

## Financial Literacy and Skill Acquisition as Predictors of Entrepreneurship Intention among Undergraduates in Public Universities in Ogun State

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### Abstract

*Entrepreneurship is recognised as a key driver of economic well-being, job creation and innovation. However, a critical gap exists in equipping students with the financial knowledge and skills necessary to establish and sustain business ventures. The study investigated the relationship between financial literacy, skill acquisition and entrepreneurship intention among undergraduates in public universities in Ogun state. A descriptive research design of survey type was used, with a sample of 1,190 undergraduates using simple random sampling technique from Tai Solarin University of Education (TASUED) and Olabisi Onabanjo University (OOU). Data were collected using three standardized research instruments: the Financial Literacy Questionnaire (FLQ), Skill Acquisition Questionnaire (SAQ), and Entrepreneurship Intention Questionnaire (EIQ) with reliability coefficients of .947, .912, and .938, respectively. Findings from the revealed a significant relationship between financial literacy and entrepreneurship intention ( $r = .654, p < 0.05$ ), a significant relationship between skill acquisition and entrepreneurship intention ( $r = .739, p < 0.05$ ), and the combined effect of financial literacy and skill acquisition significantly predicted entrepreneurship intention ( $F(2, 1179) = 772.399, p < 0.05$ ). The study concluded that financial literacy and skill acquisition are crucial determinants of entrepreneurship intention, as they equip students with the knowledge and practical abilities necessary for business success. It was recommended that government, private organizations, and university management should create funding opportunities such as grants, low-interest loans, and business incubation centers to support student entrepreneur, promotion of digital entrepreneurship education, and continuous entrepreneurship education*

**Keywords:** Financial literacy, skill acquisition, entrepreneurship intention, entrepreneurship education, business success

## Introduction

The ultimate goal of education is to produce individuals who will be useful to themselves and the society by contributing to the national growth and development through acquired skills and knowledge. Globally, entrepreneurship has risen to become one of the most effective tools for reducing youth unemployment. However, the level of youth unemployment is alarmingly due to the mindset of students who graduate with intention of becoming job seekers rather than job creators. In a 2024 report of the International Labour Organization (ILO), a prediction for the decline in global unemployment to 4.9% in 2024 from 5.0% in 2023 was made, but the jobless rate is expected to remain unchanged in 2025, highlighting a persistent lack of job opportunities with 402 million people seeking employment which indicates that a low focus on job creation could lead to increased unemployment and decline in economic growth and national development.

The process of starting and running a business is a vital component of economic growth and development as entrepreneurs significantly contribute to innovation, competition and economic dynamism. Innovative entrepreneurs are the primary agents in the continuous cycle of creating new products, services, technologies, firms, and industries which replaces existing ones (Kim et al., 2022). Cervelló-Royo et al. (2024) indicates that entrepreneurs are often viewed as individuals who seek personal autonomy by actively pursuing their visions and achieving personal objectives through the establishment of independent ventures. These individuals carefully evaluate various options available to them, strategically selecting the most suitable alternatives in line with their clearly defined goals and considering potential choices. Thus, promoting entrepreneurial activities and education is crucial for fostering global economic growth (Anwar et al., [2023](#)).

For entrepreneurs to work without restriction, they need to possess the knowledge and skills necessary to effectively manage risk within the organization (Dankiewicz et al., 2020). Also, Nowakowska-Grunt et al. (2018) see that small and medium-sized businesses (SMEs), which account for approximately 99% of all businesses, play a role in reducing unemployment. Financial literacy is an essential skill for entrepreneurs if they are to succeed, cultivate a positive risk mindset, manage risk effectively, and boost business performance. Financial literacy plays a vital role in entrepreneurship as it enables entrepreneurs to make informed financial decisions, understand

concepts like budgeting and cash flow, and ultimately improve their business performance. By having a good grasp of financial matters, entrepreneurs can effectively manage their resources and investments, leading to sustained competitive advantage and long-term success in their ventures (Utomo et al., 2020).

To acquire skills means to become an expert in a chosen field and becoming an expert means to deliver high-quality work in becoming a sought-after specialist. Skill acquisition is not expense, it is an investment. According to Okeleke, (2017) certain skill can be considered acquired when a person can perform it without thinking about the technique of performing this action or dividing a process into conventional parts. Skill acquisition is the process of mastering skills characterized by applying them in particular situations. It is the possibility to learn (Kalu-Uche, 2020). Skill acquisition is a significant factor for building a successful career and reducing unemployment. The National Policy on Education (FRN, 2013) emphasized a united strong and self-reliant nation. It further stressed the need for acquisition of appropriate knowledge and skills necessary for generating employment.

