WEST AFRICA DYNAMIC JOURNAL OF HUMANITIES, SOCIAL AND MANAGEMENT SCIENCES AND EDUCATION: DEPARTMENT OF COMMUNICATIONS, UNIVERSITY OF CAPE COAST, GHANA
Volume 6, Number 1, January-December 2025 **ISSN**: 2955-0556
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NEXUS BETWEEN FINANCIAL LITERACY AND GRADUATE ENTREPRENEURIAL INTENTION AMONG NATIONAL YOUTH SERVICE CORPS IN SELECTED STATES IN NORTH-CENTRAL NIGERIA

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Abstract
This paper investigates the influence of financial literacy on graduate entrepreneurial intention in North Central Nigeria. The study uses a survey research design through a quantitative approach. The study adopted the Theory of Planned Behaviour (TPB) as a theoretical framework. The population of the study is 5635 batch 'B' 2024 stream II set of National Youth Service Corps (NYSC) members serving in Niger, Nasarawa, and Kwara States. The sample size is 560 corps members. The study uses a simple random sampling technique to select the study sample size from the sample frame. The study uses Covariance-Based Structural Equation Modelling (CB-SEM) for data analysis. Findings reveal that financial knowledge, financial behaviour, financial attitude, and financial risk tolerance all have positive and significant effects on entrepreneurial intentions. The study recommends that the NYSC integrate financial literacy programs into their community development service to equip corps members with essential financial skills for entrepreneurship. Additionally, the National Universities Commission should introduce a financial literacy course alongside existing entrepreneurship education.

Keywords: Financial Attitude, Financial Knowledge, Financial Risk Tolerance, Graduate Entrepreneurial Intention

1.1 Introduction

The relationship between financial literacy and entrepreneurship is pivotal in shaping entrepreneurial intentions and success. Financial literacy equips individuals with the ability to manage financial resources effectively, evaluate investment opportunities, and

Volume 6, Number 1, January-December 2025 **ISSN**: 2955-0556
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make informed decisions - skills critical for navigating the challenges of entrepreneurship (Tarver, 2024). Entrepreneurial intention refers to an individual's goal to establish and own a high-growth business, encompassing the motivation and willingness to embrace entrepreneurial risks (Liñeiro, *et al.,* 2024). In Nigeria, entrepreneurial intention among graduates has risen due to increasing unemployment and limited job opportunities (Shahriar, *et al.,* 2024). Entrepreneurship offers a pathway for self-employment and career control, driven further by advancements in technology that enable graduates to launch businesses with minimal capital. However, challenges such as limited access to capital, lack of skills, and inadequate infrastructure hinder youth entrepreneurial aspiration (Al-Fattal, 2024). Furthermore, it is essential to foster a more entrepreneurial culture and mindset within the education system to cultivate and inspire the entrepreneurial spirit among graduates. Addressing these issues aligns with SDG 4 (Quality Education) and SDG 8 (Decent Work and Economic Growth), emphasizing education's role in fostering entrepreneurial skills.

Financial literacy is central to entrepreneurial success, enabling individuals to manage financial resources, evaluate products, and make informed decisions (Tarver, 2024). It is the ability to use financial information and resources in an effective and efficient way. It contributes significantly to economic growth and supports the goals of SDG 1 (No Poverty) and SDG 8. However, financial illiteracy remains a global challenge, with 66.7% of adults lacking basic financial knowledge (Patrobas, 2022). In Africa, financial literacy levels are particularly low, as evidenced by surveys highlighting deficiencies among entrepreneurs in Nigeria (FATE Foundation, 2018). By integrating financial literacy with entrepreneurial intention, the study aims to enhance graduates' financial well-being and, consequently, their capacity to establish successful startups. Financial literacy directly influences a nation's economic growth and standard of living, highlighting its importance for both individual and national development (Stanbic Bank, 2024).

Entrepreneurship is a critical driver of economic growth, contributing 46.32% to GDP (PwC Nigeria, 2024) and employment (Seth, 2024). Despite government support for MSMEs in Nigeria, high unemployment persists, especially among graduates. With nearly two million students admitted annually and about 600,000 graduates produced, there has been no significant rise in start-ups or entrepreneurial ventures. The National Bureau of Statistics (2021) reports unemployment at 33.3%, with youth unemployment at 53.4%. Many graduates lack financial literacy and prefer traditional "white-collar" jobs, limiting Nigeria's transition from a consumption-driven to a production-based economy. Mandatory entrepreneurship courses in universities aim to address these challenges (Ogbiji, 2018). However, studies offer varied perspectives on the effect of financial literacy on entrepreneurial success (Struckell, *et al.,* 2022; Hassan & Patrick, 2016; Molina-Garcia et al., 2021).

