Effect of Unemployment on Rate of Poverty among Residents of Nkanu-West Local Government Area of Enugu State

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Abstract

Unemployment rate has gone to an alarming intensity in Nigeria and is still rising in the last ten years, due to the number of graduates produced every year and the inability of Nigerian labour market to provide rewarding employment for the job seekers. Unemployment leads to poverty and influences people to indulge in anti-social behaviours such as armed robbery, kidnapping, drug trafficking, prostitution, internet fraud, and other deceitful actions. The problems associated with unemployment and poverty in Nigeria, especially in Enugu State, are mostly distinct in the rural areas. This study thus, investigated the relationship between unemployment and poverty among residents of Nkanu West Local Government Area of Enugu State, using primary data generated through questionnaire. The quantitative data generated from a sample of 148 respondents were analyzed using Simple Regression Method and applying SPSS version 21. The study found that unemployment has significant negative effect on poverty in the area. In other words, unemployment negatively and significantly affects standard of living, saving habits and ability to invest among the people. Based on the findings, it was recommended among others that there is the need for policy makers to formulate technical education oriented curriculum that would make the youths self employed after graduation.

Key Words: Unemployment, Poverty, Standard of Living, Saving Habit, Investment

Introduction

Studies have found that Nigeria has the potential for rapid economic growth and development, with her rich human and material resources; yet the country's economic performance has been described as being truncated, erratic, dismal and largely apathetic (Ajayi, 2002; lyaha and Oriakhi, 2002; Kayode, 2004; Ekpo, 2008; Bassey and Atan, 2012). The pitiable growth rate of Nigeria's economy is portrayed in the rising incidences of poverty, worrisome graduate unemployment, skyrocketing inflation, worsening balance of payments disequilibrium, monumental external debt burden, widening income disparity and growing fiscal imbalances resulting in underdevelopment. This is why Ekpo (1987), cited in Bassey and Atan (2012), affirmed that all these problems are rooted in the all-encompassing distortions existing within the economy. Nigeria is the most populous nation in Africa, with a population of about 173.6 million people, GDP of $521.8billion and GDP growth of 5.4% in the year 2013 (World Bank, 2014). Nigeria is the sixth largest oil exporter in the World and also the largest crude oil producer in Africa, with the huge reserves of both human and natural resources. The country is expected to build a rich and comfortable economy, reduce its poverty level significantly and be able to provide infrastructural facilities to cater for the need of the people (World Bank, 2014).

The issue of unemployment has become a worldwide phenomenon demanding urgent attention, though the impact is more devastating in developing nations, especially in Sub-Saharan Africa (Wamukonya, 2003). As stated by the National Bureau of Statistics (2012), Nigeria's rate of unemployment stood at 19.7%. In fact, studies have identified unemployment as one of the major challenges confronting Nigeria's economic progress (Feridum and Akindele, 2006; George and Oseni, 2012; Ezie, 2012; Ede, Ndubisi and Nwankwo; 2013). The menace of joblessness in Nigeria, both now and in the recent past, has been an issue of great concern to the economists, policy makers, economic managers, individuals, government and many others (Bello, 2003). Thus, unemployment presents an objectionable manifestation of the economy (Njoku & Ihugba, 2011). According to Adebola & Igbayemi (2015), poverty and unemployment, which are regarded as social phenomenon, have remained major progressive issues in Nigeria over a long period of time. Akwara, Akwara, Enwuchola, Adekunle, and Udaw,

(2013) opined that unemployment was seen to be critical in the 1980s and has ever since been on the rise in Nigeria and that the people facing this challenge are the youth of the country who, up till date, constitute the highest unemployment figures. They also stated that people between the ages of 18 and 45 years old constitute about 40% to 60% of the unemployed in Nigeria. This study evaluated the effect of unemployment on poverty among citizens of Nkanu West Local Government Area of Enugu State, Nigeria.

