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FINANCIAL PLANNING AND FINANCIAL RESILIENCE AMONG NYSC MEMBERS IN NORTH CENTRAL NIGERIA

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Abstract

This study examines the effects of financial planning on financial resilience among NYSC members in North Central Nigeria. Data for the study was obtained from primary source through the administration of a well-structured questionnaire. The data was subjected to series of cleansing to ensure reliability and validity. The applied structural equation model, PLS-SEM. The justification for PLS-SEM is based on the non-normality of the data. The result revealed that financial planning significantly affects financial resilience. This study recommended that the Government should increase the knowledge and awareness of importance of financial planning. A good financial planner starts with applying a good financial attitude. Without a good attitude in finance and planning, it is difficult to have a financial surplus for future savings, let alone own investment capital continue to create adequate awareness on financial literacy especially to NYSC member by introducing them to financial planning lectures in the various camps.

Keywords: Financial Resilience, Financial Planning, Structural Equation Model, PLS-SEM

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INTRODUCTION

In order to manage these unexpected events, households must have adequate liquid assets or emergency reserves, or have the ability to borrow from financial institutions or their extended network of family and friends. Individuals lacking adequate liquid assets or emergency savings to cope with a financial setback will experience enduring detrimental consequences on their financial well-being. Any borrowed funds, along with accrued interest, will need to be repaid, and relying on loans from family and friends can strain these relationships. Repaying any debts that have been accumulated might potentially lead to a decline in living standards during the payback term, and some individuals may be unable to regain the same level of living standards they had before the unexpected event occurred (McKnight, 2019).

When individuals and their households lack financial resilience, an income shock can have negative consequences. If certain groups of the population lack financial resilience, it can have adverse effects on the economy and undermine financial and social stability at a societal level. Insufficient financial resilience can amplify the effects of an initial income shock, resulting in more severe consequences. These consequences can include mental health problems, debt issues, diminished opportunities for the affected individuals' children, and even the erosion of societal cohesion. Businesses see a decline in staff productivity as a result of the stress caused by the sudden decrease in income and the subsequent changes in spending.

In Nigeria, a sequence of shocks has had a detrimental impact on financial resilience. Instances of these shocks encompass the decline in oil prices, the sluggish expansion of non-oil industries, and the inadequate development of earnings and income (Proshare, 2020). The 2016-17 economic downturn marked the initial occurrence of a recession in a span of 25 years, following a decade of robust economic expansion primarily fueled by oil income. The recession was caused by a combination of factors including the ongoing decrease in oil prices, shortages in foreign exchange, high poverty rates, significant fall in oil output, instability, and a low execution rate of the capital budget (51 percent) (Barungi et al., 2017). The existing system generates ambiguities not only for the government but also for the other prominent entities that facilitate the economy.

Effective financial management is essential for acquiring the necessary resources to handle unexpected financial setbacks and ultimately achieve financial resilience. It is essential to possess sufficient knowledge, skills, and attitudes in order to formulate appropriate strategies, prevent getting trapped in debt, create and adhere to plans, anticipate future needs and unforeseen expenses, and select risk mitigation plans that align with one's specific needs and circumstances.

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According to an IMF paper (Torsten & Jack, 2023), the financial literacy level in Nigeria is very deficient as more than half of Nigeria adults have limited financial literacy skills especially in the areas of tracking expenses and risk diversification. This can be ascribed to limited availability of sources for financial education knowledge, subpar financial planning, and insufficient financial management. In an effort to get better insights on this issue, the Central Bank of Nigeria (CBN) performed a survey revealing that a mere 38% of the adult population in Nigeria possesses financial literacy. Furthermore, according to Yellow Cowries Financial Literacy (2023), more than 60% of the population lack the requisite information and abilities to make well-informed financial choices.

