



CULTURAL RELEVANCE AND FINANCIAL LITERACY AS CATALYSTS FOR POVERTY ALLEVIATION AMONG PRIMARY SCHOOL PUPILS IN LAGOS STATE, NIGERIA

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Abstract

The study investigates on the culturally relevance and financial literacy as determinants of poverty alleviation in primary schools in Lagos State, Nigeria. The research design for this study was descriptive research survey design. The population for this study comprises of pupils in public primary schools in Lagos State. The sample of this study comprises of 112 pupils in two local government education authorities in Lagos State. The LGEA's are Badagry and Ojo local government education authorities. Multistage sampling technique was used for the study. The instrument used was Cultural Relevance and Financial Literacy of Pupil's Poverty-Alleviation Questionnaires (CRFLPPAQ). Cronbach Alpha techniques was used which obtain reliability co-efficient of $r=0.87$ on (CRFLPPAQ). Inferential statistics of Pearson Product moment correlations PPMC and t-test was employed to test the hypotheses at a significance level of 0.05. The findings revealed that there is a positive significant relationship between cultural relevance in primary school curricular and poverty-alleviation. Also, there is a positive significant relationship between financial literacy education in primary school and poverty-alleviation, and there is a significant difference between male and female pupils on the cultural relevance and financial literacy education among primary school pupils. The study recommended that, at home, parents should teach their children the habit of saving and investment as well as restraint in borrowing. It is advised that wisdom be applied in household financial management to achieve prudence in the procurement and deployment of financial resources.

Keywords: Cultural Relevance, Financial Literacy, Poverty Alleviation, Gender, Self-Esteem

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Introduction

Poverty represents a formidable global challenge necessitating collective efforts from all of humanity, with a particular responsibility placed on governments of nations endeavouring to implement policies geared toward achieving the 2030 Sustainable Development Goals (SDGs) aimed at eradicating poverty among member countries (Yoshino et al., 2021; Henry, 2022). Poverty is characterized by the insufficiency of resources to meet basic needs, encompassing financial resources, access to quality education, basic healthcare, clean drinking water, and infrastructure (Colasanto et al., 1984). It is a state where individuals and communities fail to attain a minimum standard of living due to resource inadequacy, influenced by factors such as race, sexual identity, sexual orientation, and educational access, among others.

The reduction of poverty is an exceptionally complex challenge, particularly in developing nations where a substantial proportion of the population grapples with impoverishment. Poverty alleviation, as defined by Sen (1997) involves enabling individuals to lead lives they value and expanding their substantive choices, contingent upon well-functioning institutions committed to social security (Nussbaum, 2000). In Nigeria, a country of approximately 193 million people, nearly 50% of the population resides in poverty, with the World Poverty Clock estimating that Nigeria had the highest number of people living in extreme poverty in 2018. These disconcerting trends underscore the imperative to reevaluate and revamp poverty alleviation strategies.

In the process of reimagining Nigeria's approach to poverty alleviation, valuable insights can be gleaned from emerging economies such as China. China achieved a remarkable feat by lifting 745 million people out of poverty between 1990 and 2015, contributing significantly to global poverty reduction deemed one of the most impressive economic success stories in development history. While market reform, trade openness, and state-led development initiatives have received ample attention in explaining this achievement, the role of education, particularly at the primary school level, in broader poverty alleviation strategies has been relatively underemphasized. A new book on Poverty Alleviation in China has highlighted the role of education, especially at the primary school level, and local pedagogical approaches as key contributors to China's success in poverty reduction, gaining recognition worldwide (Sevcik, 2021). These lessons hold significant relevance for countries like Nigeria, which face similar developmental challenges. Primary school education stands as the foundational cornerstone of a nation's future, molding young minds and offering the potential for transformative education (Lyngstad, 2022).

