MONEY MANAGEMENT APPROACHES AND FINANCIAL STABILITY AMONG PRODUCTIVE WORKERS IN CALABAR MUNICIPALITY: COUNSELLING PERSPECTIVE

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Abstract

The task of this study was to investigate the relationship between effective money management approaches and financial stability among productive workers in Calabar Municipality. The interest in helping people cope with their financial problems and establish a more secure financial future provoked this study. Two hypotheses were formulated to guide the study. The research instrument used was the financial management strategies questionnaire (FMSQ). Pearson Product Moment and independent t-test statistics were used for hypotheses 1 and 2 respectively. The first hypothesis which compared the relationship between effective money management approaches and financial stability; and the second which compared male and female in financial stability all proved significant. Based on the findings, recommendations were made to help workers establish a more financial stability.

Some studies and estimates suggest that as much as 70 percent of all worries that confront human-kind concern money. Love of money, the Bible warns, is the root of all kinds of evils (I Tim 6:10). A frank cross-examination of ourselves would no doubt reveal that abuse and mismanagement of money is the root of all kinds of human problems. These problems come in the form of individual tension, marital and family conflict, interpersonal strife, anger, anxiety, frustration, worry, suicide and many more. In their study, Baba and Abdul (2005) found that money was one of the causes of most marital and family conflicts among Nigerians.

Money *per se* is not the problem, for money is used to carry out most of life's transactions. Money can buy and sell goods and services as well as to meet individual needs. Problems come as a result of influences in handling money, which emanate from individual and cultural attitude towards money. The rich as well as the poor need help in money management. In 1948, ten top financial giants in United State of America suffered miserable calamities because of their materialistic lifestyles. Hughes (2002) recounted how God sets the ghost of those supper rich in the western world as spectral, mid-century witnesses to a nation about to run amok in materialism. He proffered discipline and the grace of giving as a solution.

It is amazing that counselling and counsellors hardly single out finances as a basic problem. Those who venture at all would merely treat it as a part of some broader problems, which might include anxiety, work stress or adjusting to retirement challenges. Money is a central counselling issue that needs to be given its due attention in counselling literature. Kolawole (2006) and Collins (2007) maintained that financial counselling should take a major place in counselling.

Problem of the Study

Many people live from hand to mouth and those who are salary earners, live from payday to payday. Many in this group appear to be financially buoyant on payday but flat broke shortly after payday. Others manage to get along steadily without much hardship but when it comes to savings, count them out as there may be little or nothing left to meet family needs. Some might argue that their financial predicament emanates from their too much burden which by far surpasses their income. Collins (2007) observed that financial difficulties appear at all socioeconomic levels however, he added that for the wealthy, financial problems involved greater amounts of money but that the root causes are similar to those faced by less prosperous people. In the Nigerian settings, the causes of financial problems from careful studies include the following:

Materialism: Many Nigerians are excessively devoted to material things whether they can afford them or not. Such people are impatient to wait until there is money to purchase what they want. This often lands them in over-indulgence to luxuries that are nice to have but that are not really needed.

Get – Rich – Quick Attitude: Many people desire to earn a lot of money quickly and with little effort. To them, money should fall like manna from heaven. People in this group are found among pen robbers, arm robbers, hired assassins and those who pick charms and amulet from native doctors for wealth.

Impulsive Buying: These are those in the habits of buying anything they see because it is in front of them. In fact, the displayed merchandise is setup to trap impulsive buyers. People in this group do their purchases without thinking much about the purpose, quality, and prices or whether they can truly afford it. Supermarkets as well as well-packaged media advertisement are really catching children and other impulse buyers.

Extravagancy: Some Nigerians spend their money carelessly without the limiting influence of a budget. Such people are greeted with surprise when the purse is empty or the bank account is debited to red. Nigerians who win lotteries or inherit huge sum of money are often the victims of extravagancy. In less than no time, the wealth is gone with little or nothing to show for the windfall. As asserted by Collins (2007), apparently, many who are careless with small sums of money, are careless as well with large sum of money.

