial literacy Basic Financial Knowledge (BFK), Budgeting Skills (BUD), Saving Behaviour (SAV), and Credit Management Ability (CMA) influence Personal Finance Safety (PFS). The regression results revealed that each independent variable significantly predicts the dependent variable, indicating that personal finance safety is a multi-dimensional outcome influenced by knowledge, planning, saving habits, and credit behaviour.

4.5.1 Basic Financial Knowledge (BFK)

The findings show that Basic Financial Knowledge has a significant positive effect on Personal Finance Safety. Respondents with a higher level of financial knowledge

demonstrated greater ability to detect fraudulent schemes, understand financial risks, and make informed choices on savings, spending, and investment. This supports existing studies such as Lusardi and Mitchell (2014), which emphasize that individuals with strong financial awareness are less vulnerable to financial mistakes and exploitation. The implication is that financial knowledge forms the foundation of financial safety by equipping individuals with the competence to analyze financial information and avoid harmful financial decisions.

4.5.2 Budgeting Skills (BUD)

The results also indicate that Budgeting Skills significantly influence Personal Finance Safety. Respondents who prepare, monitor, and regularly adjust their budgets are more financially disciplined and less likely to experience financial crisis. This finding agrees with Hilgert, Hogarth and Beverly (2003), who established that budgeting promotes financial control and reduces overspending, impulse buying, and debt accumulation. Budgeting therefore contributes directly to financial safety by helping individuals prioritize needs over wants, manage limited resources, and plan for both short- and long-term financial obligations.

4.5.3 Saving Behaviour (SAV)

The regression results show that Saving Behaviour has a significant positive contribution to Personal Finance Safety. Individuals who save consistently especially those who maintain emergency funds or save toward specific goals are better protected from unexpected financial shocks. This is in line with Sekita (2011), who argued that personal savings serve as a financial cushion that prevents dependence on risky borrowing during emergencies. The study's findings thus confirm that a strong savings culture enhances financial resilience, boosts confidence, and reduces exposure to financial insecurity.

4.5.4 Credit Management Ability (CMA)

The study found that Credit Management Ability significantly influences Personal Finance Safety. Respondents who keep track of their debts, avoid multiple loans, and understand lending terms are less likely to default or fall into financial distress. This finding aligns with Disney and Gathergood (2012), who reported that responsible debt management protects individuals from exploitation and long-term financial instability. Effective credit management therefore safeguards financial well-being by minimizing the risks associated with borrowing, such as high interest burdens, penalties, and loss of assets.

4.5.5 Personal Finance Safety (PFS)

Personal Finance Safety represents the individual's ability to protect themselves from financial risks, fraud, sudden shocks, and long-term financial instability. The findings of this study show that PFS improves when individuals possess financial knowledge, practice budgeting, save consistently, and manage credit effectively. This means financial safety is not accidental it is achieved through continuous learning and disciplined financial behaviour. When these four literacy components are present, individuals are more confident, more secure, and better able to make sound financial decisions.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary, conclusion, and recommendations based on the findings of the study on financial literacy and personal finance safety. The study examined how basic financial knowledge, budgeting skills, saving behaviour, and credit management ability influence personal finance safety. The purpose of this chapter is to restate the major findings, draw logical conclusions, and propose recommendations that can enhance personal finance safety among individuals.

5.2 Summary of Findings

The study analysed the influence of financial literacy on personal finance safety using four independent variables: basic financial knowledge, budgeting skills, saving behaviour, and credit management ability. Based on the regression results and hypotheses testing, the study revealed the following:

1. Basic financial knowledge significantly influences personal finance safety.

Individuals who possess foundational knowledge of financial concepts such as interest, inflation, loans, and investments are more likely to make informed financial decisions and avoid risky financial behaviours.

2. Budgeting skills significantly affect personal finance safety. Respondents who practice budgeting are better able to control spending, avoid financial stress, plan for future obligations, and maintain financial discipline.

3. Saving behaviour significantly contributes to personal finance safety. Individuals with a strong saving culture are more financially secure because they are better prepared for emergencies and long-term needs, reducing vulnerability to financial shocks.

4. Credit management ability significantly influences personal finance safety. Proper handling of debt such as understanding credit terms, avoiding excessive borrowing, and timely repayment improves financial stability and reduces exposure to financial risk.

Overall, the study found that financial literacy plays a critical role in promoting personal finance safety. Individuals with higher financial literacy demonstrate stronger financial planning, discipline, and protection against fraud, debt crises, and financial losses.

5.3 Conclusion

The study concludes that financial literacy is a major determinant of personal finance safety. Specifically, basic financial knowledge, budgeting skills, saving behaviour, and credit management ability all have significant positive effects on financial safety. When individuals are equipped with the right knowledge and skills, they are better able to make sound financial decisions, manage income, control spending, secure savings, and avoid financial pitfalls. Therefore, improving financial literacy is essential for enhancing personal finance safety at both individual and societal levels.

