

Assessing the Coping Strategies for Reducing Financial Stress among Unemployed Graduates in Enugu State, Nigeria

OGBONNE IJEOMA PAULINE

Institute of African Studies, University of Nigeria, Nsukka, Nigeria.

Abstract.

This study investigates the coping strategies unemployed graduates in Enugu State adopt to reduce financial stress. It was hypothesized that unemployed graduates in Enugu would depend on families, friends, engage in menial jobs, be optimistic and patience as coping strategies for reducing financial stress. Through a purposive means, 150 copies of the questionnaire were administered to unemployed graduates in Enugu State, Nigeria. The Chi-Square goodness of fit was used to test the hypotheses raised. Result showed that the coping strategies unemployed graduates in Enugu State adopt to reduce financial stress are depending of family members, friends, engaging in menial jobs and optimism. Patience was found not to be a coping strategy unemployed graduates use as the calculated p-value was more than 0.05 alpha level. The researcher recommends among others the that financial experts should collaborate with the National Orientation Agency to create awareness on the need for unemployed graduates to adopt coping strategies to handle financial stress.

Keywords: coping, finance, unemployed, graduates, stress and strategy.

Introduction

Unemployment is fast increasing in Nigeria with its attendant negative consequences. The problem has been compounded as a result of the near non-existence of space for graduates who come out of tertiary institutions of learning yearly. Unemployment rate in Nigeria increased to 23.90 percent in 2011 from 21.10 percent in 2010. Unemployment rate in Nigeria averaged 14.60 Percent from 2006 until 2011, reaching an all time high of 23.90 percent in 2011 and a record low of 5.30 Percent in 2006. Unemployment rate in Nigeria is reported by the National Bureau of Statistics, Nigeria. (Gever 2015). Unemployment has many negative consequences both to the society and to the individual. Lorenzini and Marco Giugni (2010) note that there is little doubt that unemployment has a number of negative consequences for those who are in such a situation of exclusion from the labour market and that being deprived of a paid job entails a risk of social exclusion and isolation. Commenting on how to cope with unemployment, the researchers write:

Such negative consequences of unemployment, however, might be compensated or at least diminished if young people dispose of certain external resources. For example, the help of the family in supporting them financially might prove essential. Similarly, being in a relationship with a partner and having close friends with whom one can talk might help overcoming the psychological distress caused by unemployment. More generally, we may think of social support of all kinds to be crucial to help youngsters to cope with unemployment

Coping according to Taylor, (2003) cited in Omoniyi and Osakinle (2011) is the process of managing demands that are appraised as taxing or exceeding the resources of the person. Omoniyi and Osakinle (2011) further note that coping has been viewed as a stabilizing factor that may assist individuals in maintaining psychosocial adaptation during stressful events. The process of coping is a very complex response that occurs when an individual attempts to remove stress or a perceived threat from the environment. Thus, the actual reaction to an environmental event may be as important as the event itself (p.154)

Financial stress is an emotional state suffered by people who are experiencing financial problem. Northern, O'Brien and Goetz, (2010) define financial stress as the inability to meet one's financial obligations, which also include psychological or emotional effects. Trombitas (2012) explored possible sources of stress spanning personal finances, family life, work commitments, academics and time management. An index that measures the current state of stress in the financial system by combining several indicators of stress into a single statistic is called financial stress index (Hubrich, & Tetlow, 2014, Vermeulen, Hoerberichts, Vařicek, Hájková, Šmídková, and de Haan ,J.2014)). Brougham, Zail, Mendoza, and Miller (2009) examined different sources of stress, including academics, financial, family, social, and daily hassles.

Graduates are people who have completed higher levels of learning. This includes, universities, polytechnic and colleges of education. These set of people having completed various courses in schools are often ready to work but their inability to get a payable job renders them unemployed, hence we talk of unemployment. People who are unemployed usually faced financial problems that put them in financial stress. This is largely due to the inability of these graduates to meet up with their financial obligations and fulfil their aspirations which they initially thought their going to school will guarantee them. This study thus, investigate the coping strategies adopted by this set of people to keep on with life.

Statement of the Problem

For some time now, Nigerian youths been faced with the harsh reality of lack of decent and well paid jobs after spending many years in their various higher institutions of learning. There appears not to be an insight on an end to the problem as available tertiary institutions of learning keep churning out graduates yearly without a corresponding space for them in the labour market. This horrible reality if not properly managed could constitute financial stress to the affected graduates which end could be fatal. The need to manage financial stress thus exists. However, the various strategies unemployed graduates adopt to manage their financial stress is subject to empirical study. The problem of this study posed as a question is what coping strategies do unemployed graduates in Enugu State adopt to manage their financial stress?

