MANAGING HOME FINANCES AND FAMILY STANDARD OF LIVING: THE CASE OF PARENTS IN AKWA-IBOM STATE, NIGERIA.

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ABSTRACT

This study investigated how families manage their finances for better standard of living among parents in Akwa-Ibom State, Nigeria. This study was carried out among 100 respondents (parents) who were selected through convenience sampling. A survey design was adopted for the study. Data was collected using a structured questionnaire with 10 items. The data analysis which was tested using Chi-square at 0.05 significance level gave the calculated Chi-square (X^2) value for the hypothesis formulated to be 71.6. The critical value for the hypothesis formulated to guide the study upon which conclusions were made was 7.815 where $P<0.001$. Since the calculated Chi-square value of the tested hypothesis was higher than the critical value, the null hypothesis was rejected. This implied that there was a statistically significant relationship between financial management and the dependents variable (family standard of living). Based on the finding of this study, it was recommended that parents should effectievly manage their income by spending on family needs based on priority and level of earning.

Keywords: *Financial management, Family standard of living, Home, Parent.*

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1. Introduction

Finance management and family standard of living is a contemporary issue bothering parents as agents of social institution like the family. The home is the most important habitat for every living thing of which man is one. It is from the home every individual leaves for the daily runs. Therefore, is pertinent to understand its management for better family wellbeing. The family is the society's most important institution established by God, which must grow, survive and function in response to the diversities and complexities of life. The family is the first and only industry endowed with the ability to replenish the earth with generations upon generations of human beings known as job force. These job force thus represent agents of development in the family, community, and society. Many parents have been faulty of either over looking or underestimating the importance of the family but the truth is that it has been endowed with peculiar responsibilities of catering for its members, by ensuring their survival, safety, shelter, growth, and statutory heights, obligations, providing education, moral, social and legal developments among others. In a nutshell, the family in the context of home according to WHO (2018) is an index of the social status of the entire society. The family is the first school of socialization which laid the child's foundation of knowledge, character, virtue and religion. The wellbeing of the child starts from the home, and then extends to the larger society.

There are urgent needs for families to taking precautionary steps against possible effects of the current global economic challenges. This has led to families being conscious of effective management of their homes especially in terms of financial management. There are strong apprehensions that the current global economic situation may soon be taking its toll on most families. The family is regarded as a major social institution of person's social activity, and that is why Atti (2010) defined family as a social unit created by blood, marriage, or adoption which can be described as nuclear or extended. The concept of home has assumed the centre stage in the world. The experience of living on low incomes and in poverty is almost always overwhelmingly negative, impacting on adults and children's lives in a variety of ways, including loss of self-esteem and feelings of powerlessness, damage to present and future health and well-being, feelings of isolation and restricted opportunities and choices. This places heavy demands on parents' capacity to manage everyday pressures under severe financial strain in their homes.

Like those living in relative affluence, the majority of parents in poverty are able to parent their children well, and show remarkable resilience. This challenges common assumptions that poverty is associated with lack of parenting capacity and home management. This study recognizes the resilience of families living on low incomes, the positive aspects of their lives, and their aspirations for their children towards better standard of living. However it is clear that parenting under the pressures arising from financial hardship is extremely challenging. Severe financial strain undermines parents' efforts to maintain a satisfactory family life and provide children with security and support, leading to anxieties about both present and future well-being. Given the negative effects of financial hardship and the current economic climate where rises in the cost of living and increasing unemployment are increasingly affecting people of all ages.

Family financial resources or management in the context of this research refer to funds, capital or money. Management of family financial resources in this context refers to prudent financial planning, financial savings, financial budgeting and effective coordination of financial resources in the family. Family resources could be called money as well as financial resources. Financial resources can take any of the following forms: physical cash, bank credits, allowances, discount received, undistributed profit in the form of funds could help family coped with the decline being experience by many families in Nigeria. It seems family financial resources may decline as a result of expenditures resulting to low standard of living, high level of poverty, and inability to meet family financial demands (Ebirim & Ochai, 2015).

According to Nickaf and Opadeyi (2011), the causes of decline in financial resources are attributed to poor management, inadequate financial control, inappropriate financial policy and high cost structure among others. These may lead to a cut back in the family expenditures on social services sub-sectors like education, health, agriculture, commence, industry and per capital income of an individual. This situation being experienced by families necessitates the need for prudent planning, effective financial budget, and reduction of expenses. To ensure that the above mentioned are achieved there is need for the introduction of economic concepts like investment, efficiency, accountability, budget and introduction of other business concepts like entrepreneurship for effective family management and better livelihood. Introduction of entrepreneurship in the family can reduce the challenges posed by economic meltdown, recession and for improving financial position of family.

