International Journal of Academic Management Science Research (IJAMSR)
ISSN: 2643-900X
Vol. 10 Issue 1 January - 2026, Pages: 164-174

Financial Literacy And Generational Wealth Of Agro-Based Smes In Riversstate, Nigeria

Etu, Matilda Adesuwa[1] and B. Chima Onuoha[2]

1. Doctoral Student, Department of Management, University of Port Harcourt.
2. Professor of Management, Department of Management, University of Port Harcourt

ABSTRACT: *This research aimed to investigate the relationship among financial planning, risk management knowledge, asset creation, and business continuity in agro-based SMEs located in Rivers State, Nigeria. This research addresses the persistent challenge of low financial resilience among SMEs and their susceptibility to economic shocks, primarily attributed to insufficient planning and a lack of knowledge regarding risk management techniques. The study was structured around a singular aim, four objectives, four research questions, and four hypotheses to address this issue. Financial literacy served as one of the dimensions of financial literacy, encompassing dimensions like budgeting and investment planning. Risk management knowledge constituted the second dimension, which includes risk identification and mitigation strategies. The measures of the dependent variable generational wealth employed were asset accumulation and business continuity. The research employed a quantitative methodology and a cross-sectional survey design, utilising structured questionnaires distributed to 150 participants selected from agro-based SMEs in Rivers State. A total of 136 usable responses were analysed. The hypotheses were evaluated through the Spearman Rank Order Correlation Coefficient utilising SPSS software. The findings indicate that financial planning is positively and significantly associated with asset accumulation and business continuity. Additionally, knowledge of risk management also demonstrates a significant relationship with both asset accumulation and business continuity. It is recommended that SMEs adopt effective financial planning mechanisms to accumulate sustainable assets, while incorporating risk management systems to ensure continuity amid uncertainties.*

Keywords**:** Financial Planning, Risk Management Knowledge, Asset Accumulation, Business Continuity.

Introduction

In today's complex business landscape, understanding financial principles has become essential for achieving long-term sustainability and generating wealth. For agro-based Small and Medium Enterprises (SMEs), financial literacy is essential not just for daily business operations but also for creating lasting wealth that supports continuity and growth across generations. Nigerian agro-based SMEs, especially in Rivers State, encounter obstacles like limited access to credit facilities, fluctuating commodity prices, and inadequate financial planning, which may undermine their ability to transfer wealth across generations (Eneh & Onwuchekwa, 2021). Financial literacy encompasses the essential skills and knowledge necessary for making informed financial decisions regarding budgeting, saving, investing, and debt management. According to Nwachukwu and Uzoagu (2022), business owners who possess financial literacy can effectively optimise resources, diversify their revenue streams, and reduce financial risks. In the context of generational wealth, financial literacy empowers SMEs to build savings and investment portfolios, create succession plans, and transfer assets efficiently, ensuring business continuity (Okeke & Chukwu, 2020).
The measurement of wealth across generations can be assessed through accumulated assets, the transfer of business ownership from one generation to the next, and the establishment of long-term financial security (Agbo & Alio, 2019). For agro-based SMEs, this form of wealth manifests through retained earnings, ownership of land and equipment, and the capacity to grow and maintain businesses across family generations. Although it holds significant relevance, there exists a scarcity of empirical evidence connecting financial literacy to the generation of intergenerational wealth within Nigeria's agro-business sector. Addressing the knowledge gap necessitates an examination of how enhanced financial literacy contributes to the maintenance of wealth and facilitates intergenerational succession within SMEs in Rivers State. This study aims to explore the connection between financial literacy and the intergenerational wealth of agro-based SMEs in Rivers State, Nigeria.

Statement of the Problem

Small and medium-scale agro-based enterprises play a crucial role in Nigeria's economy through their contributions to food security, rural development, and job creation. Despite their significance, most of them in Rivers State face challenges related to business continuity and intergenerational sustainability. One of the significant challenges affecting their long-term sustainability is the inadequate level of financial literacy among business managers and owners (Eneh & Onwuchekwa, 2021; Okeke & Chukwu, 2020). Limited financial literacy results in a weak savings culture, insufficient investment planning, ineffective succession strategies, and suboptimal cash flow management, all of which hinder agro-based SMEs from generating and transferring wealth across generations. Typically, business owners function without a comprehensive grasp of financial planning tools like budgeting, credit management, insurance, and retirement planning, which are crucial for achieving long-term wealth accumulation (Nwachukwu & Uzoagu, 2022). Consequently, these enterprises lack the resilience to endure market fluctuations, inflationary pressures, or capital shocks, resulting in an untimely downfall and the failure to preserve wealth for future generations. The issue is further intensified by the lack of intentional wealth transfer strategies, including succession planning, investment diversification, and estate planning, which are essential for ensuring continuity across generations (Agbo & Alio, 2019).