When one focuses closer at this youth population to assess the young adults getting ready to be absorbed into the employment market (graduates undergoing their mandatory NYSC service to the nation), one of the main difficulties being encountered by them is a lack of financial resilience, despite the their monthly stipend allocated by the government, and in many cases additional allowances provided their employers. They also face challenges related to job mismatch, where their assigned tasks do not align with their degrees. Additionally, they experience a low sense of wellbeing due to the unstable economic and security conditions in the country. Furthermore, they receive inadequate training to carry out their tasks effectively and also face poverty. This can be attributed to their limited knowledge and skills in financial literacy. Their limited financial resilience impedes their capacity to efficiently handle their finances, accumulate savings for the future, and navigate economic uncertainty.

According to Klapper and Lusardi (2020), gaining and applying this knowledge and awareness can lay a strong groundwork for achieving prosperity and reducing the negative impact of different economic shocks. A number of studies have shown that people who have a good grasp of basic financial concepts are more likely to save, invest, diversify their risks, and make good use of credit and loans. The ability to manage and budget one's finances, handle debt responsibly, save and invest wisely, and make informed decisions about one's financial services are all components of financial acumen. This study investigates the impact of financial planning on the financial resilience of NYSC members in the north-central region of Nigeria. This paper is organized into: section two consisting of empirical literature review, section three, the methodology and results. The fourth section presents conclusions and recommendations.

LITERATURE REVIEW

Financial Planning

Personal financial planning is a process of managing individual finances to achieve personal economic satisfaction (Lee et al., 2023). This planning process can assist individuals in

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controlling their financial condition (Liu et al., 2023). Maintaining stable household finances requires careful household financial planning (Kim et al., 2023). This planning process can assist individuals in controlling their financial condition (Wang & Liu, 2023). Each individual, family has different circumstances so that in financial planning so as to meet certain needs and goals (Sodokin et al., 2023). Financial planning is the process of achieving life goals, namely a prosperous and happy future through financial management (Panakaje et al., 2023).

Personal financial planning is the process of managing one's finances to achieve economic prosperity (Sara et al., 2023). The financial planning process can help individuals in controlling their financial condition (McCullough et al., 2023). Each individual has different approaches towards planning their finances to ensure they achieve their respective financial goals (MacDonald et al., 2023). Every individual has different circumstances and constraints that they take into consideration whilst planning their finances to achieve certain financial goals (Mendari & Soejono, 2019). Personal financial planning is the process of managing money for personal economic satisfaction (Sesini et al., 2023). Both financial satisfaction and personal satisfaction are the result of the personal financial planning process (Sommer et al., 2023). A good financial planner starts with applying a good financial attitude (König et al., 2023). Without adopting a good attitude in finance, it is difficult to have a financial surplus for future savings, let alone own investment capital (Fan, 2023) Personal financial planning is a way to efficiently prepare household financial needs in the future (Yao et al., 2023). Personal financial management is the science and art of managing finances on an individual level (Lučić et al., 2023). Thus, personal financial management includes two elements, namely knowledge of finance and the art of managing (Skwara, 2023). The goal of characterizing complex financial planning behaviors is likely to require a complex, multidimensional model (Geng, 2023). Personal financial planning involves using savings to accumulate wealth, followed by careful use of wealth against depreciation and loss of value, and finally distribution of wealth over the course of the next life (Mishra et al., 2023). The plan reflects the individual circumstances when doing financial planning (Neilson, 2023). The financial planning process progressively develops and builds a person's capacity to manage financial needs such as tax planning, credit and cash management, investment, insurance and risk management, and retirement planning (Murugan, 2023).

Financial Resilience

The concept of resilience is used widely in a range of policy contexts – including psychology, military security and terrorism, financial organizations, ecology, climate change or developing regional economies in global markets - but its meaning is malleable, rendering it

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able to transcend different domains (McKnight, 2019). Resilience is commonly used to encapsulate qualities within complex systems, organizations, communities - or even households and individuals - that can resist or successfully adapt to significant external shocks (Malik et al., 2023). The term comprises processes such as the ability to rebound, adapt and/or recover and is currently popular as it reflects contemporary concerns with insecurity and uncertainty (Liñares-Zegarra & Wilson, 2023).

