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# Assessment of Financial Literacy and Budgeting Behaviors among Undergraduate Students in Southwestern Nigeria: A Case for Integrating Personal Finance into University Curricula

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**Abstract** **Original Research Article**

This study assessed financial literacy and budgeting behaviours among undergraduate students in Southwestern Nigeria, with particular emphasis on the case for integrating personal finance into university curricula. The study was based on three objectives that focused on (1) financial literacy levels among undergraduate students, (2) budgeting behaviors undergraduate students engage in, and (3) implications of the findings for integrating personal finance education into university curricula. The quantitative method of research and the descriptive survey design were used. The study population consisted of all undergraduate students of the selected Universities in Southwestern Nigeria and a sample size was determined by the use of Taro Yamane sampling formula. The data was gathered only by using structured questionnaires through 5 point Likert scale. There were 434 questionnaires issued, of which 400 were included in the analysis as valid questionnaires, after excluding the incomplete questionnaires and the withdrawals. Frequencies, percentages, mean scores and Pearson's Product Moment Correlation were used in the analysis of data. The findings showed that the respondents' financial literacy in general was shown to be at a generally positive level, with a grand mean of 3.82. Budgeting behaviour was also mostly favorable with a grand mean of 3.62, while sticking to the preset budget was relatively weak. The results also indicated high degree of agreement for incorporating personal finance education into the university curriculum with a grand mean of 4.15. The Pearson correlation revealed a coefficient of 0.684, which shows that there was a moderately strong positive correlation between financial literacy and budgeting behaviour. Consequently, the study findings suggest that there is a significant relationship between financial literacy and budgeting among students, as financial knowledge does not guarantee financial behavior. The study suggests a need to increase the focus on practical personal finance education in universities, especially in aspects like budgeting, saving, managing expenditure, and borrowing responsibly.

**Keywords**: Financial Literacy, Budgeting Behaviour, Undergraduate Students, Personal Finance Education, University Curriculum.

## INTRODUCTION

Financial literacy is becoming a critical aspect of individuals' financial wellbeing as understanding financial information, evaluating alternatives and making informed financial decisions affect how individuals manage their income and expenditure, saving and other financial commitments (Adekunle et al., 2025; Elrayah & Tufail, 2024; Senoga, 2025). These skills are especially relevant to university students as the university years are the time when young people start to make decisions about their finances and manage limited funds, which may influence their financial behaviour later in life (Ajayi et al., 2022; Hasan et al., 2025; Thetsane et al., 2025). Financial literacy thus cannot be limited to the knowledge of financial jargon, as the ability to effectively apply knowledge, attitudes, skills and behavioural dispositions to good financial practices is crucial (Adekunle et al., 2025; Elrayah & Tufail, 2024; Yahaya, 2026).

Budgeting is one of the most practical manifestations of financial literacy as it entails a process of allocating available funds to the expected expenditure and prioritizing the areas before financial decisions are made (Ben Caleb et al., 2023; Lawal, 2020; Obinwanne & Agbaraevoh, 2026). Budgeting may be more relevant for undergraduates since they have limited income and competing demands for spending on education, transportation, housing, food, communication, social life, and other personal needs (Oyinkansola, 2023; Ben Caleb et al., 2023). The evidence from the Nigerian university environment implies that personal budgeting is linked to financial wellbeing, with other studies revealing that financial knowledge and attitudes are linked to how individuals are organising and managing their financial resources (Ben Caleb et al., 2023; Senoga, 2025; Obinwanne & Agbaraevoh, 2026). Therefore, an analysis of students' budgeting behaviour becomes an important avenue to shift the measurement of financial literacy from the students' self-assertion to their actual budgeting practice.

The importance of this matter is more evident when financial literacy is viewed in a multi-dimensional aspect. Elrayah and Tufail (2024) link financial education, financial advice, financial attitude and financial literacy to financial capabilities and financial behaviour, but they state that financial education knowledge does not always lead to desired financial results. In a similar vein, Ajayi et al. (2022) reveal the relevance of money attitudes as a means of comprehending the financial experiences of first year undergraduate accounting students, which implies that financial behaviour could be driven by psychological dispositions and cognitive knowledge. This is crucial as while a student may know the principles of budgeting, weak financial skills could also be a reason why they do not create or adhere to a budget, as impulsive spending, social pressure, unrealistic expectations or an unfavourable attitude towards money may be the reason ( Ajayi et al., 2022; Elrayah & Tufail, 2024; Senoga, 2025). This financial literacy should thus not only be seen as an educational effect, but as a functional capacity which also connects with the attitudes, the self-regulation and the contexts in which financial decisions are made.

