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# Financial Literacy as Determinants of Financial Wellbeing Among Nigerian Households: An Empirical Evidence

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**Abstract**

Research works examining the effect of financial literacy on financial wellbeing in Nigeria are scarce. Hence, this study investigates the influence of financial literacy on financial wellbeing in Nigeria. Cross sectional survey involving census was conducted to collect data from household respondents employing questionnaire. Structural Equation Modeling tested the association between three dimensions of financial literacy and financial wellbeing. Result showed that financial behaviour and financial attitude exhibited significant positive influence on financial wellbeing while financial knowledge showed an insignificant positive outcome. Therefore, this study concludes that positive financial behaviour and financial attitude enhance financial wellbeing. Moreover, financial knowledge does not automatically generate financial wellbeing. Thus, stakeholders of financial literacy schemes should ensure greater and broader implementation using the mass media, work places and schools for a sustainable financial wellbeing.

**Keywords:** *Financial Attitude, Financial Behaviour, Financial Knowledge, Financial Literacy, Financial Wellbeing, Nigeria*

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**Background to the Study**

Growing focus over lasting financial wellbeing of people due to income insecurity, increasing personal and family upkeep expenditures as a result of inflation and declining public utilities in developing countries (Mishra, 2022, Central Bank of Nigeria (CBN), 2015) have created the need financial literacy among people (Galapon & Bool, 2022). Financial literacy is an individual's knowledge, behaviour and attitude to manage personal finances effectively to attain financial wellbeing (CBN, 2015; Shah & Thakkar, 2023). Financial wellbeing is accomplishing financial commitments on time and having adequate resources to counter financial fluxes (Chavali, Raj &Ahmed, 2021).

Recently, governments and organizations have introduced financial literacy programs as an avenue toward increasing financial wellbeing among people. For instance, in Nigeria, the CBN has established the National Financial Literacy Framework in 2015 to equip Nigerians with financial knowledge towards enhancing their financial wellbeing (CBN, 2015). The effect of financial literacy on financial wellbeing and its dimensions has been examined by researchers providing beneficial insights (Sabri et al., 2021; Ghazali, et al. 2022; Mishra, 2022; Shah & Thakkar, 2023; Sarip, et al., 2024; Chaity, et al., 2024; Kuutol, Mbonigba & Gaidzirani, 2024; Som, 2024; Sajuyigbe, et al., 2024**;** Fan & Henager, 2024). However, majority of the foregoing studies were carried out in Asia countries and the United States of America (USA). The available studies on the topic in Africa include of Kuutol et al. (2024) and Sajuyigbe et al. (2024). However, Kuutol et al. (2024) dwelled on rural households in Ghana while Sajuyigbe et al. (2024) examined University students in Western Nigeria, thus providing narrow facts. Additionally, findings in the above studies are contrasting pertaining to the influence of financial behaviour on financial wellbeing. For example, Sabri et al. (2021) and Mishra (2022) have reported that financial behaviour has effect on financial wellbeing while Ghazali et al. (2022), Chaity et al. (2024 and Sajuigbe et al. (2024) have reported no effect of financial behaviour on financial wellbeing.

Hence, based on the research gaps identified above, this study is initiated to provide additional facts on the effect of financial literacy on financial wellbeing particularly among urban households in Nigerian to enrich the literature.

Accordingly, this study seeks to achieve the ensuing objectives: (i) to examine the effect of financial knowledge on financial wellbeing; (ii) to investigate the influence of financial attitude on financial wellbeing and; (iii) to examine the effect of financial attitude on financial wellbeing. Similarly, the below hypotheses were formulated for testing in this study:

**H1:** Financial knowledge has a significant positive influence on financial wellbeing.
**H2:** Financial behaviour has a significant positive effect on financial wellbeing.
**H3:** Financial attitude has a significant positive influence on financial wellbeing.

This study is envisioned to be beneficial. Firstly, it offers additional evidence on the influence of financial knowledge, financial behaviour and financial attitude on financial wellbeing among urban household in Nigerian, a domain not previously examined by researchers.