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Several studies have examined the relationship between financial literacy and entrepreneurial intention using different research methods. Rashid *et al.* (2024) used PLS-SEM to investigate how financial literacy and technological adoption influence entrepreneurial intentions among youth in Pakistan's agriculture sector. Their findings highlighted the significant role of technological adoption, financial attitude, behaviour, and knowledge in shaping entrepreneurial decisions. Nguyen *et al.* (2024) used CB-SEM in Vietnam to investigate financial technology literacy and digital entrepreneurial intention, identifying personal attitude towards digital entrepreneurship and perceived behavioural control as key factors, alongside three dimensions of Fintech literacy - blockchain, crowdfunding, and AI literacy - as direct influencers of digital entrepreneurial intention.

Other studies also emphasize the effect of financial literacy on entrepreneurial intentions, such as Struckell *et al.* (2022), found that financial literacy affects self-employment intentions in the U.S. using logistic regression. Molina-Gacia *et al.* (2021) and Alshebami and Al Marri (2022) examined financial literacy on undergraduates' entrepreneurial intentions, with Molina-Gacia *et al.* identifying risk-taking propensity as a mediator, and Alshebami and Al Marri finding that saving behaviour mediated the relationship between financial literacy and entrepreneurial intentions. Ojogbo *et al.* (2022) used regression analysis to assess financial literacy's influence on graduates' entrepreneurial intentions in Nigeria, confirming its significant impact. However, each of these studies has varying degrees of shortcomings, ranging from methodological gaps and scope.

This study is motivated by several factors, the first being the predominance of studies on the influence of financial literacy on entrepreneurial intention in developed economies, with limited research in developing economies, where the impact may be more significant (Hassan & Patrick, 2016; Ojogbo *et al.*, 2022). Additionally, existing studies often use inadequate financial literacy measurement scales, typically considering only one or two (without considering financial risk tolerance as predictors of financial literacy. Many studies also rely on non-probability sampling techniques and linear regression methods, which lack the ability to reveal hidden relationships within the data. Only a few studies employ more advanced techniques like Structural Equation Modelling (CB-SEM/PLS-SEM), which offer more comprehensive insights into the relationships being studied.

Another gap identified in previous research is the limited use of alternative model fit indices in studies using CB-SEM, with many studies focusing only on basic indices such as the Goodness of Fit Index and Comparative Fit Index, while ignoring other crucial indices such as the Bayesian Information Criterion and Parsimony Comparative Fit Index. Additionally, many studies using CB-SEM fail to assess discriminant validity through the Heterotrait–Monotrait (HTMT) Ratio of correlations, which is essential for ensuring the robustness of the model. This study aims to fill these gaps by investigating

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the effect of financial literacy on graduates' entrepreneurial intentions in North central Nigeria.

1.2 Research Hypotheses

The study tests the alternative hypotheses outlined below.

$H1_1$: Financial knowledge significantly influences the entrepreneurial intention among NYSC graduate members in North Central Nigeria.

$H1_2$: Financial behaviour significantly influences the entrepreneurial intention among NYSC graduate members in North Central Nigeria.

$H1_3$: Financial attitude significantly influences the entrepreneurial intention among NYSC graduate members in North Central Nigeria.

$H1_4$: Financial risk tolerance significantly influences the entrepreneurial intention among NYSC graduate members in North Central Nigeria.

2.0 Literature Review and Theoretical Framework

2.1 Concept of Entrepreneurial Intention

The significance of intention in predicting human behaviour and organizational outcomes is undeniable, given its substantial influence in fields such as psychology, medicine, social sciences, and management. According to Ajzen (1991), intentions to engage in various human behaviours can be predicted with considerable accuracy by examining attitudes toward the behaviour, subjective norms, and perceived behavioural control. Ajzen and Kruglanski (2019) further describe intention as a "person's readiness to perform a given behaviour," emphasizing its vital role in shaping human actions. The stronger the intention to perform a behaviour, the greater the likelihood of an individual actually engaging in it. In this context, entrepreneurship can be understood as the practice of being an entrepreneur who creates and assumes the risks associated with business ventures aimed at generating profit. Entrepreneurs create value by driving innovation and creativity, utilizing entrepreneurial skills to bring about changes in production and services provided to customers. Sufian and Wen (2024) described entrepreneurial intention as the aspiration to become an entrepreneur or the readiness to establish a business. According to Ohashi, *et al.* (2023), the entrepreneurial process involves two key stages: forming an entrepreneurial intention and engaging in entrepreneurial behaviour.