Statement of Research Problem

Unemployment is considered a barrier to social progress and preventing its undesirable consequence on poverty is a tough challenge to development objectives of emerging economies. Thus, it is a curse to be poor both mentally, intellectually, morally, materially, spiritually, psychologically and otherwise. This study focuses on standard of living, saving habit and investment. It is based on the notion that people who are unemployed are despised and looked down upon. Ejike (2014), therefore, posited that the main concerns of the poor for their children's wellbeing are learning to stay in school, getting appropriate education to hold down good jobs to uphold their families, earning living wages to cope with family and social challenges, living distinguished lives to earn respect and kudos of other people. Where attainment of these attractions is thorny, the poor would feel dejected and may resort to aggression against those they supposed as being responsible for their despondent circumstances.

In Nigeria, any advertisement of employment opportunities experiences thousands of applications from candidates. In most cases, the applicants go through lots of hurdles to be interviewed. It is unfortunate, however, to note that the outcomes of some of the interviews are predetermined; thereby giving privilege to the undeserving while the worthy ones waste their precious time trying to show their expertise, skills and abilities. The issue has become alarming, calling for the attention of stakeholders including individuals, firms and the government. That is why this work investigated the effect of unemployment on poverty.

Objectives of the Study

The general objective of this study is to assess the effect of unemployment on poverty among citizens of Nkanu West Local Government Area of Enugu State, Nigeria. Specifically the objectives include to:
1. Ascertain the extent to which unemployment affects standard of living in Nkanu West Local Government Area of Enugu State.
2. Find out the degree of relationship between poverty and saving habit in Nkanu West Local Government Area of Enugu State.
3. Determine how unemployment affects investments in Nkanu West Local Government Area of Enugu State.

Based on these objectives, the following hypotheses were tested:
  H_{01}: Unemployment has no significant negative effect on standard of living in Nkanu West Local Government Area of Enugu State.
  H_{02}: Poverty has no significant effect on saving habit among residents of Nkanu West Local Government Area of Enugu State.
  H_{03}: Unemployment has no effect on investment in Nkanu West Local Government Area of Enugu State.

Review of Related Literature

Scholars have written widely on unemployment and its consequences. Anyadike, Emeh and Ukah (2012) stated that both active and inactive populations characterize every nation's economy. Njoku and Ihugba (2011) and Anyadike et al (2012) observed that the economically active ones are the population willing and able to work, and include those actively engaged in the production of goods and services and those who are unemployed. The International Labour Organization noted the unemployed are the numbers of the economically active population who are without work but available and seeking jobs. They also include people who have lost their jobs and those who have voluntarily left their jobs (World Bank, 1999).

The Bureau of Labor-Statistics, cited in Amadeo (2016), defined the unemployed as people who do not have jobs; have actively looked for work in the past four weeks, and are currently available for work. In addition, people

who were temporarily laid off and were waiting to be called back to their jobs are included in the unemployment statistics. Olawale (2017) noted that unemployment occurs when people who are able to work are unable to find a suitably paid job for a tangible period.

Poverty has been described by Farraro (2003) as the state of human beings who are poor; they have little or no material means of surviving – either with little food, shelter, clothes, healthcare, education, and other physical means of living and improving one's life. To Collier (2007), developing countries constitute five billion of the six billion people in the world. However, while about 80% of the five billion live in the developing countries, there are some countries at the very bottom falling behind, and gradually falling apart (Collier, 2007). Nigeria, a sub-Saharan African country, has at least half of its population living in abject poverty (Ojo, 2008). Thus, Ogwumike (2002) noted that poverty reduction is the most difficult challenge any developing country is facing, where on the average, a majority of the population is considered poor.