Conceptualizations of resilience illustrated that a range of resources can be brought to bear to manage, or recover, from the adverse impacts of external shocks, and these may be at different levels: structural, cultural, systemic, coping, relational as well as individual. Implicit in this perception – and in evolutionary non-equilibrium interpretations of resilience - is that multiple actors and agencies may also have responsibilities to increase the capacity of systems, organizations or people to manage and respond to disruptions over the long-term (Foulon & Marsat, 2023).

Although the concept of 'resilience' has been widely applied to regional economies and the organisational capacity of financial institutions to withstand future systemic shocks in the wake of the financial crisis, the term has been infrequently applied to personal financial management or individual economic circumstances (Park, 2023). This report adopts the term to consider how individuals and households are able to respond to the effects of the financial crisis now and in the future, by their deployment of their own personal resources, highlighting what further support they may require to secure their own future (Kousky & Netusil, 2023).

Soufi and Esfahanipour (2021) described resilience as the unaccompanied means of controlling the costs of an institution in the face of rapid inflation at that time in the United States. In the 2000s, financial resilience was first explored at the household level as a way of controlling the financial crisis in a family (Mckay et al., 2023). A number of other studies have also explored the financial resilience in the public sectors and economics of countries and referred to strategies for combating economic factors' turbulence, including inflation, exchange rate, and macroeconomic parameters (Bieri, 2023; Crossley et al., 2023; Di Falco et al., 2023)).

According to Sanchez et al. (2021), financial resilience is the ability to sustain one's livelihood by preventing or reducing the impact of financial shocks on income and expenditure. It requires people to have access to appropriate skills and tools for 'money management' (to deal with predictable shocks) and 'risk management' (to deal with unpredictable shocks).

Financial resilience is defined as the ability to access and draw on internal capabilities and appropriate, acceptable and accessible external resources and supports in times of financial adversity (Salignac et al., 2019). The framework was built around four types of

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resources identified through the literature as being crucial to being able to bounce back from financial shocks (Salignac et al., 2019):

- Economic resources: income; savings; debt management; capacity to raise $2,000 in an emergency; and ability to meet cost of living expenses.
- Financial products and services: access to, and demand for bank accounts; credit; and insurance.
- Financial knowledge and behaviour: knowledge of, and confidence using financial products and services; use and willingness to use financial advice; and proactive financial behaviours.
- Social capital: level of social connections; likelihood of getting financial support from social connections in times of crisis; and the need for and access to community and government support.

Financial resilience has great benefits in facing a crisis (Murendo et al., 2023). However, to be able to withstand a crisis one must have the ability to plan and manage finances properly (Zeka & Alhassan, 2023). In addition, good financial knowledge is also needed so that financial management can be better by placing money in accordance with appropriate items (Rabelo Dutra et al., 2023). Families must be able to cope with an increasingly complex economy as well as the threat of persistent recession, easy access to credit or debt, unpredictable oil and fuel prices, changes in public policy, and so on (Yadev & Banerji, 2023).

Financial resilience is the ability to draw on internal capabilities (skills and know-how), and to access appropriate external resources in times of financial adversity (Yadav & Shaikh, 2023). How people bounce back from a financial shock is seen to determine their level of financial resilience (Yao & Zhang, 2023). Four factors produce financial resilience when they work together: Economic resources, Suitable financial products and services, Financial knowledge and behaviour and Social capital (Mundi & Vashisht, 2023).

According to Goyal et al. (2023), family financial management includes communication in using income, and aims to use personal and financial resources to produce a level of life satisfaction and build financial reserves to meet future and sudden needs. Pandin et al. (2021) defined financial resilience as the ability to survive and cope with events in life that have an impact on a household's income and or assets. Financial resilience is the ability to recover more quickly from financial resilience is shaped by five capacities; robustness, anticipatory capacity, awareness, flexibility and recovery ability (Huang, 2023).