2.2 Concept of Financial Literacy

Financial literacy is considered essential for individuals across all sectors, including entrepreneurs, employees, and households. In today's knowledge-based economy, financial literacy is critical for effective personal financial management, budgeting, and saving (Sujaini, 2023). It is the ability to understand and apply essential financial concepts, such as budgeting, saving, investing, and managing debt, to make informed decisions that promote long-term financial well-being. According to Benediktus *et al.* (2018), it refers to the ability to understand and use financial concepts, make informed financial decisions, and improve one's financial well-being. This definition is useful in

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emphasizing informed decision-making and financial well-being, but lacks specificity in terms of the financial concepts involved and does not address the behavioural aspects of financial literacy, such as how individuals apply their knowledge in diverse contexts. While definitions like those from Zandi (2023) and Sufian and Wen (2024) emphasize financial decision-making, they often overlook the broader scope of financial literacy, such as investment strategies or debt management. Definitions like those of Rashid et al. (2024) and Ojogbo et al. (2022) focus on knowledge and resource management but lack clarity on specific financial skills and behaviours. Molina-García et al. (2021) address awareness and skills, but their definition is vague in specifying key areas of financial literacy. A more comprehensive definition recognizes financial literacy as the capacity to apply diverse financial knowledge to effectively manage resources, plan for the future, and adapt to economic changes. Recent global efforts have highlighted the link between low financial literacy and poor financial outcomes, even in developed economies (Angrisani et al., 2023). In Nigeria, the rising cost of living has made financial literacy crucial for everyone, especially for managing expenses and understanding financial products and services (CBN, 2021). Financial literacy needs vary by social class: the lower class focuses on participating in the financial system and managing emergencies, the middle class seeks to make more strategic financial decisions, and the upper class focuses on investment opportunities. Regardless of social class, financial literacy enhances economic security and improves living standards.

2.3 Dimensions of Financial Literacy

Financial literacy is built upon three key components: financial knowledge, financial behaviour, and financial attitude (Fabris & Luburic, 2016). However, to provide a more complete and thorough understanding of financial literacy, it is suggested to include a measure of an individual's financial risk tolerance and their ability to manage it effectively (Lubric, 2016). These components of financial literacy are interconnected, and to accurately reflect a person's true financial literacy level, they must be integrated into a cohesive whole (Radoica & Nikola, 2018).

2.3.1 Financial Knowledge

Financial knowledge is essential for financial literacy, encompassing an understanding of budgeting, saving, investing, and managing money, including concepts like interest rates, inflation, and risk-return relationships. It combines education and experience to enhance decision-making and foster prudent cash flow management, savings, and investments (Gede & Ellen, 2019). Financial knowledge significantly influences behaviour and attitudes, enabling individuals to navigate financial systems effectively and achieve stability. Conversely, its absence often results in poor decisions and adverse economic outcomes.

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2.3.2 Financial Behaviour

Financial behaviour encompasses the actions, attitudes, and beliefs individuals or groups exhibit in managing financial resources, including income, savings, and investments (Wu & Chen, 2018). It involves activities such as budgeting, spending, saving, investing, borrowing, and debt repayment. This behaviour reflects personal responsibility in resource management to meet needs and desires while ensuring long-term financial security, including retirement planning (Potrich *et al.*, 2015). It influences how individuals set financial goals, create budgets, and allocate resources, shaping overall financial management and decision-making.

2.3.3 Financial Attitude

Financial attitude refers to an individual's mindset and approach to financial matters, shaped by their background, environment, beliefs, and values (Firli, & Hidayati, 2021). It influences how people manage money, assess financial strategies, and make decisions, encompassing capabilities like managing loans and maintaining savings for financial well-being. Positive financial attitudes are linked to better financial planning, stability, and decision-making, while negative attitudes, such as financial anxiety, can lead to poor financial outcomes (Kim, 2005). Fostering positive financial attitudes encourages effective application of financial principles and sustainable financial management.