Despite the growing recognition of entrepreneurship as a key driver of economic well-being and job creation, a critical gap persists in equipping undergraduates with the requisite financial knowledge and practical skills needed to embark on successful entrepreneurial ventures particularly in developing economies like Nigeria, where youth unemployment remains a pressing challenge. This deficiency has contributed to a generation of university students who, although increasingly willing to start their own businesses, lack the financial knowledge and skills necessary to do so effectively. While, Tai Solarin University of Education (TASUED) have made commendable efforts by introducing a Skill Acquisition and Vocational Centre to promote entrepreneurial learning, many students still graduate without sufficient exposure to structured financial education and hands-on entrepreneurial training. This is largely due to curriculum limitations that prioritize theoretical knowledge over practical application. It is against this backdrop that this study investigated financial literacy and skill acquisition as predictors of entrepreneurship intention among undergraduates in public universities in Ogun state.

## **Theoretical Framework**

This study is hinged on Human Capital Theory (Becker, 1964), which posits that investing in education and skill development increases an individual's economic potential. Financial literacy and skill acquisition enhance entrepreneur confidence, decision-making, and business sustainability. The theory is highly relevant to this study as it provides a foundational lens through which the relationship between education, skill development, and economic outcomes can be examined. By positing that investments in human capital particularly education and training lead to increased productivity and economic success, the theory aligns closely with the study's exploration of how financial literacy and skill acquisition influence entrepreneurship intention.

### **Concept of Financial Literacy**

The subject of financial literacy is receiving more attention from a variety of sectors, including the banking industry, consumer advocates, academics, government agencies, and politicians. Because there are many different interpretations of what constitutes financial literacy in the existing research, it is hard to agree on a single interpretation. According to Abubakari (2021), financial literacy is defined as one's ability to make informed judgements and to make relevant decisions in relation to the use of and management of finance or money. Lusardi (2019) referred to financial literacy as the application of financial knowledge or skills. Also, Moizer et al. (2019) stressed that financial literacy is seen as the capacity of an individual to control economic information and make relevant decisions in relation to wealth accumulation, pensions, financial planning and debt management.

### **Concept of Skill Acquisition**

Skills acquisition as the name implies is the ability to learn a skill. A skill could be seen as intellectual, such as learning to listen, speak, read and write. It can be manual such as learning to build, or make something. Obisanya et al. (2022), opine that skill is the capacity of a person to accomplish a task with desired precision and certainty. Omidiji & Ogwu (2019) defined skill acquisition as a systematic and sequential development of skills that promotes efficiency and effectiveness in the performance of a specified job. Skill acquisition is the process of developing capacities through all levels of education and training, occurring in formal, nonformal, and on-the-job

settings, which enable individuals in all areas of the economy to be fully and productively engaged in livelihoods and to have the capacity to adapt their skills to meet the changing demands and opportunities of the economy and labour market especially in the e-world (Enang & Okute, 2019).

### **Concept of Entrepreneurship Intention**

The present understanding of entrepreneurship is that it transcends business creation. This is so because entrepreneurship dwells on basic concepts and precepts such as vision, change, opportunity seeking, creativity, innovation, risk-taking and the ability to manage activities to achieve specified objectives (Winkler, et al., 2022). Intention is the predisposition to enact a given behaviour in the future. It describes readiness and willingness of individuals behave or act in a specified manner. Entrepreneurial intention is an individual's self-realized conviction to start a business and make conscious efforts to manifest that conviction (Thompson, 2019). According to Chhabra et al. (2020), entrepreneurial intention is a mentality that eventually motivates a person to create a new business idea and pursue an entrepreneurial career. Entrepreneurial intention is the will to learn more, engage in entrepreneurial activities, and launch a new firm with the goal of being self-employed (Anal & Singh, 2023).

### **Empirical Review**

Hassan and Ifamuyiwa (2017) examined the levels of creativity and entrepreneurial intention among undergraduates as a solution to youth unemployment. A descriptive survey research design was employed, with a sample of 500 students selected through stratified and simple random sampling techniques. Data was collected using the Students' Level of Entrepreneurial Intention Questionnaire and the Students' Level of Creativity Questionnaire. The analysis, conducted using descriptive statistics, t-test of significance, and Pearson Product Moment Correlation, revealed that undergraduates exhibit both low entrepreneurial intention and low creativity levels. However, a positive relationship was found between creativity and entrepreneurial intention. Additionally, there was no significant difference in entrepreneurial intention or creativity levels between male and female students.

Kang et al. (2024) examine how financial literacy and digital capability influence university students' entrepreneurial intentions, with entrepreneurship

acting as a mediating factor. The study surveyed 162 students from Busan and Gyeongnam and analyzed the data using SPSS 28.0. The results show that financial literacy has a partially positive effect on both entrepreneurship and entrepreneurial intention, while digital capability positively impacts both. Additionally, entrepreneurship was found to mediate the relationship between financial literacy and entrepreneurial intention, and also between digital capability and entrepreneurial intention.

