



Management of School Finance in a Depressed Economy Society: Imperative for Academic Performance of Students in Selected Secondary Schools

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ABSTRACT: The study examined the management of school finance in a depressed economy in selected schools in Ado Local Government, Ekiti State. The study examined academic performance of students. The study adopted descriptive survey research design. The study population comprised all private schools in Ado local government, Ekiti State. The sample consisted of 12 administrators, 60 parents and 240 students selected for the study through multistage sampling procedure using simple random and purposive sampling technique. Three instruments were used for the study titled “School Finance Management Questionnaire” (SFMQ), “Parents Methods of School Fees Payment Questionnaire” (PMSFPQ) and inventory for collection of data on students’ academic performance. The questionnaires were validated and tested for reliability by employing split-half method which yielded 0.83 and 0.85 for SFMQ, PMSFPQ respectively. The study revealed that students’ academic performance was low. The study revealed that the majority of the school owners generate fund through loan, school fees and other grants. The study also found a significant relationship between depressed economy and academic performance of students. Based on the findings, it was recommended among others that government should see to the needs of private schools in terms of finance, since they pay tax to the government. This would reduce the burden of the parents and improve the performance of the students as well.

KEYWORDS: Academic Performance, Depressed Economy, School Management, School Finance, Unemployment.

INTRODUCTION

Nigeria is a country facing a lot of economic depression despite its endowment with human and material resources. Oluwagbohunmi [1] pointed out that people have argued that the depressed economic being experienced by Nigerians is a fall out from the global economic recession. It is pertinent to say that Nigerian factor cannot be totally removed as one of the causes that aggravated it.

Finance management is a powerful tool in the hand of an administrator in achieving efficiency and effectiveness in the various institutions of learning. Investment in school involves a great deal of capital outlay which ranges from simplest to complex. Hoy and Miskel [2] states that schools view their external environment as providing a variety of resources for their operations in exchange for products and services valued in the external environment. It is the responsibility of the administrator to ensure that the available funds are maintained. The business of education had been based on the view that education is an investment yielding dividend by way of producing the much-needed manpower and other national benefits accruing to an educated person. Labode [3] pointed out that funding of education is not free anywhere in the world.

However, financial resources available to the government have failed to cope with the growth and demands of the sectors to take over in order to offer effective secondary education programs in Nigeria. It has been observed that there’s death in literature review as regards the school finance management. In private schools Oladipupo et al., [4] pointed out that concerted efforts in research and analysis of alternative methods of financing education are needed in the face of declining government funds and increasing unit cost of education.

Depressed economic in the society is difficultly experienced when someone has too little money or few resources at their disposal. It means difficulty experienced when one cannot meet the basic needs of life such as food, clothing, shelter among others due to lack of fund. Depressed economy is described by CFI as a dramatic and sustained downturn in economic activity, with symptoms including a sharp fall in economic growth, employment and production of economic depression such as stock market



crash, decrease in manufacturing orders, control of prices and wages, deflation, price hikes, loss of consumer confidence, and worsening unemployment rate [5]

An individual that undergoes depressed economy faces general problem of lack due to scarcity of fund. In Nigeria where education is not free at any level, parents are responsible for all education needs of their wards [1]. Regrettably, most of the citizens have been plunged into economic hardship through a lot of factors. This unpleasant situation was pointed out in National Economic Empowerment and Development Strategy [6] that there was mass poverty and hunger in the land and these exist in parallel with stupendous minority affluence. Usman [7] stated that Nigeria, the giant of Africa is facing unprecedented economic hardship that has left millions of its citizens struggling to make ends meet. The economic challenges faced by Nigeria are multi-faceted. The nation's heavy reliance on oil exports has made it sensitive to fluctuations in global oil prices. In a much as oil prices overcharged, Nigeria's revenue stream took a massive hit. Labode [3] supported the notion that government should be the major partner supporting by way of subventions for personal costs and infrastructure.

