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FINANCIAL LITERACY AND SAVING HABITS OF NIGERIAN UNIVERSITY STUDENTS (A Study Of Crawford University)

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Abstract
The study evaluated the effect of financial literacy on the saving habits of Nigerian university students while the specific objective assessed the relationship between basic financial knowledge and the frequency of saving. Primary data were sourced from administration of well- structured questionnaire while regression analysis was adopted to analyze the data obtained. It was revealed that there was a significant effect of financial literacy on frequency of savings of students at ($R2$= 0.162, P = 0.000) and (adjusted $R2$ = 0.154). These indicated that of the variation in saving habit, financial literacy for (16.2%). Also, the F-values statistics of (19.202) showed that overall equation was significant at (Significant level = 0.000; P < 0.05). Therefore, the null hypothesis (H0) which stated that financial literacy has no significant effect on frequency of savings of students of Crawford University was rejected and the alternative hypothesis was accepted. It was recommended that Crawford University, and other higher institutions in Nigeria should introduce financial literacy courses and workshops as part of their general studies.

Keywords: Financial Literacy, Saving Habits, Financial Knowledge, Saving Frequency, University Students

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INTRODUCTION

In today's fast-evolving financial environment, financial literacy is recognized as a critical life skill essential for managing personal and economic resources effectively. Financial literacy refers to the knowledge and application of concepts such as budgeting, saving, investing, and risk management (Adu, 2021). These skills are vital for making informed financial decisions and ensuring financial stability, particularly in a world characterized by rising inflation, complex financial products, and fluctuating economic conditions (Huang, 2024).

University students represent a unique demographic in this context. The transition from financial dependence on parents or guardians to self-reliance is often accompanied by new financial responsibilities, such as budgeting limited income, managing educational expenses, and planning for future financial goals. This transition underscores the significance of financial literacy as a key determinant of students' financial behavior and their ability to develop sound savings habits (Altun, 2022).

Despite the evident benefits, research shows that financial literacy levels among Nigerian university students remain inadequate. Factors such as limited exposure to financial education, inadequate knowledge of financial products, and insufficient decision-making skills contribute to this gap (Oyewole, 2023). This study focused on students of Crawford University, examining how financial literacy impacted their saving habits, with specific emphasis on the frequency of saving, saving motivation, and saving discipline.

Although financial literacy is widely acknowledged as a fundamental skill, its application among university students in Nigeria remains a pressing issue. A lack of financial literacy undermines students' ability to make informed decisions, leading to poor savings habits, increased debt dependence, and financial instability. For instance, studies reveal that financially illiterate students are less likely to prioritize savings and are more susceptible to impulsive spending and financial stress (Adu, 2021).

The emergence of digital financial tools and platforms has further complicated the landscape. While these tools offer convenient saving and investment options, their effective use requires a sound understanding of financial principles. Unfortunately, many students lack the basic financial knowledge and decision-making skills needed to navigate these tools, resulting in suboptimal financial behaviors (Farooq & Alsharif, 2020).

In Nigeria, the absence of robust financial education programs worsens the problem. Universities often fail to integrate comprehensive financial literacy courses into their curricula, leaving students unprepared to manage their finances effectively. This gap not only affects students' current financial behaviors but also has long-term implications for their financial independence and stability post-graduation (Huang, 2024). This study seeks to address these challenges by investigating the relationship between financial literacy and the savings habits of Crawford University students. It explores how basic financial knowledge, understanding of financial products, and decision-making skills influence the frequency of saving, savings motivation, and savings discipline.

RESEARCH METHOD

This study focused on understanding the financial literacy and saving habits that exists within the Nigerian undergraduate students which was limited to students of Crawford University, Ogun State. The survey and descriptive research design were adopted for the purpose of this research. The population of the study included all students available in Crawford University, Ogun State which was 2500. A well-structured questionnaire Primary data were sourced from administration of well-structured questionnaire. Regression analysis was adopted .

RESEARCH RESULTS AND DISCUSSION

Table 1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.403[a]	.162	.154	2.66532

a. Predictors: (Constant), Frequency of Savings

Table 2 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	136.412	1	136.412	19.202	.000[b]
	Residual	703.291	99	7.104		
	Total	839.703	100			

a. Dependent Variable: Basic Financial Knowledge

b. Predictors: (Constant), Frequency of Savings

Table 3 Co-efficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.255	.977		6.401	.000
	Frequency of Savings	.367	.084	.403	4.382	.000

a. Dependent Variable: Basic Financial Knowledge

The result from the model summary table revealed the extent to which the variance of frequency of savings can be explained by financial literacy. Looking at the result above, it showed a significant effect of financial literacy on Frequency of Savings of students at ($R2$= 0.162, P = 0.000) and (adjusted $R2$ = 0.154). These indicated that of the variation in Savings Habit, Financial Literacy for (16.2%). Also, the F-values statistics of (19.202) showed overall equation is significant at (Significant level = 0.000; $P < 0.05$). Therefore, the null hypothesis (H0) which stated that financial literacy has no significant effect on frequency of savings of Students of Crawford University is hereby rejected and we accept the alternative hypothesis.

CONCLUSION

The findings revealed that students with a sound understanding of basic financial concepts such as budgeting, interest rates, inflation, and compound interest demonstrated a higher frequency of saving. Furthermore, students who possessed knowledge about various financial products and services including bank accounts, investment options, and digital savings platforms showed increased motivation to save and a tendency to utilize formal saving channels more consistently.

SUGGESTIONS/RECOMMENDATIONS

1. Integration of Financial Literacy into the University Curriculum:
   The study has revealed that students with adequate financial knowledge and decision-making skills are more likely to save regularly and maintain financial discipline. It is therefore recommended that Crawford University, and other higher institutions in Nigeria, introduce compulsory financial literacy courses or workshops as part of their general studies programs. This will equip students with essential knowledge of budgeting, savings, investment options, and risk management, which are critical for financial independence.

2. Organizing Regular Financial Literacy Seminars and Training:
   University management, student affairs divisions, and campus-based financial institutions should collaborate to organize periodic seminars, training sessions, and awareness campaigns on personal finance management. These programs should be practical and interactive, focusing on real-life financial challenges faced by students and offering practical solutions to address them.

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