Objective of the Study

This study set to find out the coping strategies unemployed graduates in Nigeria adopt to manage financial stress. The researcher set to find out in clear terms the approaches unemployed graduates in Enugu state use to control their financial stress.

Review of Empirical Studies and Hypotheses Development

For some time now, different researchers have investigated issues relating to youth unemployment and coping strategies. First is a study conducted by Lorenzini and Marco (2010) on "Youth coping with unemployment: The role of social Support." The study investigated the impact of three forms of social support namely ,by the partner, the family, and friends on anxiety and happiness. A sample of young long-term unemployed and a control group of regularly employed youth was used for the study. Both groups included people aged between 18 and 34 residing in the canton of Geneva. The researchers defined Long-term unemployment as having been without a job for at least one year. Consequently, the researchers held in-depth interviews with 20 long-term unemployed graduates. They include 10 men and 10 women with different educational levels ranging from mandatory school to a university degree. The in-depth interviews conducted with young long-term unemployed showed the interconnection of the various problems they face. Various forms of distress were found to be intertwined. In particular, financial difficulties was reported to be capable of leading to financial distress. Unemployment was reported to constantly remain in one's thoughts, and reported as very difficult to take out of one's mind. The interviewees were reported to have mentioned thinking about it all the time, in a circular way that does not help solve the problem and makes them nervous. Thus, researchers concluded that long-term unemployment produces anxiety, leading to moral distress and depressive mood. Many interviewees were reported to have mentioned a state of depression at some point during their unemployment; they mentioned their inability to do things, to get going and starting the day, sleeping late, and not being able to or not knowing how to get out of that state. Some were reported to talk about depression indirectly, stressing this aspect as an obvious consequence of long-term unemployment, but not as something they experienced personally. The in-depth interviews pointed to the importance of support from the family and friends with regard to both financial difficulties and moral distress. Family members are available to discuss unemployment, they offer opportunities to talk to someone, and receive support or guidance. Sometimes they provide practical help, in particular the youngsters were reported to have mentioned the importance of job proposals or contacts that they received from family members.

The result of the researchers further showed that some of the younger unemployed talked about friends being also unemployed and sharing the same situation as not always positive in coping with unemployment. The positive side of this, according to the result, is that friends can help each other writing applications or getting ready for an interview, while the negative side , according to the result, is that related to demotivation in searching for employment. In this case the youngsters were reported to see a danger that can result in losing the spirit to find a job. Friend support may also take other forms, not related to talking about problems, but rather linked to activities. In this case what is presented as both important and helpful by the young long-term unemployed, according to the result, is to remain socially active, that is, involved in activities outside their home, such as going out for a drink, having a night out, or going to a football game. In the interviews, the youngsters were reported to value the opportunities offered by their friends to go out, the propositions to do a cultural or physical activity together, something that takes them out of their daily routine which often includes too few activities. Some of the young unemployed interviewed were found to be surrounded by friends who also faced difficulties related to entering the labour market. Therefore they were not helping cope with the situation. Quite on the contrary, sometimes they would tear down one's hopes of improving his or her situation. They are worried and have financial problems, but they are not unhappy. They see other people as being in worst situations than themselves and they did not complain much during the interview of the researchers. The researcher reported that they do not want pity; they just want to have "a normal life": a job, money to pay their living expenses, a social status, and an easier social life." This study is related to the current study because it investigates financial stress reduction strategy. However, different in locale with different in economic realities could have influenced the outcome of the study, hence the need to investigate coping strategies among unemployed graduates in Enugu state.