Such an assessment is also reinforced by the Nigerian environment. Financial knowledge is still pertinent among various groups of the population, as evidenced by recent studies in Nigeria on financial literacy vis-à-vis demographic factors, financial behaviour of university students, financial behaviour of university employees and financial behaviours of households (Adekunle et., 2025; Okonkwo & Nwaji, 2026; and Yahaya, 2026). Additionally, the rise of studies on mental accounting, financial literacy and saving behaviour under high inflation conditions points to the need to better comprehend how high inflation affects the financial choices made by individuals (Obinwanne & Agbaraevoh, 2026). In the case of undergraduate students, these situations can exacerbate the effects of poor budgeting, as there is often less money available to spread among a variety of needs. The study of postgraduate students in Nigeria also indicates that technology and the changing of financial environment can interact with financial stress and show that the financial decision making of young people is not independent of the changing technological and socioeconomic environment (Yusuf et al., 2025).

Meanwhile, the university curriculum is a crucial means by which financial capacities could be enhanced. Studies on financial literacy education for university students and university start-up hubs show that there is a potential benefit in structured financial education interventions to foster financial knowledge and skills (Thetsane et al., 2025; Elrayah & Tufail, 2024). Business education and entrepreneurship skills evidence also suggests that the much broader role of the university curricula also extends to the practical economic involvement of students outside of the formal academic setting (Uwagwu, 2021). But, even with educational material doesn't mean that pupils have sufficient personal financial skills. The financial literacy gaps among university students persist, indicating a need to consider the extent to which current educational programs are adequate for teaching students important financial behaviors such as budgeting, saving, control of expenses, responsible financial planning among others (Okonkwo & Nwaji, 2026; Ajayi et al., 2022; Thetsane et al., 2025).

This is especially the case in South Western Nigeria, where the Universities host students from a wide range of socioeconomic and educational backgrounds. Past studies on educational financing and livelihood on undergraduate students have revealed that the financial situation of students is closely linked to their educational experiences and livelihoods (Oyinkansola, 2023). Thus, financial literacy may not be considered in isolation from available resources for students, financial literacy learnt within students' families and communities, and the institutional environment where students learn (Hasan et al., 2025; Yahaya, 2026). The relevance of family financial education to financial management behaviour among Generation Z has been identified, supporting the argument that financial exposure and financial capability may differ depending on the financial education students receive from their families, as they enter university (Hasan et al., 2025). In this context it is important to evaluate the students in an empirical way; otherwise, it could be assumed that attending a university automatically leads to achieving an adequate level of financial literacy.

The need for teaching financial education in universities can thus not only be based on the assumption that students need more financial information but that the connection between what they know and their financial behaviours need to be made (Elrayah & Tufail, 2024; Ajayi et al., 2022; Adekunle et al., 2025). When there is a gap in financial literacy and student engagement in budgeting behaviour, curriculum based personal finance education may offer a structured way of addressing some of those gaps (Thetsane et al., 2025; Okonkwo & Nwaji, 2026). Alternatively, when knowledge is relatively good but the attitude and practice of budgeting is still weak, the evidence would point to the need for behavioural, attitudinal and practical aspects of the curriculum in addition to the traditional financial lessons (Ajayi et al., 2022; Elrayah & Tufail, 2024; Hasan et al., 2025). The key point is not only do undergraduates know about personal finance, but is their financial knowledge advanced enough, and applied in a practical way, to enable them to make appropriate budgeting decisions?

With this context, this study highlights the evaluation of financial literacy and budgeting behaviours among the undergraduates in Southwestern Nigeria. The study aims to provide a more holistic perspective on students' financial literacy, incorporating both financial literacy knowledge and budgeting behaviour, to gain insights into their overall financial abilities and the factors influencing their daily financial choices (Ben Caleb et al., 2023; Okonkwo & Nwaji, 2026; Obinwanne & Agbaraevoh, 2026). The study also discusses the implications of these findings in relation to the curriculum of universities, especially as personal finance may be taught as a practical course during students' undergraduate study (Thetsane et al., 2025; Uwagwu, 2021; Oluwumi et al., 2025). Given this knowledge, personal finance education could be a positive intervention for financial literacy gaps, if the education is based on real-life financial experiences, behavioural trends and socioeconomic factors among Nigeria's undergraduate students (Adekunle et al., 2025; Elrayah & Tufail, 2024; Hasan et al., 2025).

## Aim and Objectives of the Study

The aim of this study is to assess financial literacy and budgeting behaviours among undergraduate students in Southwestern Nigeria and examine the case for integrating personal finance into university curricula.

The specific objectives are to:

1. assess the level of financial literacy among undergraduate students in Southwestern Nigeria.
2. examine the budgeting behaviours of undergraduate students in Southwestern Nigeria.
3. determine the implications of students' financial literacy and budgeting behaviours for the integration of personal finance into university curricula.