Secondly, subjective financial wellbeing was used which is understood to offer a sincerer clue of households' views on their financial wellbeing. Lastly, finding of the study is anticipated to offer policy makers useful information on the relationship between financial literacy and financial wellbeing. Hence, assisting in creating suitable financial literacy actions toward enhancing peoples' financial wellbeing.

## Literature Review and Theoretical Framework

### Financial Literacy and its Dimensions

Financial literacy is the possession of knowledge, attitude and behaviour by individuals and families to manage personal finance effectively to boost their financial wellbeing. Thus, experts have treated financial literacy as a multidimensional concept comprising of financial knowledge, financial behaviour and financial attitude (CBN, 2015; Shah & Thakkar, 2023). The ensuing discussion elaborates on the three components of financial literacy.

Financial knowledge is the level of knowledge or understanding that people have about personal financial concepts or principles, which serve as the beginning for making decisions on effective financial management. People who have good financial knowledge tend to have financial wellbeing (Akbar, 2024). Financial behaviour is the actions, decisions, and habits exhibited by people in handling personal financial matters involving savings, investments, loans and expenditures (Sajuyigbe, et al. 2024; Kaur, Singh & Gupta, 2022; Chaity, et al., 2024). These decisions will help people in attaining an ideal financial wellbeing (Sabri et al. 2021). Financial attitude is the state of mind, beliefs, and judgments of people concerning personal financial matters. For instance, if people have a rather negative attitude towards saving for their future, they will be less disposed to exhibit such behaviour. Likewise, if they choose to prioritise short term wants over longer-term security then they are improbable to provide themselves with emergency savings or to make longer term financial plans (Yuliarto et al., 2024).

### Financial Wellbeing

Consumer Financial Protection Bureau (2015) defines financial wellbeing as "a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow enjoyment of life" (p.18). Financial wellbeing is measured using objective and subjective indicators. Objective financial wellbeing consisting of indicators such as income levels, level of debt, among others while subjective financial wellbeing comprises measures such as self-perceptions regarding one's own personal financial situation, financial wellness, meeting monthly living expenses among others (Mahdzan, et al., 2019). The present study adopts the subjective indicators of financial wellbeing.

### The National Financial Literacy Framework of Nigeria (NFLF)

The NFLF was established by the CBN in 2015. It is to implement a coordinated and collective multi-stakeholder financial education agenda towards providing Nigerians with suitable knowledge, skills and confidence toward effective personal financial management so as attain financial wellbeing (CBN, 2015).

The NFLF's particular objectives were: " empower individuals to make better spending, savings, loans, insurance, pensions and investment decisions; assist individuals to set realistic and achievable financial goals; increase awareness on the necessity for individuals to have a personal financial plan encapsulated in a budget, adhere to the budget, and prioritize their spending according to their most pressing needs rather than wants; help financially excluded individuals to know, understand and access financial products and services at affordable costs; help individuals and businesses understand their rights and obligations when they enter into loan contracts and other forms of financial transactions in order to minimize credit risk in the financial system and protect consumers; increase ability of individuals to generate and save income, understand and cope with the challenges of irregular income as well as take responsibility for their future. vii. Sensitize relevant stakeholders on financial education and their expected roles and responsibilities by creating a platform for stakeholders' engagement and interactions, and provide a platform for a multi-stakeholder approach to financial literacy and financial consumer protection in Nigeria spearheaded by the CBN as the apex regulator of the financial system" [CBN, p.12].

**Empirical Review**

Sabri et al. (2021) examined the influence of financial knowledge, financial socialization, financial behaviour, and financial strain on young adults' financial well-being in Malaysia, using survey research design. Their findings indicated that financial knowledge, financial socialization, financial behavior, financial strain significantly influenced financial wellbeing while financial strain had a negative relationship with financial wellbeing.