2.3.4 Financial Risk Tolerance

Risk refers to the likelihood that actual outcomes will differ from expected results. It represents the variability in returns. Financial risk can be categorized into systematic and unsystematic risk. Systematic risk affects the entire market and is related to external factors that influence the performance of many companies within an industry. On the other hand, unsystematic risk pertains to asset-specific uncertainties that impact the performance of a particular asset. Risk plays a crucial role in personal finance and financial investment decisions. When making financial decisions, individuals and organizations assess the potential rate of return along with the associated level of risk (Bayar, *et al.*, 2020).

2.4 Review of Empirical Literature

Sufian and Wen (2024) investigated the influence of financial literacy on entrepreneurial intention among university students in Malaysia. The study surveyed a sample of 384 university students, although the specific population was not clearly stated. Using multiple linear regression to test the hypotheses, the results indicated that financial attitude and financial knowledge significantly relate to entrepreneurial intention among Malaysian university students. The result provides important insights for policymakers, educators, and students in promoting entrepreneurial development. However, the study lacked details on the sampling method and techniques used to select the sample size. Additionally, it did not include ANOVA analysis to assess the statistical significance of the data for further analysis, nor did it present the model summary or the coefficient of

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determination to indicate the proportion of variation explained by the predictive variables in the study.

Kevwe and Oyekanmi (2023) examined the effect of financial literacy on entrepreneurial intention in Sub-Saharan Africa, focusing on Nigeria and Ghana. Employing a cross-sectional design, the study targeted entrepreneurs from both countries, with a sample size of 322 participants selected through stratified random sampling. The hypothesis was tested using multiple regression. The result indicates that financial literacy significantly influences entrepreneurial intention, with financial knowledge and skills serving as mediators in this relationship. Nevertheless, the study lacked transparency regarding the methodology used to determine the sample size, making it difficult to evaluate its robustness and validity. The absence of details on whether statistical formulas or predetermined criteria were applied creates uncertainty about the adequacy of the sample size for achieving the study's objectives. This gap raises concerns about the reliability, generalizability, and credibility of the findings.

Chavez-Ruiz, *et al.*, (2024) explored the effect of various factors on digital entrepreneurial intention, with perceived behavioural control serving as a mediator. The study involved a self-administered cross-sectional survey with a questionnaire distributed to 446 university students across different geographical regions of Peru. Descriptive statistics were applied, and a SEM was used to test five proposed hypotheses. The results showed that both financial attitude and behaviour significantly influenced perceived behavioural control, which, in turn, had a significant effect on digital entrepreneurial intention and mediated the relationship between financial education and intention. However, the study did not specify the exact population, only the sample size, and failed to mention the methods or techniques used for sample selection.

2.5 Theoretical Framework

This study adopted the Theory of Planned Behaviour (TPB) as theoretical framework. The theory was initially introduced by Fishbein and Ajzen in 1980 as the Theory of Reasoned Action (TRA). However, TRA had certain limitations, which led to the development of TPB in 1991. Eagly and Chaiken (1993) pointed out that TRA did not account for conditions that might prevent individuals from performing certain behaviours, while Bagozzi et al. (1989) argued that some intentions do not necessarily link attitudes to behaviour.

The theory suggests that human behaviour is guided by three types of beliefs:

i. **Behavioural beliefs**: These concern the potential consequences of behaviour, shaping a positive or negative attitude toward it.
ii. **Normative beliefs**: These involve beliefs about the expectations of others, such as family, peers, and social groups, which influence subjective norms.

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iii. Control beliefs: These relate to the presence of factors that facilitate behaviour performance, often leading to perceived behavioural control or self-efficacy.

Bosnjak, *et al.,* (2020) noted that, generally, the more positive the attitude, subjective norm, and perceived control, the stronger the intention to perform a given behaviour. Nigerian graduates, as products of their society, are influenced by societal norms, culture, beliefs, and intentions, all of which shape their behaviour. Most Nigerian graduates, typically in their 20s and 30s, rely on their parents, peers, and relatives for financial and moral support, career guidance, and idea generation. Therefore, their intentions to pursue entrepreneurship are largely shaped by the approval of family, teachers, and friends (Mawoli, 2013). This highlights the relevance of the subjective norm component of TPB in this context.

Attitude, defined as an individual's mental state involving beliefs, feelings, values, and predispositions to act in certain ways, is typically resistant to change once formed. The introduction of entrepreneurship courses in Nigerian universities and degree-awarding institutions aims to foster a positive change in attitudes toward entrepreneurship. This illustrates the influence of the attitude toward behaviour component of TPB in this study. Graduates may have positive attitudes toward entrepreneurship and receive approval from social agents, but a lack of financial literacy could impede their entrepreneurial intentions. This underscores the importance of equipping graduates with financial literacy, covering areas such as financial knowledge, behaviour, attitude, risk tolerance, budgeting, saving, investment, debt management, and more. The level of financial literacy will influence their ability to create and sustain a business venture, which ties into the perceived feasibility or self-efficacy component of TPB in this study.