Financial literacy has been demonstrated to significantly influence wealth accumulation and its transfer across generations on a global scale (Lusardi & Mitchell, 2014). There is, however, a scarcity of empirical studies examining the role of financial literacy in fostering generational wealth within SMEs in sub-Saharan Africa. In Nigeria, especially in Rivers State, there is a scarcity of evidence regarding how financial literacy practices impact the capacity of agro-based SMEs to create and transfer wealth across generations. This knowledge gap prompts fundamental enquiries: To what degree do agro-based SMEs in Rivers State engage in financial literacy practices? Is there a significant impact of financial literacy on the establishment and transfer of generational wealth within these companies? Which areas of financial literacy are the most significant predictors of sustaining wealth across generations? Addressing these questions is crucial for the sustained viability of agro-based SMEs. This study aims to explore the relationship between financial literacy and intergenerational wealth among agro-based SMEs in Rivers State, Nigeria, with the intention of producing evidence that can guide policy and practice to enhance their intergenerational resilience.

Research Objectives

The specific objectives are;

i. To examine the correlation between financial planning and asset accumulation of Agro-based SMEs in Rivers State, Nigeria.
ii. To determine the connection between financial planning and business continuity of Agro-based SMEs in Rivers State, Nigeria.
iii. To investigate the link between risk management knowledge and asset accumulation of Agro-based SMEs in Rivers State, Nigeria.
iv. To examine the association between risk management knowledge and business continuity of Agro-based SMEs in Rivers State, Nigeria.

Research Questions

The following research questions served as a guide in this study;

i. What is the relationship between financial planning and asset accumulation?
ii. How does financial planning relate to business continuity?
iii. What is the nature of relationship between risk management knowledge and asset accumulation?
iv. How does risk management knowledge relate to business continuity?

Research Hypotheses

The following null hypotheses are proposed:

Ho_1: There is no significant correlation between financial planning and asset accumulation of Agro-based SMEs in Rivers State, Nigeria.

Ho_2: There is no significant association between financial planning and business continuity of of Agro-based SMEs in Rivers State, Nigeria.

Ho_3: There is no significant link between risk management knowledge and asset accumulation of Agro-based SMEs in Rivers State, Nigeria.

Ho_4: There is no significant connection between risk management knowledge and business continuity of of Agro-based SMEs in Rivers State, Nigeria.

Literature Review

Conceptual Review

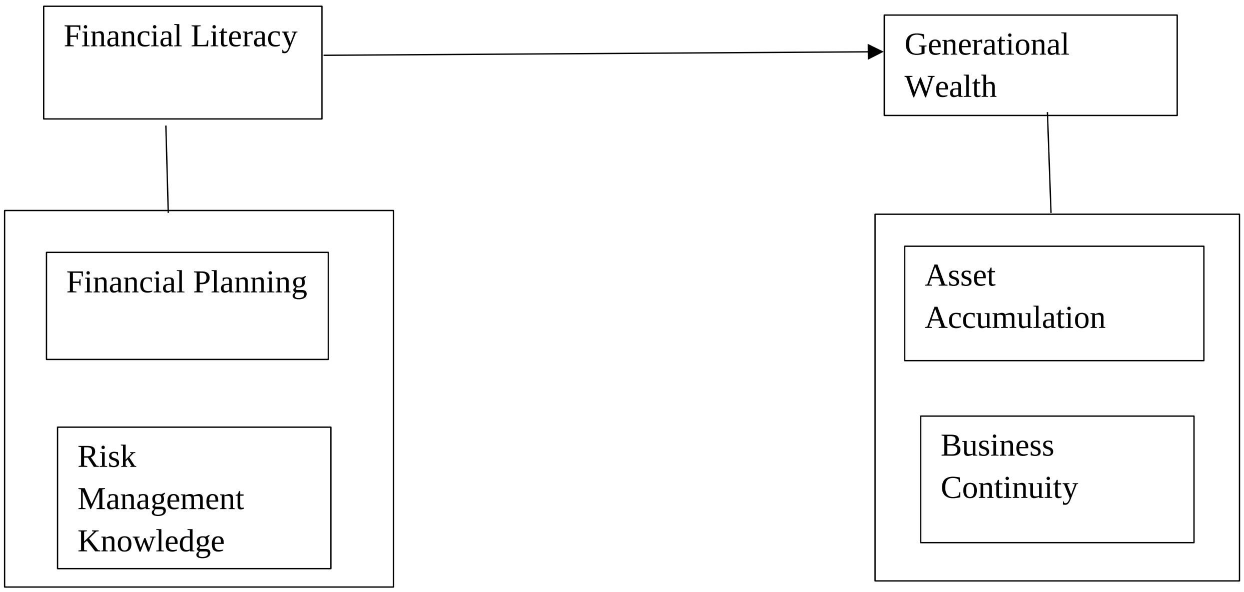

Figure 1: Conceptual Model
Source: The dimensions of financial literacy were adapted from Lusardi, and Mitchell, (2014), while the measures of generational wealth were adapted from Nwachukwu, and Uzoagu, (2022).