Also, Heckman, Lim and Montalto (2014) conducted a study on “Factors related to financial stress among college students” Data were collected from the Ohio Student Financial Wellness Survey (OSFWS). The survey was conducted at 19 colleges and universities across the state of Ohio and 5,729 respondents completed the survey in November and December of 2010. Proportion tests were used to compare the distribution of stressed students to the distribution of non-stressed students by each independent variable Logistic regression was used to model the logarithm of the odds that financial stress varies in relation to a set of predictor variables. The logistic regressions were carried out in three blocks. The first block included only financial stressors (stimuli), the second added current adaptation level (control processes), and the third added self-concept (effectors). The results of the proportion tests comparisons of the proportion of students reporting financial stress revealed that race/ethnicity, class rank, and the self-concept variables contained comparisons that were not significant ($p > .05$), although only class rank did not contain any significant differences. 91.4% of students who did not have enough money to participate in the same activities as peers were found to be financially stressed while only 59.2% of students who had enough money for such activities were found to be financially stressed. Additionally, greater proportions of students with debt from any source and students who expected to have student loan debt at graduation were reported to be financially stressed

The results showed that financial stress is widespread among students – 71% of the sample reported feeling stress from personal finances. The results of the proportion tests and logistic regressions showed that this study successfully identified important financial stressors among college students. Two of the most important financial stressors were not having enough money to participate in the same activities as peers and expecting to have higher amounts of student loan debt at graduation. The results also indicate that students with higher financial self-efficacy and greater financial optimism about the future are significantly less likely to report financial stress. Based on these studies, the researcher formulated the following hypotheses and were tested at 0.05 level of significant

H₁: Unemployed graduates in Enugu state relay on family members as a coping strategy to reduce financial stress

H₂: Unemployed graduates in Enugu state relay on friends as coping strategy to reduce financial stress

H₃: Unemployed graduates in Enugu State engage in menial jobs as coping strategy to reduce financial stress

H₄: Unemployed graduates in Enugu State use optimism as a coping strategy to reduce financial stress

H₅: Unemployed graduates in Enugu adopts patience as coping strategy to reduce financial stress.

Methodology

This study adopted survey research design to investigate the coping strategies unemployed graduates adopt to reduce financial stress. Survey is usually the most appropriate method for behavioural research and hence this study borders on coping strategies for reducing financial stress, survey was considered the most appropriate (Babbie 2013 and Wimmer & Dominick 2013). The sample size for the study was selected through a purposive means. Consequently, 150 unemployed graduates were purposively selected in Enugu state to participate in the study. The decision to adopt purposive sampling was to enable the researcher select only those who were unemployed. For this study, unemployed graduates were defined as those who had no paid job. The Chi-square goodness of fit was used to test the hypotheses raised in the study. The analyses in this study were done with the aid of SPSS version 16.0

Results

The result of this study showed that out of the 150 copies of the questionnaire that were administered to the respondents, 144 were filled and returned but only 138 were found useful. The age range of the respondents was between 18-35. In the area of gender, 75(54%) were males while 63 (46%) were female. It should be noted that the researcher was not interested in the gender of the respondents vis-a-vis coping strategies.

Table I: Dependence on Family Members as coping strategy

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	104	75.4	75.4	75.4
No	34	24.6	24.6	100.0
Total	138	100.0	100.0	

Source: Field survey 2015

Result from the table above showed that 75.4% of the respondents reported that they depend on their family members as a coping strategy for reducing financial stress while 24.6% reported that they do not. Table II showed data on if unemployed graduates depend on friends as a strategy for reducing financial stress.

Table II: Dependent on friends as strategy for reducing Financial Stress

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	87	63.0	63.0	63.0
No	51	37.0	37.0	100.0
Total	138	100.0	100.0	

Source: Field Survey 2015

The result from table II showed that 63% of the respondents reported that they depend on friends as strategy for reducing financial stress while 37% reported that they do not. Table III showed data on if unemployed graduates engage in menial jobs as strategy for reducing financial stress.

Table III: Engagement in menial jobs as a strategy for reducing financial stress

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	95	68.8	68.8	68.8
No	43	31.2	31.2	100.0
Total	138	100.0	100.0	

Source: Field survey 2015

Results from table III showed that 68.8% of the respondents reported that they engage in menial jobs as a coping strategy for reducing financial stress while 31.2% reported that they do not. Table IV showed results on if unemployed graduates adopt optimism as coping strategy for reducing financial stress.

Table IV: Unemployed graduates adoption of optimism as a coping strategy for reducing financial stress

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	82	59.4	59.4	59.4
No	56	40.6	40.6	100.0
Total	138	100.0	100.0	

Source: Field Survey 2015

Results from the table above showed that 59.4% of the respondents reported that they adopt optimism as a coping strategy for reducing financial stress while 40.6% reported that they do not. Table V showed results on if unemployed graduates adopt patience as coping strategy.