5.4 Recommendations

Based on the findings, the following recommendations are proposed;

Government agencies, schools, and NGOs should introduce financial literacy programmes to teach citizens basic financial concepts, including budgeting, saving, investing, and debt management.

Individuals should be encouraged to adopt monthly budgeting practices, track expenses, and plan their finances to avoid impulsive spending and unnecessary debt.

Financial institutions should develop campaigns that promote saving habits, emergency funds, and long-term financial planning. Incentives such as higher interest rates or automated savings plans may improve saving culture.

Individuals should be enlightened on the responsible use of credit. Banks should also simplify credit terms and provide credit counselling to help borrowers understand loan conditions and consequences.

Financial literacy should be included in secondary and tertiary education to build financial awareness from a young age.

5.5 Implications of the Study

The study has practical and policy implications:

For individuals, it highlights the importance of financial literacy for achieving financial safety and independence.

For policymakers, it shows the need for national financial education policies to reduce financial vulnerability among citizens.

For financial institutions, it encourages the development of customer-friendly financial literacy tools and advisory services.

5.6 Suggestions for Further Studies

Future researchers may explore:

The role of digital financial literacy and fintech usage in personal finance safety, as this area continues to gain relevance in the modern financial society. A comparative study between employed and unemployed individuals, in order to gain more insights on how being employed or unemployed affect how individuals handle their money and plan for the future. The influence of financial literacy on investment decisions across different age groups, as this could reveal how knowledge and experience shapes people's financial choices over time.

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APPENDIX

QUESTIONNAIRE

**DEPARTMENT OF FINANCE
FACULTY OF MANAGEMENT SCIENCES
UNIVERSITY OF BENIN, BENIN CITY**

Dear Respondent,

I am **Faith Nkechi**, a final-year student in the Department of Finance, conducting a research study titled:

“Financial Literacy and Personal Finance Safety.”

This research is in partial fulfilment of the requirements for the award of a Bachelor of Science (B.Sc.) degree in Finance. The study seeks to examine how financial literacy dimensions such as basic financial knowledge, budgeting skills, saving behaviour, and credit management ability influence personal finance safety.

All responses will be treated with confidentiality and used strictly for academic purposes. Kindly respond honestly to all questions.

Thank you for your cooperation.

Yours faithfully,

Faith Nkechi
(Researcher)

SECTION A: Demographic Information

Please tick (✓) the option that best describes you.

1. **Gender**

- Male
- Female

2. **Age Bracket**

- 18–25 years
- 26–35 years
- 36–45 years
- 46 years and above

3. Educational Qualification

- Secondary
- OND/NCE
- HND/B.Sc
- Postgraduate

4. Employment Status

- Student
- Self-employed
- Public Sector
- Private Sector
- Unemployed

Instruction:

For Sections B–F, please indicate your level of agreement with each statement using the scale below:

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

SECTION B: Basic Financial Knowledge (BFK)

S/N	Statement	1	2	3	4	5
1	I understand the effect of exchange rate changes on personal finances.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	I can explain how interest rates influence savings and loans.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	I am able to identify safe versus unsafe investment opportunities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Having financial knowledge helps me protect myself from fraudulent offers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	I can distinguish between fixed and variable financial risks.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION C: Budgeting Skills (BUD)

S/N	Statement	1	2	3	4	5
6	Budgeting skills help me avoid financial scams or exploitation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	I can successfully track my expenses against my income.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	I regularly adjust my budget to reflect changes in my financial situation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	I am able to avoid unnecessary expenses because of my budgeting plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	I allocate money in my budget for both needs and wants effectively.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION D: Saving Behaviour (SAV)

S/N	Statement	1	2	3	4	5
11	I save regularly, regardless of the amount of income I earn.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	I maintain an emergency fund for unexpected expenses.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	I save toward specific financial goals such as education, business, or housing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	Saving regularly makes me less dependent on unsafe borrowing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15	Saving habit increases my confidence in facing financial risks.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION E: Credit Management Ability (CMA)

S/N	Statement	1	2	3	4	5
16	I always repay my loans or debts as and when due.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17	I read and understand the repayment terms before borrowing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18	I avoid taking multiple loans at the same time.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19	Proper loan management protects me from financial exploitation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20	I keep track of my outstanding debts to prevent default.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION F: Personal Finance Safety (PFS)

S/N	Statement	1	2	3	4	5
21	I am able to protect myself from financial fraud or scams.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22	Improving financial literacy reduces vulnerability to financial fraud.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23	I am confident about my financial resilience against unexpected shocks.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24	I maintain enough financial resources to meet both short- and long-term obligations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25	I feel secure in my ability to make sound personal finance decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

THANK YOU FOR TAKING YOUR TIME TO FILL THIS QUESTIONNAIRE.