

# An Assessment of Income Distribution and Monthly Budgetary Allocation among Urban Households in Uyo, Akwa Ibom State, Nigeria

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## ABSTRACT

*Income inequality is often characterized by the sharp contrast between ostentatious-budget by the affluent and peasantry budget by the poor. These budgetary differentials are much more complex given the socio-economic of households and these have strong significant economic and environmental implications. This paper examined the pattern of income distribution on monthly budgetary allocation of households under certain socio-economic characteristics. The study area was stratified into cells based on characteristics usually associated with low, medium and high-density settlements. A total of 60 respondents were selected each from high, medium and low-income earners areas of Uyo metropolis. However, 179 respondents were sampled and used in the analysis. Descriptive statistics such as mean and percentages were used for the analysis. Household's budget was assessed based on occupation, household size, educational and income status and the commonest budgeted items were: food, accommodation, transport, clothing, school fees and other household items such as; electricity and water bills. Household income distribution pattern showed that 68% of the households in the study were found to be low income households. Gini coefficient of 0.3785 was obtained which implies that there is skewed income distribution in the study area. Household budgeted expenditure as assessed by different socio-economic characteristics revealed that except for the high-income earners, all other groups spent more than half their income on food. The paper recommended among others that: qualitative education, employment for the unemployed and tax regimes for the affluent be pursued to check the income disparity.*

**Key words:** budget, distribution, expenditure, household, income inequality

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## INTRODUCTION

Apart from the most recent macroeconomic management challenges of dwindling oil revenues and volatile short-term capital flows facing Nigeria, the next most important problem is the hydra-headed issue of income inequality. This is so because it has direct and over proportional effect on sustainable household livelihood. It is the biggest and most difficult problem in the United States of America (McLewee, 2014). It is envisaged to become the next most important political debate in decades in a developed country like USA because of its snowballing effect on wealth distribution, (McLewee, 2014). According to Bernstien (2012) income inequality is not only strongly correlated with living standards and household resources, it has implication for the inability of the next generation to achieve their dreams.

Income inequality and poverty in Nigeria is not only on the increase, but is about the most challenging economic problem facing the nation (Awe and Rufus, 2012). Nigeria with a gini index ratio of 0.50-0.70 is ranked the 30th in

terms of unequal income distribution (Adegoke, 2013). The gravity of income distribution in this country can be seen from the income restructuring policies offered by successive governments, the incessant higher wage agitations from workers and labour unions, and wage disparity advocacy from the NGOs. In fact, it is not only said to be central to development of the nation (Awe and Rufus, 2012), but a potential internal conflict fermentor if unabated (Cramer, 2005).

The South-South region of Nigeria where the study was conducted was reported to have a gini index of 0.33 in 2010/2011 and 0.34 in 2012/2013, the South -West region has 0.30 and 0.29, the rural and urban gini index for this period was 0.30/0.32 and 0.31/0.32 respectively (Nigeria Economic Report, 2014). This implies that income is more unequally distributed in the South-South and urban area than in the South-West region and rural areas. The reason may not be unconnected with the wage dichotomy between the oil and the public/civil service workers. This

distribution is not without an effect on household budgetary allocations.

Budgeting, which is the quantitative expression of income and expenses within a specific time frame, could be viewed as a spending plan for the allocation of income. It could be traced to Keynes who proffered it as a solution out of world economic depression. Ever since, its importance as a means of eradication of disequilibrium in an economy has continued to be reverberated by Economists and other erudite scholars. According to Ibrahim and Ibrahim, (2014), it is the process of harmonizing revenue to tackle the expenditure which if repressed; the entire economy is bound to experience difficulties in the form of poverty, unemployment, jobless growth, crises among others. They stated that it is a robust instrument for effective and efficient achievement of macroeconomics objectives else the menaces of the world depression could without doubt be replicated. As with the entire economy, household creates budgets to govern their expenditures for a specific period and equally make regular adjustments to reflect financial realities. The importance of household budgeting is reminiscent in its role as a means of understanding, controlling, altering and redesigning of expenditure.

