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# Single Parenting, Child Development and Socio-Economic Status of Youth Entrepreneurs in Southlands Estate, Nairobi City County

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## Abstract

The socio-economic status (SES) of a youth entrepreneur is most commonly determined by combining parents' educational level, occupational status, and income level. The Kenyan Government recognizes that access to entrepreneurial skills development among the youths is key to the growth and development of any enterprise. The possible reasons for youth unemployment are mostly centered on lack of enough available jobs, inadequate work experience and lack of startup capital. The study sought to establish relationship between single parenting and socio-economic status of youth entrepreneurs in Southlands Estate Nairobi County, determine the mediating effect of child development on the relationship between single parenting and socio-economic status of youth entrepreneurs and to establish the joint effect of single parenting, child development on socio-economic status of youth entrepreneurs in Southlands Estate Nairobi County. The study was anchored on two theories, the Social –learning theory and Resource based view theory. Target Population was 250 shop owners within southlands estate in Nairobi City County. The findings it was noted that there is a clear gap between children brought up by single parenting and the ones brought up by a dual parent mode of parenting. In this regard, the youth entrepreneurs from single parent find it difficult to set up income generating activities due to challenges in raising required start-up capital for

business and lack of proper level of education exposure. It was recommended that, the parents and especially single parents, should ensure they give full support to motivate their children to venture into Entrepreneurship and the government should consider introducing programs in the school curriculum that support entrepreneurship as an alternative source to employment.

**Key words:** *SES* Socio-economic status, *SME* Small Medium Enterprises, *ILO* International Labour Organisation, *KIM* Kenya Institute of Management

## **1. Introduction**

Youth entrepreneurship in developing countries has become a vital driver for economic growth, job creation, economic competitiveness and advancement of societal interests (International Labour Organization, 2013). There is a growing appreciation by the Kenyan Government, the Development Community and civil society that there should be a holistic approach in the participation and involvement of the youth in decision making. This will lead to youth empowerment resulting to promotion of their rights, growing leadership skills in them by actively positioning them at the Centre of economic development (ILO, 2013). A study conducted by Organization for Economic Co-operation and Development (OECD) (2005) showed that while young people are more inclined to self-employment, they were less likely to put it into action. The study also revealed that young men tend to be more risk averse and venture into self-employment more as compared to their female counterparts. The following deficiencies lack of capital, focus, poor education, lack of strategy and throat competition due to duplication of businesses. The main challenge facing all youth SMEs is credit accessibility. According to (Gupta, 2007) lack of credit access remains a thorny issue to youth entrepreneurs in Kenya. A study conducted that looked at 51 poor, urban African American families, in which teenagers were living with their mothers, grandmothers, or aunts. The study revealed that the more social support the women received the greater their self-esteem and acceptance of their children by the society. They also tended to be more stable psychologically. As a result, they exercised firmer control and closer monitoring while granting appropriate autonomy and their teenage children were more self-reliant and had fewer behaviour problems (Taylor & Roberts, 1995). It is therefore important to consider the implications of single parenting on socio-economic status of youth entrepreneurs

### **1.1 Socio-economic status of youth entrepreneurs**

Youth entrepreneurs as defined by Francis Chigunta from the University of Oxford, refers to the practical application of enterprising qualities such as initiative, innovation, creativity, and risk-taking into the work environment which can be in form of self-employment or formal employment. Socio-economic status refers to the economic and sociological combined measure of an individuals work experience or family's economic and social position in relation to others, based on Occupation, income and education (Eamon, 2005). The socio-economic status (SES) of a youth entrepreneur is most

commonly determined by combining parents' educational level, occupational status, and income level (Jeynes, 2002).

Studies have repeatedly found that SES affects student outcomes (Eamon, 2005). Students who have a low SES earn lower test scores and are more likely to drop out of school (Eamon, 2005). Students with Low SES have been found to score about ten percent lower on the National Assessment of Educational Programs than their counterparts with higher SES. The economic hardships that are caused by low SES lead to disruptions in parenting, an increasing amount of family conflicts, and an increased likelihood of depression in parents and single-parent households (Eamon, 2005). This achievement gap has several different explanations. Single-parent households tend to have less income and lack of support which increases stress and conflicts. SES has also been shown to override other educational influences such as parental involvement (Eamon, 2005). It is believed that low SES negatively affects academic achievement because low SES prevents access to vital resources and creates additional stress at home (Eamon, 2005).