Mishra (2022) investigated the link between financial literacy and financial wellbeing among Indian households, using survey research. Results revealed that financial knowledge, financial attitude and financial behaviour are significant predictors of financial wellbeing. Ghazali et al. (2022) studied the association between subjective financial knowledge, financial behaviour, and financial wellbeing among adults in Malaysia, using survey research design. They found that subjective financial knowledge significantly enhanced financial wellbeing while financial behaviour and financial wellbeing have a significant direct association.

Fan and Henager (2023) investigated generational differences as a moderating factor in the associations between financial knowledge, skill, and behaviour and financial wellbeing in America using survey research. Their finding demonstrated that financial knowledge, skill, and responsible behavior positively influenced consumer financial wellbeing across all generations. Som (2024) examined financial literacy effect on households' financial wellbeing in Jammu and Kashmir, using survey research. He found that financial literacy has a significant influence on households' financial wellbeing. Kuutol et al. (2024) investigates the link between financial literacy, financial information consumption, and financial wellbeing among rural households in Ghana, using cross-sectional. They found that financial literacy and financial information consumption significantly enhance financial wellbeing.

Chaity et al. (2024) examined the influence of financial attitude, financial knowledge and financial behaviour on financial wellbeing in Dhaka of Bangladesh, using survey research.

The result showed that financial attitude influences financial wellbeing while financial behaviour and financial knowledge do not influence financial wellbeing. Sarip et al. (2024) examined the effect of financial literacy on financial wellbeing among employees of a Malaysian manufacturing firms, using survey research design. The study's findings indicate a moderate positive relationship between financial literacy and financial wellbeing. Sajuyigbe et al. (2024) examined the role of financial literacy as a mediator between financial behavior and the financial wellbeing of students in some selected Universities in Western Nigeria, using survey research design. They found an insignificant positive association between financial behaviour and financial wellbeing. Also, significant positive links was found between financial literacy and financial wellbeing as well as between financial behaviour and financial literacy.

The above studies have provided useful studies on the link between financial literacy and financial wellbeing. Nevertheless, majority of them were carried out in Asian countries and the USA. Moreover, their findings are mixed especially concerning the effect of financial behaviour on financial wellbeing. For instance, Sabri et al. (2021) and Mishra (2022) found that financial behaviour has an effect on financial wellbeing while, Ghazali et al. (2022), Chaity et al. (2024 and Sajuigbe et al. (2024) indicated that financial behaviour has no influence on financial wellbeing. Thus, more studies are needed to clarify the effect of financial behaviour on financial wellbeing.

Additionally, it is essential to provide empirical evidences in the context of African countries on the influence of different dimensions of financial literacy on financial wellbeing especially, in an urban household setting to enrich the literature. Hence, this study fills the gaps that exist.

**Theoretical Framework of the Study**

This study adopts human capital theory (HCT) to clarify the relationship between financial literacy and financial wellbeing. HCT was originally formulated by economists Theodore Schultz and Gary Becker during the 1960s. The theory suggests that the combination of a person's knowledge, skills, abilities, and experiences is referred to as human capital. The theory emphasizes the importance of education and skill development in boosting economic productivity and wellbeing (Sajuyigbe, et al., 2024). Moreover, scholars have used a variety of variables elements representing human capital such as formal education, training, employment experience, start-up experience, parent's background, skills, knowledge among others (Muhammed, 2016). Hence, financial literacy is viewed as a part of human capital that influences an individual's financial knowledge, financial behaviour and financial attitude by improving his capability to manage finances competently, make informed decisions, and achieve financial wellbeing (Sajuyigbe, et al., 2024).

Therefore, in this theory, the implications for the households' financial wellbeing is that those with financial literacy are more likely to have better financial wellbeing. Researchers have applied the HCT in examining the effect of financial literacy on financial wellbeing (Sajuyigbe, et al., 2024). Hence, the adoption of this theory in this study.

## Methodology of the Study

### Research Design

The study adopted cross sectional survey research method to collect data in 2025. Census was used in the study. Household head and in some cases, individual saddled with upkeep of a house participated as respondent.