2. Objective

The objective of this study was to investigate how families manage their finances for better standard of living among parents in Akwa-Ibom State, Nigeria.

Hypothesis: There is no significant influence of financial management on family standard of living among parents.

3. Statement of the problem

In our contemporary world, families are faced with issues that range from child care, management of resources in the family and the ability to make every member of the family happy without having itches in their places of work. Studies have shown that parent find it difficult to cope with work and family life. This can be perceived to be a problem of poor home management. This management could be seen in the light of money or financial management which is very essential to every living thing. It is observed in the study area that a good number of parents find it difficult to understand their family dynamics and as such could not match their family roles and their financial capability. However, there is need for parents to strike a balance if they must achieve a better family standard of living.

4. Literature review

Living in relative poverty has been determined to reduce many aspects of family wellbeing. Yet, while family income is undoubtedly important, by itself it does not offer sufficient insight into how some families appear to cope well with their circumstances and others continue to struggle. Challenge engenders response and stimulates the search for new improved knowledge skills and better ways of doing things. Unchallenging situations, lead to decay and complacency in individuals' thought and action. The whole key as to how the family deals with its challenges especially in managing finances for survival rests on the married pair and perhaps other family members coupled with some elements that are pre-requisites for sustaining family survival. Efforts to deal with the problems in the community without dealing with their roots within the family are short sighted. Reasons being that most of the problems in the community today emanates from individuals in the family. This is the essence for better financial management by parents in the family for better standard of living for all family members.

Ebirim and Ochai (2015) carried out a study on the economic challenges and strategies for managing family financial resources in Nigeria. Their study adopted a descriptive survey that comprised of 300 men and 291 females (making a total of 591 respondents) from Ado Local Government Education Zone. The instrument used for data collection was a 21 items questionnaire. The statistical tools used to test their formulated hypotheses were: mean, standard deviation, and t-test. The findings of their study revealed that there is need for adequate financial budgeting, prudent financial planning and proficiency in financial resources. Their findings also showed that low standard of living, high rate of poverty and unemployment are the major factors of economic challenges in some families.

Their hypothesis formulated with $P>0.05$ level of significance showed that, there is no significant difference in the mean ratings of Christian men and women on ways for managing family finances because their t-value of 0.53 at 589 is less than the table-value of 1.96 and for this reason that the t-calculated value was less than the table-value, the researchers failed to reject the null hypothesis. Ebirim and Ochai (2015) suggested that, the best way to manage family finances includes; adequate financial budgeting, prudent financial planning, avoiding unnecessary expenditure, encouraging joint savings, planning of income and expenditure, investment of business ventures, efficiency in management and financial accountability.

According to Mbagwu (2015), families can improve their resources through innovative income generation projects that will relieve them of stigmatized burden of domestic chores. According to him, such projects include micro/macro business, dry season irrigation of vegetables for income generation, etc. These projects will not only strengthen their economic positions but also will improve their nutritional status. Awo (2011) noted that the above mentioned projects helped families in Indonesia to participate in prosperous family saving credit scheme. He suggested that families should also go for incentives like bank loans, the use of farm inputs and farm implements to maintain and enhance their productivity (e.g. food production, trading, fashion and designing, poultry, etc.). However, as a means of financial management, agriculture can be harnessed. Agricultural growth stimulates economic growth, which results in increased employment, reduced poverty and hunger. Families/communities need to be able to provide social amenities and also able to manage such infrastructures. Therefore, families could obtain credit loan to run institutions like home day-care centers which will also provide survival opportunity for the family and development of the community as well family standard of living.

The finding of Nndubia (2014) suggests that for better family standard of living, there is need for encouraging families to discover new ways of using existing resources especially finance (money) they have to produce completely new or changed product etc. This is why Ezeobele and Anyakoha (2010) stated that Home Economists should be given better positions in the family related programs so that they can use it to organize seminars and workshops to educate the public especially parents on better home management in terms of financial resources towards a better family standard of living. This is also in the same light of Ozioko (2016) who stated that individuals, parents and family members should discover new ways of using existing resources and materials to produce completely new or changed revision of existing goods and services for the family.