## **1.2 Objective of the Study**

The main objective was to assess effect of divorce and single parenting on the development of youth living in Southlands Estate, Nairobi County. The specific objective to establish relationship between single parenting and socio-economic status of youth entrepreneurs in Southlands, Nairobi City County.

## **2. Literature Review**

### **2.1 Theoretical literature review**

Several theories exist that explains the relationship between single parenting, child development and socio - economic status of youth entrepreneurs. These theories include, Human Capital and Advantage theories, Resource Based View theory and social - learning (social - cognitive) theories of identification. The study will be anchored and inclined on Human Capital and Advantage and social - learning (social - cognitive) theories which focus more on the youth entrepreneurs management of strategies and child's development.

#### **2.1.1 Human Capital and Advantage Theories**

Human capital theory was developed by Schultz (1979). This theory assumes that formal education is highly instrumental and necessary to improve the productivity of a population. Quality education and training ensures the right skills are imparted in an individual which will shape the future of the potential entrepreneur. Entrepreneurial ability is a form of human capital according to. Human capital includes aspects such as experience, education, innovative attitude and managerial competencies. This basically

incorporates all the requirement necessary for establishing and running a business. Some kind of formal education has been pointed out as an avenue to gain greater opportunities to participate in the ever changing and growing formal wage sector. On the Converse, the less education a youth has, the more limiting it will be to access the wage employment and this goes to mean as well that your income is commensurate to the level of education attained.

The Disadvantage Theory has been constructed to explain choice of self-employment, classified under the Sociological-Psychological Theories of self-employment. Based on this preposition, individuals treat self-employment as a "survival strategy", rather than idea generator and an extra, higher and more fulfilling source of income (Startienė, Remeikienė & Dumčiuvienė, 2010). The disadvantage theory therefore states that workers with low labour market opportunities more than often become self-employed. To be noted out is that the youth end up in self-employment driven by necessity rather than entrepreneurship opportunities presented to them Startienė, Remeikienė, and Dumčiuvienė (2010) presented their research and stated that livelihood contexts and self-employment are correlated. He further stated that poverty, discrimination and excessive urbanization as barriers that to a youths determination to become self-employed.

## **2.2 Empirical Review**

Youth entrepreneurs as defined by Francis Chigunta from the University of Oxford, refers to the practical application of enterprising qualities such as initiative, innovation, creativity, and risk-taking into the work environment which can be in form of self-employment or formal employment. Socio-economic status is typically broken into three categories, high, middle, and low to describe the three areas a family or an individual may fall into when placing a family or individual into one of these categories any or all of the three variables income, education, and occupation can be assessed (Lareau, 2003). In addition to this, low income and little education have shown to be strong predictors of a range of physical and mental health problems that may be the entire cause of a person's social predicament to begin with. Society is very harsh on the mother and attributes the failure and success of a child to her, more emphasis should also be put on the role of a father's positive family involvement which contributes a significance importance in developing children's social competence. Past researchers have examined the relationship between family time and child development however, research examining the impact of single parenting child development and socio economic status of youth entrepreneurs is very limited.

### **2.2.1 Single Parenting and Socio-Economic Status of youth entrepreneurs**

Single parents often struggle with time-management issues due to balancing many different areas of life on their own. Some research has also shown that single-parents are less involved with their children and therefore give less encouragement and have lower expectations of their children than two-parent households (Majoribanks, 1996). William Jeynes (2002) found that students whose parents had divorced were among those who



scored lowest on standardized test. Possible explanations for this relationship are that divorce can cause a family's SES level to decrease and parental connections are harmed (Jeynes, 2002; Majoribanks, 1996). Research shows that supportive and attentive parenting practices positively affect academic achievement (Eamon, 2005). A study conducted by (KIM) Kenya Institute of Management (2013), demonstrates that, young entrepreneurs who possess high levels of education became more successful since the knowledge acquired from the university gave them knowledge and modern managerial skills, giving them an upper hand in management of businesses.