### Population

The study selected households within three Bedroom Gujba Road Housing and its extension in Damaturu Metropolis, Yobe State as respondents. Damaturu was chosen because of large population and growing urbanization. Similarly, the above-mentioned estate was chosen because of high population and highly educated occupants. Besides, the estate is among the oldest residential estates in Damaturu town and has a population of 139(one hundred and thirty-nine) households as at 2025.

### Source of Data

Both primary and secondary data were utilized in this study. The primary was obtained using questionnaire where respondents provided responses to questions. The secondary was sourced from books, journals and other publications.

### Instrument for Data Collection

Questionnaire was used to collect data. It was structured into five parts. Part one sought demographic information of the participants; part two sought information on financial knowledge (FINK); part three obtained information on financial behaviour (FINB); part four collected information on financial attitude (FINA) and part five obtained information on financial wellbeing (FNWB). The indicators for the variables were all obtained from the studies of Adam, Frimpang and Boadu (2017), Rahman et al. (2021), Ghazali et al. (2022) and Shah and Thakkar (2023), and adapted to suit the context of the present study. All the measures of the variables were rated on a five-point Likert scale, ranging from 'strongly agree' (5) to 'strongly disagree' (1). The questionnaire was subjected to face validity of research experts before administering it.

### Data Analysis Technique

Descriptive statistics involving frequency distribution and percentage were used to analyze the demographic characteristics of the respondents. Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed to test hypotheses of the study.

## Result and Discussion

### Response Rate

Using census, 139 copies of questionnaires were administered to the entire 139 population of the respondents. At the end of the survey, 115 (one hundred and fifteen) questionnaires were retrieved as useable. This represents 83% response rate was considered adequate for analysis.

### Missing Data and Multicollinearity Analysis

Firstly, the dataset was subjected to missing data and multicollinearity screening in order to ascertain its suitability for structural equation modeling.

Regarding missing data, approximately 2% of the data were missing across various items. Given that this falls below the 10% threshold, the dataset remains valid for further statistical analysis (Hair, et al., 2021). The missing values were addressed using mean substitution, a commonly accepted technique for handling low levels of item-level missing data.

The Variance Inflation Factor (VIF) was employed to identify the presence of multicollinearity among the independent variables. The results in Table 1, revealed that all VIF values fall below the critical threshold of 5, indicating that multicollinearity is not a concern in this dataset (Hair et al., 2021). Therefore, the predictors are statistically independent enough to be included in the model without distorting the parameter estimates.

**Table 1:** Multicollinearity Statistics: VIF Values

| Items | **VIF** |
|---|---|
| FINA1 | 1.460 |
| FINA2 | 1.413 |
| FINA4 | 1.326 |
| FINA5 | 1.352 |
| FINB2 | 1.804 |
| FINB3 | 1.385 |
| FINB5 | 1.414 |
| FINB6 | 1.572 |
| FINK1 | 3.011 |
| FINK2 | 3.395 |
| FINK3 | 2.816 |
| FINK4 | 4.100 |
| FINK5 | 3.367 |
| FNWB1 | 2.262 |
| FNWB2 | 1.426 |
| FNWB3 | 1.562 |
| FNWB4 | 2.049 |
| **FNWB5** | 2.192 |
| **FNWB6** | 1.878 |

**Source:** PLS-SEM V 4.1.1.4 Output (2025)

**Demographic Information of the Respondents**

Out of the 115 individuals surveyed, majority of the respondents (80.9%) were males. This imbalance may reflect underlying cultural and socioeconomic dynamics in financial decision-making roles within households, particularly in the study area, and should be considered when generalizing the findings across genders.

Regarding age distribution, majority of the respondents (47.0%) were aged 41 years and above. The predominance of older respondents suggests that many participants may have accumulated financial experience over time, which could positively influence their financial literacy and FNWB. However, age could potentially reduce adaptability to new financial complex financial products.