As mentioned, (Adogamhe, 2010) poverty alleviation centered around primary schools is not only a moral imperative but also a strategic investment in breaking the cycle of poverty and fostering a brighter, more equitable future for generations to come. In the ongoing struggle against economic disparity and social inequality on a global scale, the importance of inculcating in pupils, cultural relevance and financial literacy education surfaces as an early and pivotal area for intervention. Being financially literate from a young age gives an individual the tools and resources they need to be financially secure later in life, hence living above the poverty level (Wang & Bartholomae, 2020). The lack of financial literacy can lead to a number of pitfalls, such as accumulating unsustainable debt burdens, either through poor



spending decisions or a lack of long-term preparation. This, in turn, can lead to poor credit, bankruptcy, housing foreclosure, or other negative consequences. Financial literacy encompasses the ability to comprehend and effectively apply a range of financial skills, including personal financial management, budgeting, and investing to achieve lifetime security (Hung et al., 2009; van Rooij et al., 2011; Lusardi & Mitchell, 2014).

This concept differs from knowledge obtained from general education that improves only some general abilities (for example, mathematics, reading, and spelling), whereas financial literacy is most closely associated with integrating some cultural and professional knowledge and modern capital life (Lusardi et al., 2017). It can indeed reflect a kind of professional competency that cannot be measured by level of education, so it must be meaningfully distinguished. When financial literacy is imparted to primary school children, the cultivation of financial literacy establishes the groundwork for a lifelong relationship with money and continuous learning (Sevcik, 2021). Initiating this educational journey at an early age offers distinct advantages, as education proves paramount in achieving success in financial matters (Henager & Cude, 2016).

In the context of an ideology of (Willis, 2008), financial literacy is not an exact science, as it will always entail a level of judgment and discretion (Piprek et al., 2004). From a variety of research studies (Jacob et al., 2000; US Department of Labour, 2001; Finmark Trust, 2004; Mavrinac & Ping, 2004; Nash et al., 2005; Sandlant et al., 2005; Lusardi & Mitchell, 2006), all of which formulate definitions of financial literacy education. Financial literacy entails the mastery of prudent decision-making regarding finances, encompassing the creation of budgets, recognition of the significance of financial planning, differentiation between long-term and short-term financial strategies, determination of optimal savings levels, and selection of advantageous saving methods (Henager & Cude, 2016). These proficiencies in financial literacy empower young individuals to make informed decisions and demonstrate heightened responsibility in managing their personal finances (Navickas et al., 2014). A robust foundation in financial literacy serves as a valuable support system for diverse life objectives, including education savings, prudent debt management, and successful entrepreneurship (Sinnewe & Nicholson, 2023).

To effectively tackle poverty among primary school pupils, it is imperative to deliver financial literacy education through a culturally relevant pedagogy. The cultural context plays a pivotal role in shaping a child's comprehension of financial concepts and their ability to apply these skills effectively. Cultural relevance in financial literacy education acknowledges that children hailing from diverse cultural backgrounds may possess varying perspectives, values, and approaches to financial matters (Wiredu & Roberts, 2020). Consequently, educational content and methods must align with the cultural norms and values of the pupils. Employing a culturally relevant approach ensures that financial literacy programs respect and acknowledge the cultural diversity of primary school pupils, eschewing a one-size-fits-all model in favour of curriculum adaptation that resonates with the cultural backgrounds of the pupils (M, 2020). Tailoring financial education to a child's cultural context empowers them to navigate financial decisions in harmony with their values and beliefs, ultimately contributing to the alleviation of poverty (Clementina & Kelvin, 2015).