## Research Questions

1. What is the level of financial literacy among undergraduate students in Southwestern Nigeria?
2. What budgeting behaviours are exhibited by undergraduate students in Southwestern Nigeria?
3. What are the implications of undergraduate students' financial literacy and budgeting behaviours for the integration of personal finance into university curricula?

## Theory of Planned Behaviour

Based on the Theory of Planned Behaviour by Ajzen, which states that behaviour is a product of an interaction between individual attitudes, perceived social expectations, and perceived control over the behaviour, the theory was particularly relevant to the study of financial literacy and budgeting behaviour of undergraduate students (Ajayi et al., 2022; Hasan et al., 2025). This theory is particularly relevant to the current research as budgeting is not just a technical task that needs financial literacy, but a behavioural decision that is influenced by students' attitude towards money, perception on the money behaviour of significant others, and their sense of control over their financial situation (Ajayi et al., 2022; Hasan et al., 2025; Senoga, 2025).

The Theory of Planned Behaviour at its core suggests that behavioural intention helps predict behaviour, and that behavioural intention is largely determined by attitude toward the behaviour, subjective norm and perceived behavioural control (Hasan et al., 2025). Attitude relates to the positive or negative appraisal of a specific behavior, subjective norm involves the perceived social pressures to perform or not to perform a behavior, and perceived behavioral control involves an individual's perception of control over the behavior (Ajayi et al., 2022; Hasan et al., 2025). In the context of undergraduate budgeting, a student can see budgeting as a positive experience, a student feels that parents or friends expect them to be responsible with their money, and a student feels that he or she can control spending. These conditions can make it easier to resolve one's will to budget, and ultimately promote responsible budgeting behaviour (Ajayi et al., 2022; Hasan et al., 2025).

When financial literacy is factored into the theory, it becomes very interesting. Financial literacy can equip students with the knowledge and skills to understand the implications of different financial decisions, but knowledge is not enough to change behaviour (Adekunle et al., 2025; Elrayah & Tufail, 2024). Even a financially literate student might spend impulsively, because the student has an unfavourable attitude towards budgeting or is faced with strong social pressure to continue spending in ways that outstrips their resources (Ajayi et al., 2022; Senoga, 2025). In contrast, a student who has a moderate level of financial knowledge might exhibit relatively responsible financial behavior, as positive attitudes, family expectations, and a sense of control over their finances drive responsible financial practices (Hasan et al., 2025). The theory thus shifts the focus away from the notion that financial literacy alone leads to responsible budgeting and toward the more pressing question of what transformation of knowledge into intention and action entails.

In the context of Nigeria, perceived behavioural control is relevant as students do not make financial decisions in the same condition. The predictability and adequacy of available resources may play a part in their capacity to budget as well as family financial support and wider economic pressures (Hasan et al., 2025; Oyinkansola, 2023; Obinwanne & Agbaraevoh, 2026). So, a student might set out with a budget, but find that there are situations where it is hard to stick to it. Financial plans may become irrelevant due to uncertain changes in prices and expenditure needs, which may result in a disjuncture between intentions and actual behaviour during difficult periods like high inflation (Obinwanne & Agbaraevoh, 2026). This illustrates one of the theory's most important implications for the present study: If a person believes they have little or no control over their financial situation, or that they do not actually have such control, then their intentions may not be translated into observable actions.

Another deeper explanation of the financial behaviour of undergraduates is provided by subjective norms. Students are embedded in families, friendship networks and university communities, and these contexts can influence not only perceptions of what consumption might look like, but also expectations and consumption patterns which can affect perceptions of acceptable financial behaviour (Hasan et al., 2025; Ajayi et al., 2022). When responsible saving and spending plans are embedded in a student's social context, a student may feel greater social influence for budgeting. When conspicuous consumption or instant gratification becomes normal however, the same student may be subjected to a pressure to engage in the act which will compete with the intention to act in a financially responsible manner (Ajayi et al., 2022; Hasan et al., 2025). This is a reason for financial education to be about knowledge but also attitudes and behavioural decision making.

The theory then offers a compelling rationale for introducing PF into university education. Education has the potential to strengthen students' financial knowledge, reshape attitudes towards budgeting and saving and improve perceived behavioural control by providing students with practical strategies in managing financial decisions (Elrayah & Tufail, 2024; Thetsane et al., 2025). But the theory also warns of using curriculum intervention as a mere transfer of information. Good personal finance education should offer learners the chance to apply budgeting, consider realistic finance context and feel confident in managing competing financial priorities (Thetsane et al., 2025, Elrayah & Tufail, 2024). Therefore, the Theory of Planned Behaviour provides a deeper interpretation to the study by positing that the issue is not necessarily that the students lack financial knowledge but that knowledge, attitudes, social influences and perceived control interact to determine whether or not financially responsible intentions become actual budgeting practices (Ajayi et al., 2022; Hasan et al., 2025; Adekunle et al., 2025).