Unemployment is observed as one of the causes of economic depression in NIGERIA. Varrelia [8] described unemployment labor force as people of age rate is 15 to 64 years old who were available for work, actively seeking work but were unable to find work. As stated in the National Bureau of Statistics (NBS) report, unemployment rate in Nigeria is 33.3%, underemployment rate was 22.8%, youth employment was 42.5%, and youth underemployment was 21.0% [9]. Unemployment rate is soaring and inflation is making it increasingly difficult for ordinary Nigerians to afford basic needs [7]. Families are struggling to put food on the table, and access to healthcare and education is becoming more of a luxury than a right. Adegun [10] laments that university graduate unemployment is at high level in the nation. Many graduates have no job.

Irregular payment of salary is another observed factor of depressed economic. It was observed that many state governments owe workers' salaries to the tune of six or more months. Unpaid gratuities to retired workers were also observed. Oluwagbohunmi [1] noted that a particular governor in the southwest paid half salaries to workers for about 32 months and some state governors have not paid gratuity since 2013, owing for about eight years. Moreover, salaries of workers are not paid as and when due. When salary earners find it difficult to meet the educational needs of their words, what would be the fate of unemployed members of the society and those without any source of income? Recently, percentage salary payment has been a new devastating trend by workers in many institutions of learning.

Depressed economy has seriously influenced standard of living due to increase in price of goods. There is continuous increase in the commodities in the market without salary increase to compliment it. This has greatly affected education as there is a stupendous upsurge in price of educational materials.

According to Onyeiwu [11], World Bank's assertion that millions of Nigerians have been driven into poverty was a result of increase in price of food. He added that rising food prices exacerbate poverty because it reduces the real purchasing power of household and shifts expenditure away from essential items including educational resources.

All education systems especially secondary education relies on financing to function effectively. School finance is necessary to bring about learning outcomes which facilitates the provision of essential inputs such as school buildings, teachers' salaries, learning materials and so on [4]. Moreover, Hoy and Miskel [2] stated that resources take the form of simple, compound, complex and abstract with complex and abstract resources having the largest effect on school performance which are the largest to develop and sustain.

Consequently, academic performance of secondary school students in a way depends on school finance for its effective productivity. Academic performance is basically a measure of how well students perform in the various assessment tests. Adeleke [12] described learning outcomes as performance level of students in the West African Senior Secondary Certificate Examination (WASSCE). Moreover, Tenibiaje [13] defined academic performance as the outcome of education, that is the extent to which a student, teacher or institution has achieved their educational goals.

Performance of private secondary school students in final examination in recent time has been observed to be consistently very low. Students' performance in the West African Senior Secondary Certificate Examination has been observed to be below average especially in Ado local government. In the study of Faruku [14] on students' performance in Ekiti State, it was found that students' academic performance was low. In the study of Oluwagbohunmi [1], on students' performance, out of 240 students, 92 representing 38.33% had 5 credits and above including English and mathematics; 73 of the students (30.42%) had 5 credits with either English or Mathematics; 42 of them (17.5%) had 5 credits without English and Mathematics while 33 (13.75%) had less than



5 credits. Tribune online reported that Fayemi expressed sadness over the state of ranking twelfth position in the 2019 WAEC results [15]. Significantly, Adesulu [16] wrote in vanguard online newspaper that WAEC released WASSCE result for 2019 private candidates recording abysmal failure in English and Mathematics as only 26% passed.

Government has a strong incentive to use education resources efficiently and effectively, which is not applicable in private schools. The use of public funds is under increased scrutiny due to growing interest in public financial accountability of which the private schools are ordered to also pay tax. Oladipupo et al., [4] noted that the sources of private schools' finance are uncertain because there are no standardized means of getting fund to run schools, whereas government is demanding from them. This could be one of the reasons why many private school teachers are underpaid instead of given total dedication to their teaching activities that could improve the academic performance of students, instead engage in examination malpractices for their students so as to get additional fund.

It has been observed with the present situation in Nigeria that many parents have plunged into financial problems through which they have withdrawn their wards from private and high tuition fee paying schools. Parents' inability to meet financial obligations of their wards especially in private schools could have negative influence on their academic performance. Moreover, inability of parents to pay school fees at the appropriate time could turn to financial stress that makes a student play truancy and become unstable in school. It could also make them to develop psychological problem, become an object of ridicule among peers or mates, or become a wanderer and roaming about the streets when supposed to be in school. Oluwagbohunmi [1] observed that some parents' withdrawal of their children from school could mean sending them into the streets to hawk goods so as to generate income for family maintenance.