Financial Literacy

Financial literacy represents an essential skill in today's intricate economic landscape. Financial literacy encompasses the understanding, skills, mindset, and practices that individuals and organisations need to make well-informed and effective financial choices. Financial literacy, as discussed by Haupt (2021), encompasses a comprehensive understanding of financial concepts, the capability to apply them in everyday situations, and the confidence to effectively manage personal or business finances. Financial literacy encompasses more than merely possessing knowledge about money; it involves making informed decisions that lead to financial well-being and the accumulation of wealth over the long term. Financial literacy encompasses a range of skills, including saving, budgeting, investing, credit management, and retirement planning. Lusardi and Mitchell (2014) assert that individuals with financial literacy are likely to engage in retirement planning, steer clear of costly borrowing, and accumulate wealth. Lack of financial knowledge, rather than an understanding of financial principles, is likely to result in poor financial choices, excessive borrowing, and vulnerability to economic disturbances (Klapper et al., 2015).
The necessity for financial literacy is particularly pronounced in emerging markets, where a fragile financial system and limited access to credit can intensify the consequences of poor financial choices (Akingunola et al., 2018). Understanding financial concepts is essential for growth and long-term viability. Business owners with greater financial education are better equipped to comprehend financial reports, oversee cash flows, and allocate resources effectively (Wise, 2013). Consequently, they find themselves in a more advantageous position to attract investors, secure loans, and navigate risks effectively. For those transitioning from farming to entrepreneurship, where price fluctuations, climate challenges, and demand uncertainties pose substantial risks, financial literacy plays a crucial role. It empowers these individuals to formulate effective saving, credit management, and investment strategies that foster long-term sustainability (Nwosu & Okeke, 2021).
Financial literacy serves as a crucial capability and a strategic resource, underpinning the transfer of wealth between generations and ensuring the continuity of businesses over time. Remund (2010) emphasises that financial literacy encompasses not just knowledge, but also the attitudes and behaviours that contribute to effective money management. For example, individuals in business may understand the concept of budgeting yet struggle to implement self-discipline to adhere to budgeting practices consistently, which ultimately influences the conversion of knowledge into financial success. This behavioural component is fundamental to the design of financial education programs, which should aim not only to impart knowledge about money facts but also to shape attitudes and actions (Haupt, 2021). Across the globe, empirical evidence has demonstrated a positive correlation between financial literacy and economic development. Households and firms that possess financial literacy lead to increased saving rates, improved investment returns, and a more resilient population in financial matters (Lusardi & Mitchell, 2014). In Nigeria, where access to credit is limited

and informal financial practices dominate, understanding financial concepts is crucial for the sustainability of businesses and the well-being of families (Eneh & Onwuchekwa, 2021). In the absence of sufficient financial information, many small and medium-sized enterprises struggle with maintaining proper records, mismanage loans, or fail to evolve into larger, more competitive businesses.

Financial planning

Financial planning involves a methodical assessment of an individual's or an organization's existing financial condition, establishing financial objectives, and formulating a strategy to reach these objectives within a designated timeline. The process entails assessing income, expenditures, assets, liabilities, and investment alternatives to make informed decisions that improve financial stability and foster long-term wealth accumulation. Financial planning, as outlined by Gitman et al. (2018), establishes a framework that connects current financial situations with future goals, allowing individuals and organisations to use resources efficiently while reducing risks. Financial planning encompasses various elements such as budgeting, saving, managing debt, securing insurance, making investments, preparing for retirement, and organising estate matters.

Asebedo, (2024) describes financial planning as an interactive process that assists clients in achieving their financial well-being by merging financial and personal values with the decision-making process regarding finances. Financial planning encompasses more than just accumulating wealth; it involves aligning financial choices with life priorities such as education, home ownership, health care, and retirement. Strategic planning enables organisations to anticipate cash flows, allocate resources to profitable ventures, and support growth initiatives. Pandey (2019) elucidates the role of financial planning in organisations as the cornerstone for budgeting, investment, and capital structure management. Without systematic financial planning, companies face liquidity crises, make poor investment choices, and encounter long-term insolvency risks. In small and medium-sized enterprises (SMEs), especially those operating in cyclical sectors such as agriculture, effective financial planning is essential for ensuring survival, maintaining competitiveness, and facilitating succession (Nwosu & Okeke, 2021). By anticipating uncertainties such as inflation, interest rate fluctuations, or declines in business ahead of time, financial planning enables individuals and organisations to take proactive measures.

According to Brigham and Ehrhardt (2016), financial planning involves balancing risk and return to ensure that investment portfolios and financial decisions align with the decision-maker's risk tolerance and long-term objectives. Among the tools employed in financial planning to address risks are insurance, emergency funds, and diversification. Studies indicate that financial decisions are typically shaped by cognitive biases and emotional influences (Kahneman, 2011). Financial planning mitigates the influence of these biases by providing structured guidelines and measurable objectives. Furthermore, Lusardi and Mitchell (2014) note that individuals with higher financial literacy tend to engage in effective financial planning, which directly influences wealth accumulation and autonomy. Globally, financial planning has been recognised as a driving force for economic resilience. Families and businesses with effective financial planning practices are more likely to endure economic downturns, unexpected shocks, and market volatility (Haupt, 2021). The frequent failure of SMEs in Nigeria can be attributed to inadequate record-keeping and financial management. Financial planning acts as a crucial intervention to improve operational efficiency, secure funding, and support the transfer of wealth across generations (Eneh & Onwuchekwa, 2021).