According to Frohling (2011), the state of socio-economic status of single parents is one of the leading concerns of the world especially in underdeveloped countries. As the population of the world increases, it is somewhat a common problem wherein single parents cannot have the means to afford proper food, shelter, clothing and other necessities the children from the same family will lack the base for investment. Single parenting does not give proper foundation that will enhance business set up for their children due to shortage of capital. When competition heightens, the youth entrepreneurs from single parents, who have poor socio-economic stand, end up collapsing due to lack of support to sustain them and more importantly lack of basic education to help them penetrate through the ropes of entrepreneurship. The family is viewed as the basic unit of a society that provides growth and development of its members through human interaction, emotional bonding and enduring relationships (Agochiya, 2010). Unfortunately, a child who is raised by unemployed parents with a disorganized life, it is more or likely that they will experience failures when they grow up, either during their employment times or even during their endeavors into business. Youth from single parent homes set up their investments form a humble beginning due to lack of sufficient capital.

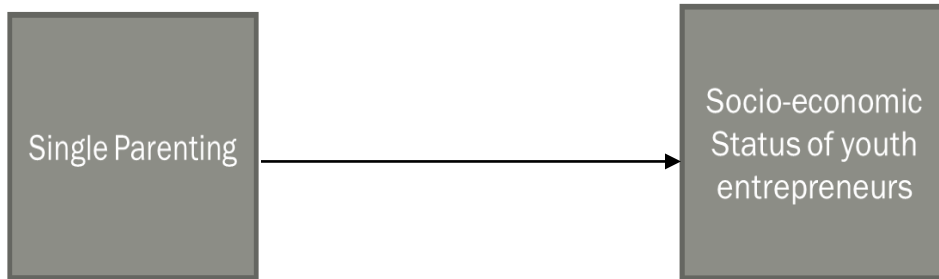
### **2.3 Critique of literature and knowledge gaps**

The authors have provided up a general overview about the single parenting but they were very shallow on the matters concerned with single parenthood and the socio-economic status in relation to youth Entrepreneurship operations. The authors indicated how the single parents give their children life in a hard way or manner due to poverty within their families and within their communities but very little has been said concerning single parenting socio-economic status on child's business in their youthful investments. This is a clear indication that the authors gave general overview but failed to indicate one very key concern about the study which is the contribution of single parenthood socio-economic status to the success of youth Entrepreneurship in Kenya especially in southlands estate within Nairobi City County, which has not been mentioned anywhere. The study will therefore be carried out to investigate this concern to enhance improvement of single parent and their socio economic status of youth entrepreneurs in Southlands Estate.

## 2.4 Hypothesis of the study

H<sub>01</sub>: There is no significant relationship between single parenting and socio-economic status of youth Entrepreneurship in Southlands Estate Nairobi City County.

## 2.5 Conceptual framework



**Figure 1: Conceptual diagram**

## 3. Research Methodology

### 3.1 Study design

Descriptive survey research design was used in this study. The population for the study is the total kiosks and shops of Southlands Estate, Nairobi County. The respondents in this study were selected from Southlands Estate, Nairobi City County. This includes those who either own the shops or rented. Southlands Estate has about 710 kiosks and shops according to the national bureau of statistics 2009. The study used stratified sampling whereby proportionate allocations on different strata were applied due to heterogeneity of the population in study. Using Cochran's (1977) formula, which was developed to yield a representative sample for proportions, the sample size was calculated as follows:

Assuming;

$n_0$  = Sample size,

$N$  = Target population (710 shops & kiosks)

( $1 - \alpha$  equals the desired confidence level of 95%),  $q$  is  $1 - p$ .

$n_1 = 384$

$e$  = level of precision  $\pm 5\%$

05 (error of 5%) =  $n_0 = \frac{(t)^2 * (p)(q)}{(d)^2} = 384$

$$\frac{385}{1 + \frac{(385-1)}{710}}$$

= **249.6**

= **250**

Data was collected through questionnaires. Pilot test was tested using Cronbach’s Alpha. Marczyk, DeMatteo and Festinger (2005) states that to ensure reliability a predetermined threshold of 0.7 is needed. That is, values above 0.7 indicated and presence of reliability while values below signify lack of reliability. The study employed descriptive analysis. The relationship between the dependent variable and the independent variables was determined by regression model. A multiple linear regression model was used to determine the effect of single parenting and socio-economic status of youth entrepreneurship in Southlands Estate. The objectives were met by computing the regression analysis of the variables. Correlation analyses measured the strength of the relationship between the independent variables. Regression analysis was used to establish the relative significance of the variable on the effect of single parenting on socio-economic status using the simple linear regression model below.

$$Y = \beta_0 + \beta_1 X_1 + \mu_i$$

Where;