Concerning level of education, (52.2%) of the respondents hold Bachelor's degree or Higher National Diploma. The educational profile of the sample might mean that the respondents possess a foundational capacity to engage with financial literacy concepts. Regarding income distribution, (47.0%) of the respondents constituting the majority, earn ₦99,000 or below, signifying a large representation of low-income households. Regarding employment status, majority (29.6%) of the respondents were government employees. The dominance of public sector employees may reflect regional labour trends and provides a relatively stable base for assessing FNWB outcomes.

**Model Fit Assessment**

To assess the measurement model, internal consistency, reliability, and validity were analyzed. Accordingly, composite reliability (CR) was used to assess the internal consistency of the constructs, indicator loadings determine the reliability of individual items, and the Average Variance Extracted (AVE) assesses the extent to which each construct captures the variance of its associated indicators.

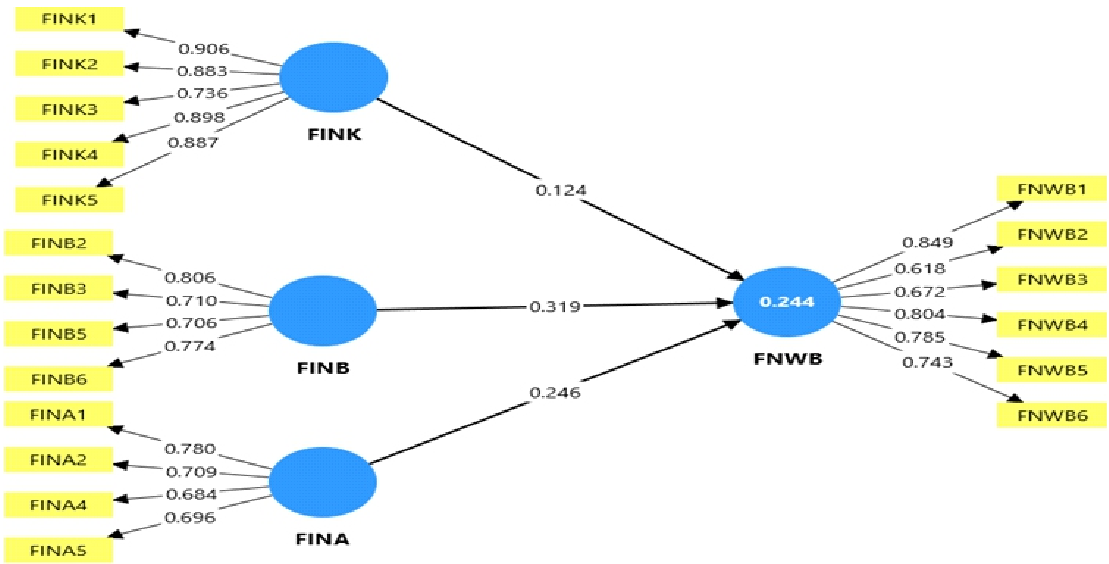


**Figure 1:** Measurement Model

The measurement model is illustrated in Figure 1, which presents the relationships between latent constructs and their observed indicators. Likewise, Table 2 provides a detailed statistical breakdown of the model's parameters, including loadings, CR values, and AVE scores.

**Table 2:** Construct Reliability and Validity

| Constructs | Items | Loadings | AVE | CR | CA |
|---|---|---|---|---|---|
| FINK | FINK1 | 0.906 | 0.516 | 0.810 | 0.688 |
| | FINK2 | 0.883 | | | |
| | FINK3 | 0.736 | | | |
| | FINK4 | 0.898 | | | |
| | FINK5 | 0.887 | | | |
| FINA | FINA1 | 0.780 | 0.563 | 0.837 | 0.743 |
| | FINA2 | 0.709 | | | |
| | FINA4 | 0.684 | | | |
| | FINA5 | 0.696 | | | |
| FINB | FINB2 | 0.806 | 0.747 | 0.936 | 0.923 |
| | FINB3 | 0.710 | | | |
| | FINB5 | 0.706 | | | |
| | FINB6 | 0.774 | | | |
| FNWB | FNWB1 | 0.849 | 0.562 | 0.884 | 0.842 |
| | FNWB2 | 0.618 | | | |
| | FNWB3 | 0.672 | | | |
| | FNWB4 | 0.804 | | | |
| | FNWB5 | 0.785 | | | |
| | FNWB6 | 0.743 | | | |