While finding the effect of unemployment on poverty, scholars have conducted both theoretical and empirical studies in Nigeria and beyond, using primary and secondary sources of data. In Niger State, Nigeria for instance, Mohammad and David (2019) carried out a study on the relationship between poverty and unemployment. The study used descriptive and a logistics regression model to analyze the 102 cross-sectional data randomly collected from the three geopolitical regions in the state. The result thus showed the existence of a balanced bond between poverty and unemployment, following the pattern of previous studies. The study thus recommended the actions of the policymakers in creating vocational skill programmes to help curb the problem of unemployment in the state. Omojolaibi and Omojolaibi (2014) examined the relationship between economic growth, poverty, and unemployment in Nigeria, and found a robust balanced relationship between poverty and unemployment with the use ECM technique in estimating the time series data from 1970 to 2010. Ejikeme (2014) assessed the link unemployment and poverty have with security in Nigeria. His study underscored that unemployment and poverty are universal phenomena, and not necessarily a peculiar characteristic of any particular segment of the society. The research revealed that unemployment and poverty have direct links with security challenges in Nigeria.

Okorie and Anowor (2017) evaluated the link between unemployment rate and poverty prevalence in Nigeria. They used secondary data sourced from relevant institutions to obtain major Social and Economic indicators straddling within 1980-2015. The study used Trend graph analysis, Correlation coefficient analysis and Granger causality tests in its analyses. From their results, there is a positive-significant correlation between unemployment and poverty in Nigeria. This was corroborated by the Trend graph analysis. It also established that unemployment granger causes poverty in Nigeria as indicated by the Granger causality tests. The economic implication of this result is that poverty is an increasing function of unemployment; and the Error Correction Mechanism (ECM) showed that short run disequilibrium in the economy can be returned to equilibrium in the long run with a poor speed of adjustment of 6 %. In the light of these findings, they recommended that efforts should be intensified in Nigeria towards implementation of unemployment reduction policies, as this will significantly reduce incidence of poverty. This supported the studies of Osinubi (2005) and Egunjobi and Adenike (2014) that used 31-year data ranging from 1970 to 2000, to reveal the existence of a strong positive relationship between poverty and unemployment in Nigeria.

Saunders (2002) found that high and persistent unemployment has presented a major challenge for the welfare state from two directions. First, it has eroded the funding base and second, it has increased the demands on welfare programmes because of the consequences for poverty and inequality resulting from high unemployment. His paper explored these latter effects using a range of national and international evidences. It argued that the effects, while generally presumed to exist, are complicated by the ways in which poverty and inequality are measured (based on the economic status of families) and the growth in dual-earner families that has weakened the link between the economic status of families and individual family members. Despite this, there was strong evidence that unemployment increases the risk of poverty and contributes to inequality, and that it gives rise to a series of debilitating social effects on unemployed people themselves, their families and the communities in which they

live. This suggests a need for welfare reform to give emphasis to employment generation, but this should not be the only outcome by which the welfare system should be judged. The provision of an adequate and secure safety net that does not unduly distort incentive structures is also an important welfare objective.

Moreover, Olotu, Salami and Akeremale's (2015) study focused on unemployment as a key part of poverty. The study found that unemployment situation has a consequence of political, socio-economic and moral disproportion on the economy. It replicates the inability to make effective and efficient use of factors of production. Hence, the low returns on capital and labour together with the state of unemployment point to poverty. The study, therefore, recommended an operational change from macroeconomic policies to employment generation, especially the ongoing privatization of public parastatals should be justified with significant reduction in unemployment. Entrepreneurship should be encouraged as this will also reduce unemployment and contribute to a sustainable economic development in Nigeria.

Following the reviewed literature, there is the need to study the effect of unemployment on rate of poverty among residents of Nkanu-East Local Government Area of Enugu State, given that none of the studies covered the concern of this study.