Risk Management Knowledge

Risk management knowledge involves the expertise, abilities, and methodologies necessary for recognising, assessing, mitigating, and overseeing risks that could threaten the attainment of personal, organisational, or community goals. This involves understanding theoretical frameworks and acquiring practical skills necessary for assisting decision-makers in forecasting uncertainties and executing strategies that reduce adverse effects while enhancing benefits (Hopkin, 2018). Understanding risk management is essential for organisations to enhance strategic planning, improve operational efficiency, and ensure long-term sustainability. Understanding risk management, as outlined by Hillson (2017), encompasses familiarity with various risk categories and proficiency in employing tools such as risk assessment matrices, scenario analysis, and contingency planning. This enables organisations to adopt proactive strategies instead of merely reacting to existing threats, thereby enhancing their resilience. From a financial perspective, understanding risk management enhances the capacity of individuals and firms to measure their exposure to credit, liquidity, and market risks.

Brigham and Ehrhardt (2016) assert that understanding risk management enables organisations to effectively manage risk and return, optimise resource utilisation, and protect shareholder value. Small and medium-sized enterprises (SMEs) often face significant challenges, particularly in uncertain conditions, where inadequate understanding of risk management can result in business failure and financial instability (Akinyomi, 2020). Understanding risk management extends beyond mere technical skills; it involves fostering a culture that prioritises risk awareness. Mayienga, et al., (2024) emphasises that incorporating risk awareness into decision-making across all organisational levels improves transparency and accountability. This cultural aspect ensures that risk elements are integrated into daily procedures rather than being confined solely to senior management's oversight.

Generational Wealth

Generational wealth, also known as family wealth or intergenerational wealth, pertains to the transfer of financial resources, wealth, and economic advantages across different generations.
The total value of investments, savings, property, businesses, and various financial resources that families transfer to their heirs enables them to maintain or enhance their economic status over the long term (Friedman, 2017). While immediate wealth can be acquired quickly, lasting wealth focusses on strategic planning and the sustainability of financial resources, ensuring that assets persist beyond the original earners. Wealth passed down through generations encompasses more than just physical assets; it also involves non-physical elements like financial knowledge, entrepreneurial skills, professional connections, and ethical principles that guide financial choices (Oliver & Shapiro, 2006).

Mulligan (2019) discusses that families who intentionally plan for intergenerational transfers are more inclined to create structures such as trusts, insurance, and investment pools, which facilitate the preservation of wealth over extended periods. These strategies lead to social mobility by providing children with a financial advantage compared to those without access to inherited wealth. The significance of inheritances through generational wealth lies in its ability to mitigate economic risks and provide lasting security. Families that successfully pass on wealth typically provide their children with access to education, entrepreneurship, and real estate ownership (Shapiro, 2017). Transfers between generations offer the necessary capital to initiate business ventures or invest in valuable assets like land. This leads to a cumulative impact, whereby wealth not only endures but expands with each successive generation. Families lacking generational wealth face challenges such as cyclical poverty, limited access to credit, and restricted opportunities for social mobility (Piketty, 2014). The inequality of wealth across societies highlights the prominence of inherited wealth.

In many developing economies, such as Nigeria, the absence of strong financial literacy, fluctuating economic conditions, and insufficient succession planning impede the processes of wealth accumulation and transfer (Akinbami & Adekeye, 2020). Consequently, most small and medium-sized enterprises (SMEs) do not survive past the founding generation, leaving heirs without the opportunity for sustained economic advantages. According to Osuji (2019), the lack of formal succession planning in Nigerian family businesses frequently results in conflict, mismanagement, or even sale, which disrupts the wealth transmission chain. Financial literacy serves as a crucial catalyst for the transfer of wealth across generations. Lusardi and Mitchell (2014) indicate that households with financial literacy tend to participate more actively in prudent saving, investing, and estate planning that facilitates the transfer of wealth across generations. This indicates that intergenerational wealth encompasses not just the presence of financial resources, but also the ability to effectively manage, safeguard, and enhance them for future benefit.

Asset Accumulation

The process of asset accumulation involves systematically acquiring and developing both financial and non-financial assets over time, aimed at enhancing wealth, ensuring security, and promoting long-term financial stability. This element plays an essential role in financial planning, wealth management, and the transfer of family wealth through generations, serving as the foundation for individuals, families, and businesses to achieve economic independence (Beverly, et al., 2003). Assets may be categorised as tangible, such as real estate, machinery, and land, or intangible, including financial products, investments, intellectual property, and goodwill. The gathering of these assets serves as the foundation for capital growth and provides resilience in the face of economic disturbances. Sherraden (1991) articulates that assets extend beyond mere financial resources; they also foster long-term thinking, enhance social stability, and empower individuals to embrace risks that broaden economic opportunities. Households that effectively accumulate assets tend to prioritise investments in education, health, and housing, which in turn enhances intergenerational outcomes. Conversely, insufficient asset accumulation ensures the perpetuation of poverty cycles and restricts upward mobility (Oliver & Shapiro, 2006).

The development of assets is essential for maintaining operations, financing innovation, and enhancing market access. Companies that possess robust asset bases experience greater ease in obtaining credit, are able to invest in technology, and can venture into new markets (Demirgüç-Kunt, Klapper, & Singer, 2017). In developing countries, small and medium-sized enterprises (SMEs) find that the capacity to build assets is a key factor in ensuring their long-term survival and growth. In the absence of sufficient asset bases, organisations struggle to endure market risks, execute strategic initiatives, and pass on wealth to future generations (Akinbami & Adekeye, 2020). The accumulation of assets arises from various factors, including income levels, financial literacy, access to credit, and the prevailing policy frameworks.