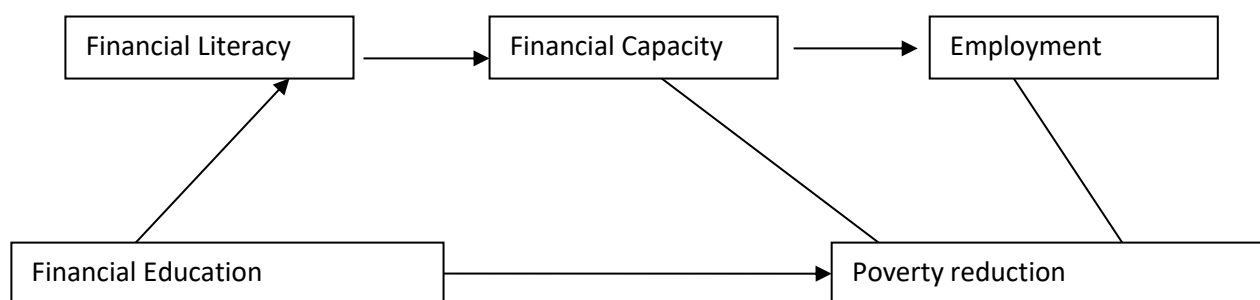


Gender plays a significant role in poverty alleviation efforts, and it has both direct and indirect effects on how individuals, particularly women and men, experience and contribute to poverty alleviation. Empirical studies consistently show that poverty is not gender-neutral. Women and girls are often disproportionately affected by poverty due to factors such as limited access to education, healthcare, and economic opportunities. Women's unpaid caregiving work and their vulnerability to gender-based violence are also significant contributors to their poverty (Wrigley-Asante, 2013).

The causes and outcomes of poverty are seen as heavily engendered while traditional conceptualizations consistently failed to delineate poverty's gender dimensions, resulting in policies and programmes which failed to improve the lives of poor women and their families (Beneria and Bisnath, 1996). It is now recognized that women are disproportionately represented among poor households and that poverty is being increasingly feminized. Recent research has shown that investment in financial education for girls is the single most effective way to reduce poverty. Financially educated mothers are more likely to send their children to school creating a virtuous cycle of education and poverty reduction (Hill and King, 1995; Okojie et al., 1996; DFID, 1999, 2000).

Financial Literacy

Theoretical links between financial literacy and poverty alleviation are captured in literature. They include Cohen and Nelson (2011), Trunk (2014), Anderson (2019). In terms of empirics, the work of Xiao and O'Neill (2016) which examined the effect of financial education on the financial capability of American consumers provides support for positive effect of financial literacy on poverty alleviation. The study by Trunk, Kocar and Sirca (2017) shows that education and training programmes organized people significantly raise their level of financial literacy. Additionally, the work of Thomas, Mulyono and Setiaji (2016) indicates direct effect of financial education on financial literacy. They report mediation effect of motivation in the financial literacy education nexus.



Financial Literacy and Poverty Alleviation Nexus

Source: Authors' adaptation of Hayes (2013)

In June 2018, Nigeria received the disheartening title of being the "poverty headquarters of the world," surpassing India. Shockingly, an estimated 86.9 million people, which is 44.2% of its population, were found to be living in extreme poverty. A mere year later, in June 2019, this figure climbed to approximately 93.7 million people, accounting for 47.7% of the



population, signifying an alarming increase of 6.8 million individuals (3.5%) living on less than US\$1.90 per day. What is even more concerning is that this trend of escalating poverty has persisted over the years, resisting the impact of various policy initiatives aimed at its eradication.

Poverty Alleviation Initiatives in Nigeria

Poverty alleviation refers to the conscious act of reducing the severity or impact of poverty and thereby improving the quality of life of citizens living in poverty (Gidigbi, 2023). To ameliorate the impact of poverty, many developing nations have designed and implemented different intervention programmes with little or no success. In Nigeria, for instance, the range of poverty alleviation programmes implemented include, but not limited to the following: Directorate of Food, Road and Rural Infrastructure (DFFRI), Better Life for Rural Women Programme, Family Economic Advancement Programme (FEAP), National Economic Reconstruction Fund (NERFUND), National Agricultural Land Development Authority (NALDA), Anchor Borrowers Programme (ABP), YouWin, SURE-P, M-Power, National Poverty Eradication Program and Trader-moni programmes. Essentially each of the above interventions was designed to provide micro-credit to the active but financially vulnerable members of the society in order to stimulate their productive capacity through self-employment.