3.0 Methodology

3.1 Research Design, Population, Sample Size, Sampling Method and Technique

This study employed a survey research design through a quantitative approach, focusing on National Youth Service Corps (NYSC) members from the 2024 Batch B stream II group serving in Niger, Nasarawa, and Kwara States. The total population of 5,635 NYSC members from these states formed the study's sample base. These members were considered ideal for the study as they are recent graduates at a critical stage in their careers. The sample size for the study was calculated using Taro Yamane's (1973) formula, resulting in 373 respondents, representing 6.62% of the target population. To account for non-responses, the calculated sample size was increased by 50%, bringing the final sample size to 560 respondents, or 9.94% of the population. This study employed a systematic random sampling technique to select Corps members from the three states. Data collection took place during the orientation program at the camp venues in Niger, Nasarawa, and Kwara States.

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3.2 Method of Data Analysis

The study applied CB-SEM to examine the effect of financial literacy indicators (independent variables) on entrepreneurial intention (dependent variable) at a 5% significance level. CB-SEM is a widely used statistical method in management and social sciences research, especially for doctoral dissertations. Additionally, the study utilized the SPSS 27 for descriptive statistical analysis and to test for multicollinearity. The structural regression model for the study was adapted from the work of Hassan and Patrick (2016) and is expressed as:

$EI = \beta_{0i} + \beta_1 FK_i + \beta_2 FB_i + \beta_3 FA_i + \beta_4 FRT_i + e_i$

For an independent variable indicator to be considered significantly influential on the dependent variable, the P-value of the construct's standardized regression coefficient must be less than 0.05, allowing the rejection of the null hypothesis.

4.0 Data Analysis and Interpretation

4.1 Confirmatory Factor Analysis

Fornell and Larcker (1981) recommend that scale items should have factor loadings of 0.5 or higher to be included in a model. As a result, any items with factor loadings below this threshold were removed from further analysis. Specifically, seven items from the financial knowledge construct (FK1, FK4, FK5, FK6, FK7, FK8, FK10), seven items from the financial behaviour construct (FB2, FB3, FB4, FB5, FB6, FB7, FB9), seven items from the financial attitude construct (FA2, FA4, FA6, FA7, FA8, FA9, FA10), seven items from the financial risk tolerance construct (FRT2, FRT3, FRT4, FRT5, FRT6, FRT9, FRT10), and two items from the graduate entrepreneurial intentions construct (GEI5, GEI9) were deleted due to low factor loadings. This approach aligns with the Fornell and Larcker (1981) threshold and is reflected in the measurement and structural model shown in Figure 1 for further analysis.

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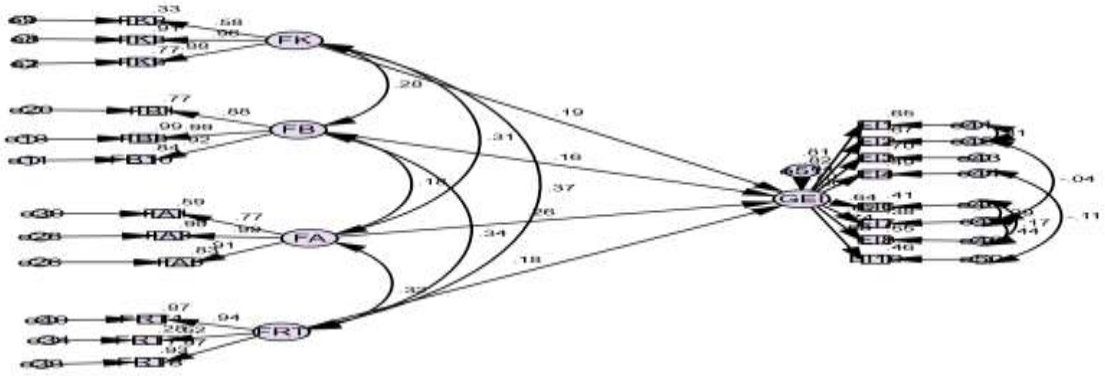

Figure 1: Path Diagrame

Evaluation of Measurement (Outer) Model

4.2 Reliability and Convergent Validity Test

Table 4.1 shows the results of the reliability and convergent validity test conducted for the study.