Critical to household budgetary allocation is their income. Assessment of household expenditure in relation to budget demand and income implies an allocation problem. Maximization of budgetary allocation according to the law of utility is a function of available income. The recommended household American averages budget are 15-20% for food, 17-19% for transport, 5-7% for clothes/services, 5-9% for health care/insurance, 3-6% for entertainment, 2-10% for savings and others 7-12% (Milyard, 2016). However, there is no binding rule about this allocation because household expenditure budget has evolved over time and is a direct manifestation of economic and social inequalities as well as cultural differences and social distinctions. This is because it is a function of income limitations, choices based on needs, demand and preferences. The irony is that the pace of these changes seems to be accelerating, especially in the low-income and middle-income countries (FAO, 2003). Therefore, understanding households' monthly budgetary expenditure as conditioned by socio-economic factors becomes the first necessary step towards appreciating society's livelihood perceptions in as far as income distribution pattern is concerned. This is because from the standpoint of policy analysis, household income distribution statistics can be used as the best proxy for economic well-being of individuals and households (ILO, 2003). Jackson and Michaelis, (2003) opined that budget expenditure is about convenience, habit, practice, and individual responses to social norms and institutional contexts. The only suggested rule is to maximise your utility, but stay out of debt (Milyard, 2016).

Household demand system describes how the households make decisions on how much of their total income (expenditure) is to be allocated for specific needs, conditional upon household socio-economic characteristics. According to the law of utility, a consumer is assumed to maximize its utility function subject to a monetary budget constraint (McCracken and Brandt, 1987). Therefore, the household demand for a market good is a function of the price of the good and other identical goods, household income, taste and preferences and other socio-economic factors. The bases are that household's budgetary needs and priorities are complex and the multi-functional contribution of socio-economic factor's direct and indirect effect on pattern of income distribution is obvious. The question is, does socio-economic characteristic of household heads influence budgetary allocation on food, accommodation, transport, clothing, school fees and others?

Diminutive empirical studies suggest that household budgetary expenditures pattern is principally influenced by household income. Therefore, differences in budgetary patterns of expenditure are largely a reflection of differences in income between household groups. Vast literature on the challenges of household income distribution and expenditure exists. Most past work on household budgetary expenditures pattern and income distribution focused more on the entire economy (Ibrahim and Ibrahim, 2014), Ogunbenle and Edogawerie (2014), Campbell (2013), Nurudeen and Usman, (2010), Ibrahim, and Ahmad, (2013), and rural poor on the thinking that it is either a national or more an issue affecting the rural poor communities. However, recent studies showed that there is need for more of such studies in urban areas since effective budgeting is correlated with the degree of environmental volatility (Pilkington and Crowther, 2007). It implies that, the effectiveness of a budget in controlling the activities of any organisation is a function of the environmental volatility under which such budget is operated. Therefore, heterogeneity in each of the household budgetary allocation strategies will reflect differences in the income and preference on the various items of each household. Increased urbanization is said to have direct effect on household consumption and general livelihood.

Uyo is the state capital and a commercial nerve city of Akwa Ibom State. The city is endowed with vast human and capital resources and growing with an incredible urbanisation speed. However, in spite of the changes and increased growth of Uyo as a State Capital, there has not been any recent empirical study to assess the household budgetary expenditure vis-a-viz its income distribution pattern in the area. The last of such study was conducted 20 years ago by Umoh (1994). It is against this backdrop that this study benchmarks the monthly budgetary allocation

against income distribution patterns among Uyo urban households.

## **MATERIALS AND METHODS**

### ***The Study Area***

The study was conducted in Uyo Metropolis, Akwa Ibom State. Uyo is the capital of Akwa Ibom State. It is located on latitude 05o3’N and longitude 07o57’E. It is bounded in the South by Ekpe Atai and Nsit Ibom Local Government Areas, in the West by Abak Local Government, in the North by Ikono and Itu Local Government Areas and in the East by Uruan Local Government Area respectively. It has an estimated population of 309,573 (National Population Commission, NPC, 2006). It is the commercial nerve centre of the entire Akwa Ibom State. Inhabitants of Uyo Metropolis are workers in public and private institutions and firms. Others are engaged in trading, craft making and transportation.