These initiatives are quite commendable but they can only deliver to expectations if appropriate institutional structure is in place. For instance, it is only when citizens are aware of their existence and able to engage them profitably that their impact can be felt in the society. The contributory pension scheme which requires workers to be actively involved in planning for their retirement gives impetus to the subject of financial literacy because for individuals to be able to make the right choice of Pension Fund Administrators (PFAs), they require, at least, some level of literacy in the area of finance to be able to analyze and understand the offerings of the various PFAs.

This situation raised grave concerns, not only for the various levels of government within Nigeria but also the international community and academics. Poverty, whether it occurs locally or anywhere in the world, poses a substantial threat to global peace, security, stability, and progress. Despite efforts by local, state, and national governments to combat poverty through policy initiatives, the majority of these programs have failed to yield the intended results. Instead of witnessing a reduction in poverty, the numbers continue to rise. In light of this alarming backdrop, the researchers are compelled to investigate the role of Cultural Relevance and Financial Literacy as key factors in poverty alleviation in primary schools within Lagos State, Nigeria.

Research Questions

1. How does the cultural relevance of financial literacy programs impact the effectiveness of poverty-alleviation efforts in primary schools in Lagos State?
2. To what extent does financial literacy contribute to poverty-alleviation considering cultural norms and practices among primary school pupils in Lagos State?



Null Hypotheses

- H₀₁:** There is no significant relationship between cultural relevance in primary school curricular and poverty- alleviation among primary school pupils in Lagos State
- H₀₂:** There is no significant relationship between financial literacy education in primary schools and poverty alleviation among primary school pupils in Lagos State.
- H₀₃:** There is no significant difference between gender cultural relevance and financial literacy education among primary school pupils in Lagos State.

Methodology

The research design for this study was descriptive research survey design. The population for this study comprises pupils in public primary schools in Lagos State. The sample of this study comprises 234 pupils in two local government education authorities in Lagos State. The LGEA's are Badagry and Ojo Local Government Education Authorities. Multistage sampling technique was used for the study. A purposive sampling technique was used to select the two LGEA's in Lagos State. Stratified sampling technique was used to select four schools from the LGEA's to make eight schools, while simple random technique was use to select 14 public primary schools in each of the LGEA's. The instrument used was Cultural Relevance and Financial Literacy of Pupil's Poverty-Alleviation Questionnaires (CRFLPPAQ). The instrument was structure questionnaire on 15 items related to Cultural Relevance and Financial Literacy of Pupil's Poverty-Alleviation. Cronbach Alpah techniques was used which obtain reliability co-efficient of $r=0.87$ on (CRFLPPAQ). Inferential statistics of Pearson Product Moment Correlations PPMC and t-test was employed to test the hypotheses at a significance level of 0.05.

Results

Hypothesis 1

- H₀₁:** There is no significant relationship between cultural relevance in primary school curricular and poverty- alleviation among primary school pupils.

Table 1: Summary of Pearson Product Moment Correlation showing relationship between cultural relevance in primary school curricular and poverty-alleviation

Variable	Mean	Std.D	N	r	sig.	Remark
Cultural Relevance	8.12	3.84	234	.136**	.000	significant
Poverty Alleviation	15.65	5.02				

**correlation is significant at 0.01 level of (2tailed)

Table 1 above affirm that there is a positive significant relationship between cultural relevance in primary school curricular and poverty-alleviation ($r=0.10$; $p<0.05$). Therefore, the null hypothesis is rejected. This implies that cultural context plays a pivotal role in shaping a child's comprehension of financial concepts and their ability to apply these skills effectively.



Hypothesis 2

H₀₂: There is no significant relationship between financial literacy education in primary schools and poverty alleviation among primary school pupils in Lagos State

Table 2: Summary of Pearson Product Moment Correlation showing relationship between financial literacy education in primary school curricular and poverty-alleviation

Variable	Mean	Std.D	N	r	sig.	Remark
Financial literacy education	6.432	1.62	234	.110**	.000	significant
Poverty Alleviation	15.65	5.02				

**correlation is significant at 0.01 level of (2tailed)

Table 2 above affirm that there is a positive significant relationship between financial literacy education in primary school and poverty-alleviation ($r=0.11$; $p<0.05$); Therefore the null hypothesis is rejected. This implies that financial education produces financial literate individuals who are capable of taking informed financial decisions.