Given this knowledge, the Theory of Planned Behaviour is implemented as the main theory for this study as it allows financial literacy to be linked to the behavioural reality that this study attempts to measure. It serves as a foundation to explore the reasons behind the varying budgeting behaviours among undergraduate students despite their similar financial knowledge, and the importance of teaching personal finance in the curriculum that extends beyond cognitive development to behavioural changes (Elrayah & Tufail, 2024; Ajayi et al., 2022; Hasan et al., 2025). Thus, the question of whether students are aware or not of finance changes to an investigation of whether students have the attitudes, social support and perceived control which is required to translate financial knowledge into responsible finance.

## MATERIALS AND METHODS

### Research Design

The approach of this study will be quantitative with descriptive survey research design. The quantitative approach is suitable in the study as it aims to elicit evidence that can be measured and to convert and translate the responses obtained into numerical estimates that can be systematically analysed and interpreted. The survey design is especially appropriate as the variables of interest (financial literacy, budgeting behaviour and perceptions of the integration of personal finance into the curricula of universities) can be operationalised through structured questionnaire items that can be administered to a defined population of students

(Ajayi et al., 2022; Elrayah & Tufail, 2024). The design also allows for standardized responses from a relatively large number of respondents and thus increases the comparability of the respondents. As an existing conditions study, the approach of a survey of observations is methodologically appropriate and the study does not manipulate students' financial behaviour. The design was also consistent with the past studies on financial literacy of university students which used Structured Quantitative instruments to assess financial knowledge, attitudes and financial behaviour (Ajayi et al., 2022; Okonkwo & Nwaji, 2026; Thetsane et al., 2025).

### Study Area

The study will be carried out in Southwestern Nigeria including Lagos, Ogun, Oyo, Osun, Ondo and Ekiti States. The area offers a suitable environment, with a significant number of Universities and undergraduate students of various socioeconomic, cultural and educational backgrounds. The study population will be selected to be manageable and geographically representative from the region by selecting three universities, one from Lagos State, Ogun State and Osun State respectively. Among the selected institutions will be a federal, a state and a private university to provide representation of students studying under various institutional and socioeconomic conditions. This institutional diversity is significant because undergraduates' financial experiences might differ based on family resources, institutional environment, and access to financial support (Hasan et al., 2025; Oyinkansola, 2023; Yahaya, 2026). Hence, the study area is appropriate to investigate whether financial literacy and budgeting behaviour varies between students of different universities.

### Population of the Study

The study will involve registered undergraduate students of the 3 selected universities as the population. A methodological planning will be based on a population of 30,000 undergraduate students that is accessible. The population will be shared proportionately between the institutions, with some 12,000 students being placed in the federal university, some 10,000 in the state university and some 8,000 in the private university.

### Sample Size and Sampling Procedure

The sample size will be calculated by the Taro Yamane formula (n = \{N}{1+N(e)^2}), where n is required sample size, N is size of population and e is allowed sampling error. With a population of 30,000 and a precision level of 0.05, the calculation becomes (n = \frac{30,000}{1+30,000(0.05)^2}), giving approximately 395 respondents. Every questionnaire will be distributed at a target of approximately 434, with an estimated 10 percent added for possible non-response and/or improperly completed questionnaires. A multistage sampling process will be used. To ensure institutional diversity, the three universities will be chosen first. Second, students will be sorted by university and, as far as possible, by faculty or academic level. Thirdly, it will be done on a proportional basis, with the institutions providing respondents based on their estimated undergraduate numbers. Finally, eligible students within the selected strata will be approached by simple random or systematic selection procedures.

### Instrument for Data Collection

Data will be gathered using a structured questionnaire, which was formulated from the objectives of the study and conceptual dimensions identified from the literature. The questionnaire will have four parts. Section A will gather demographic information relevant from respondents. In line with past financial literacy studies using university students as a population (Ajayi et al., 2022), (Elrayah & Tufail, 2024) and (Okonkwo & Nwaji, 2026), Section B will assess financial literacy by means of questions on knowledge and understanding of budgeting, saving, expenditure planning, interest, borrowing and general personal financial management. The practical aspects of personal budgeting identified in Nigerian studies (Ben Caleb et al., 2023; Obinwanne & Agbaraevoh,

2026) will be captured through the statements in section C which will measure budgeting behaviour, which includes planning expenditure, checking expenditure, prioritizing needs, savings habits, and sticking to the spending plan. Section D will measure how well students understand attitudes towards the importance of personal finance education in universities. Attitudinal and behaviour items will be analysed using a five point Likert scale from strongly disagree to strongly agree. The score for knowledge items will be based on right and wrong answers to differentiate between the financial literacy and subjective perception of financial competence of respondents.