Theoretical Framework

There are many theories of poverty which, according to Brady (2018) are categorized into three broader families of behavioural, structural and political theories. However, this study is anchored on the Vicious Circle of poverty, which is one of the obstacles to development in most developing countries. For the purpose of this study, we narrowed down to individual families. In other words, the greatest obstacle to economic improvement in many Nigerian families is that of "poverty begetting poverty". These families are poor to start with and because of this poverty, they are unable to achieve happiness through a better standard of living, improved consumption pattern and investment. These families are trapped in circle of poverty so difficult to break and as such are vicious in nature. They are usually plagued with low productivity due to capital deficiency, market limitations, economic backwardness and pettiness. These forces act and react upon one another so that the family is always in a state of poverty. The vicious circle of poverty operates both on the demand side as well as the supply side. We considered the demand side of it as shown in figure 1 below.
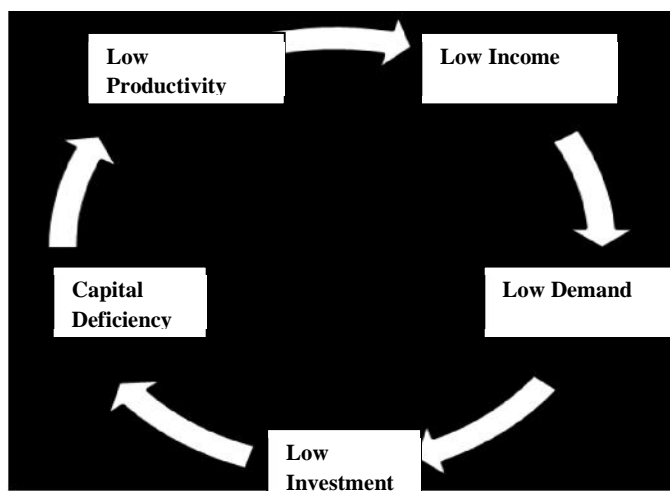
Fig. 2.1: The Vicious Cycle of Poverty (Demand side)
Source: Jhingan, M. L. (2007). *The Economics of Development and Planning.* (39th ed.). Delhi: Vrinda
       Publications (P) Ltd.

As shown in Figure 1 above, low level of real income results in low demand. The low level of demand leads to a low investment and to deficiency of capital. The deficiency of capital will in turn lead to a low level of productivity and back to low income. These circles go on and on creating vicious circles of poverty and if conscious effort is

not taking to break these cycles, family improvement will never be achieved. Main points of vicious circles of poverty are: Low real income (poverty), low productivity (output), low demand (consumption)/low savings, low investment, lack of capital, then back to low productivity and poverty.

Methods and Procedures

This study adopted the survey research method. Data for this study were mainly primary. The study was carried out in Nkanu West Local Government Area of Enugu State. According to the national population census of 2006, Nkanu West had a total population of 146,695 citizens in the nine villages of Agbani, Akpugo, Akegbe Ugwu, Obuofia, Umueze, Obe, Amodu, Ozalla and Ammuri. The sample size of this study was judgmentally determined. It comprised 148 randomly selected citizens of the LGA. A total of 16 persons from each of the other 8 villages were selected, while 20 persons were selected from Agbani, being the LG headquarters and the most populated. The questionnaire served as the sole instrument for data collection. The reliability of the instrument was determined by using test-re-test method. The instrument was administered to 30 members of the population (that is 20% of the sample size) and after few days, the same instrument was re-administered to the same respondents. The test-re-test yielded a correlation of 80% as there were 24 positive votes and 6 negative votes on the questions raised by the researchers concerning the effect of unemployment on rate of poverty. Data generated were presented in tables for interpretation. Analyses were done by the use of simple percentages. The generated quantitative data in this study were tested using the Simple Regression Analysis and applying SPSS version 21. The research model for this study is of the form:

UE   =   F(PSL, PSH, INA)

Where:

UE stands for unemployment

PSL stands for poor standard of living

PSH stands for poor saving habit

INI stands for Inability to Invest

Moreover, the null hypotheses were rejected where the SPSS p-values were less than alpha (0.05) and t calculated greater than t value from the table (1.960); the alternative hypotheses were accepted.

Interpretation and Discussion of Results

In this section of the study, the questions which had direct relationship with the objectives of the study were analyzed.