Table 4.1 Reliability and Convergent Validity Test

Variables	Factor Loadings	AVE	CR	CA
FK2	.578			
FK3	.956			
FK9	.879			
Financial Knowledge (FK)		**.673**	**.856**	**.835**
FB1	.879			
FB8	.995			
FB10	.918			
Financial Behaviour (FB)		**.868**	**.952**	**.949**
FA1	.771			
FA3	.994			
FA5	.909			
Financial Attitude (FA)		**.803**	**.924**	**.917**
FRT1	.935			
FRT7	.525			
FRT8	.965			

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Financial Risk Tolerance (FRT)		**.694**	**.865**	**.818**
EI1	.807			
EI2	.818			
EI3	.835			
EI4	.697			
EI6	.643			
EI7	.617			
EI8	.741			
EI10	.676			
Graduate Entrepreneurial Intention (GEI)		**.538**	**.902**	**.907**

Source: Researcher's computation using SPSS AMOS version 22, SPSS version 27 & Excel sheet

Table 4.1 presents the results of the reliability and convergent validity tests for the study. The factor loadings for all items exceed the minimum threshold of 0.5, indicating adequate reliability in their relationship with the constructs. For example, the factor loadings for Financial Knowledge (FK2 = 0.578, FK3 = 0.956, FK9 = 0.879) demonstrate acceptable construct validity. More so, the Average Variance Extracted (AVE) values for most constructs meet or exceed the 0.5 threshold, with Financial Knowledge (AVE = 0.673), Financial Behaviour (AVE = 0.868), Financial Attitude (AVE = 0.803), and Financial Risk Tolerance (AVE = 0.694) all within acceptable limits. However, the AVE for Graduate Entrepreneurial Intention (AVE = 0.538) is slightly above the threshold, suggesting moderate convergent validity for this construct.

The Composite Reliability (CR) and Cronbach's Alpha (CA) values for all constructs exceed the recommended threshold of 0.7, confirming strong internal consistency and reliability. Specifically, Financial Knowledge (CR = 0.856, CA = 0.835), Financial Behaviour (CR = 0.952, CA = 0.949), Financial Attitude (CR = 0.924, CA = 0.917), Financial Risk Tolerance (CR = 0.865, CA = 0.818), and Graduate Entrepreneurial Intention (CR = 0.902, CA = 0.907) all demonstrate high reliability. These findings provide solid evidence of both reliability and convergent validity, validating the constructs for further analysis.

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4.3 Discriminant Validity Test - Fornell and Larcker criterion

Table 4.2 presents the results of the discriminant validity test as assessed by the Fornell and Larcker criterion, a widely accepted method in quantitative research.

Table 4.2 Fornell and Larcker Discriminant Validity Test

	GEI	FK	FB	FA	FRT
GEI	**.733**				
FK	387	**.821**			
FB	324	.282	**.932**		
FA	408	.314	.184	**.896**	
FRT	386	.374	.338	.317	**.833**

Source: Researcher's computation using SPSS AMOS version 22 & excel sheet

Table 4.2 demonstrates the Fornell and Larcker discriminant validity test, confirming that all constructs meet the necessary criteria, as the square root of the AVE for each construct exceeds its correlations with other constructs. For instance, GEI has a square root of AVE of 0.733, which is higher than its correlations with FK (0.387), FB (0.324), FA (0.408), and FRT (0.386). Similarly, FK, FB, FA, and FRT have square roots of AVE of 0.821, 0.932, 0.896, and 0.833, respectively, all exceeding their correlations with other constructs. These results confirm that each construct is distinct, supporting the robustness and validity of the measurement model.

4.4 Discriminant Validity Test - HTMT ratio criterion

The HTMT criterion is a modern approach developed by Henseler, *et al.*, (2015) that evaluates the degree of correlation between constructs to ensure that they are sufficiently distinct.

Table 4.3 HTMT Ratio Discriminant Validity Test

	EI	FRT	FA	FB	FK
EI					
FRT	0.385				
FA	0.402	0.323			
FB	0.319	0.344	0.184		
FK	0.385	0.384	0.318	0.285	

Source: Researcher's computation using SPSS AMOS version 22 & excel sheet

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Table 4.3 presents the Heterotrait-Monotrait Ratio (HTMT) discriminant validity test results, confirming that all constructs achieve discriminant validity with HTMT values ranging from 0.184 to 0.402, well below the recommended threshold of 0.85 (Franke & Sarstedt, 2018; Hair et al., 2017). The highest HTMT value, 0.402, occurs between GEI and FA, while the lowest value, 0.184, is observed between FB and FA. These results indicate that the constructs - EI, FRT, FA, FB, and FK - are conceptually distinct. The findings validate the robustness of the measurement model and the theoretical framework, ensuring that the constructs uniquely represent different aspects of the study.