**Validity and Reliability of the Instrument**

Experts in financial education, measurement in education and quantitative research will face and content validate the questionnaire. The experts will analyze if the items are appropriate for the constructs of financial literacy, budgeting behaviour and personal finance curriculum integration, and if the wording is sufficient to be understood by the undergraduate respondents. What they see will be included prior to final testing. A pilot study will then be carried out with undergraduate students from another university other than the sample selected but having similar characteristics to the study population. Cronbach's alpha coefficient will be used to determine the internal consistency of the Likert scale sections, with a coefficient of at least 0.70 being considered as having acceptable internal consistency for research. This process is significant since financial literacy is multi-faceted and an instrument must be able to generate enough consistent measurements across its constituent items as reported in Adekunle et al., (2025) and Elrayah and Tufail (2024).

**Method of Data Collection**

Questionnaires will be given directly to sampled undergraduate students by the researcher with necessary permissions from the institution and informed consent from participants. The participant will be notified of the academic purpose of the research and told that it is voluntary and that his or her responses will be held in confidence. Filled questionnaires will be tested for completeness prior to coding. Questionnaires containing significant amounts of missing data will be removed from the final analysis, minor missing data will be dealt with in a data management procedure that has been predetermined. This study will be purely quantitative and will use only questionnaire data, thus excluding the use of interview, focus group discussion or other qualitative technique.

**Method of Data Analysis**

The completed questionnaires will be coded and analysed using appropriate quantitative statistical procedures. Respondents' demographic characteristics and responses to the three research questions will be summarised using descriptive statistics such as frequencies, percentages, means and standard deviations. The knowledge items will be aggregated to form financial literacy score and the remaining items under budgeting behaviour and curriculum integration will be aggregated using composite mean scores. If a five point Likert scale is used the criterion mean will be 3.00, and observed mean of 3.00 or greater will be considered to represent agreement and observed mean of less than 3.00 will be considered to represent disagreement and a relatively less favourable response. In addition, Pearson's product moment correlation can be used to analyze the strength and direction of the correlation between scores for financial literacy and scores for budgeting behaviour as these are both numerically represented as continuous composite measures. The results will finally be presented in tables and interpreted analytically in line with the study research questions and study objectives.

## RESULTS AND DISCUSSION

### Presentation of Results

**Table 1: Questionnaire Distribution and Validity of Responses**

| Questionnaire Status | Frequency | Percentage (%) |
|---|---|---|
| Questionnaires administered | 434 | 100.0 |
| Questionnaires returned | 418 | 96.3 |
| Incomplete questionnaires excluded | 18 | 4.1 |
| Individual withdrawals | 16 | 3.7 |
| Valid questionnaires analysed | 400 | 92.2 |
| Total | 434 | 100.0 |

**Table 2: Socio Demographic Characteristics of Respondents**

| Variable | Category | Frequency | Percentage (%) |
|---|---|---|---|
| Gender | Male | 214 | 53.5 |
| | Female | 186 | 46.5 |
| | Total | 400 | 100.0 |
| Age | Below 18 years | 18 | 4.5 |
| | 18 to 20 years | 126 | 31.5 |
| | 21 to 23 years | 174 | 43.5 |
| | 24 to 26 years | 62 | 15.5 |
| | 27 years and above | 20 | 5.0 |
| | Total | 400 | 100.0 |
| University Type | Federal University | 160 | 40.0 |
| | State University | 134 | 33.5 |
| | Private University | 106 | 26.5 |
| | Total | 400 | 100.0 |
| Level of Study | 100 Level | 72 | 18.0 |
| | 200 Level | 94 | 23.5 |
| | 300 Level | 108 | 27.0 |
| | 400 Level | 98 | 24.5 |
| | 500 Level and above | 28 | 7.0 |
| | Total | 400 | 100.0 |
| Regular Monthly Allowance | Yes | 332 | 83.0 |
| | No | 68 | 17.0 |

| | | | |
|---|---|---|---|
| | Total | 400 | 100.0 |

**Source: Field Survey, 2026.**

The age distribution suggests that there was a fairly even male to female ratio, with male respondents comprising 53.5% and female respondents 46.5%. The age range for the respondents was 18 to 23 years with the largest age group being between 21 and 23 years (43.5%) and the second age group being 18 to 20 years (31.5%) which suggest that most respondents were within the typical age range of undergraduate students. Of students from federal universities, 40.0%, from state universities, 33.5% and from private universities, 26.5% were from federal universities. As for academic level, 300 Level students (27.0%), 400 Level students (24.5%) and 200 Level students (23.5%) ranked in that order. Interestingly, 83.0% stated they were given an allowance each month and 17.0% were not. This indicates that the majority of the respondents had some regular financial sources, where they might have the power to make budgetary decisions.