Hypothesis 3

H₀₃: There is no significant difference between gender cultural relevance and financial literacy education among primary school pupils in Lagos State, Nigeria.

Table 3: Summary of independent t-test showing differences between pupil's gender on cultural relevance and financial literacy education among primary school pupils

Variable	Gender	N	Mean	Std.D	t	df	sig	Remark
Gender	Male	99	18.85	3.03	9.158	232	.000	significant
	Female	135	12.53	5.95				

The above table 3 affirm that there is a significant difference between male and female pupils on the cultural relevance and financial literacy education among primary school pupils ($t=9.15$; $df=110$; $P<0.05$). This implies that male pupils have higher mean score in their cultural relevance and financial literacy education (18.85) than female pupils on cultural relevance and financial literacy education (2.95). Therefore, the null hypothesis is rejected.

Discussion of Findings

Findings from this study revealed that there is a positive significant relationship between cultural relevance in primary school curricular and poverty-alleviation. Cultural relevance in financial literacy education acknowledges that children hailing from diverse cultural backgrounds may possess varying perspectives, values, and approaches to financial matters (Wiredu & Roberts, 2020). Consequently, educational content and methods must align with the cultural norms and values of the pupils. Employing a culturally relevant



approach ensures that financial literacy programs respect and acknowledge the cultural diversity of primary school pupils, eschewing a one-size-fits-all model in favour of curriculum adaptation that resonates with the cultural backgrounds of the pupils. The findings also revealed there is a positive significant relationship between financial literacy education in primary school and poverty-alleviation. This is in line with Anderson (2019) posits that financial literacy confers financial security and financial independence and that its acquisition is mandatory if pupils are to lift themselves out of poverty. Financial literacy derives from financial education and just like every other branch of education the process should start from the family and then refined and strengthened at school.

Conclusion

Based on the above findings, the study concludes that financial literacy is critical to the success of poverty alleviation initiatives. Since financial resources are never enough and continuity of income stream cannot be guaranteed, financial planning skill is necessary. Financial decisions are becoming increasingly complex, requiring a great deal of knowledge to make. We cannot, therefore, talk-down the value of financial intelligence especially in a developing country like Nigeria where the manifestation of poverty is almost in every home. Financial illiteracy not only caused individual poverty, but can contribute to large-scale economic decline, which affects many individuals.

The benefits of financial literacy could be cosmopolitan in effect. Increasing financial knowledge of individuals will have positive impact on their personal financial behaviours; impact on the community and facilitate the effective functioning of the financial system of the nation and the world. Financial intelligence is the pathway to financial freedom, and it enables people to live their daily lives with dignity, (since there are no money worries) and do what they want to do, instead of doing what they have to do all their live time. In fact, financial literacy is “a gift” that each of us has to give to ourselves, in order to be dignified citizen of the world.

Although, poverty is caused by several factors, financial literacy is the easiest one to eliminate. It is therefore incumbent on all stake holders, individuals, parents, teachers, government, corporate bodies’ civil societies and Non-Governmental Organisations to find ways to equip people, especially those still in school with adequate financial knowledge. If a large number of people are empowered to learn, practice and teach financial intelligence, poverty can be significantly reduced if not eliminated.

Recommendations

The study therefore recommended that:

1. Financial literacy should be promoted in all its ramifications through the introduction of financial education as a part of core curriculum at all levels of the school system and as part of informal education propagated at home and other educational media.
2. At home, parents should teach their children the habit of saving and investment as well as restraint in borrowing.
3. Also, it is one thing to gather knowledge but it is another to engage it productively.



4. It is advised that wisdom be applied in household financial management to achieve prudence in the procurement and deployment of financial resources.



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