Table 1: Responses to whether unemployment results in poverty

Responses	Frequency	Percentage
Strongly agree	121	82.00
Agree	18	12.00
Disagree	6	4.00
Strongly disagree	3	2.00
Total	**148**	**100%**

Source: Authors' field survey, 2019.

Table 1 shows that a total of 121 respondents (82%), and 18 respondents (12%) were of the opinion that unemployment results in poverty, while 6 respondents (4%) and 3 respondents (2%) disagreed that unemployment results to poverty.

Table 2: Responses to the effect of unemployment on standard of living

S/N	Statement	SA	A	D	SD	Total
(a)	The unemployed have lesser amount of money to spend.	102	28	10	8	148
(b)	The unemployed consume more of inferior goods.	89	38	12	9	148
(c)	The unemployed eat lesser quality and quantity of products than the employed.	96	41	7	4	148
	Total	**287**	**107**	**28**	**22**	**444**
	Average Total	**96**	**36**	**9**	**7**	**148**
	Percentage	**65**	**24**	**6**	**5**	**100**

Source: Authors' field survey, 2019

From the table 2, an average of 96 (65%) respondents, 36 (24%) respondents, 9 (6%) respondents, and 7 (5%) respondents strongly agreed, agreed, disagreed and strongly disagreed respectively on statements about the effect of unemployment on standard of living.

Table 3: Responses to the effect of unemployment on saving habit

S/N	Statement	SA	A	D	SD	Total
(a)	The unemployed have little or no saving culture due to inadequate disposable income.	86	43	11	8	148
(b)	The unemployed do not have enough income to meet up with their daily needs.	123	14	8	3	148
(c)	The unemployed spend greater part of their incomes on consumption.	88	51	5	4	148
	Total	**297**	**108**	**24**	**15**	**444**
	Average Total	**99**	**36**	**8**	**5**	**148**
	Percentage	**67**	**24**	**5**	**4**	**100**

Source: Authors' field survey, 2019

Table 3 shows that on the an average, 99 (67%) respondents, 36 (24%) respondents, 8 (5%) respondents, and 5 (4%) respondents strongly agreed, agreed, disagreed and strongly disagreed respectively on statements about the effect of unemployment on savings habit.

Table 4: Responses to the effect of unemployment on ability to invest

S/N	Statement	SA	A	D	SD	Total
(a)	The unemployed have low business mentality.	98	39	7	4	148
(b)	The unemployed find it difficult exploiting their business ideas.	121	20	5	2	148
(c)	People who are unemployed are less innovative.	95	41	7	5	148
	Total	**314**	**100**	**19**	**11**	**444**
	Average Total	**105**	**33**	**6**	**4**	**148**
	Percentage	**71**	**24**	**4**	**2**	**100**

Source: Authors' field survey, 2019

From the table (4), an average of 105 (71%) respondents, 33 (24%) respondents, 6 (4%) respondents, and 4 (2%) respondents strongly agreed, agreed, disagreed and strongly disagreed respectively on statements about the effect of unemployment on ability to invest.

Test of Hypotheses

In this section of the study, the three formulated hypotheses were tested using multiple regression with SPSS version 21.

Test of Hypothesis One

H_0: Unemployment has no significant negative effect on the standard of living of the people of Nkanu West.

H_1: Unemployment has significant negative effect on the standard of living of the people of Nkanu West.

This hypothesis was tested using data in table 2 and the SPSS output is shown below:

Descriptive Statistics			
	Mean	Std. Deviation	N
Unemployment	3.7365	.63204	148
Poor standard of living	3.4932	.81229	148

Correlations		Unemployment	Poor standard of living
Pearson Correlation	Unemployment	1.000	.851
	Poor standard of living	.851	1.000
Sig. (1-tailed)	Unemployment	.	.000
	Poor standard of living	.000	.
N	Unemployment	148	148
	Poor standard of living	148	148

Variables Entered/Removed[a]			
Model	Variables Entered	Variables Removed	Method
1	Poor standard of living[b]	.	Enter
a. Dependent Variable: Unemployment			
b. All requested variables entered.			