According to OECD (2020), financial resilience is an essential characteristic for citizens everywhere. It is needed to ensure individuals can cope with the predictable financial choices and difficulties in life, such saving enough over a very long period of time for a comfortable

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retirement, but also with unpredictable and highly unexpected shocks such as the current COVID-19 pandemic. Individual financial resilience can be thought of as composed of six elements:

i. *Keeping control over money*: keeping a regular watch on one's financial situation and avoiding indebtedness can minimise the risks of financial stress.
ii. *Taking care with expenditure*: a mark of financially prudent and thus resilience individuals is taking a good care with expenditure and considering the need and affordability of purchases.
iii. *Availability of financial cushion*: the availability of savings and the ability to support oneself for a period of time without income is important. Individuals are likely to experience periods when they have to live on their savings and while some are planned (periods of study or training, for instance), others like the currently unfolding economic crisis caused by the COVID-19 pandemic are unplanned and likely to result in loss of income for segments of societies globally.
iv. *Coping with a financial shortfall*: the frequency of experiencing a shortfall and the worry about one are revealing of the financial resilience of individuals.
v. *Planning individual finances*: actively saving and pursuing long-term financial goals tend to be actions that boost the financial resilience of individuals.
vi. *Fraud awareness*: being aware of financial scams and possible fraud and taking care not to fall victim to one is a characteristic of a financially resilience (and literate) individual. This study adopted the OECD (2020) concept of financial resilience as the working definition. This is because among all the definitions, this one gives a more detailed challenges an individual can face when in difficult situation as it relates to being resilient. Again, this definition capture six components which are related to the components of financial literacy (record keeping, financial planning, knowledge of financial products, knowledge of financial concepts, usage of relevant financial products and source of income) which are necessary to being resilient.

Financial resilience in this study was measured as a unidimensional variable. This is based on the study by McKnight (2019). McKnight (2019) stated that the measures of financial resilience extend to income, information on financial stocks, liquid savings or assets, financial debts and can include access to affordable credit, ability to borrow from family and friends, assessments of financial capability and financial competence. In the literature a variety of indicator variables have been used to assess financial resilience.

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Theoretical Review

Theory of Planned Behavior

This was propounded by Ajzen, (1991). The Theory of Planned Behavior (TPB) predicted an individual's intention to engage in a behavior at a specific time and place (Rahmani et al., 2023). It posited that individual behavior is driven by behavior intentions, where behaviour intentions are a function of three determinants: an individual's attitude toward *behavior*, *subjective norms*, and *perceived behavioral control* (Yeung et al., 2023).

The Theory of Planned Behavior is an extension of the Theory of Reasoned Action (Ajzen & Fishbein, 1980, Fishbein & Ajzen, 1975) and suggested that the most important determinant of a person's behavior is intent (Law et al., 2023). The Theory of Planned Behavior assumes that the best prediction of behavior is given by asking people if they are intending to behave in a certain way. Here, the intention will not express itself in behavior if it is physically impossible to perform the behavior or if unexpected barriers stand in the way (Molina-Garcia et al., 2023).

Assuming intention can explain behavior, how can intention be explained?. According to Azjen, three determinants explain behavioral intention: The attitude (opinions of oneself about the behaviour), the subjective norm (opinions of others about the behavior), and the perceived behavioural control (self-efficacy towards the behavior) (Narmaditya et al., 2023). The model of the theory of Planned Behaviour assumed that consumers make decisions by calculating the costs and benefits of different courses of action and choosing the option that maximizes their expected net benefits (Alonso et al., 2023). The theory of Planned Behavior belongs to the so-called group of 'rational choice models' (Yao et al., 2023). It builds on the following key assumptions:

Individual self-interest is the appropriate framework for understanding human behavior; rational behaviour is the result of processes of cognitive deliberation; internal factors, especially the attitude, play the most important role (Du et al., 2023). The policy interventions that flow from this model are relatively straightforward (Wang et al., 2023). Policy should seek to ensure that consumers have access to sufficient information to make informed choices (Rastegari et al., 2023). Though familiar and widely used, rational choice models have been subject to an extended critique. This critique is based on the following important claims and arguments:

