

## HOUSEHOLD FINANCIAL EXPENDITURE PRIORITIES OF RURAL WOMEN IN OSUN STATE, NIGERIA.

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### ABSTRACT

*The paper determined the household financial expenditure priorities of rural women in Osun State, Nigeria. A total of 180 women were randomly selected for interview from the three agricultural zones of the State. A Structured interview schedule was used to collect relevant data. Descriptive statistics such as frequency distributions, means and percentages appropriate tools were employed to analyse the data collected. Results showed that majority (86.1%) were between 26 and 55 years of age, majority were married (90%), had no formal education (53.9%), could not estimate their monthly income (53.3%), and majority engaged in multiple occupations.. It also revealed that respondents' priorities for provision of good education for the children (mean = 2.87), raising healthy children (mean = 2.86), personal feeding and clothing (mean = 2.67) and freedom from debt (mean = 2.33) were high among women compared with the grand mean of 2.31. Therefore, adequate For women to meet their priorities, adequate schools and health centres should be provided in the rural areas for women to meet their priorities.*

**Key words:** Household, priorities, expenditure, finance, income management, rural women

### Introduction

Household spending patterns may be influenced by a number of factors including household income, composition, needs, geographical location, preferences and gender-specific priorities. Provide Project (2003) affirmed that household expenditure patterns are influenced largely by household composition, the household's needs, preferences, and financial means.. Studies have shown that increased incomes of female tend to contribute more to the family wellbeing than increased incomes of male (Maitra and Ray, 2000). Provide Project (2003) showed that the female – headed households in South Africa spent a relatively greater share of the budget on food, clothing, and fuel than the male – headed households. The male – headed households spend a greater share of their budget on income tax, savings, housing, transport and other capital items.

In the same vein, a survey conducted in Port Harcourt, revealed that women funded 55% of

household expenditure on the average, with the proportion as high as 80% for some items. Most of the women's money were spent on food, clothes, education, and health care of their children while men's money were spent on investment in house construction and purchasing of properties such as car. Income in the hands of women has effects on household expenditure that differ from those of income in the hands of men (Thomas, 1993; Engle, 1993). Both Messer (1983) and Engle (1993) discussed the notion that resources under the control of women are more likely to be used to enhance child welfare (through the purchase of food, health care and other basic needs) than are resources controlled by men. Provide Project (2003) opined that while both men and women have joint interests of households and family well being, they also have separate interests and that in terms of expenditure patterns, men and women may have different opinions and priorities. Soyebó (2005) confirmed that the average amount of money allocated for children's education was higher among females than males. Traditionally, among the Yoruba ethnic group men are the breadwinners of households with most women being full housewives. This group of women then had nothing to contribute to household finances. With changes in the society, women are now engaged in different paid occupations. With this development, women earned income to supplement or complement family expenses. Because of the pressure on men's income from immediate and extended families, income earned and controlled by women is more likely to enhance family welfare. Therefore, there is the need to understand gender – specific priorities for expenditure in considering the process of resource allocation within the household. Hence, this paper aimed at determining household financial expenditure priorities among rural women in Osun State, Nigeria.

### **Methodology**

The study was conducted in the three

agricultural zones of Osun State, namely; Iwo, Osogbo and Ife/Ijesha. Multi-stage random sampling technique was used for the study. These zones were subdivided into blocks by Osun State Agricultural Development Programme (OSSADEP). Iwo zone has six blocks; Osogbo has eight blocks while Ife/Ijesha zone has twelve blocks making a total of 26 blocks. Each block was divided into eight cells making a total of 208 cells throughout the State.

A total of nine blocks (two from Iwo, three from Osogbo and four from Ife/Ijesha) were randomly selected. Two cells were selected from each block and two villages were selected per cell making a total of 36 villages. The number of women selected per village was determined by the female population size of each selected village. A total of 180 women were finally selected for interview.

A structured interview schedule was used to collect relevant data from the respondents. Frequency counts, percentages and mean scores were used to describe the data.

### **Measurement of variables**

#### **Household financial expenditure priorities:**

Ten financial goals were identified, namely: Ownership of land, building a house, buying a car, raising healthy children, providing good education for the children, savings for old age and emergencies, establishing personal/family business, freedom from debt, regular payment of house rent and personal feeding and clothing. Respondents were asked to indicate how important each of these goals was to them. Using 3 points scale rating, the goal that was most important was scored 3 points; the one that was important was scored 2 points, while the one that was not important was scored one.