**Source:** (PLS-SEM V4.1.1.4, 2025)

Table 2 shows that Cronbach's Alpha (CA) values of the constructs were above the accepted threshold of 0.65, as recommended by Hair et al. (2019). This suggests that the individual items within each construct are sufficiently correlated, justifying their retention in the model. Additionally, all constructs surpassed the required (CR) benchmark of 0.70, with values ranging from 0.810 to 0.936, indicating strong overall reliability across items within each construct.

Regarding convergent validity, all constructs achieved (AVE) values above 0.50, which demonstrates that the latent variables explain more than 50% of the variance in their respective indicators. This confirms that the items are appropriately capturing their underlying constructs.

In terms of indicator reliability, all retained items loaded above the minimum acceptable threshold of 0.65 (Hair, et al., 2021), indicating that each observed variable has a strong and statistically significant association with its corresponding latent construct. Loadings ranged from 0.684 to 0.906, supporting the robustness of the measurement model. Generally, the values of CA, CR, AVE, and factor loadings all exceeded the established benchmarks, thereby confirming the measurement model's adequate reliability and convergent validity for subsequent structural model evaluation.

**Table 3:** Discriminant Validity using Heterotrait-monotrait ratio

| Constructs | **(HTMT)** |
|---|---|
| FINB <-> FINA | 0.812 |
| FINK <-> FINA | 0.190 |
| FINK <-> FINB | 0.166 |
| FNWB <-> FINA | 0.547 |
| FNWB <-> FINB | 0.552 |
| FNWB <-> FINK | 0.129 |

**Source:** PLS-SEM (V4.1.1.4 2025) Discriminant Validity

In this study, discriminant validity was assessed using the Heterotrait-Monotrait Ratio (HTMT) of correlations, which is considered a more robust criterion compared to the traditional Fornell-Larcker method (Henseler, Ringle & Sarstedt, 2015).

HTMT values should usually fall below 0.85 to confirm discriminant validity between constructs (Hair et al., 2022). Table 3 presents the HTMT values computed from the PLS-SEM analysis.

All inter-construct HTMT values in the model are below the threshold of 0.85. The highest observed value is between FINB and FINA (0.812**)**, which, although relatively high, remains within the acceptable range, indicating that FINB and FINA are related yet empirically distinguishable. Other HTMT values, such as between FINK and FNWB (0.129) or FINK and FINB (0.166), are considerably lower, further reinforcing discriminant validity across the constructs. Therefore, the results provide strong evidence that each construct is distinct from the others in the model, and hence, the measurement model meets the discriminant validity for analysis.

**Bootstrapping Analysis**

Bootstrapping analysis was conducted to assess the statistical significance of the direct relationships between the independent and dependent variables in the model. This procedure employed 500 resamples drawn from the original dataset comprising 115 cases. By generating a distribution of path estimates, the analysis facilitated the computation of standard errors and confidence intervals, thereby enhancing the robustness and reliability of the model's path coefficients.