Evaluation of Structural (Inner) Model

4.5 Model Fit

Before testing the study hypothesis, the study has to establish that the data fit the model. The results from the study's model fit analysis indicate that the default model demonstrates an acceptable fit across multiple indices. The result of the model fit summary is presented in table 4.7.

Table 4.4 Model Fit Summary

Model	CMIN/DF	RMR	SRMR	GFI	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI	PNFI	PCFI	RMSEA	AIC	BCC	BIC	CAIC
Default model	3.153 (p-0.000)	.065	0.0595	.902	.931	.916	.952	.941	.952	.760	.777	.069	598.7	604.7	825.1	880.1

The CMIN/DF ratio in table 4.4 is 3.153, which is below the threshold of 5, and a P-value of **.000,** indicating a statistically significant result and a reasonable model fit (Dash & Paul, 2021). The Root Mean Square Residual (RMR) is 0.065 (Hooper et al., 2008; & Uedufy, 2023), and the Goodness of Fit Index (GFI) is 0.902, both suggesting a good model fit (Shi & Maydeu-Olivares, 2020). Additionally, the Standardized RMR is 0.0595, which further supports the adequacy of the model (MacCallum et al. 1996). The Parsimony-Adjusted measures, including PRATIO (0.816), PNFI (0.760), and PCFI (0.777), indicate satisfactory parsimony in the model (Christeze, 2020). The Comparative Fit Index (CFI) is 0.952, the Tucker-Lewis Index (TLI) is 0.941, and the Incremental Fit Index (IFI) is 0.952, the Normal Fit Index (NFI) is 931, Relative Fit Index (RFI) is 916, all of which are above the recommended threshold of 0.90, confirming a strong model fit (Hair et al., 2017).

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Moreover, the RMSEA (Root Mean Square Error of Approximation) value for the default model is 0.069, which is well within the recommended cutoff of below 0.08, indicating a good fit (Hu & Bentler, 1999; Shi & Maydeu-Olivares 2020). The 90% confidence interval for RMSEA is between 0.062 and 0.076, further suggesting a good model fit. The Akaike Information Criterion (AIC) is 598.685, which is lower than the values of the Bayesian Consistency Criterion (BCC), which is 604.045, the Bayesian Information Criterion (BIC) is 825.059, and the Consistency Index (CAIC) is 880.059, indicating a better model fit (Akaike, 1974). The Hoelter indices for the default model are 172 (at the 0.05 significance level) and 184 (at the 0.01 significance level), suggesting an adequate sample size for the model (Hoelter, 1983). These results collectively confirm the robustness and reliability of the default model, which adequately fits the data and supports the study's theoretical framework.

4.6 Coefficient of determination - R^2

The coefficient of determination (R^2) measures the predictive accuracy of structural equation models by indicating how well exogenous variables explain the variance in endogenous variables. It ranges from 0 to 1, with higher values showing stronger predictive power. While thresholds differ across fields, Hair et al. (2017) classify R^2 values of 0.20, 0.50, and 0.75 as weak, medium, and substantial, respectively; Chen (as cited in Fauzi, 2022) defines 0.19, 0.33, and 0.67 as weak, moderate, and strong; and Falk and Miller (1992) suggest 0.10 as the minimum acceptable. In areas like consumer behaviour, even 0.20 is considered high. Thus, models, such as those linking financial literacy and entrepreneurial intention, should ideally achieve moderate to high R^2 values to ensure reliability.

Table 4.5 Squared Multiple Correlations: (Group number 1 - Default model)

	Estimate
GEI	.302

Source: Researcher's computation using SPSS AMOS version 22

According to the results in Table 4.8, the R-square value for the endogenous variable is 0.302, which falls within the moderate range (Falk & Miller, 1992; Hair et al., 2017). This indicates that the independent variables (financial knowledge, financial behaviour, financial attitude, and financial risk tolerance) explain 30.2% of the variation in the dependent variable, graduate entrepreneurial intention. The remaining 69.8% of the variation is due to other factors not considered in the current study model.