### **Results and discussion**

#### **Demographic and socio-economic characteristics of respondents**

**Age:** Data in Table 1 show that majority

(86.1%) of the respondents were between 26 and 55 years of age while the mean age was 43.42 years. The implication of this finding is that these women were matured. Maturity enhances ability to get priorities right in various spheres of life, particularly in spending money.

**Marital status:** Majority (90%) of the respondents were married. Married people are likely to be more responsible and more committed to achieving financial goals that will enhance their household members' welfare than the unmarried. This implies that they are likely to be able to prioritize their financial goals.

**Years spent in formal schooling:** Majority (53.9%) of the respondents had no formal education while only few (19.4%) spent more than 6 years in school. Attendance of formal school provides opportunity for enlightenment and exposure in various areas of life including budgeting. The implication of the finding is that women in the study area were illiterates.

**Occupation:** Multiple responses were observed from the respondents with farming (87.8%) and trading (77.2%) being the most popular. This implies that women were actively involved in the rural economic activities.

**Household size:** Majority (75.6%) had more than 5 people in their households. This implies that the larger the household size, the higher the proportion of household income that is likely to be devoted to the satisfaction of primary needs like food and clothing.

**Level of income:** Majority (53.3%) of the respondents could not give the estimate of their monthly income. Only 10.6 percent and 18.4 percent earned N2001 – N4000 and N4,001 – N6,000 respectively. Ability to estimate income enhances improvement in household financial expenditure pattern. The finding implies that noticeable improvement in their expenditure pattern may be difficult.

**Table 1: Distribution of respondents by their demographic and socio-economic characteristics**

*N = 180*

| <b>Characteristics</b>             | <b>Frequency</b> | <b>Percentage</b> | <b>Mean</b> |
|------------------------------------|------------------|-------------------|-------------|
| <b>Age in years</b>                |                  |                   |             |
| Below 35                           | 4                | 2.2               |             |
| 26 – 35                            | 34               | 18.9              |             |
| 36 – 45                            | 68               | 37.8              | 43.42       |
| 46 – 55                            | 53               | 29.4              |             |
| Above 55                           | 21               | 11.7              |             |
| <b>Marital Status</b>              |                  |                   |             |
| Single                             | 3                | 1.7               |             |
| Widowed                            | 9                | 5.0               |             |
| Divorced                           | 3                | 1.7               |             |
| Separated                          | 3                | 1.7               |             |
| Married                            | 162              | 90.0              |             |
| <b>Years spent informal school</b> |                  |                   |             |
| No formal education                | 97               | 53.9              |             |
| 1 – 6                              | 48               | 26.7              |             |
| 7 – 12                             | 26               | 14.4              |             |
| Above 12                           | 9                | 5.0               |             |
| <b>*Occupation</b>                 |                  |                   |             |
| Farming                            | 158              | 87.8              |             |
| Processing                         | 139              | 7.8               |             |
| Crafty                             | 48               | 26.7              |             |
| Trading                            | 139              | 77.2              |             |
| Wages/salary                       | 32               | 17.8              |             |
| <b>Household size</b>              |                  |                   |             |
| 1 – 5 persons                      | 44               | 24.4              |             |
| 6 – 10                             | 125              | 69.4              |             |
| 11 – 15                            | 10               | 5.6               |             |
| 16 – 20                            | 1                | 0.6               |             |
| <b>Level of income</b>             |                  |                   |             |
| No income                          | 3                | 1.7               |             |
| Cannot estimate                    | 96               | 53.3              |             |
| Less than ₦2,000                   | 8                | 4.4               |             |
| Between ₦2,001 – ₦4,000            | 19               | 10.6              |             |
| Between ₦4,001 – ₦6,000            | 33               | 18.4              |             |
| Between ₦6,001 – ₦8,000            | 8                | 4.4               |             |
| Between ₦8,001 – ₦10,000           | 8                | 4.4               |             |
| Above ₦10,000                      | 5                | 2.8               |             |

**\*Multiple Responses**

### **Household financial expenditure priorities**

Data in Table 2 show that provision of good education for the children (mean = 2.87) ranked highest in the order of importance among the financial goals, followed by raising healthy children (mean = 2.86), personal feeding and clothing (mean = 2.67), freedom from debt (mean = 2.33), building a house (mean = 2.29), ownership of land (mean = 2.25), savings for emergencies and old age (mean = 2.06), investing on personal/family business (mean = 2.04), regular payment of house rent (mean = 1.91) and buying a vehicle (mean = 1.79). The result is in conformity with Bennett (1990), which confirmed that mothers' expenditure priority is on their children welfare and Soyebó (2005) that female heads allocated highest average amount of money for children's education.