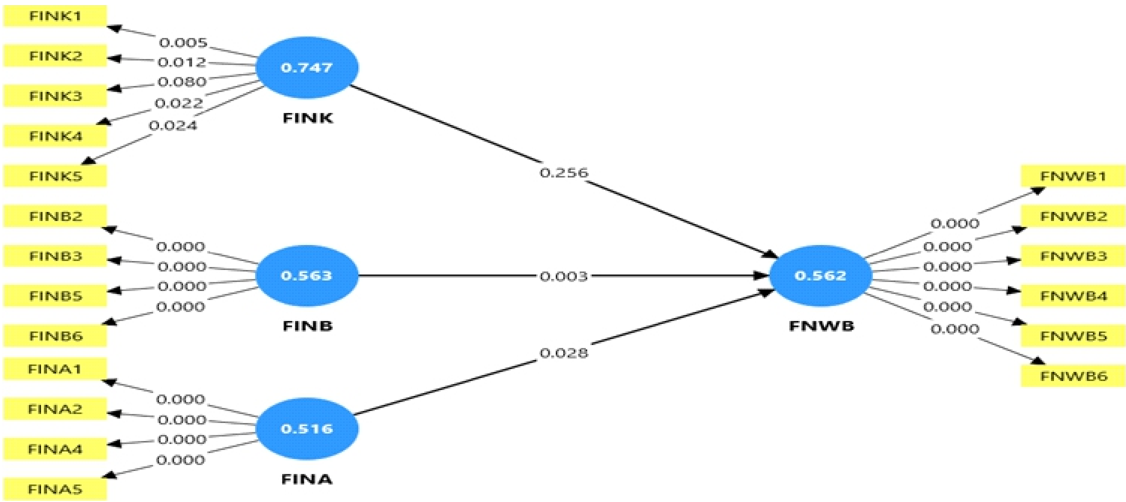


**Figure 2:** Structural Model

Figure 2 presents the structural model used to estimate the relationships among the constructs in the study. Specifically, the model illustrates the direct effects of dimensions of financial literacy comprising FINK, FINB and FINA on FNWB of selected Nigerian households.

**Hypotheses Test Results**

The hypotheses of the study were tested using the path coefficients generated from (PLS-SEM) bootstrapping procedure with 500 resamples and a sample size of 115 respondents. The significance of each path was determined using the t-statistics and p-values derived from the bootstrapping results. A path was considered statistically significant if the t-statistic exceeded 1.96 at the 5% significance level ($p < 0.05$) (Hair, et al., 2022).

**Table 4:** Path Coefficient

| Hypothesis Testing | Beta Value | Mean (M) | (STDEV) | T statistics | P values | Decisions |
|---|---|---|---|---|---|---|
| FINK -> FNWB | 0.124 | 0.120 | 0.109 | 1.137 | 0.256 | Not Supported |
| FINB -> FNWB | 0.319 | 0.337 | 0.109 | 2.928 | 0.003 | Supported |
| FINA -> FNWB | 0.246 | 0.253 | 0.112 | 2.193 | 0.028 | Supported |

**Source:** PLS-SEM V4.0 Path Coefficient, 2025

The path coefficient results in Table 4 showed that the relationship between FINK and FNWB produced a p-value of 0.256. Since the p-value exceeds the 0.05 threshold, this relationship is statistically insignificant. Thus, hypothesis H1 which states that *FINK has a significant positive influence on FNWB* was not supported. This suggests that while FINK is important, it may not lead to improved FNWB.

In contrast, (FINB → FNWB) revealed a strong and significant positive relationship with a p-value of 0.003. Hence, hypothesis H2 which states that FINB *has a significant positive influence on FNWB* was accepted. This suggests that households with prudent FINB such as budgeting, saving, and expenditure might experience enhanced FNWB.

Similarly, (FINA → FNWB) is also significant with a p-value of 0.028. Therefore, hypothesis H3 which states that *FINA has a significant positive influence on FNWB* was accepted. This means that having a positive outlook and responsible mindset toward financial matters contributes meaningfully to improving household's FNWB. An adjusted $R^2$ value of 24% indicates that the combined influence of the independent variables FINK, FINB, and FINA explains 24% of the variance in FNWB among the sampled Nigerian households.

This means that while these three dimensions of financial literacy account for nearly a quarter of the differences observed in FNWB, the remaining 76% of the variance is attributable to other factors not included in the model, such as income level, employment stability, socio-economic conditions, cultural influences, and unforeseen life events.

Table 5 presents the effect sizes ($f^2$) of the exogenous variables FINA, FINB, and FINK on the endogenous construct, FNWB.