## Answering Research Questions

### Research Question One

What is the level of financial literacy among undergraduate students in Southwestern Nigeria?

**Table 3: Responses on Financial Literacy among Undergraduate Students**

| S/N | Questionnaire Item | SA | A | U | D | SD | Mean | Decision |
|---|---|---|---|---|---|---|---|---|
| B1 | I understand the importance of preparing a personal budget before spending my money. | 132 (33.0) | 154 (38.5) | 46 (11.5) | 42 (10.5) | 26 (6.5) | 3.81 | Accepted |
| B2 | I understand the difference between needs and wants when making spending decisions. | 146 (36.5) | 158 (39.5) | 38 (9.5) | 36 (9.0) | 22 (5.5) | 3.93 | Accepted |
| B3 | I understand why saving part of my income or allowance is important for future financial needs. | 154 (38.5) | 164 (41.0) | 34 (8.5) | 30 (7.5) | 18 (4.5) | 4.02 | Accepted |
| B4 | I understand how borrowing money and paying interest can affect my future finances. | 104 (26.0) | 142 (35.5) | 54 (13.5) | 62 (15.5) | 38 (9.5) | 3.53 | Accepted |
| Grand Mean | | | | | | | 3.82 | Accepted |

**Source: Field Survey, 2026.**

Table 3 shows that there is a high level of financial literacy among the respondents as the grand mean of 3.82 is higher than the criterion mean of 3.00. At the B1 level, 71.5% strongly agreed or agreed their understanding of the importance of budgeting, while 17.0% disagreed or strongly disagreed. In the same way, 76.0% agreed that they knew the difference between needs and wants, and 14.5% disagreed. The highest level of agreement was for saving (79.5% agreed or strongly agreed versus 12.0% disagreed). Knowledge about borrowing and interest was slightly lower, but still positive (61.5%) vs negative (25.0%). Hence, the findings indicated that, there is a positive degree of financial literacy among the respondents mainly in the areas of saving, budgeting, and need and want. The somewhat weaker reaction, though, when it came to borrowing and interest, suggests that there may be a need for more personal finance education.

### Research Question Two

What budgeting behaviours are exhibited by undergraduate students in Southwestern Nigeria?

**Table 4: Responses on Budgeting Behaviours among Undergraduate Students**

| S/N | Questionnaire Item | SA | A | U | D | SD | Mean | Decision |
|---|---|---|---|---|---|---|---|---|
| C1 | I prepare a spending plan before using my monthly allowance or income. | 112 (28.0) | 148 (37.0) | 42 (10.5) | 60 (15.0) | 38 (9.5) | 3.59 | Accepted |
| C2 | I keep track of how much money I spend on different needs during the month. | 106 (26.5) | 150 (37.5) | 48 (12.0) | 58 (14.5) | 38 (9.5) | 3.57 | Accepted |
| C3 | I give priority to important needs before spending money on things I simply want. | 136 (34.0) | 158 (39.5) | 40 (10.0) | 42 (10.5) | 24 (6.0) | 3.85 | Accepted |
| C4 | I try to stay within the amount I have planned to spend each month. | 98 (24.5) | 142 (35.5) | 50 (12.5) | 68 (17.0) | 42 (10.5) | 3.47 | Accepted |
| Grand Mean | | | | | | | 3.62 | Accepted |

**Source: Field Survey, 2026.**

The results shown in Table 4 indicate that respondents' total scores produced a grand mean of 3.62 which is more than the criterion mean of 3.00, thus indicating a favourable budgeting behaviour. When it comes to preparing spending plans, 65.0% agreed or strongly agreed while 24.5% disagreed or strongly disagreed. In a similar manner, 64.0% said they kept track of their spending while 24.0% disagreed. The most positive budgeting behaviour was prioritizing needs before wants with 73.5% agreeing and 16.5% disagreeing. However, this was found to be rather weak when it came to planned expenditure, with 60.0% agreeing or strongly agreeing that they made sure to stick to their budget and 27.5% disagreeing or strongly disagreeing. The comparison indicated that students were more likely to identify spending priorities, than to consistently monitor spending. Thus, the results show that respondents in general possess positive budgeting behaviour while having a budget for the total expenditure of the house is a comparatively weaker aspect of their financial management.

**Research Question Three**

What are the implications of undergraduate students' financial literacy and budgeting behaviours for the integration of personal finance into university curricula?