Comparing the grand mean of 2.31 with each of the individual mean, it shows that the respondents' priority for provision of good education for the children, raising healthy children, personal feeding and clothing as well as freedom from debt was very high while their priority for building a house, ownership of land, savings for emergencies and old age, raising personal/family business, regular payment of house rent and buying vehicles was very low. This indicates that the focus of women is on the realization of esteem than psychological needs. Presumably, that man have provided for the actualization of the three lower needs in Maslow's hierarchy of needs. This finding is contrary to the submission of Provide Project (2003) that the female headed households spend

a relatively greater share of their budget on food, clothing, and fuel than the male headed households. But the result agrees with Soyebó (2005) assertion that female spent more on children education than their male counterparts.

The probable reason for the highest mean score for the goal of providing good education for the children may be due to the fact that the respondents have realized the value of education for their children since most of them were illiterates and would not want their children to suffer the same predicament. The result is in conformity with Bennett (1990), which asserted that mothers' expenditure priority is on their children welfare. Furthermore, Quisumbing and Maluccio (2000) concluded that assets controlled by women have a positive and significant effect on expenditure allocations towards the next generation—such as the expenditure shares of education, health and children's clothing—while husbands prefer to spend on luxury consumption goods like tobacco.

Also, this result agree with Durrant & Sathar (2000) who confirmed that empowered women in Pakistan, or those with higher status, are more able to positively invest in their children, through reducing their likelihood of dieing during infancy and increasing their chances of ever attending school. In the same vein, Thomas (1990) shows that income accruing to women has larger effects on child health than that accruing to men.

**Table 2**  
**Distribution of respondents by their ranked mean scores of value for financial goals**

| Financial Goals                       | Most important |      | Important |      | Not important |      | Ranked |
|---------------------------------------|----------------|------|-----------|------|---------------|------|--------|
|                                       | F              | %    | F         | %    | F             | %    |        |
| Mean                                  |                |      |           |      |               |      | Score  |
| Providing good education for children | 157            | 87.2 | 23        | 12.8 | -             | -    | 2.87   |
| Raising healthy children              | 155            | 86.1 | 25        | 13.9 | -             | -    | 2.86   |
| Personal feeding and clothing         | 120            | 66.7 | 60        | 33.3 | -             | -    | 2.67   |
| Debt free                             | 60             | 33.3 | 120       | 66.7 | -             | -    | 2.3    |
| Building a house                      | 72             | 40.1 | 89        | 49.4 | 19            | 10.5 | 2.29   |
| Ownership of land                     | 65             | 36.1 | 95        | 52.8 | 20            | 11.1 | 2.25   |
| Savings for emergencies and old age   | 39             | 21.7 | 112       | 62.2 | 29            | 16.1 | 2.25   |
| Establishing personal/family business | 24             | 13.3 | 140       | 77.8 | 16            | 16.1 | 2.04   |
| Regular payment of house rent         | 19             | 10.5 | 125       | 69.4 | 36            | 20.1 | 1.91   |
| Buying a vehicle                      | 24             | 13.3 | 95        | 52.8 | 61            | 33.9 | 1.79   |
| <b>Grand mean score</b>               | =              | 2.31 |           |      |               |      |        |
| <b>Standard deviation</b>             | =              | 2.57 |           |      |               |      |        |

**Conclusion and recommendations**

The study concluded that the women high expenditure priority is on household members' esteem and actualization such as provision of good education for the children, raising healthy children, personal feeding and clothing as well as freedom from debt.

Based on the findings, it is recommended that Infrastructural facilities such as health centres, good schools and pipe borne water that could promote household welfare should be made readily available to the rural communities.

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