First, it is well known that human behavior is extremely complex and consists of social, moral and altruistic behavior as well as simply self- interested ones (Vlastelica et al., 2023). More often, behavior is embedded in collective and social decision-making contexts and other contextual factors, and these factors continually shape and constrain individual preference (Chetioui et al., 2023). Second, habits and routines - which is referred to as procedural

rationality - bypass cognitive deliberation and undermine a key assumption of the model (Romero, 2023). Third, emotional or affective responses appear to confound cognitive deliberation (Bünstorf, 2022). It is well known in marketing theory, for example, that consumers build affective relationships with consumer goods. The ability to be resilient is dependent on the consumers having access to sufficient information to make informed choices of being financially literate.

According to the theory, attitudes, subjective norms and perceived behavioral control predict the intention, which in turn predicts the behavior (Phipps et al., 2023). Background variables, as demographical factors, are supposed to influence the behavior through the three determinants and the intention (Caso et al., 2023). Attitudes, subjective norms and the perceived behavioral control, explain the behavioral intention before the behavior takes place (Jacob et al., 2023). The intention is a good predictor of the actual behavior (Dey & Singh, 2023). Theory also says that the perceived behavioral control is an estimate of the skills needed for expressing the behavior and the possibility to overcome barriers (Canova et al., 2023). Therefore, a direct influence of perceived behavioral control on behavior is supposed (Jain et al., 2023). The actual behavior leads to feedback about the expectations of the behavior (Sisay et al., 2023). Furthermore, Ajzen stated that for a good and predictive value of the model, it is necessary that the several model variables are defined on the same level of specificity (Shanka & Gebremariam, 2023): For example, when investigating the explaining factors of financial resilience, prediction will not be found in the attitude toward the environment, but in the attitude toward financial literacy.

Empirical Review

Setyorini et al (2021) investigated the impact of spatial literacy on financial planning in the city of Semarang, with household behavior serving as a mediator. The testing uses a mediation process using Smart PLS 3.0. Respondents were collected using an online survey using a simple random sampling technique. The number of respondents used in this study was 102 respondents. Based on the results of data processing, financial literacy on financial resilience is not supported. Meanwhile, the effect of financial literacy on financial resilience by mediating household behavior is accepted. The hypothesis of financial planning on financial resilience is not supported. However, the effect of financial planning on financial resilience with household behavior as mediation is supported. This study is somewhat similar to the present study. However, it failed to apply financial capability as a mediator.

Kawamura et al. (2021) utilized original purpose-built 2018 Japanese survey data to analyze the financial behaviors and attitudes of households. The study reveals that financial

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literacy consistently plays a crucial role in financial decision-making. Surprisingly, the observed behaviors are counter-intuitive: individuals with high levels of financial literacy tend to exhibit excessive risk-taking, borrow excessively, and hold naive financial attitudes. In essence, financial literacy appears to lead people towards being daring and reckless in certain financial aspects. Conversely, those with financial literacy excel in retirement planning and exhibit indifference towards gambling. Additionally, individual preferences such as risk and loss aversions, as well as discount factors, also contribute to shaping financial choices.

The effect of income, self-efficacy, financial literacy, and financial planning on the financial resilience of people going through the quarter-life crisis phase was studied by Hendri and Usman (2023). In this quantitative investigation, we used SmartPLS 3.0 software to analyze the data using Structural Equation Modeling (SEM). Using online questionnaires and purposive sampling, 255 participants were selected for the study. According to the study's findings, financial resilience is positively and significantly affected by financial literacy and financial planning. The results showed that financial resilience was unaffected by income or self-efficacy.