Ahmad et al. (2019) aimed to explore the role of financial literacy as a medium influencing entrepreneurial intentions among Malaysian accounting students. The study used a quantitative survey method gathering data from 238 undergraduate accounting students across four public higher education institutions in Malaysia. The survey included 20 items to assess financial literacy and 14 items to measure entrepreneurial intention. Descriptive statistical analysis including frequency, mean and percentage was used to address the research questions. The findings revealed that the financial literacy levels among the students were moderate. This outcome highlights concerns about the students' capabilities to manage their financial well-being and its implications for fostering entrepreneurial intentions.

Kathayat (2022) examined the impact of skill acquisition on entrepreneurship development using a quantitative research method, survey questionnaire and convenient sampling technique. The survey was conducted among management students in Birendranagar Municipality, Surkhet, with a sample size of 407 students. Two types of questions were included in the questionnaire to gather demographic and variable-related responses. The results revealed that both conceptual skills and technical skills have a positive and significant impact on entrepreneurial development leading to the acceptance of the alternative hypotheses. However, human skills were found to have no significant impact on entrepreneurship development resulting in the rejection of the alternative hypothesis. The findings highlight the importance of conceptual and technical skills in fostering entrepreneurship, while human skills appear less influential.

## **Objectives of the Study**

1. Examined the relationship between financial literacy and entrepreneurship intention among undergraduates in public universities in Ogun state.
2. Found the relationship between skill acquisition and entrepreneurship intention among undergraduates in public universities in Ogun state.
3. Examined the composite influence of financial literacy and skill acquisition on entrepreneurship intention among undergraduates in public universities in Ogun state.

### **Hypotheses**

The following null hypotheses formulated were tested:

- H0<sub>1</sub>** There is no significant relationship between financial literacy and entrepreneurship intention among undergraduates in public universities in Ogun state.
- H0<sub>2</sub>** There is no significant relationship between skill acquisition and entrepreneurship intention among undergraduates in public universities in Ogun state.
- H0<sub>3</sub>** There is no significant composite influence of financial literacy and skill acquisition on entrepreneurship intention among undergraduates in public universities in Ogun state.

### **Methodology**

The study adopted a descriptive research design of survey type, as no variables were manipulated. The population of the study comprised all the 59,312 undergraduates in public universities in Ogun state: Tai Solarin University of Education (TASUED) and Olabisi Onabanjo University (OOU). A sample of 1,190 students was selected using simple random sampling. Data for this study were collected using three standardized questionnaires; Financial Literacy Questionnaire (FLQ), Skill Acquisition Questionnaire (SAQ) and Entrepreneurship Intention Questionnaire (EIQ) administered via online and paper-based surveys with a reliability coefficient of [.947](#), [.912](#), and [.938](#) respectively.

### **Results**

**Hypothesis One:** There is no significant relationship between financial literacy and entrepreneurship intention among undergraduates in public universities in Ogun state.

**Table 1:** Pearson Correlation between Financial Literacy and Entrepreneurship Intention

Variables	N	$\bar{X}$	Std.	r	Sig (p)	Remark
Financial Literacy	1182	61.96	8.355	.654	.000	Significant
Entrepreneurship Intention		63.58	7.388			

Table 1 presents the relationship between financial literacy and entrepreneurship intention among undergraduates in public universities in Ogun state, where ( $r = .654$ ,  $p = 0.000$ ) which indicates a significant relationship between financial literacy and entrepreneurship intention among undergraduates. This suggest that as financial literacy increases, entrepreneurship intention also tends to increase, and given that the p-value is less than 0.05.

**Hypothesis Two:** There is no significant relationship between skill acquisition and entrepreneurship intention among undergraduates in public universities in Ogun state.

**Table 2:** Pearson Correlation between Skill Acquisition and Entrepreneurship Intention

Variables	N	$\bar{X}$	Std.	r	Sig (p)	Remark
Skill Acquisition	1182	62.92	7.673	.739	.000	Significant
Entrepreneurship Intention		63.58	7.388			

Table 2 presents the relationship between skill acquisition and entrepreneurship intention among undergraduates in public universities in Ogun state, where ( $r = .739$ ,  $p = 0.000$ ), indicating a significant relationship between skill acquisition and entrepreneurship intention among undergraduates. This suggest that as students acquire more skills, their entrepreneurship intention also increases, and given that the p-value is less than 0.05.

**Hypothesis Three:** There is no significant combine influence between financial literacy, skill acquisition and entrepreneurship intention among undergraduates in public universities in Ogun state.