Gambling: Many Nigerians engage in speculation or gambling with their money through lottery. People in this group speculate that they will win large sums of money in a fiat in an attempt to get-rich-quick. The financial woe is much when such speculations fail to yield any tangible result. Pool betting is addictive and most often leads to bankruptcy too.

Covetousness and Greed: Some Nigerians are in the habits of desiring for more, even if others are made poorer as a result. It is true that man is insatiable, but this get-more at the expense of others attitude is becoming so pronounced among most Nigerian political leaders. People in this category worship money and materials things. This is greed that can cause a variety of problems such as unmanageable debt. Such example is found in the leadership of many departments, where workers have been owed several months' emolument causing untold hardship to them.

Stinginess (Hoarding): Hoarding is quite close to greed. Stingy people are known only in taking and not in giving. Even the religious preaching that God loves a cheerful giver and that the more one gives, the more one receives is yet to penetrate into their ears. Tracy in Asanike (2001) asserted that successful people are always looking for opportunities to help others, while the unsuccessful people are always asking for more. The media is filled with stories of Nigerians leaders who have siphoned Billions of Naira into foreign Banks for selfish motives.

Buying on Credits: Buying on credit or obtaining loan with huge interest accruing there in are causing financial woes to many Nigerians. The credit cards trap and credit facilities offered by most financial houses these days have left so many Nigerians bankrupt to the extent that monthly salaries are being seized with the debtors going home empty handed. This has left some people perpetual debtors thereby, making life contingencies to be unbearable.

Guarantorship (Cosigning): Some financial woes among Nigerians result from their role as guarantors. Signing a statement to say that you promise to pay the debt if someone else fails to pay the debt. It is no doubt that surety is done for worthy motives to help a friend get a loan, but when the friend cannot or fails to pay, the guarantor is left with the debt and the friendship shatters.

Lack of Budget: A wise man often engages in articulate spending plan whenever he has any money at his disposal. In the Nigerian setting, budgeting is time wasting and many of us would apply the adage: "we will know how to cross the bridge when we get there". As money usage is planned and followed there is prudence and control on spending which avoid impulsive buying and minimizing debts. The plight of Nigerians who neglect financial plan, can best be imagined than described. There is no control on spending and they are left spending beyond their earnings, and this leads to a deficit or turning to credit facilities, to make ends meet.

Neglect of Financial Obligations: Financial problems escalate when bills are left unpaid, taxes are left unsettled and checkbooks are never balanced. Contributions and dues from Associations are left to pile for months. Nigerians are fund of evading taxes and bills. Litigation is a whirlwind that blows no one any good but Nigerians do not learn any lesson. Property neglect is also common among many Nigerians. As property repairs including houses, roads, vehicles are neglected, they lead to faster rate of deterioration, costing more to repair and draining more finances.

Flamboyancy: Many Nigerians like ostentatious life where pomp and avarice are always on the display. Many of the flamboyant Nigerians, put on the most expensive wears, drive on the most expensive cars and so on. This is just to say that they are of a distinct class. People of this group are steep in consumerism. The pleasure seeking, leisure and luxurious lifestyles of the present consumer's culture can overpower any sense of caution and there many Nigerians find themselves in financial mess. The struggle, for a good life in a materialistic world is as clear as portraying human problems.

Laziness and Wasted Time: The Nigerian society is experiencing huge man-hour time waste in the twenty-first century compared to the past. This probably is occasioned by the shift from agriculture to petroleum as the mainstay of the economy, and rural-urban drift. The huge windfall granted to politicians is another possible cause of laziness. Every one now clamour for political positions. Many Nigerians are idle due to lack of employment as millions school leavers are mere certificate holders. For government employees, time is wasted and productivity low. Time is money only for the self-employed or company workers who are paid according to productivity. When a person is disorganized, in-disciplined or inclined to waste time, there is a resulting loss of income (Collins, 2007).

Several psychological pains come with financial stress which emanate from ineffective money management among Nigerians. They include: moral decadence (Baba and Adbul, 2005), poverty, distorted values, bribery and corruption and emotional upset.