Goyal and Kumar (2020) performed a systematic review and bibliometric analysis of financial literacy in India. Using a search engine, the researchers combed through 502 publications published in scholarly journals between 2000 and 2019. To pinpoint seminal works, outline the field's intellectual architecture, and spot gaps, researchers have used citation networks, page-rank analyses, co-citation analyses, content analysis, and publishing patterns. A thorough examination of the content of 107 papers in the identified clusters followed the bibliometric identification of the most notable journals, authors, countries, articles, and themes. Levels of financial literacy across different age groups, the effect of financial literacy on financial behavior and planning, and the value of financial education are the three main points covered. In addition, for publications published in the past four years that were not included in the co-citation study, a content analysis of 175 papers was carried out. Financial capability, gender gap, digital financial education, tax and insurance literacy, and inclusion in the financial system are some of the emerging themes. Following the suggestion of possible study directions, a comprehensive conceptual framework has been developed through modeling. There was no use of quantitative analysis in the study.

Gaps in Literature

In the case of a gap in the scope of the study, this study is up-to-date and timely. Based on the reviewed literature, few or no studies in North Central Nigeria have carried out this depth of research to achieve financial resilience. Furthermore, this study adds to the body of literature, as research is yet to test the mediating effect of financial capability. Despite the

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overwhelming theoretical evidence of financial literacy and resilience, it is established from the literature that no existing research empirically addresses the major issues of this study in Africa and Nigeria.

This study identified a theoretical gap in prior research on the relationship between financial planning and financial resilience. The theory of planned behaviour is appropriate and suitable for the current study to bear the fruit of this theoretical gap. Some prior theories appear to be important and a foundation worthy of recognition. However, an investigation in to the theory of planned behaviour gave a better and broader view to which financial planning response to financial resilience.

METHODOLOGY

Research Design

The causal research design was adopted in this study. The causal research design is appropriate to find the impact of variables, Jeremy (2006) asserted that causal design is useful to studies that explore effects of independent variables on dependent variable.

Data Collection Instrument

The data was collected through the distribution questionnaire. The nature of the questionnaire used for this study was a five-point Likert-scale, ranging from “strongly agree” to “strongly disagree” (5 = ‘Strongly Agree’, 4 = ‘Agree’, 3 = ‘Undecided’, 2 = ‘Disagree’ and 1 = ‘Strongly Disagree’).

Sampling

The sample size of this study was determined by Krejcie and Morgan formula from the population of 10517. A sample size of 2125 was determined. A total of 2125 copies of questionnaires were distributed and 2005 questionnaires were returned, which represents a response rate of 94.9%. The multi-stage sampling technique comprises both the probability and nonprobability sampling methods were applied. These two methods enable sampling to be carried out in stages. A non-probability sampling method (purposive sampling) was used at the first stage to select the target geographical area which is the North Central Nigeria. While the probability method of sampling, simple random sampling was applied for the selection of the respondents to answer the questionnaire for this study. For this study Corps Members responded to the questionnaires.

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Method of Data Analysis

This study adopted the Structural Equation Modeling (SEM) known as Partial Least Square Structural Equation Modelling (PLS-SEM) requires small sample size and little or no fitness tests. Goodhue, Lewis and Thompson (2006) have argued that PLS is not inferior to CB-SEM, especially when a situation of small sample size and non-normal data distribution is expected from any study. Data analysis was conducted using partial least square (PLS) software 4.0.3. The PLS-SEM in study tested for the measurement model and the structural model.

Table 1: Definition of construct and measurement

S/N	Construct	Measurement	Source
1	**Financial Planning**	Measured using five point Likert Scale with six (6) items.	Adopted from Wafula (2017) were modified to suit this present study
2	**Financial Resilience**	This variable was measured and coded as a five-point Likert-Scale with six (6) items.	This variable was adopted from Adopted from OECD INFE (2011)

ANALYSIS AND FINDINGS

Measurement Model Testing

The measurement model assesses the constructs involved in the study, which is to determine whether the indicators such as, Composite reliability (CR), convergent validity, average variance extracted (AVE) and discriminant validity, as described by Hair et al. (2011), Hair et al (2012) and Henseler et al (2009) met their required threshold.