Findings of Mortimer et al., [17] indicated that when families are more vulnerable as a result of low parental education and prior parental unemployment experience, children's achievement orientation are more strongly threatened by the family's economic circumstances.

Schools are expected to meet up with the minimum quality standards and there is a need to get adequate finance in order to meet up with minimum standard that could improve on the academic performance of students in private sectors. Based on this background, this study is conducted to examine the relationship between management of school finance in a depressed economy and academic performance of students in local government private secondary schools.

PURPOSE OF THE STUDY

The study examined the school finance management in a depressed economy and academic performance of students in private secondary schools in Ado-Local Government, Ekiti State. The study specifically examined:

- i. level of academic performance of students in private secondary schools.
- ii. the means of generating fund in private schools and the payment method.
- iii. the ease of paying school fees by parents.
- iv. The prevalent determinants of economic depression

RESEARCH QUESTIONS

The following research questions were raised to guide the study.

1. What is the level of academic performance of the selected private secondary student in Ado-Local government Ekiti State?
2. What are the means of generating funds by schools?
3. What are the means of generating funds to pay children's school fees?
4. What are the prevalent determinants of economic depression?

RESEARCH HYPOTHESIS

One research hypothesis was formulated for the study.

There is no significant relationship between school methodology finance management and academic performance of students.



METHODOLOGY

This study adopted descriptive survey research design. The population consists of all private schools in Ado-Local government, Ekiti State. The sample consists of 12 administrators, 60 parents and 240 students. Twelve (12) schools that were observed with high population were purposively sampled from the local government area using simple random sampling technique. Furthermore, one (1) private school administrator (proprietor/ proprietress, or principal), five (5) parents and twenty (20) students were selected in each school using simple random sampling technique. Two research instruments were used titled “School Finance Management Questionnaire” (SFMQ), “Parents’ Method of School Fees Payment” (PMSFPQ) and an inventory for the students’ academic performance in 2020/2021 academic session.

The instruments (SFMQ) and (PMSFPQ) were validated and tested for reliability using test-retest method. The test yielded 0.83 and 0.75 coefficients for SFMQ and PMSFPQ respectively which were found to be high and reliable for the study. All copies of the questionnaire administered were retrieved and used for analysis. Frequency counts and percentages were used for research questions under descriptive analysis. Pearson product movement correlation analysis was employed to test the only hypothesis formulated for the study at 0.05 level of significance.

RESULTS

Research question 1: What is the level of academic performance of the selected private secondary school students in Ado Local Government?

Table 1: Level of Student academic performance

No Registered	5 credits with English and Maths	5 credits with either English or Maths	5 credits without English and Maths	Less than 5 credits
240	91(37.92%)	74(30.83%)	40(16.67%)	35(14.58%)

The table shows that out of the 240 students, 91 representing (37.92%) had 5 credits and above including English and Mathematics. 74 of the students (30.83%) had 5 credits and above with either English or Mathematics, 40 of them (16.67%) had 5 credits without English and Mathematics, while 35 (14.58%) had less than 5 credits. This implies that academic performance of the students was low.

Research Question 2: What are the means of generating funds by school?

Table 2: Means of generating funds to run the school

Items	Frequency	Percentages (%)
School fees	7	58.33
School uniforms	1	8.33
Lesson fees	2	16.67
Food items	-	-
Books	2	16.67
Total	12	100

Table 2 revealed the means of generating fund to run the school. It was observed that 53.88% are getting money from school fees, 8.33% are generating funds from school uniforms. In addition, 16.67% are making money from lesson fees to run the school, no school is making money from food items while 16.67% are generating funds from the sales of books.

Research Question 3: What are the means of generating funds to pay children’s school fees?

Table 3: Means of generating funds to pay children’s school fees

Item	Criteria	Frequency	Percentage
Means of generating funds to run the school	Loan	15	25.00
	Salary	10	16.67
	Gratuity/pension	10	16.67



	Business	10	16.67
	Scholarship/Grant	10	16.67
	Farming	4	6.66
	Others	1	1.66
Total		60	100

Table 3 revealed the means of generating funds to pay children’s school fees. It was observed that 25% parents are getting the school fees from loan, 16.67% are getting from their salaries, 16.67% get their children’s school fees from gratuity/pension, 16.67% are paying through their businesses some 16.66% are paying through scholarship/grant, 6.66% are paying through farming, but very few (1.66%) get the fees of their children through other means.