Y = Socio-economic status

X<sub>1</sub> = Single parenting,

β<sub>0</sub> = Constant

β<sub>1</sub>. = regression coefficient

μ<sub>i</sub> = Error term

**Table 1: Research Objectives, Hypothesis, Analysis and Model Estimation**

Objective	Hypothesis	Analysis and Model Estimation	Output
To establish relationship between single parenting and socio-economic status of youth entrepreneurs in Southlands Estate Nairobi city county.	There is no significant relationship between single parenting and socio-economic status of youth entrepreneurs in Southlands Nairobi city county.	Pearson’s Correlation  Simple linear regression analysis: $Y = \alpha_0 + \beta_1 X_1 + e$	-Coefficient of determination (adjusted R <sup>2</sup> ) value were show the percentage of Socio-economic status explained by single parenting.  -Regression coefficient were show the amount of change and the direction of the influence



#### 4. Research Findings and Discussion

The study was on single parenting, child development and socio-economic of youth entrepreneurs. The research was conducted in southlands estate in Nairobi City County. During the study, a total of 250 questionnaires were administered to the respondents. A total of 211 were filled and returned with 39 catering for non-respondents. The response that was given back from the field indicated that majority of the respondents returned the questionnaires which were well filled up totaling to 211 out of 250 questionnaires issued. The response rate was 84% and non-response rate was 16. In accordance to the above response, it is true that, the response was reliable enough since the returned questionnaires were answered in details as presented to them. The main tool of data collection used in the study was semi-structured questionnaire. The instrument was reviewed and tested using Cronbach’s alpha test.

**Table 2: Summary of Reliability Tests**

Variable	Cronbach's Alpha	Comment
Single Parenting	0.727	Reliable
Child Development	0.776	Reliable
Socio-Economic Status	0.798	Reliable

The results of the test as summarized in Table 2. The instrument produced scores above 0.7 which is acceptable since Cronbach’s alpha coefficient of over 0.7 qualifies an instrument as reliable and consistent. (Nachmias & Nachmias, 2006) Hence, the data collection instrument was therefore reliable and acceptable for the study. According to the Demographic findings, Gender report showed that 58% (n=28) of the respondents (parents) were female while the rest of the respondents 42% (n=21) were male. According to the findings, most youth respondents were female 57% (n=92) while the other respondents 43% (n=68). The parents age 41-50 was highest, while the least respondents 14% (n=6) were from the age group 31-40 the rest of the respondents 42% (n=21) were from age group above 50. According to the findings of the youth population, most respondents 83.4% (n=143) were in the age group of over 18 years while the least respondents 10.6% (n=17) were in the group 16-17 most youth at 56.9% (n=91) did not attend school while the other respondents 43.1% (n=69) attended school. Few of the respondents had a doctorate degree while the least respondents 20.4% (n=10) have a certificate qualification. The rest of the respondents have a diploma at 22.4% (n=11) and a bachelor’s degree 22.4% (n=11). According to the findings, most respondents 66.2 % (n=106) stated that the father aspires them the most while the other respondents 33.8 % (n=54) stated the mother is the one who aspires them the most. A summary of the findings is shown in Table 3.

#### 4.1 Descriptive Statistics

The statements relating to effects of parenting on youth Entrepreneurship was analyzed in SPSS and a descriptive table was developed. Table 3 shows a summary of the findings.

**Table 3: Statements relating to effects of parenting on youth Entrepreneurship**

	N	Minimum	Maximum	Mean	Std. Deviation
Single parenting influences parental involvement of academic achievement of student	161	.0	5.0	1.056	.7521
Youth from single parent take long to make decision	161	2.0	5.0	3.429	.9728
Who pays school fees	161	.0	3.0	2.199	.9926
Parents Source of Income	161	1.0	4.0	1.596	.5956
Parents Encourage me to be better than them	161	3.0	5.0	4.081	.9218
Parental involvement in Daily activities	161	2.0	5.0	3.429	1.2684
Family Type	161	1.0	2.0	1.621	.4866
Valid N (listwise)	161				