According to Lusardi and Mitchell (2014), financial literacy is essential for enabling individuals and firms to make informed decisions about saving, investing, and managing debt, all of which are crucial for asset growth. In addition, institutional support through effective banking regulations, access to microfinance, and government-backed investment subsidies significantly contributes to asset accumulation, especially for agro-based businesses in emerging economies (Beck, Demirgüç-Kunt, & Levine, 2007). Piketty (2014) argues that differences in the ability to accumulate assets are fundamental factors contributing to inequality, as wealth tends to increase more rapidly for individuals who begin with substantial resources. The lack of a robust savings culture, coupled with inflation and unstable economic conditions, frequently hinders effective asset development for smallholder farmers and SMEs in countries like Nigeria (Osuji, 2019). This establishes an obstacle to sustainable wealth generation and the transfer of assets across generations.

Business Continuity

Business continuity pertains to an organization's capacity to maintain essential operations and services during and after significant disruptive events, including natural disasters, cyber-attacks, pandemics, or financial crises. This approach focusses on building resilience within organisations, emphasising a proactive stance that prepares businesses to handle disruptions effectively, recover swiftly, and sustain performance over the long term (Herbane, 2019). Business continuity involves minimising the effects of disruptions on individuals, processes, technology, and assets to safeguard the interests of stakeholders and ensure the survival of the organisation.

A comprehensive framework for ensuring business continuity may include elements such as risk assessment, business impact analysis, continuity planning, and recovery strategies. Risk assessment outlines the potential hazards, while business impact analysis evaluates the effects of disruptions on essential functions, as suggested by Cerullo and Cerullo (2004). Business continuity planning (BCP) formulates strategies to ensure operational resilience, such as creating backup arrangements, diversifying the supply chain, or implementing remote work solutions. Recovery plans facilitate the restoration of normal operations within organisations at an efficient pace following a disruption. The relevance of business continuity has grown significantly over the past few decades, driven by the increasing complexity and interdependence of global markets. Occurrences like the COVID-19 pandemic illustrated the potential for unexpected disruptions to bring businesses to a standstill, particularly in the absence of robust continuity strategies (Haupt, 2021). Business continuity is essential for small and medium-sized enterprises (SMEs) in emerging economies like Nigeria, as these enterprises often lack sufficient capital buffers and are vulnerable to various shocks (Adeniran & Akinlabi, 2021). Through continuity initiatives, small and medium-sized enterprises can build resilience, maintain cash flow, uphold customer trust, and safeguard employment.

Theoretical Framework

The investigation utilises the Resource-Based View (RBV) alongside the Human Capital theory. The Resource-Based View (RBV) of the firm, articulated by Barney (1991), posits that a company's success and its sustainable competitive advantage are significantly dependent on the resources and capabilities that the firm possesses. These may include tangible resources like capital, land, and technology, as well as intangible resources such as knowledge, skills, and relationships. To achieve a sustainable competitive advantage, resources need to possess characteristics that are valuable, rare, inimitable, and non-substitutable (VRIN). In the agro-based SME sector, financial literacy is a crucial skill that enables entrepreneurs to manage their finances effectively, assess investment opportunities, mitigate risks, and build wealth. These abilities are unique and, when applied thoughtfully, contribute significantly to sustained wealth generation and longevity. The RBV framework effectively illustrates the connection between financial literacy and the transfer of wealth across generations. Agro-based SMEs that develop financial knowledge as a core competency are more effectively positioned to establish robust asset foundations, ensure economic stability, and generate wealth that can be passed down through generations. Financial literacy functions as a vital asset that converts financial planning, risk management, and asset accumulation into enduring benefits that foster intergenerational wealth (Barney, 1991; Peteraf, 1993).

The Human Capital Theory, introduced by Schultz in 1961 and further developed by Becker in 1964, highlights the importance of knowledge, skills, and education as forms of capital that enhance individual productivity and economic value. The theory posits that investing in human capital improves decision-making abilities, fosters innovation, and increases wealth-generating potential. Financial literacy serves as a fundamental element of human capital within small and medium-sized enterprises. It equips entrepreneurs with the understanding and ability to efficiently manage constrained resources, make informed investment decisions, regulate spending, and maintain financial sustainability. When considering the application of the theory to agro-based SMEs in Rivers State, financial literacy emerges as a significant investment in human capital, influencing wealth creation and the transfer of resources across generations. Entities with substantial capital are better equipped to ensure business continuity, broaden their asset portfolio, and facilitate wealth transfer through strategic succession planning. Moreover, financial literacy plays a crucial role in minimising the risk of poor financial choices and external disruptions, thereby enhancing the resilience of SMEs.

Empirical Review

International Journal of Academic Management Science Research (IJAMSR)
ISSN: 2643-900X
Vol. 10 Issue 1 January - 2026, Pages: 164-174

In their study, Ogunleye and Akinola (2021) explored the relationship between financial literacy and the sustainability of wealth among agribusiness owners in Southwestern Nigeria, focussing on the transfer of wealth across generations. A survey conducted with 150 agro-processing SMEs revealed that companies led by owners with greater skills in budgeting, saving, and debt management demonstrated better asset preservation and facilitated wealth transfer to their successors more effectively. The findings indicated that financial literacy significantly influenced the ability to reinvest in business, thus promoting the continuity and stability of generational wealth.