Purpose of the Study

The purpose of this study is to investigate the relationship between money management approaches and financial stability. Also the difference in financial stability between male and female workers was examined.

Research Questions

To guide the study, two research questions were posed thus:

1. What relationship exists between money management approaches and financial stability among workers in Calabar Municipality?
2. What difference in financial stability exists between males and females workers in Calabar Municipality?

Hypotheses

To empirically address the research questions posed above, two research (Null) hypotheses have been formulated thus:

1. There is no significant relationship between money management approaches and financial stability among workers in Calabar Municipality.
2. There is no significant difference in financial stability between male and females workers in Calabar Municipality.

Methodology

The research design adopted for this study is the descriptive survey approach because it focuses on people and their beliefs or opinion. The target population consisted of the entire work force (government workers and business people) in Calabar Municipality. The sample of the study was made up of 400 male and female workers randomly selected from Calabar Municipality. The multistage random sampling procedure was used to make sure the different strata (business people and government workers) were fairly represented.

Instrumentation

The research instrument used for the study was the Financial Management Strategies Questionnaire (FMSQ) developed by the researchers. The instrument was divided into two parts A and B. Part A dealt with demographic data of the respondents and part B consisted of items on financial management strategies. The respondents were to rate their responses along a four point likert scale. The instrument was subjected to expert judgments and pilot tested to ensure validity. The reliability coefficient of 0.81 was established before final administration.

Data analysis was done using the Pearson Product Moment correlation for hypothesis 1 and the independent t-test analysis for hypothesis 2.

Hypothesis – by – Hypothesis Presentation of Result

In this section, each of the study hypotheses was re-stated and the result of data analysis carried out to test it as presented. Each hypothesis was tested at .05 level of significance.

Hypothesis One

There is no significant relationship between money management approaches and financial stability among workers in Calabar Municipality.

The independent variable in this hypothesis is effective money management approaches; while the dependent variable is financial stability. Pearson Product Moment Correlation analysis was employed to test this hypothesis. The result is presented in Table 1.

Table 1

Pearson r analysis of the relationship between money management and financial stability among workers (N=400).

Variables	$\sum x$ $\sum y$	$\sum x^2$ $\sum y^2$	$\sum xy$	r-Value
Effective money management strategies	6864	17161		
			172744	0.67*
Secured financial Stability	6412	16342		

* Significant at .05 level, critical r= .098, df = 398

The result in Table 1 reveals that the calculated r-value of 0.67 is higher than the critical r-value of .098 at .05 level of significance with 398 degrees of freedom. With this result the null hypothesis was rejected. This result implies that effective money management approaches has a significant relationship with financial stability among workers in Calabar Municipality.

Hypothesis Two

There is no significant difference in financial stability between male and female workers in Calabar Municipality.

The independent variable in this hypothesis is gender (male & female); while the dependent variable is secured financial stability. Independent t-test analysis was adopted to test this hypothesis. The result of the analysis is presented in Table 2.

Table 2
Independent t-test analysis of the difference in secured financial stability between males and females workers in Calabar Municipality (N=400).

Gender	n	$\overline{X}$	SD	t-value
Male workers	220	18.76	2.09	5.60
Female workers	180	17.63	1.99	

*Significant at .05 level, critical t=1.96, df = 398.

The result in Table 2 indicates that, the calculated t-value of 5.60 is higher than the critical t-value of 1.96 at 0.5 level of significance with 398 degrees of freedom. With this result the null hypothesis was rejected. This result therefore implies that, there is a significant difference in financial stability between males and females workers in Calabar Municipality. As observed in the means scores in the Table (the male workers 18.76 and female workers 17.63) male workers demonstrate more financial stability than their female counterparts.

Discussion

The finding in hypothesis 1 shows a significant relationship between effective money management strategies and financial stability meaning that when one adopts an effective money management strategy financial stability is assured. This finding supports the scriptural principles for managing money summarized by Collins (2007) and the counselling techniques identified in Mdaman (2004). The finding is in line with common reasoning that financial prudence leads to financial stability.