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.851[a]	.724	.723	.33291	.267
a. Predictors: (Constant), Poor standard of living					
b. Dependent Variable: Unemployment					

ANOVAª						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	42.542	1	42.542	383.867	.000[b]
	Residual	16.181	146	.111		
	Total	58.723	147			
a. Dependent Variable: Unemployment						
b. Predictors: (Constant), Poor standard of living						

Coefficientsª						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.423	.121		11.740	.000
	Poor standard of living	.662	.034	.851	19.593	.000
a. Dependent Variable: Unemployment						

Residuals Statisticsª					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.0853	4.0721	3.7365	.53796	148
Residual	-1.08527	.59018	.00000	.33177	148
Std. Predicted Value	-3.069	.624	.000	1.000	148
Std. Residual	-3.260	1.773	.000	.997	148
a. Dependent Variable: Unemployment					

Interpretation

The R value in the model summary table shows a simple correlation of 0.851 which shows a very strong and positive correlation. The R^2 value shows how much of the total variation in the independent variable (unemployment) that can be explained by the dependent variable (poor standard of living). The table shows that 72.4% variation in the level of unemployment can be explained by the standard of living of the people. This is equally high. With a sig (p-value) of (0.000) which is less than Alpha (0.05) and a t value of 11.740, the overall regression model, therefore, statistically predicts the outcome variables (That is, it is a good fit).

Decision

Since the p-value (0.000) is less than Alpha (0.05), that is 0.000<0.05, and t calculated (11.740) is greater than t tabulated (1.960), we reject the null hypothesis and accept the alternative hypothesis which implies that unemployment has significant negative effect on the standard of living of the people of Nkanu West.

Test of hypothesis two

H_0: Unemployment has no significant effect on the saving habits of the people of Nkanu West.

H_1: Unemployment has significant effect on the saving habits of the people of Nkanu West.

This hypothesis was tested using information in table 3 and the SPSS output is as follows:

Descriptive Statistics			
	Mean	Std. Deviation	N
Unemployment	3.7365	.63204	148
Poor savings habit	3.5473	.74992	148

Correlations			
		Unemployment	Poor savings habit
Pearson Correlation	Unemployment	1.000	.852
	Poor savings habit	.852	1.000
Sig. (1-tailed)	Unemployment	.	.000
	Poor savings habit	.000	.
N	Unemployment	148	148
	Poor savings habit	148	148

Variables Entered/Removed[a]			
Model	Variables Entered	Variables Removed	Method
1	Poor savings habit[b]	.	Enter
a. Dependent Variable: Unemployment			
b. All requested variables entered.			

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.852[a]	.725	.724	.33230	.282
a. Predictors: (Constant), Poor savings habit					
b. Dependent Variable: Unemployment					

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.601	1	42.601	385.794	.000[b]
	Residual	16.122	146	.110		
	Total	58.723	147			
a. Dependent Variable: Unemployment						
b. Predictors: (Constant), Poor savings habit						

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.190	.132		8.982	.000
	Poor savings habit	.718	.037	.852	19.642	.000
a. Dependent Variable: Unemployment						

Residuals Statistics[a]					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.9079	4.0615	3.7365	.53833	148
Residual	-.90789	.65640	.00000	.33117	148
Std. Predicted Value	-3.397	.604	.000	1.000	148
Std. Residual	-2.732	1.975	.000	.997	148
a. Dependent Variable: Unemployment					

Interpretation

The R-value in the model summary table shows a simple correlation of 0.852 which shows a very strong and positive correlation. The R^2 value shows how much of the total variation in the independent variable (unemployment) that can be explained by the dependent variable (poor saving habit). The table shows that 72.5% variation in the level of unemployment can be explained by the standard of living of the people. This is equally high. With a sig (p-value) of (0.000) which is less than Alpha (0.05) and a t value of 8.982, the overall regression model, therefore, statistically predicts the outcome variables (That is, it is a good fit).