5. Methodology

This study adopted a survey research design. Survey design is a systematic process or a purposeful observation of behaviour, traits or opinion. The area of study was Akwa Ibom State with Essien Udim Local Government as case study. Essien Udim is one of the Annang speaking Local Government Areas in Akwa Ibom State, Nigeria. It was created out of the former Ikot Ekpene division and included the following clans in Annang land: Ukana, Adiasim, Ikpe, Okon, Nsasak, Ekpenyong Atai and Ukana Ikot Ntuen, Odoro Ikot, Afaha. Its geographical coordinates are $5^o08'0"$N and $7^o41'0"$E. Historically, Essien Udim was the most populated area among the Annang Land with its headquarters in Afaha Ikot Ebak. According to the 2006 National Census, they have a total population of 192,668 people (102,012 Males and 90,656 Females). Farming is the major occupation of the majority of the people in the locality, cultivating: palm produce, coconut, plantain, cassava, banana and yams. They are predominantly Christians although very few still practice some form of traditional African Religion. The people are highly educated. Their local dialect is Annang.

The study constituted 100 parents within the age of 20 to 60. The study adopted a convenience sampling technique for the selection of 100 parents living in the study area. This also implies that the sample constituted both males and females within the age of 20 and 60. Questionnaire with 10 items was the main instrument used for data collection for the respondents to elicit responses based on Strongly Agree (SA), Agree (A), Disagree (D) and strongly disagree (SD). Chi-square was used to analyze the hypothesis formulated for the study.

6. Results and discussion of findings

Hypothesis: There is no significant influence of financial management on family standard of living among parents. To provide answers to this hypothesis, Chi-square was used with financial management as the independent variable and family standard of living as the dependent variable. The result is presented in Table 1.

The result of the analysis in Table 1 revealed that the calculated Chi-square (X^2) value was 71.6 and the critical value of Chi-square at 95% confidence interval (X^2_{95}) was 7.815 at degree of freedom (df) of 3. Since the test statistic (X^2) was greater than the critical value (X^2_{95}), the researcher rejected the Null Hypothesis (H_o) in favour of the Alternative Hypothesis (H_a). This implied that, there was a significant relationship between financial management and family standard of living among parents in Essien Udim Local Government Area.

TABLE 1

Chi-square analysis of financial management on family standard of living

O	E	(O - E)	$(O - E)^2$	$(O – E)^2/E$
180	125	55	3,025	24.2
98	125	-27	729	5.8
160	125	35	1,225	9.8
62	125	-63	3,969	31.8
∑ O = 500	∑ E = 500			$\sum (O – E)^2/E = 71.6$

*significant at 0.05; df=3; Critical X^2 =7.82

The finding on the hypothesis revealed that there is significant relationship between financial management and family standard of living among parents. This is because when money generated in families are harnessed and allocated efficiently, it will help in reducing family aches. This finding is supported by Ebirim and Ochai (2015) study who found that there is need for adequate financial budgeting, prudent financial planning and proficiency in financial resources in families. Their findings also showed that low standard of living, high rate of poverty and unemployment are the major factors of economic challenges in some families. However, the authors tested hypothesis result contradicts this findings because their hypothesis formulated with P>0.05 level of significance showed that, there is really no significant difference in the mean ratings of Christian men and women on ways for managing family finances because their t-value of 0.53 at 589 is less than the table-value of 1.96 and for this reason that the t-calculated value was less than the table-value, the researchers failed to reject the null hypothesis. Despite their findings, Ebirim and Ochai (2015) suggested that, the best way to manage family finances includes; adequate financial budgeting, prudent financial planning, avoiding unnecessary expenditure, encouraging joint savings, planning of income and expenditure, investment of business ventures, efficiency in management and financial accountability.

This study finding also agrees with the findings of Mbagwu (2015) who is of the opinion that families can improve their resources through innovative income generation projects that will relieve them of stigmatized burden of domestic chores. According to him, such projects include micro/macro business, dry season irrigation of vegetables for income generation, etc. These projects will not only strengthen their economic positions but also will improve their nutritional status. Ezeobele and Anyakoha (2010) also supported this findings by inferring that for better family standard of living, there is need for encouraging families to discover new ways of using existing resources especially finance (money) they have to produce completely new or changed product etc. Therefore, effective management of family funds can impact positively on family standard of living

7. Summary, conclusion and recommendation

Financial management has a way of impacting on family standard of living of parents in Essien Udim Local Government Area of Akwa Ibom State, Nigeria. This implied that, the importance or relevance parents place on their family and home management especially in the effective utilization of resources can yield great results which will be shown in the wellbeing of the family. Conclusively, for better family standard of living, there is need for proper and efficient financial management at homes by parents . Based on the findings of this study, it was recommended that parents should effectievly manage their income by spending on family needs based on priority.

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