The result in hypothesis 2 revealed a significant difference between male and female in their financial stability in favour of male workers. This finding is intriguing as many would imagine it the other way round. This therefore calls for further studies on money management. From another standpoint, this result may not be far from the obvious that most males as breadwinners are bound to be more financially stabled than females.

Counselling Implications: Money Management Strategies

From the foregoing discussions, it is clear that many Nigerian citizens are plagued with the problems of mismanagement of money. It therefore follows that intervention strategies especially in the globalization era, need to be set in motion to rescue the victims of financial crises.

Identify the Problem as a First Step: When people find themselves in chains of financial predicament, they succumb by attributing the problem to witchcraft or to over-loaded burdens. These are baseless and would not help the situation. Rather, if such people are assisted to acknowledge the real problem which could be caused by any of those identified here as common financial lifestyles of Nigerians are determine to solve it appropriately, this will be a meaningful approach.

Develop and Follow a Budget Diligently: Following a laid-down plan is like a blueprint for money management. This approach would include cross-checking one's assets against the liabilities so as to get an actual network for a start. For salary earners, use the monthly pay as assets, debts and recurrent expenses as liabilities which have to be always less than the assets for substantive network. Set clear goals such as getting out of debt, acquiring accommodation or saving for retirement or for children's education. Following a financial goal is to set priorities. This means taking the most pressing issues first and followed by those ones that must wait until later. A clear concept of *needs, wants* and *desires* has to be clearly understood and brought to play in prioritizing. Collins (2007) described needs as the purchases necessary to provide basic items such as food, housing, clothing, medical care and transportation while wants involve choices about qualities between used car or new car. He added that desires are choices for spending surplus funds after other expenses are met. Counsellees, need to be properly educated on how to apply these concepts in their daily lives. A good monthly record of budget will surely control the expenditures of money.

Organize Functional Skill Training: Critics of educational system are not mincing words as to the unbefitting system whereby students received lessons in the arts and sciences, which were unrelated to the world of work. As students received little or no training in skills useful for employment, they roam the streets jobless (Mallum, 2005). In labour market, this constitutes a big financial problem. Students need to be properly guided in career choices while in school as well as exposing them to various skills that could sustain them outside white-collar jobs. Shock-Absorber Education (SAE)' as proposed by Mallum (2005) would relief many Nigerians of financial problems and poverty.

Teach Counsellees to Adopt Savings and Co-Operative Schemes: One way of being prudence with finances and possession is the savings approach. Savings can be made a matter of personal principle so that no matter the circumstances, one is compelled to save a little percentage of one's earnings. A little regular savings will accumulate to a huge sum of money for tangible projects and also can save us from emergency embarrassment. On the aspect of co-operative schemes, as people pull their resources together, a viable venture can be undertaken by individuals or the group to safe financial problem, or good investment on viable businesses can then follow.

Encourage Helpful Books on Money Management: Books on money management are scares in Nigerian bookstands. More of such literature needs to be published and with equals encouragement for the people to read and adopt them to solve their financial problems.

Adopt Scriptural Principles on Finance: People who do not know God would query that what has sermons or philosophical talk got to do with finances. Nevertheless, scriptural principles for managing money are real. Collins (2007:710) has summarized them to include:

- i. God own everything
- ii. Stealing is wrong
- iii. Coveting is wrong
- iv. Relentless pursuit of riches is dangerous
- v. Giving is right-love and gratitude is right
- vi. Money management is right.

These principles are adequately backed up by scriptural quotations in the Bible and Quoran. In addition to the specific counselling implications discussed above, these counselling techniques as identified by Kazeen in Mdaman (2004) can be employed too: The decision-making technique; working in the framework of reality; information dissemination; crisis intervention; follow-up and possibly referral of financial crisis victims to experts.

Recommendations

Based on the findings of this study the following recommendations are made.

1. The role of counselling to educate and enlighten individuals on money management is advocated.

2. Development and adherence to budget is necessary in financial management.

3. Savings and cooperative schemes are important in effective financial management.

4. Further reading of books on money management strategies is necessary for workers.

5. Female workers, especially those in the area of study, should exercise restrain in their spending so as to maintain a more financial stability.

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