**Effect Size of Exogenous Variables**

**Table 5:** Effects Size

| Construct | $F^2$ |
|---|---|
| FINA | 0.051 |
| FINB | 0.087 |
| FINK | 0.020 |
| FNWB | |

**Source:** PLS-SEM V4.1.1.4 effect size, 2025

Based on Cohen's (1988) guidelines, $f^2$ value of 0.02 is considered small, 0.15 medium, and 0.35 large. The results show that FINA has a small effect size ($f^2$=0.051), FINB also has a small but relatively stronger effect size ($f^2$=0.087), while FINK exhibits a minimal effect size ($f^2$=0.020) on FNWB.

These findings imply that although all three dimensions of financial literacy contribute to explaining FNWB, FINB has the most substantial relative impact, followed by FINA, whereas FINK plays only a marginal role.

**Predictive Relevance of Exogenous Variables**

Table 6 presents the predictive relevance results for the model, using the $Q^2$ statistic alongside Root Mean Square Error (RMSE) and Mean Absolute Error (MAE) values.

**Table 6:** Predictive Relevance

| Constructs | Q²predict | RMSE | MAE |
|---|---|---|---|
| **FNWB** | 0.164 | 0.927 | 0.730 |

**Source:** PLS-SEM V4.1.1.4 effect size, 2025

The $Q^2$ value of 0.164 for FNWB is above zero, indicating that the exogenous variables FINK, FINB, and FINA demonstrate a meaningful predictive relevance for the dependent construct. According to Hair et al. (2022), a positive $Q^2$ value suggests that the model has predictive accuracy beyond mere statistical fit.

Furthermore, the RMSE value of 0.927 and MAE value of 0.730 reflect the magnitude of prediction errors, with the relatively low MAE indicating that, on average, the predictions deviate only moderately from the observed values.

Overall, these results suggest that the model possesses adequate predictive capability, and that the financial literacy dimensions can reasonably forecast FNWB among the sampled Nigerian households.

**Discussion**

The discussion of the findings is based on the hypotheses test results. Regarding hypothesis one, it was found that FINK has insignificant positive effect on FNWB of the households. This means that knowledge alone, without corresponding behavioural application or attitudinal alignment, may not directly enhance FNWB. The finding that FINK has insignificant effect on FNWB is consistent with findings in Chaity et al. (2024). Nevertheless, it contradicts the findings in Sabri et al. (2021).

Concerning hypotheses two and three, the result showed that FINA and FINB have significant positive effects on FNWB respectively. This suggests that households exhibiting positive FINA and FINB may experience better FNWB. These findings agree with findings of Mishra (2022) who found and reported that FINA and FINB have positive effect on FNWB.

Overall, the findings highlight that while FINK remains an important foundation, it is the behavioural and attitudinal aspects of financial literacy that play a more direct and substantial role in enhancing the FNWB of Nigerian households.

**Conclusion and Recommendation**

The findings of this study provide empirical evidence on the role of financial literacy dimensions namely: FINK, FINA, and FINB in determining the FNWB of Nigerian households. The study findings demonstrate that FINB and FINA have significant positive influence on FNWB among the sampled households. Also, the finding showed that FINK has insignificant positive effect on FNWB. Therefore, this study concludes that FINB and FINA have positive influence on FNWB respectively. Similarly, the study concludes that FINK has no significant positive influence on FNWB.

Thus, a positive financial attitude promotes prudent spending, disciplined saving, and long-term planning, which are critical for achieving financial security. Similarly, the significant positive relationship between FINB and FNWB underscores the crucial role of financial practices in translating knowledge and attitudes into tangible financial effects.

Overall, these findings suggest that the behavioural and attitudinal aspects of financial literacy are the primary drivers of FNWB, particularly in emerging economies like Nigeria.

Based on the findings, it is recommended that interventions aimed at improving households' FNWB should prioritise behavioural training and attitude transformation, alongside the provision of financial education. Also, stakeholders of the NFLF in Nigeria should put more effort towards enhancing financial literacy among Nigerians. This can be done using the mass media, in work places and other available avenues. Moreover, households and individual should be encouraged to possess financial literacy so as to enhance their FNWB.

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