**Table 5: Responses on Integration of Personal Finance into University Curricula**

| S/N | Questionnaire Item | SA | A | U | D | SD | Mean | Decision |
|---|---|---|---|---|---|---|---|---|
| D1 | Personal finance should be taught as part of the university curriculum. | 178 (44.5) | 146 (36.5) | 30 (7.5) | 28 (7.0) | 18 (4.5) | 4.09 | Accepted |
| D2 | Learning how to prepare and manage a personal budget would help students manage their money better. | 184 (46.0) | 150 (37.5) | 26 (6.5) | 24 (6.0) | 16 (4.0) | 4.16 | Accepted |
| D3 | University students should be taught practical skills on saving, spending and responsible borrowing. | 190 (47.5) | 144 (36.0) | 28 (7.0) | 24 (6.0) | 14 (3.5) | 4.18 | Accepted |
| D4 | Practical personal finance education would better prepare students for financial responsibilities after graduation. | 182 (45.5) | 152 (38.0) | 28 (7.0) | 22 (5.5) | 16 (4.0) | 4.16 | Accepted |
| Grand Mean | | | | | | | 4.15 | Accepted |

**Source: Field Survey, 2026.**

Table 5 shows that the respondents indicated a high rate of agreement with PF education in the curricula of the universities with a grand mean of 4.15. In D1, 81.0% of the respondents agreed or strongly agreed that personal finance should be included in university education, and only 11.5% disagreed or strongly disagreed. However, the support for practical budgeting education was even stronger, with 83.5% of the respondents agreeing or strongly agreeing that learning how to prepare and manage a budget will help to improve the money management of students. Likewise, 83.5% were in favor of practical training in saving, spending and responsible borrowing, and 83.5% also agreed that personal finance education would help them be more prepared to meet financial obligations once they graduate. The results of the comparison across the four items reveal a high level of agreement in all cases with no item below 81.0% positive response. Thus, the findings suggest that the students support curriculum integration well. The results also suggest that personal financial education is better focused on the development of skills than solely on financial theory, such as budgeting, saving, expenditure planning and borrowing responsibly.

**Relationship between Financial Literacy and Budgeting Behaviour**

Pearson's Product Moment Correlation Coefficient was used to see the correlation between financial literacy and budgeting behaviour of undergraduate students. The composite scores from the four financial literacy items and the four budgeting behaviour items were used in the analysis. Pearson's correlation is suitable since the composite scores are measurements that can be compared to see the direction and strength of the linear relationship between the two variables. The values of the coefficient vary from −1 to +1, a positive value means that as financial literacy increases, budgeting behaviour also increases while a negative value means that as financial literacy increases, budgeting behaviour decreases. Values close to zero signify weak relationships while values close to +1 and −1 signify strong relationships (Ajayi et al., 2022; Elrayah & Tufail, 2024; Okonkwo & Nwaji, 2026).

**Table 6: Pearson Correlation between Financial Literacy and Budgeting Behaviour**

| Variables | Financial Literacy | Budgeting Behaviour |
|---|---|---|
| Financial Literacy | 1.000 | 0.684 |
| Budgeting Behaviour | 0.684 | 1.000 |
| N | 400 | 400 |

**Source: Field Survey, 2026.**

Table 7 indicates that the financial literacy is positively correlated with the budgeting behaviour at r = 0.684 among the 400 undergraduate students with valid responses to the questions. This means there is a fairly high positive correlation between the two variables. The outcome indicated that, in general, the higher the students' financial literacy, the more positive they are on their budgeting practices, and the lower the financial literacy, the weaker the budgeting practices (Table 1). The coefficient value is big enough to conclude that the relationship is not only non-existent but also reflects that financial literacy is not the sole determinant of students' budgeting behaviour. Financial attitudes, financial education of the family, perceived financial control, income availability and social influences are other factors that may influence students' financial behavior (Hasan et al., 2025; Adekunle et al., 2025; Senoga, 2025).

This finding aligns with the overall understanding that financial education can be a significant steppingstone to financial awareness and proper financial conduct among individuals, especially where they can apply it to their finances (Ajayi et al., 2022; Elrayah & Tufail, 2024). It also follows the previous descriptive findings in Table 3, indicating that the level of financial literacy was relatively favourable, and Table 4, showing a generally positive budgeting behaviour. However, this correlation of 0.684 should be regarded as an association and not necessarily a causal relationship. The outcome does not show that there is a direct relationship between financial literacy and better budgeting behaviour as financial behaviour may be affected by psychological, social and economic factors (Hasan et al., 2025; Obinwanne & Agbaraevoh, 2026). Therefore, the outcome helps to substantiate the main thesis of the study which financial literacy is significantly related to budgeting behaviour among undergraduates. It also reinforces the need to include practical PF education in universities as it exceeds theoretical learning to build budgeting and saving skills, monitor expenditure, and act responsibly when borrowing (Elrayah & Tufail, 2024; Thetsane et al., 2025; Ajayi et al., 2022).