Table 2: Convergent Validity

Variables	Code	Loading	AVE	CA	CR
Financial Resilience	FIR1	0.915	0.62	0.79	0.83
	FIR2	0.778			
	FIR4	0.646			
Financial Planning	FPL 1	0.836	0.7	0.72	0.88
	FPL2	0.89			
	FPL3	0.785			

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The result in Table 2 shows the convergent validity for the constructs under study. The results thus demonstrated a high level of convergent validity of the latent construct and used in the model. An AVE value of at least 0.5 indicates sufficient convergent validity, meaning that a latent variable can explain at least half of the variance of its indicators on average.

Table 3: Heterotrait-Monotrait Ratio (HTMT) Discriminant Validity

	Financial Planning	Financial Resilience
Financial Planning		
Financial Resilience	0.457	

Table 3 show the discriminant validity result. According to Henseler, Ringle, & Sarstedt (2015: 121), a well-fitting model should indicate that the heterotrait correlations should be smaller than monotrait correlations, meaning that the HTMT ratio should be below 1.0, Henseler, Ringle, & Sarstedt (2015) suggested that if the HTMT value is below 0.90, discriminant validity has been established. Gold et al. (2001) and Teo et al. (2008) also use the .90 cutoff, though Clark & Watson (1995) and Kline (2011) use the more stringent cutoff of .85. Results in Table 3 indicated that discriminant validity was established.

Structural Model Testing

Structural model fitness is examined after measurement model assessment has been met and fitness is shown to be acceptable. The structural or inner model consists of the factors and the arrows that connect one factor to another. The loadings of the direct paths connecting factors are standardized regression coefficients. To ensure that the final estimated result from the PLS is true, it is important to determine the fitness of the model. The fitness of the model can be assessed in the following ways; testing for collinearity of the structural model, assessing the significance and relevance of the structural model relationships, the level of the R^2 values, and the f^2 effect size (Tenenhaus, Vinzi, Chatelin & Lauro 2005). Höck & Ringle, (2006) described results above the cutoffs 0.67, 0.33 and 0.19 to be “substantial”, “moderate” and “weak” respectively. The R-square here would be considered to be of moderate strength or effect. To assess multicollinearity in the structural model, tolerance or VIF criteria may be applied, discussed and illustrated. The VIF benchmark should be less than 4.

The f-square effect size measure is another name for the R-square change effect. The f-square coefficient can be constructed equal to (R^2original – R^2omitted)/(1-R^2original). The denominator in this equation is “Unexplained”. The f-square equation expresses how large a proportion of unexplained variance is accounted for by R^2 change (Hair et al., 2014). Following

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Cohen (1988), .02 represents a "small" f^2 effect size, .15 represents a "medium" effect, and .35 represents a "high" effect size.

Table 4: Structural Fitness Indices

Variables	Code	VIF	R^2	F^2	Q^2
Financial Resilience	FIR1	1.500	0.159	0.189	0.122
	FIR2	1.574			
	FIR4	1.275			
Financial Planning	FPL1	1.600			
	FPL2	2.285			
	FPL3	1.711			

Table 4 also presents the VIF diagnostic and estimated PLS weights for the indicators of all the items from the questionnaire. A common rule of thumb is that problematic multicollinearity may exist when the variance inflation factor (VIF) coefficient is higher than 4.0 (some use the more lenient cutoff of 5.0). None of the original indicators had VIF greater than 5.
The overall effect size measure for the structural model, as in regression, indicated that 15.9% variation in the financial resilience is explained by the effect of financial planning.

The f-squared is considered a small effect because financial planning and financial resilience have value of 0.189 is greater than 0.15 which represented a "small" effect.

The Q^2 was estimated by the blindfolding method. The values of the Q^2 are 0.122 indicated that since they are greater than zero, they have predictive relevance for this study.