According to Table 3 we can conclude the following. The statement that single parenting and social economic status does not enhance youth support had maximum of 5 (strongly agree) while minimum of 2 (disagree) with mean (3.453) and deviation (.9997). The statement that single parenting influence parental involvement of academic achievement of students had a minimum of (0) and maximum of 5 (strongly agree) with a mean (1.056) and deviation (.7521). Youth from single parents take long time to decision had a minimum of 2 (disagree) and a maximum of 5 (strongly agree) with mean (3.429) and deviation of (.9728). The statement that who pays fees had a maximum of 5 (strongly agree) with a mean of (2.199) and deviation of (.9926). Parents source of income had a minimum of 1 (strongly disagree) and maximum of 4 (agree) with a mean of (1.596) and deviation of (.5956). Parents encourage me to be better than them had a minimum of 3 (neutral) and maximum of 5 (strongly agree) with mean of (4.081) and deviation of (.9218). Parental involvement in daily activities had a minimum of 2 (disagree) and a maximum of 5 (strongly agree) with mean of (3.429) and deviation of (1.2684). Family type had a minimum of 1 (strongly disagree) and maximum of 2 (disagree) with mean of (1.621) and deviation of (.4866).

#### 4.2 Correlation Analysis for all variables

To establish the relationship between Single Parenting, and Socio-economic status of youth entrepreneurs, it was computed using Pearson’s formula. The results of analysis are presented in the table 4.

**Table 4: Correlation Analysis Results**

		Socioeconomic status	Single parenting
	Pearson Correlation	1.000	.827
Socioeconomic status	Sig. (2-tailed)		.110
	N	161	161
		.827	
Single parenting	Sig. (2-tailed)	.110	1.000
	N	161	161

\*. Correlation is significant at the 0.05 level (2-tailed).

According to Table 4 There is no significant correlation (0.827) between single parenting and socio-economic status since p value =0.150 which is higher than significant level (0.05).

#### 4.3 Hypotheses Tests

The objective of the study was to determine the relationship between Single Parenting and Socio-economic status of youth entrepreneurs in southlands estate Nairobi city. Linear regression analysis was used to test all the hypotheses. This objective was interrogated by testing hypothesis  $H_{01}$  which stated that there is no significant relationship between single parenting and socio-economic status of youth entrepreneurs. The results show that the relationship between single parenting and socio-economic status of youth entrepreneurs is positive ( $p \leq 0.05$ ) but weak ( $R^2 = 0.04$ ). The null hypothesis  $H_{01}$  is rejected and we conclude that there is a significant relationship between single parenting and socio-economic status of youth entrepreneurs in Southlands Estate in Nairobi County. This means that a one unit change in single parenting results in 4% variation in socioeconomic status of youth entrepreneurs.

#### 5.0. Conclusion

The family wealth gap is due to income disparities and differences in achievement. The differences in savings due to different rates of incomes, inheritance factors, and discrimination in the housing market lead to the wealth gap. The savings increase with increasing income, the amount a person inherits, either during a lifetime or after death, can create different starting points between two different individuals or families. These different starting points also factor into housing, education, and employment discrimination. Therefore, parents’ social economic status is a determinant of how youth

will develop themselves in the future. Wealth in families contribute positively to the success of the child education and thus knowledge to develop ideas on what to invest in or even get employed. Single parents mostly find it a challenge to educate their children due to their poor economy which denies them rights to education. It is realized to be true that the strained relationships cause an imbalance in family's social well-being. With this, the youth tend to neglect themselves and lack ambition in life resulting to a failed caliber of youth,

### **6.0. Recommendations**

The study recommends that business community should be used as an alternative solution to the youth entrepreneurship, especially those youths who come from the poor family. They were encouraged to set up mechanism within the Southlands estate in Nairobi City County to support the youth entrepreneurship especially the ones from the single parent family. In addition, courses such as personal organizational and time management, leadership development, and interpersonal relationships with siblings should be incorporated into curriculum should help spur entrepreneurship skill sin the youth. Economics and entrepreneurial education involve a unique blend of competencies and methods of problem solving for creating change and dealing with its consequences. Youth should therefore be aggressive enough to learn how to capture a market share and determine best way to use the profits.

### **7.0. Suggestions for further studies**

The study recommends that further studies should be conducted on the role of single parenting and youth venturing into entrepreneurship. The study found out that there is No significant relationship between single parenting and socio-economic status of youth. Therefore, further studies should be conducted in other Counties to investigate the effects of single parenting on youth entrepreneurship. More focus on the study should be on how to equip and inspire young people to learn and succeed through enterprise. Number two should be how to stimulate entrepreneurial thinking amongst young people by helping them become enterprising and be social. Enhance educational experience of future leaders by providing access to entrepreneurial opportunities .Youth empowerment through entrepreneurial education is the door to equipping the nation's active population with the necessary skills to survive in today's uncertain environment.

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