Chukwu and Eze (2020) carried out an investigation into Financial Education and Wealth Creation Among Agro-Traders in Enugu State. A descriptive survey study was conducted involving 98 agro-based traders, revealing that financial literacy especially in investment planning and risk management significantly impacted the traders' ability to accumulate assets such as land, machinery, and properties. The study showed that traders who engaged in regular finance training programs were more likely to sustain intergenerational wealth through strategic asset transfer.

In a related study, Bello and Yusuf (2019) examined Financial Decision-Making and SME Development in Nigeria's Agricultural Sector. They found that 120 agro-entrepreneurs who possessed sufficient knowledge of saving schemes, insurance, and investment diversification were successful in transferring sustainable businesses to their offspring. The investigation revealed that agro-entrepreneurs with financial literacy not only built personal wealth but also created sustainable enterprises that ensured wealth preservation through generations.

Methodology

This investigation employed a quantitative correlational survey design. The subjects of the study comprised all registered agricultural firms operating in Rivers State, Nigeria. According to information sourced from the Rivers State Ministry of Agriculture and the Corporate Affairs Commission (CAC), there are around 210 agricultural firms operating in the state, engaged in crop farming, animal husbandry, aquaculture, and agro-processing. Utilising Yamane's formula (1967) for calculating sample size from a finite population, the determined sample size comprised 138 firms. The stratified random sampling technique was utilised to guarantee representation across various agricultural sectors, including crop farming, animal husbandry, fish farming, and agro-processing. Firms were selected through proportionate sampling within each stratum. A structured questionnaire was employed for the purpose of data collection. A pilot study was carried out involving 20 companies outside Rivers State, located in Bayelsa State, to ensure reliability, achieving a Cronbach's alpha greater than 0.70 for all constructs. The reliability of the variables was determined through the application of Cronbach's alpha. The items in the questionnaire utilised a 4-point Likert scale as follows: 1-strongly disagreed, 2-disagree, 3-agree, and 4-strongly agreed. The proposed hypotheses underwent evaluation using the Spearman rank order correlation coefficient.

Result and Discussion

Of the 138 copies of questionnaire distributed, 126 were completed and returned as required. The hypothesis test is conducted at a confidence level of 95%, with the decision rule outlined below.

If $P < 0.05$, then the null hypotheses should be rejected.

If $P > 0.05$, then the null hypothesis is accepted.

Financial Planning and Generational Wealth

Table 1: Correlation between financial planning and generational wealth

			Financial Planning	Asset Accumulation	Business Continuity
Spearman's rho	Financial Planning	Correlation Coefficient	1.000	.634**	.666**
		Sig. (2-tailed)	.	.000	.000
		N	126	126	126
	Asset Accumulation	Correlation Coefficient	.634**	1.000	.607**
		Sig. (2-tailed)	.000	.	.000
		N	126	126	126
	Business Continuity	Correlation Coefficient	.666**	.607**	1.000

	Sig. (2-tailed)	.000	.000	.
	N	126	126	126

**. Correlation is significant at the 0.01 level (2-tailed).
Source: SPSS Data, (2025)

Ho1: There is no significant association between financial planning and asset accumulation of agro-based SMEs in Rivers State, Nigeria.

The analysis of the data indicates that financial planning and asset accumulation show a significant correlation, with a p-value of less than 0.05 (0.000 < 0.05) and a rho value of 0.634**. This indicates a notable correlation between financial planning and the accumulation of assets. The null hypothesis, Ho1, is thus rejected, leading to the acceptance of the alternative hypothesis.

Ho2: There is no significant relationship between financial planning and the continuity of Agro-based SMEs in Rivers State, Nigeria.

Financial Planning and Business Continuity: The data analysis indicates a significant result with p < 0.05 (0.000 < 0.05), and rho = 0.666**. This indicates a notable connection between financial planning and the sustainability of business operations. The null hypothesis, Ho2, has been rejected, and the alternative has been accepted.

Risk Management Knowledge and Generational Wealth

Table 2: Correlation between risk management knowledge and generational wealth

			Risk Management Knowledge	Asset Accumulation	Business Continuity
Spearman's rho	Risk Management Knowledge	Correlation Coefficient	1.000	.589**	.673**
		Sig. (2-tailed)	.	.000	.000
		N	126	126	126
	Asset Accumulation	Correlation Coefficient	.589**	1.000	.607**
		Sig. (2-tailed)	.000	.	.000
		N	126	126	126
	Business Continuity	Correlation Coefficient	.673**	.607**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	126	126	126

**. Correlation is significant at the 0.01 level (2-tailed).
Source: SPSS Data, (2025)

Ho3: There is no significant connection between risk management knowledge and asset accumulation among agro-based SMEs in Rivers State, Nigeria.

Risk Management Knowledge and Asset Accumulation: The data analysis indicates a significant result at p < 0.05 (0.000 < 0.05), with rho = 0.589**. There exists a notable correlation between risk management knowledge and asset accumulation. The null hypothesis, Ho3, is rejected, and the alternative is accepted.

Ho4: A significant relationship does not exist between risk management knowledge and the business continuity of agro-based SMEs in Rivers State, Nigeria.