Research Question 4: What are the prevalent determinants of economic depressions?

Table 4: Prevalent determinant of economic depression.

Variables	N	Mean	S.D	
Irregular salary payment	240	18.13	2.53	3 rd
High cost of living	240	24.38	2.67	2 nd
Unemployment	240	25.41	3.11	1 st
Poverty	240	16.07	16.07	4 th

Table 4 presents prevalent determinants of economic depression. The result shows that unemployment (mean=25.41) is the most prevalent determinant of economic depression. This is closely followed by high cost of living (mean=24.38), irregular salary payment (mean=18.13) and poverty (mean=16.07) as other prevalent determinant. This implies that unemployment is a predominant determinant of economic hardship.

Research Hypothesis

Hypothesis 1: There is no significant relationship between school finance management and academic performance.

Table 5: School Finance Management and Academic Performance

Variable	N	Mean	SD	r _{cal}	r ^{-tab}	Remark
School Finance Management	12	12.13	0.61	0.418	0.304	Sign
Academic Performance	12	21.73	1.55			

P<0.05

Table 5 reveals that there is significant relationship between school finance management and academic performance with r-cal (0.418) which is greater than r-tab (0.304) at 0.05 level of significance.

DISCUSSION

The finding of this study showed that academic performance of secondary school students was low. This could be as a result of school finance management in a depressed economy. This was supported by the findings of Oluwagbohunmi [1] that economic hardship could hinder any parent from financial supporting the education of their wards thereby leading to low performance. The study also revealed the means of generating fund by school through: school fees, school uniform lesson fees and books while no school was making money from food items. This implies that no financial support for the school owners from government whereas government has made the payment of tax a compulsory thing for the school owners. The result proved that due to the limited ways by which revenue are generated by schools, many of them are still managing in terms of development. This was supported by the finding of Nwafor et al., [18] that the level of funds available to a large extent determines the quantity and quality of school objectives that will be achieved.



The study also revealed the means of generating funds by parents to pay children's school fees through: loan, salary, gratuity/pension, business, grant, farming and others. Letting [19] revealed how parents' contributions in fee payment influence student's academic performance.

The finding also showed that unemployment was the predominant determinant of depressed economy closely followed by high cost of living, irregular payment of salary and poverty. This finding could be linked to the low socio-economic background of the parents who were observed to be the worst hit by depressed economy.

The finding also showed that there was a significant relationship between school finance management in a depressed economy and academic performance of students. This finding could be as a result of the limited ways by which funds are generated by schools. The findings corroborate not with Mpolokeng [20] who found out that principals and school owners wish to play an important role in financial management in school, but lack financial management skills to do so. More so, financial stress could contribute to student's inability to perform well. The finding was supported by Nwafor et al., [18] who found that the level of funds available to a large extent determines the quantity and quality of school objectives that will be achieved.

CONCLUSION

Based on the findings of this study, it could be concluded that management of school finance in a depressed economy is very stressful and means of generating funds to run schools are too narrow and unreliable. It was concluded that when schools are unable to employ teachers for all subjects because of fund, the more it will affect the quality of the school. The more parents and students are affected with the economic situation, the more schools will be affected. Consequently, the academic performance of the students will be grossly affected.

RECOMMENDATIONS

Based on the findings of this study, the following recommendations were made:

1. Government should create employment opportunities for the people to reduce the rate of unemployment and as well reduce the burden of parents.
2. Government should see to the needs of private schools in terms of finance since private schools are paying tax to the government.
3. Government should introduce poverty alleviation programmes for the poor masses so the parents would be able to meet educational needs of their wards for better performance.
4. Parents should look for alternative means of sourcing for income so that they could have something to pay their wards school fees even when salary is not paid as and when due.
5. Government can make education free and certain percentage could be extended to private schools in order to encourage improved academic performance of learners.
6. It is also recommended that affordable loans could be provided by the government to the administrators of private schools for effective administration of schools as this would reduce the burden of the parents and improve the performance of the students as well.

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