### ***Sampling Procedures and Analysis***

Stratified sampling procedure was employed in the study. The study area was stratified into cells based on features usually associated with low, medium and high-density settlements. Due to non-availability of sampling frame, selection of compounds from which households were chosen was done through “random-walk” method. One household was selected in each compound for detailed study. A total of 60 respondents were selected each from high, medium and low-income earners areas of Uyo metropolis respectively. This gave a total sample size of one hundred and eighty (180). Out of 180 households, 179 supplied complete data that were used for analysis while the remaining one (1) was discarded because of incomplete information.

Descriptive statistics such as: mean and percentages were used for the analysis. To examine the existence of household income distribution in the study area, frequency, cumulative frequency and Gini coefficient or ratio were used. Gini coefficient or ratio is the most commonly used measure of income inequality. The coefficient varies between 0, which reflects complete equality and 1, which indicates complete inequality. It is given by:.

$$G=1-\sum_{i=0}^n(X_{i+1} - X_i)(Y_i + Y_{i+1})(i = 1,2,3, \dots n)$$

Where i=1

G	=	Gini coefficient or Gini ratio
X <sub>i</sub>	=	Cumulative proportion of recipients
Y <sub>i</sub>	=	Cumulative proportion of income.
X <sub>i+1</sub>	=	Successive proportion of recipients
Y <sub>i+1</sub>	=	Successive cumulative proportion of income

Monthly budgetary allocations of households were broadly assessed under four socio-economic characteristics: occupation, household size, education and income. The basis for using ₦35, 000 Naira as income distribution intervals stem from the fact that it was the least amount of household income observed in the study area. The method for the classification of households into low, middle and high-income groups was adopted from World Bank (2013) atlas method. The most common budgeted items were: food, accommodation, transport, clothing, school fees and other household items which include electricity and water bills. Durables were excluded from the budget items considered.

## **RESULTS**

Table 1, shows the income distribution of respondents in the study area. It shows that only six (6) out of the 179 respondents earned income that was less than ₦35, 000, representing 3.35%. Forty-two (42) of them earned income that was between ₦35, 000 – ₦64, 999 whereas, 13 of the respondents earned between ₦65,000 – ₦94,999 representing 23.46% and 7.26% respectively. Thirty-eight (38) of them earned income that was between ₦95, 000 – ₦124, 999 whereas, 26 of the respondents earned between ₦125,000 – ₦154,999 representing 21.23% and 14.53% respectively. The income group of ₦215, 000 – ₦244, 999, 245,000 - ₦274, 999 and that greater than ₦274, 999 were 6 (3.35%), 12 (6.71%) and 16 (8.94%) respectively. The total income of the respondents was ₦26, 409,123 while the mean income for the respondents was ₦147, 537 per month. Table 2 shows distribution of respondents according to income group per month. It shows that 3.35% of the households are within the ₦35, 000 income group. They earned 0.69% of the total monthly income in the study area. Similarly, 26.81% of the respondents are in the ₦35, 000 - ₦64, 999 income group and they earned 8.35% of the total monthly income. In the same vein, 34.07% of the respondents are in the ₦65, 000 – ₦94, 999 income group and they earned 12.40% of the total monthly income while 55.30% are in ₦95, 000 - ₦124, 999 income group and they earned 28.27% of the total monthly income. Equally, the results showed that 81% of the respondents are in the ₦185, 000 – ₦214, 999 income group and they earned 56.17% of the total monthly income while 91.06% are in ₦245, 000 - ₦274, 999 and they earned 74.43% of the total monthly income. The calculated Gini ratio is 0.3785.