The data analysis indicates a significant relationship between risk management knowledge and business continuity, with p < 0.05 (0.000 < 0.05) and rho = 0.673**. There exists a substantial correlation between risk management knowledge and business continuity. The null hypothesis, Ho4, is rejected, and the alternative hypothesis is accepted.

Discussion of Findings

The research findings indicate that financial planning and risk management, integral components of financial literacy, significantly influence the generational wealth of agro-based SMEs in Rivers State, Nigeria. The findings of Ho1 indicate a significant correlation between financial planning and asset accumulation ($\rho = 0.634, p < 0.05$), suggesting that SMEs that engage in effective financial planning are more likely to enhance their asset base. Rivers State agro-based SMEs can improve long-term wealth and sustainability through structured financial activities, including budgeting, saving, and investing. This corroborates the argument by Lusardi and

Mitchell (2014) that financial planning improves the capacity of individuals and firms to save, accumulate wealth, and attain economic security.

The notable positive correlation between financial planning and business continuity ($\rho = 0.666$, $p < 0.05$) underscores the importance of financial planning in ensuring the survival and long-term resilience of businesses across generations. Agro-based SMEs that implement effective financial planning strategies, including cash flow forecasting, contingency planning, and succession planning, are better positioned to endure shocks, maintain operations, and facilitate smooth transitions over time. This aligns with the findings of Amankwah-Amoah, Boso, and Antwi-Agyei (2018), who argued that strategic and financial planning are essential for business resilience and continuity, particularly for SMEs operating in uncertain environments.

The results of the third hypothesis demonstrate a significant relationship between knowledge of risk management and asset accumulation ($\rho = 0.589$, $p < 0.05$). This suggests that SMEs with a strong understanding of risk management practices are more likely to protect and enhance their assets. This indicates that agro-based SMEs in Rivers State employing proactive risk management strategies, including insurance, investment diversification, and contingency planning, can mitigate losses from unexpected events and enhance long-term asset accumulation. This is consistent with the findings of Doherty and Smetters (2005), who emphasised that effective risk management serves as a safeguard for organisational resources, facilitating the preservation and accumulation of wealth over time.

The significant correlation between business continuity and risk management knowledge ($\rho = 0.673$, $p < 0.05$) indicates that SMEs possessing greater risk management knowledge are more likely to endure disruptions and maintain operational resilience. Firms that prioritise and implement risk management practices are more equipped to ensure business continuity in uncertain conditions. This perspective is supported by Herbane (2010), who elaborates that integrating risk management intelligence into organisational culture reinforces company resilience and improves continuity during crises.

Conclusion

This study aimed to investigate the financial literacy and generational wealth of agro-based SMEs in Rivers State, Nigeria. Financial literacy, particularly in financial planning and risk management, is essential for wealth accumulation and business continuity, which are critical factors in the generation of SME-based generational wealth. The findings highlight financial literacy as a crucial mechanism for the accumulation and maintenance of generational wealth in agriculture. Financial planning allows SMEs to establish long-term goals, allocate resources efficiently, and create reserves that facilitate intergenerational wealth transfer. Effective risk management enhances a company's capacity to protect assets from uncertainties, strengthen resilience, and ensure operational continuity, thereby preserving long-term business value. The evidence suggests that knowledge of financial planning and risk management constitutes essential components of financial literacy, enabling SMEs to acquire assets, endure shocks, and achieve business sustainability. Efficient financial literacy practices enable agro-based SMEs to generate long-term wealth, enhance competitiveness, and contribute to economic growth. This aligns with prior research highlighting the importance of financial literacy in enhancing the sustainability, survival, and intergenerational wealth of SMEs.

Recommendation

Based on the findings and conclusions, the subsequent recommendations are presented:

i. Agro-based SMEs ought to implement structured financial planning practices, including budgeting, savings, and reinvestment strategies, to enhance asset creation.
ii. Entrepreneurs ought to incorporate financial planning into their continuity strategies by maintaining emergency funds, diversifying income sources, and establishing succession plans.
iii. Agro-based SMEs must implement proactive risk management strategies, including insurance protection, diversification of product lines, and credit risk assessment to protect their assets.
iv. SMEs must establish and implement risk management frameworks focused on contingency planning, crisis management strategies, and stakeholder communication.

References

Adeniran, T., & Akinlabi, B. H. (2021). Business continuity management practices and sustainability of small and medium enterprises in Nigeria. *Journal of African Business, 22*(3), 283–301.

Agbo, F. O., & Alio, F. C. (2019). Intergenerational wealth transfer and sustainable business performance of family-owned enterprises in Nigeria. *Journal of Business and Economic Development, 4*(2), 54–62.

Akinbami, F., & Adekeye, A. (2020). Family businesses and wealth creation in Nigeria: Challenges and prospects. *Journal of Business and African Economy, 6*(1), 34–47.

Akingunola, R. O., Adekunle, O. A., & Adediran, O. S. (2018). Financial literacy and SME financing in Nigeria. *International Journal of Economics and Finance, 10*(5), 136–144.

Akinyomi, O. J. (2020). Risk management practices and business sustainability of SMEs in Nigeria. *International Journal of Small Business and Entrepreneurship Research, 8*(2), 45–56.