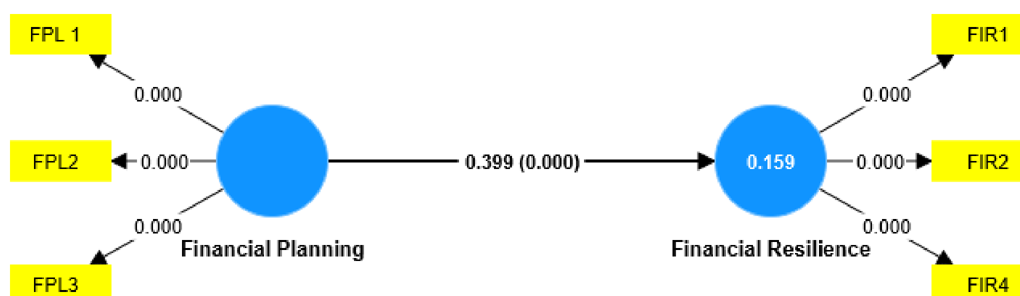

Figure 1: PLS-SEM structural model

Table 5: PLS-SEM Result

	Coefficient	Standard deviation (STDEV)	T statistics	P values
FPL -> FIR	0.399	0.101	3.949	0.000

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As shown in Figure 3 and Table 8, the standardized regression weight for financial planning on financial resilience is 0.399, suggesting that this path is statistically insignificant at α =0.05. This indicated that financial planning has positive and insignificant effect on financial resilience. Given that the p-value 0.000 is less than the significance level of 0.05 as shown in Table 8, we reject the null hypothesis and accept the alternate hypothesis implying that there is significant relationship between Financial Planning and Financial Resilience among NYSC members in North Central Nigeria

DISCUSSION OF FINDINGS

For hypothesis 1, it was found that there is no significant relationship between Financial Planning and Financial Resilience among NYSC members in North Central Nigeria. The result is in agreement with the findings of Setyorini et al (2021) in the effect of spatial literacy and financial planning by using household behavior as a mediator in the city of Semarang. The testing uses a mediation process using Smart PLS 3.0. Respondents were collected using an online survey using a simple random sampling technique. The number of respondents used in this study was 102. Based on the results, financial planning on financial resilience is not supported. However, the effect of financial planning on financial resilience with household behavior as mediation is supported. However, the study does agree with the findings of Goyal and Kumar (2020) who found that financial literacy exerts on financial planning and behaviour, and the impact of financial education. The findings of this study agrees with the study's theory, which is theory of planned behviour.

CONCLUSION AND RECOMMENDATIONS

The main objective of this study is to evaluate the effects of financial planning on financial resilience among NYSC members in North Central Nigeria. A total of 2005 questionnaires (or 94.4% of the total) were returned out of 2125 that were distributed, according to the summary of the analyses. Although there were no missing values discovered during data screening, the results of the normalcy test indicated that the data used in this study does not follow a normal distribution.

The results indicate that the data for the variables are converging, suggesting that the data utilized for this investigation did not violate the condition for convergent validity. Items whose values were less than 0.5 were removed from the list. These items pertain to financial resilience (FIR), and financial planning (FPL), Reliability is high, as shown by the composite reliability numbers, which are greater than 0.7. Additionally, the HTMT approach was used to achieve discriminant validity. The findings revealed that there is a significant relationship

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between Financial Planning and Financial Resilience among NYSC members in North Central Nigeria. This study recommended that the Government should increase the knowledge and awareness of importance of financial planning. A good financial planner starts with applying a good financial attitude. Corps members must prioritize their spending by first planning what is more important to them. Spending without making adequate plan to spend will not result to having good financial resilience. It is very important for corps member to start planning by listing out the items that are necessary before making the attempt of spending.

LIMITATIONS AND FUTURE RESEARCH

Firstly, the current study adopted a quantitative method and relied on a single method of data collection. Specifically, a questionnaire was the only instrument used to gather the data in this study. The respondents may not always be willing to answer questions properly and they might even answer the questionnaires based on their limited level of understanding. Therefore, the responses may not consistently and accurately measure the variables presented. Secondly, this study focused on North Central Nigeria, with no consideration on the other geo political zones in the country. Whilst this was explicitly stated in the scope, it is important to state that a more comprehensive study of the country as a whole is likely to provide more insightful findings and a richer body of knowledge. Future research should consider a more extensive study which may provide more in-depth results.

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