Table 3 present the average monthly income by income group. The result showed that 68.71% of the sampled households were in the low-income group with monthly income of less than ₦147, 537:00. Their average household size was five (5) persons with an income per household of ₦71, 309:76 and per caput income of ₦13, 130: 39. The middle-income group constituted 22.35% of the household heads. Their average household size was six (6) persons with an income per household of ₦191, 442.30 and per caput income of ₦30, 405.54 while the high-income group

were made up of 8.94% of the household heads with an average of 11 persons per household, income per household of ₦429, 968.30 and a per caput income of ₦39,088.03. The mean household size, income per household and per caput income in the study area was 6 persons, ₦147, 537.00 and ₦22, 825.52 respectively. Table 4 revealed that the self-employed households spent a total of about ₦86, 618.37 monthly. Their expenditure on

food accounted for 46.5% followed by transport (35.3%), school fees (7.4%) and tailed by clothing (2.2%). Wage earners' monthly expenditure of ₦74, 103.98 was expended thus: food (52.5%), transport (26%), accommodation (7.9%) and 2.5% on clothing. Self-employed and wage earners expended ₦81, 134.27. Of this amount, 60.1% was for food, 23.5% was for transport, school fees got 6.7% and clothing 2.3%.

**Table 1:** Distribution of respondents according to monthly income

Income groups (₦)	Frequency	Relative frequency (%)	Amount (N)
<35,000	6	3.35	885222
35,000-64,999	42	23.46	6196554
65,000-94,999	13	7.26	1917981
95,000-124,999	38	21.23	5606406
125,000-154,999	26	14.53	3835962
155,000-184,999	15	8.38	2213055
185,000-214,999	5	2.79	737685
215,000-244,999	6	3.35	885222
245,000-274,999	12	6.71	1770444
>274,999	16	8.94	2360592
<b>Total</b>	<b>179</b>	<b>100</b>	<b>26,409,123</b>

Source: Field Survey, 2013. Mean income = ₦147, 537:00

**Table 2:** Distribution of respondents according to income group per month

Income groups (₦)	Percentage Cumulative of Income	Proportion	Percentage Cumulative of Recipients
<35,000	0.69		3.35
35,000-64,999	8.35		26.81
65,000-94,999	12.4		34.07
95,000-124,999	28.27		55.3
125,000-154,999	42.29		69.83
155,000-184,999	52.36		78.21
185,000-214,999	56.17		81
215,000-244,999	61.74		84.35
245,000-274,999	74.43		91.06
>274,999	100		100

Source: Field Survey, 2013. Gini Ratio = 0.3785

**Table 3:** Distribution of respondents according to classed income group per month

Income group (N)	Percent of total Household Head	Average household size	Income per household (N)	Per capita income (N)
Low (less than 147,537)	68.71	5	71,309.76	13,130.39
Middle (147,537-274,000)	22.35	6	191,442.30	30,405.54
High (over 274,000)	8.94	11	429,968.30	39,088.03
<b>Mean</b>	<b>100</b>	<b>6</b>	<b>147537</b>	<b>22,825.52</b>

Source: Field Survey, 2013

**Table 4:** Distribution of respondents according to average monthly expenditure on budgeted items and occupational groups

Budget items (N)	Occupational groups of household head		
	Self-employed only	Wage earner	Self-employed and wage earners
Food	40,300.79 (46.50%)	38,939.26 (52.50%)	48,747.54 (60.10%)
Accommodation	2,447.74 (2.80%)	5,823.86 (7.90%)	1,889.61 (2.30%)
Transport	30,617.73 (35.30%)	19,212.73 (26.00%)	19,052.88 (23.50%)
Clothing	1,802.27 (2.20%)	1,872.27 (2.50%)	1,891.25 (2.30%)
School fees	6,428.03 (7.40%)	4,916.71 (6.60%)	5,421.17 (6.70%)
Others	5,021.81 (5.80%)	3,339.15 (4.50%)	4,131.82 (5.10%)
<b>Total</b>	<b>86,618.37</b>	<b>74,103.98</b>	<b>81,134.27</b>

Source: Field Survey, 2013

Respondents' monthly household expenditure in relation to household sizes is shown in table 5. The table shows that household with 1-5 persons expended a monthly total of ₦60, 859.01. Food got the largest share of 58.1%, transport 23.8%, school fees 5.9% and the least was others with 3.5%. Household with 6-10 persons expended a monthly total of ₦80, 057.22. The share for food was 57.9%, transport 22.2%, school fees 7.7% and the least was others with 3.2%. Household with 11-15 persons expended a monthly total of ₦113, 827.28. Food got 59.3%, transport 16.3%, school fees 10.1% and the least was others with 2.1%. Household with over 15 persons expended a monthly total of ₦47, 386.08.