Table V: Unemployed graduates adoption of patience as coping strategy for reducing financial stress

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	70	50.7	50.7	50.7
No	68	49.3	49.3	100.0
Total	138	100.0	100.0	

Source: Field Survey 2015

Results from table V showed that 50.7% of the respondents reported that they adopt patience as coping strategy to reduce financial stress while 49.3% reported that they do not.

Test of Hypotheses

The results from table I yielded Chi-Square statistic $\chi^2 = 35.507$ and $p = 0.000$ and 1 degree of freedom. Hence the p value is less than 0.05 we conclude with 95% confidence that unemployed graduates depend on family

members as coping strategy for reducing financial stress. The result from table II yielded statistic $\chi^2=9.391$ and p-value 0.002 and 1 degree of freedom. Hence the p-value is less than 0.05, we conclude with 95% that unemployed graduates in Enugu State depend on friends as coping strategy for reducing financial stress. The result of table III yielded $\chi^2=19.594$ and p-value of 0.00 and 1 degree of freedom. Hence the p-value is less than 0.05, we conclude that unemployed undergraduates in Enugu State engage in menial jobs as coping strategy for reducing financial stress. Result of table IV yielded Chi-Square Statistics $\chi^2=4.899$ and the p-value of 0.27 and 1 degree of freedom. Hence the p-value is less than 0.05, we conclude with 95% confidence that unemployed undergraduates in Enugu State adopt optimism as a coping strategy for reducing financial stress. The result from table V yielded Chi-Square statistic $\chi^2=.029$ and 0.865 and hence the p-value is more than 0.05, we conclude with 95% confidence that unemployed graduates in Enugu State do not adopt patience as a coping strategy in reducing financial stress.

Discussion of Findings

The result of this study showed that the coping strategies unemployed graduates in Enugu adopt to reduce financial stress are dependence on family members, friends, engagement in menial jobs and optimism. The Chi-Square goodness of fit indicated that unemployed graduates in Enugu State do not adopt patience as a coping strategy ($p > 0.05$). The result of this study is consistent with that of Lorenzini and Marco (2010). The researchers however, expressed reservations about depending on family members thus;

Sometimes coping with the help of the family becomes difficult because it creates other problems, such as depending on someone, or raises questions about one's ability to provide help in return. Unemployed graduates can be wretched by their current situation and find difficulties to explain it or talk about it with family members. They can even have difficulties to accept the help offered by the family. Problems of misunderstandings and getting on each other's nerves may arise. The parents try to provide help and support, but this is not always well perceived by the young unemployed, who want independence. As in the case of family members, friends' support can have a downside.

Based on the result of this study, the researcher argues that unemployed graduates in Enugu state do struggle to avoid the dangers of financial stress by adopting different strategies with a view to coping with the precarious situation. It the argument of the researcher, however, that coping strategies are just temporary measures and such, cannot be taken as providing solution to the problem of unemployment in the country. This therefore calls for concerted efforts in tackling the problem of unemployment in Nigeria as whole. This is because some analysts have argued that the current state of insecurity in the country occasioned by ceaseless bomb blasts, kidnapping among others cannot be totally devoiced from youth employment. For example, a catholic Priest, Rev Fr. Ejike Mbaka, blamed Nigeria's problems on bad governance. The sermon which was entitled "When you go home, tell anybody you see that from the oracle of the Holy Spirit, we are announcing change' alleged,

What is the fate of our children? Tears fill my eyes when I see our young graduates hoping and walking our streets. What is the meaning of kidnapping? Kidnapping is the grandson of unemployment. Boko Haram is a grand great child of the same unemployment, mass looting, and poor governance (*Daily Sun* 2015 para 10)

Conclusion and Recommendations

Unemployment has become one of the major challenges of the Nigerian state and is fastly affecting the youths who have become frustrated after spending many years in schools with the hope of getting well paid employment opportunities. This reality has shattered the dreams of many job seekers who roam the streets daily in search of non-existing jobs. Based on the result of this study, the researcher concludes that unemployed graduates in Enugu State adopt different strategies to cope with financial stress. The researcher thus makes the following recommendations.

- The government should consider the establishment of a special urgency which main function should be aimed at counselling unemployed graduates with a view to guiding them on how to manage financial stress.
- Financial experts should collaborate with the National Orientation Agency and create awareness to unemployed graduates on how to better manage financial stress.
- Unemployed graduates should continuously adopt different strategies to manage their financial stress to avoid its dangers on them.
- Subsequent researchers should investigate the difference in the coping strategies adopted between males and females.

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