4.7 Test of Hypothesis and Discussion of Findings

The study utilized multiple linear regression to test hypotheses. For an independent variable to significantly influence the dependent variable, the P-value of the standardized regression coefficient must be less than 0.05, indicating rejection of the null hypothesis in

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favour of the alternative. Table 4.8 presents the standardized regression weights for the study.

Table 4.6 Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P
GEI	<---	FK	.249	.067	3.731	***
GEI	<---	FB	.112	.032	3.468	***
GEI	<---	FA	.221	.041	5.412	***
GEI	<---	FRT	.156	.045	3.469	***

Source: Researcher's computation using SPSS AMOS version 22

Table 4.6 shows that financial knowledge has a positive and significant effect on entrepreneurial intention among NYSC graduates in North Central Nigeria, with a path coefficient of 0.249 (p-value < 0.001). This indicates that for every unit increase in financial knowledge, there is a 0.249 unit increase in entrepreneurial intention. The null hypothesis, stating that financial knowledge does not significantly affect entrepreneurial intention, is rejected in favour of the alternative hypothesis. This finding is in conformity with the findings of Sufian and Wen (2024); Ojogbo et al., (2022); Hassan and Patrick (2016) studies that found that financial knowledge has significant influence on entrepreneurial intention. On the contrary, the finding is in disagreement with the findings of Alshebami and Al marri (2022) studies that financial knowledge has no significant effect on entrepreneurial intention.

Similarly, financial behaviour has a positive and significant effect on graduate entrepreneurial intention, with a path coefficient of 0.112 (p-value < 0.001). This means that for every unit increase in financial behaviour, there is a 0.112 unit increase in graduate entrepreneurial intention. The null hypothesis is rejected in favour of the alternative, emphasizing that positive financial behaviours enhance entrepreneurial intentions among graduates in North Central Nigeria. This finding is in conformity with the finding of Chavez-Ruiz et al., (2024); Rashid *et al.*, (2024); Hassan and Patrick (2016); Molina-Gacia, et al (2022) studies that found that financial behaviour has significant influence on entrepreneurial intention. On the contrary, the finding is in disagreement with the findings of Alshebami and Al marri (2022) studies that financial behaviour has no significant effect on entrepreneurial intention.

Likewise, financial attitude has a positive and significant effect on graduate entrepreneurial intention among NYSC graduates in Nigeria, with a path coefficient of 0.221 (p-value < 0.001). This suggests that for every unit increase in financial attitude, there is a 0.221 unit increase in graduate entrepreneurial intention. The relationship is

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statistically significant, and the null hypothesis is rejected. This finding is in agreement with the findings of Chavez-Ruiz et al., (2024); Rashid *et al.*, (2024); Sufian and Wen (2024); and Hassan and Patrick (2016) studies who found that financial attitude has significant effect on entrepreneurial intention.

Also, financial risk tolerance has a positive and significant effect on graduate entrepreneurial intention among NYSC graduates in Nigeria, with a path coefficient of 0.156 (p-value < 0.001). This indicates that for every unit increase in financial risk tolerance, there is a 0.156 unit increase in graduate entrepreneurial intention. The statistical significance of this result leads to the rejection of the null hypothesis. This finding is in agreement with the findings of Molina-Gacia, et al., (2021), who found that financial risk tolerance has a significant influence on entrepreneurial intention.

5.1 Conclusion

Conclusively, financial knowledge, financial behaviour, financial attitude, and financial risk tolerance all exert significant effects, with p-values below 0.05. Notably, financial knowledge stands out as the most influential determinant, followed by financial attitude, financial behaviour, and financial risk tolerance. This highlights the central importance of financial literacy in fostering entrepreneurial intentions.

5.2 Recommendations

The paper recommends targeted interventions to enhance graduates' financial literacy and entrepreneurial intentions based on the tested hypotheses and findings. It suggests that the National Youth Service Corps integrate financial literacy programs into Community Development Service to equip corps members with skills in budgeting, saving, investing, and planning. Similarly, the National Universities Commission should embed a compulsory financial literacy course in entrepreneurship education to foster positive financial attitudes and proactive planning among undergraduates. Financial institutions are encouraged to require financial literacy assessments before granting loans, ensuring entrepreneurs demonstrate responsible financial behaviours. Additionally, entrepreneurship support organizations and financial institutions should provide risk management training to strengthen graduates' financial risk tolerance. Collectively, these measures will enhance entrepreneurial readiness, reduce financial mismanagement, and support sustainable economic growth.

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