Transport got the largest share of 48%, food 39.9%, school fees 4.6% and the least was others with 4.0%.

Results in Table 6 indicate monthly budgetary allocation of the respondents based on their educational levels. It shows that household heads with primary school level of education made a monthly expenditure of ₦33, 287.15. Their budgetary allocations were in order of food (58.9%), transport (30.1%), accommodation (6.3%), school fees (2.2%) and others 1.2%. Secondary school level household heads expended a monthly total of ₦47, 991.61. Out of this, food gulped 60.4%, transport 28%, accommodation 4.4%, school fees 3.5% and others 1.5%. NCE and ND household heads expended ₦57, 753.75 monthly.

**Table 5:** Distribution of respondents according to average monthly expenditure on budgeted items and household size

Budget items (₦)	Household Size Group			
	1-5	6-10	11-15	Over 15
Household size (No. of persons)				
Food	35,333.68 (58.10%)	46,349.94 (57.90%)	67,433.13 (59.30%)	18,927.75 (39.90%)
Accommodation	2,804.90 (4.60%)	3,881.11 (4.80%)	11,093.75 (9.70%)	1,250.00 (2.60%)
Transport	14,540.98 (23.80%)	17,744.27 (22.20%)	18,572.92 (16.30%)	22,750.00 (48.00%)
Clothing	2,508.23 (4.10%)	2,570.13 (3.20%)	2,370.13 (2.10%)	425 (0.90%)
School fees	3,565.88 (5.90%)	6,164.56 (7.70%)	11,494.79 (10.10%)	2,158.33 (4.60%)
Others	2,105.34 (3.50%)	3,347.21 (4.20%)	2,862.56 (2.50%)	1,875.00 (4.00%)
<b>Total</b>	<b>60,859.01</b>	<b>80,057.22</b>	<b>113,827.28</b>	<b>47,386.08</b>

Source: Field survey 2013

**Table 6:** Distribution of respondents according to average monthly expenditure on budgeted items and educational level of household head

Budget items (N)	Educational level of household head			
	Primary School	Up to Secondary School	NCE & ND	University/ Polytechnic
Food	19,609.49 (58.90%)	28,971.43 (60.40%)	32,884.24 (56.90%)	41,075.71 (48.30%)
Accommodation	2,083.33 (6.30%)	2,092.26 (4.40%)	2,513.64 (4.40%)	8,859.91 (10.40%)
Transport	10,020.00 (30.10%)	13,432.14 (28.00%)	16,113.64 (27.90%)	19,782.07 (23.30%)
Clothing	416.67 (1.30%)	1,071.43 (2.20%)	1,409.09 (2.40%)	2,319.83 (2.70%)
School fees	755.56 (2.20%)	1,704.17 (3.50%)	3,616.16 (6.30%)	10,760.42 (12.70%)
Others	402.1 (1.20%)	720.18 (1.50%)	1,216.98 (2.10%)	2,261.70 (2.60%)
<b>Total</b>	<b>33,287.15</b>	<b>47,991.61</b>	<b>57,753.75</b>	<b>85,059.64</b>

Source: Field survey 2013

**Table 7:** Distribution of respondents according to average monthly expenditure on budgeted items and income group

Budget items (N)	Income groups of households		
	Low income group	Middle income group	High income group
Food	36,896.02 (65.10%)	50,141.85 (51.20%)	58,857.76 (38.50%)
Accommodation	3,084.69 (5.40%)	10,804.59 (11.00%)	25,907.41 (16.90%)
Transport	8,398.45 (14.80%)	19,858.62 (20.30%)	28,618.70 (18.70%)
Clothing	2,172.36 (3.80%)	4,706.89 (4.80%)	5,322.22 (3.50%)
School fees	3,736.52 (6.60%)	6,522.99 (6.60%)	27,410.23 (17.90%)
Others	2,461.11 (4.30%)	5,986.99 (6.10%)	6,843.48 (4.50%)
<b>Total</b>	<b>56,749.15</b>	<b>98,021.93</b>	<b>152,959.80</b>