**Table 3:** Regression Analysis of Financial Literacy and Skill Acquisition on Entrepreneurship Intention

Model	Sum of Squares	Df	Mean Square	F	Sig.	Remark
Regression	36556.820	2	18278.410	772.399	.000 <sup>a</sup>	Significant
Residual	27900.388	1179	23.664			
Total	64292.011	1181				

R = .753<sup>a</sup>, R Square = .567, Adjusted R Square = .566, Std. Error of the Estimate = 4.865

Predictors: (Constant), Financial Literacy, Skill Acquisition

Dependent Variable: Entrepreneurship Intention

Table 3 presents the statistical analysis of the combined influence of financial literacy and skill acquisition on entrepreneurship intention among undergraduates in public universities in Ogun state, where  $F_{(2, 1179)} = 772.399$ ,  $p = 0.000$ , indicating that the combined effect of financial literacy and skill acquisition on entrepreneurship intention is statistically significant at the 0.05 level, and given that the p-value is  $p < 0.05$ . While the coefficient of determination ( $R^2 = 0.567$ ) suggests that financial literacy and skill acquisition together explain 56.7% of the variance in entrepreneurship intention, leaving 43.3% unexplained, which may be attributed to other external factors not included in this model, and the adjusted R-square value (0.566) further supports the robustness of the model by accounting for the number of predictors, indicating that the model has minimal loss of explanatory power when adjusted for degrees of freedom, while the standard error of the estimate (4.865) suggests a moderate level of variability in predicting entrepreneurship intention.

## Discussion

Hypothesis one revealed a significant relationship between financial literacy and entrepreneurship intention among undergraduates. This means that the ability to understand, manage, and make informed decisions about finances plays a crucial role in motivating students toward self-employment. This implies that financial literacy training is not just economically beneficial but also psychologically empowering as institutions that incorporate financial education into curricula can significantly improve students' readiness to pursue entrepreneurial careers. This finding corroborate Ojogbo et al. (2022) who examined financial literacy and the development of entrepreneurial intentions among graduates of selected tertiary institutions in Nigeria. The revealed that financial literacy significantly influences entrepreneurial attitudes and innovativeness, suggesting that individuals with higher financial knowledge are more inclined to engage in entrepreneurial activities.

Hypothesis two revealed a significant positive relationship between skill acquisition and entrepreneurship intention among undergraduates. This means that students who engage in practical skill acquisition whether through formal training or entrepreneurship education are more likely to express interest in starting businesses. It suggests that hands-on learning experiences, vocational skills, and applied training are key in shaping the entrepreneurial mindset of undergraduates. This agrees with Ooi and Nasiru (2015) who examined the impact of entrepreneurship education on students' entrepreneurial intentions in Ogun State-owned universities. The research found that entrepreneurship skills significantly influence students' intentions to engage in self-employment, highlighting the importance of practical skill acquisition in fostering entrepreneurial aspirations.

Hypothesis three revealed that financial literacy and skill acquisition jointly have a significant influence on entrepreneurship intention. This shows that when students are equipped with both financial knowledge and practical skills, their entrepreneurial intention increases more significantly than when exposed to either financial literacy or skill acquisition alone. It means the synergistic effect of combining cognitive (financial literacy) and practical (skill acquisition) components in entrepreneurship development need both knowledge and ability to feel confident and capable of launching business ventures. This finding is supported by Hasan et al. (2020) who explored the impact of entrepreneurial and financial literacy on the entrepreneurial intentions of Economic Education students in Makassar City, Indonesia. Their finding indicated that both entrepreneurial literacy and financial literacy positively influence students' intentions to engage in entrepreneurial activities.

## **Conclusion**

The study concluded that financial literacy and skill acquisition are critical determinants of entrepreneurship intention among undergraduates in public universities Ogun state. While financial literacy equips students with knowledge of resource management, budgeting, and investment, skill acquisition provides them with practical abilities necessary for entrepreneurial success. The findings emphasize the importance of integrating financial education and skill-based training into the university curriculum to enhance students' preparedness for entrepreneurship. Given the high rate of youth unemployment in Nigeria, fostering entrepreneurship intention through improved financial literacy and skill acquisition is a viable strategy for

addressing joblessness and economic stagnation. Therefore, higher education institutions should play a more active role in developing students' financial and business competencies.

### **Recommendations**

From the findings of the study, the following were recommended:

1. The government, private organizations, and university management should create funding opportunities such as grants, low-interest loans, and business incubation centers to support student entrepreneurs.
2. Since modern entrepreneurship is driven by digitalization, universities should incorporate training in e-commerce, digital marketing, and fintech solutions to enhance students' business competitiveness.
3. Entrepreneurship education should not be limited to a one-time course; instead, it should be integrated into various stages of students' academic programmes, with continuous exposure to real-world business challenges.

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