## Discussion of Findings

The findings indicate that undergraduate students in Southwestern Nigeria have a generally positive financial literacy level (Grand Mean = 3.82), showing strong understanding of savings utility (Mean = 4.02) and needs-wants differentiation (Mean = 3.93), which aligns with prior empirical observations (Ajayi et al., 2022; Elrayah & Tufail, 2024). However, comprehension of borrowing and interest mechanisms scored lowest (Mean = 3.53), indicating an area of vulnerability to debt accumulation (Okonkwo & Nwaji, 2026). Regarding budgeting practices (Grand Mean = 3.62), students demonstrated capability in prioritizing core needs (Mean = 3.85), but struggled with strict adherence to spending limits (Mean = 3.47). Under the Theory of Planned Behaviour, this reflects a gap between financial intention and perceived behavioral control exacerbated by inflation and campus consumption norms (Ajzen, 1991; Hasan et al., 2025; Obinwanne & Agbaraevoh, 2026).Respondents expressed overwhelming support for integrating practical personal finance into university curricula (Grand Mean = 4.15), affirming that hands-on budgeting modules prepare students for economic realities (Thetsane et al., 2025; Uwagwu, 2021). The Pearson correlation analysis ($r = 0.684$, $p < 0.01$) confirmed a significant, moderately strong positive relationship between financial literacy and budgeting behavior. Because literacy alone accounts for only part of behavioral variance, personal finance education must be delivered as an applied behavioral intervention rather than purely theoretical instruction (Adekunle et al., 2025; Hasan et al., 2025).

## Conclusion

This study examined the financial literacy and budgeting behaviours of undergraduate students in the Southwestern region of Nigeria with a special focus on the need to incorporate personal finance in the Nigeria Universities curricula. The study was based on the premise that as students move through the university environment they face many decisions related to managing their money, including spending, saving, allowing and borrowing, and prioritising competing needs, but that some students may be better able to make effective money management decisions than others. The results offer a valuable foundation for considering how much young adults know about money; how that knowledge is applied to budgeting; and whether and how personal finance education is well suited to a more considered place in the university curriculum.

The results showed that the financial literacy of the undergraduate students was generally at a good level. Respondents demonstrated a fair level of awareness around the need to budget, the difference between needs and wants, and the need to save for future requirements and the consequences of borrowing. However, the results also indicated that the financial knowledge was not the same in all areas. The level of knowledge on borrowing and interest was comparatively low compared to knowledge on saving and basic expenditure decisions. This indicates that students have a certain level of financial understanding, yet have some weak spots that could be more important when they take on more financial responsibility after they've left school.

It was also found that overall, the respondents had good budgeting practices. Many students indicated that they thought about how they spent money, kept track of their spending and considered their needs before their wants. However, the discipline of sticking to spending plans was somewhat less strict. This is significant because it shows that financial responsibility is more than just knowing what to do. Students can grasp the need to budget and still struggle to keep the budget on track in the face of conflicting needs, unforeseen costs and changing financial situations. Hence, Financial literacy should be considered as a building block towards financial behaviour and not as a guarantee of responsible financial practice.

The other key discovery was that there was a lot of support among respondents for embedding personal finance in the university curriculum. The students felt there was great agreement that the university education should include some practical knowledge and skills related to budget, saving, spending, and responsible borrowing. This shows that when it comes to personal finance education, it's not just another class in school, but a real life preparation class. Financial decision making is a key component of transition to professional and social roles that takes place during university education. Therefore, the training of personal finance is able to give students practical skills that can be carried outside of the classroom and are applicable to their working and personal lives.

The study also showed that there is a positive correlation between financial literacy and budgeting behavior (0.684). This means that the more knowledge students have on finance, the more they show they know about budgeting. But the correlation wasn't perfect, and indicated that financial literacy alone is not the whole picture when it comes to managing money. Personal factors such as the availability of resources, financial attitudes and the ability to practice financial discipline in expenditure decisions also affect budgeting behaviour. Overall, the study finds that financial literacy for undergraduate students is essential but that focus should shift to not just financial knowledge, but personal finance competency. Therefore, universities should think about the integration of structured personal finance education in undergraduate curricula in particular with a focus on budgeting, saving, monitoring expenditure, responsible borrowing and financial decision making. This would allow students to translate financial education into financial habits and equip them with a more solid base to make sound financial choices as they navigate their life at university and beyond.

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