Asebedo, S. D. (2024). The value of financial planning: A theoretically-grounded approach. *Australasian Accounting, Business and Finance Journal*, *18*(1).

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99–120.

Becker, G. S. (1964). *Human capital: A theoretical and empirical analysis, with special reference to education.* University of Chicago Press.

Beck, T., Demirgüç-Kunt, A., & Levine, R. (2007). Finance, inequality, and the poor. *Journal of Economic Growth, 12*(1), 27–49.

Beverly, S. G., McBride, A. M., & Schreiner, M. (2003). A framework of asset-accumulation stages and strategies. *Journal of Family and Economic Issues, 24*(2), 143–156.

Brigham, E. F., & Ehrhardt, M. C. (2016). *Financial management: Theory and practice* (15th ed.). Cengage Learning.

Cerullo, V., & Cerullo, M. J. (2004). Business continuity planning: A comprehensive approach. *Information Systems Management, 21*(3), 70–78.

Demirgüç-Kunt, A., Klapper, L., & Singer, D. (2017). Financial inclusion and inclusive growth: A review of recent empirical evidence. *World Bank Policy Research Working Paper No. 8040*.

Eneh, O. C., & Onwuchekwa, F. C. (2021). Challenges of agro-based SMEs in Nigeria: Financial literacy as a tool for sustainable development. *International Journal of Small Business and Entrepreneurship Research, 9*(3), 45–57.

Friedman, S. (2017). *The development of wealth across generations*. Palgrave Macmillan.

Gitman, L. J., Juchau, R., & Flanagan, J. (2018). *Principles of managerial finance*. Pearson.

Haupt, M. (2021). Measuring financial literacy: The role of knowledge, skills, and attitudes. In *The Routledge handbook of financial literacy* (pp. 79-95). Routledge.

Herbane, B. (2010). The evolution of business continuity management: A historical review of practices and drivers. *Business History, 52*(6), 978–1002.

Herbane, B. (2019). *Rethinking organizational resilience and business continuity*. Palgrave Macmillan.

Hillson, D. (2017). *Practical project risk management: The ATOM methodology* (2nd ed.). Management Concepts.

Hopkin, P. (2018). *Fundamentals of risk management* (5th ed.). Kogan Page.

Kahneman, D. (2011). *Thinking, fast and slow*. Farrar, Straus and Giroux.

Klapper, L., Lusardi, A., & van Oudheusden, P. (2015). *Financial literacy around the world: Insights from the Standard & Poor's ratings services global financial literacy survey*. World Bank.

Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy: Theory and evidence. *Journal of Economic Literature, 52*(1), 5–44.

Mayienga, B. A., Onwuzulike, O. C., Oyeyipo, I., Ayodeji, D. C., Nwaozomudoh, M. O., Attipoe, V., & Ahmadu, J. (2024). A conceptual model for global risk management, compliance, and financial governance in multinational corporations. *International Journal of Advanced Multidisciplinary Research and Studies*, 1351-1363.

Mulligan, C. (2019). Intergenerational wealth transfer and inequality. *Review of Economic Dynamics, 33*(2), 37–56.

Nwachukwu, C. E., & Uzoagu, I. C. (2022). Financial literacy and entrepreneurial success of small businesses in Nigeria. *Journal of Entrepreneurship and Business Innovation, 9*(1), 87–101.

Nwosu, E. E., & Okeke, M. I. (2021). Financial literacy and the sustainability of agro-based SMEs in Nigeria. *African Journal of Business and Economic Development, 11*(2), 95–108.

Okeke, M. N., & Chukwu, B. O. (2020). Financial literacy and succession planning in family-owned SMEs in South-Eastern Nigeria. *International Journal of Finance and Accounting, 9*(2), 33–41.

Oliver, M. L., & Shapiro, T. M. (2006). *Black wealth/white wealth: A new perspective on racial inequality*. Routledge.

Osuji, J. (2019). Succession planning and sustainability of family-owned businesses in Nigeria. *African Journal of Management Studies, 14*(3), 112–126.

Pandey, I. M. (2019). *Financial management* (12th ed.). Vikas Publishing House.

Peteraf, M. A. (1993). The cornerstones of competitive advantage: A resource-based view. *Strategic Management Journal, 14*(3), 179–191.

Piketty, T. (2014). *Capital in the twenty-first century*. Harvard University Press.

Psacharopoulos, G., & Patrinos, H. A. (2018). Returns to investment in education: A decennial review of the global literature. *Education Economics, 26*(5), 445–458.

Remund, D. L. (2010). Financial literacy explicated: The case for a clearer definition in an increasingly complex economy. *Journal of Consumer Affairs, 44*(2), 276–295.

Schultz, T. W. (1961). Investment in human capital. *The American Economic Review, 51*(1), 1–17.

Shapiro, T. (2017). *Toxic inequality: How America's wealth gap destroys mobility, deepens the racial divide, and threatens our future*. Basic Books.

Sherraden, M. (1991). *Assets and the poor: A new American welfare policy*. M.E. Sharpe.

Torabi, S. A., Soufi, H. R., & Sahebjamnia, N. (2014). A new framework for business impact analysis in business continuity management. *International Journal of Production Research, 52*(23), 6981–6997.

Wise, S. (2013). The impact of financial literacy on new venture survival. *International Journal of Business and Management, 8*(23), 30–39.