Decision

Since the p-value (0.000) is less than Alpha (0.05), that is 0.000<0.05, and t calculated (11.740) is greater than t tabulated (1.960), we reject the null hypothesis and accept the alternative hypothesis which implies that unemployment has significant negative effect on the saving habit of the people of Nkanu West..

Test of Hypothesis Three

H_0: Unemployment has no significant effect on the ability of the people to invest.
H_1: Unemployment has significant effect on the ability of the people to invest.
This hypothesis was tested using information in table 4.7 and the SPSS output is as follows:

Descriptive Statistics			
	Mean	Std. Deviation	N
Unemployment	3.7365	.63204	148
Inability to invest	3.6149	.69521	148

Correlations			
		Unemployment	Inability to invest
Pearson Correlation	Unemployment	1.000	.882
	Inability to invest	.882	1.000
Sig. (1-tailed)	Unemployment	.	.000
	Inability to invest	.000	.
N	Unemployment	148	148
	Inability to invest	148	148

Variables Entered/Removed[a]			
Model	Variables Entered	Variables Removed	Method
1	Inability to invest[b]	.	Enter
a. Dependent Variable: Unemployment			
b. All requested variables entered.			

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.882[a]	.778	.777	.29869	.378
a. Predictors: (Constant), Inability to invest					
b. Dependent Variable: Unemployment					

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.698	1	45.698	512.218	.000[b]
	Residual	13.025	146	.089		
	Total	58.723	147			
a. Dependent Variable: Unemployment						
b. Predictors: (Constant), Inability to invest						

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.837	.130		6.420	.000
	Inability to invest	.802	.035	.882	22.632	.000
a. Dependent Variable: Unemployment						

Residuals Statistics[a]					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.6394	4.0454	3.7365	.55756	148
Residual	-.63937	.75663	.00000	.29767	148
Std. Predicted Value	-3.761	.554	.000	1.000	148
Std. Residual	-2.141	2.533	.000	.997	148
a. Dependent Variable: Unemployment					

Interpretation

The R value in the model summary table shows a simple correlation of 0.882 which shows a very strong and positive correlation. The R^2 value shows how much of the total variation in the independent variable (unemployment) that can be explained by the dependent variable (inability to save). The table shows that 72.5% variation in the level of unemployment can be explained by the standard of living of the people. This is equally high. With a sig (p-value) of (0.000) which is less than Alpha (0.05) and a t value of 6.420, the overall regression model, therefore, statistically predicts the outcome variables (That is, it is a good fit).

Decision

Since the p-value (0.000) is less than Alpha (0.05), that is 0.000<0.05, and t calculated (6.420) is greater than t tabulated (1.960), we reject the null hypothesis and accept the alternative hypothesis which implies that unemployment has significant effect on the ability of the people to invest.

Discussion of Findings

This study was carried out to investigate the effect of unemployment on poverty in Nigeria using Nkanu West Local Government Area, Enugu State as a case study. The study found that unemployment has significant negative effect on the standard of living. In other words, the unemployed have lesser amount of money to spend, consume more of inferior goods and eat lesser quality and quantity of products.

The study also disclosed that unemployment has significant negative effect on the savings habit. That is, the unemployed have little or no savings culture due to inadequate disposable income, do not have enough income to meet up with their daily needs and spend greater part of their incomes on consumption.

Moreover, the study found that unemployment has significant effect on the ability of the people to invest. Thus, the unemployed have low business mentality, find it difficult exploiting their business ideas and are less innovative.

Recommendations

The study recommends among others, formulation of policies to ensure entrepreneurship development such as the deregulation of the labour market which is likely to reduce unemployment and improve welfare of Nigerians; government should embark on labour intensive technique of production as against capital intensive and also close the borders to some extent to reduce unemployment and inflation and increase domestic output level (GDP). On the part of individuals and families, there is the need for self-development to exploit available opportunities.

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