Source: Field survey 2013

**Table 8:** Distribution of respondents according to surplus of household income over expenditure by income group

Budget items (₦)	Income groups (₦)		
	Low	Middle	High
Average monthly income	71,309.76	191,442.30	42,996,830
Average monthly expenditure	56,749.15	98,021.30	152,959.80
Surplus	14,560.61	93,421.00	277,008.50
<b>Percentage surplus</b>	<b>20.42</b>	<b>48.79</b>	<b>64.43</b>

Source: Field survey 2013

Their budgetary order is food 56.9%, transport 27.9%, school fees 6.3%, accommodation 4.4% and 2.1% for others. University and Polytechnic household heads spent ₦85, 059.64 monthly. Out of this, food got 48.3%, transport 23.3%, school fees 12.7%, accommodation 10.4% and others 2.6%.

Table 7 shows distribution of respondent's average monthly expenditure based on their income groups. It shows that low income group expended a monthly total of ₦56, 749.15. Food got the largest share of 65.1%, transport 14.8%, school fees 6.6% and the least was others with 4.3%. Household in the middle-income group expended a monthly total of ₦98021.93. The share for food was 51.2%, transport 20.3%, accommodation 11%, school fees 6.6% and the least was clothing with 4.8%. Household in the high-income group expended a monthly total of ₦152, 959.80. Food got 38.5%, transport 18.7%, school fees 17.9%, accommodation 16.9% and the least was others with 4.5%.

The distribution of respondents according to surplus of household income over expenditure by income group is shown in Table 8. It shows that the low-income households received an income of ₦71309.76. They spent ₦56749.15 on the average per month and had a surplus of ₦14, 506.16 per month, representing 20.42% of their income. Similarly, the middle-income household group received an average monthly income of ₦191, 442.30, spent ₦191, 442.30 monthly and kept a surplus of ₦93, 421.00 representing 48.79% of their income. In the same vein, the high-income household group receive an average monthly income of ₦429, 968.30, spent ₦152, 959.80 monthly and kept a surplus of ₦277, 008.50 representing 64.43% of their income.

## **DISCUSSION**

The study shows how income distribution prevails in the study area. A total of 68.71% of the sampled households earn less than the mean income of all households in the study area. Only 31.29% of the households earn a monthly income of more than the average ₦147, 537. The distribution has a modal income of below ₦147, 537 which further implies that majority of the households were low income earners. Only about 8.94% of the households in the study area could be said to earn income that could relatively be said to support a minimum standard of decent lives.

Analysis revealed that in Uyo Metropolis, 78.21% of the population earned only about half of the income (52.36%), 91.06% earned only 74.43% of the income. These reflected unequal income distributions in the study area. A measure of inequality in the distribution of income, the Gini Concentration Ratio (GCR) or Gini Coefficient of 0.379 was obtained. A Gini ratio of 0.379 confirmed that income is not evenly distributed. The average monthly income by income group categorized the respondents into income classes. The income class categorization was based on World Bank

(2013) atlas. The result showed that 68.71% of the sampled households were in the low-income group, 22.35% in the middle-income group and 8.94% in the high-income group. An observable pattern in the result is that, the higher the household income, the larger the household size and the larger the income per caput. This trend is likely to be a fall out of the extended family system of the African culture. The quest to work out of poverty induced family members to hover around the most "income privileged" in the family. This is consistent with previous studies by Umoh (1994) in Uyo Metropolis, Akwa Ibom State and Yeong-Sheng (2012) in Malaysia.

The expenditure by self-employed households (₦86, 618.37), self-employed and wage earners (₦81, 134.27) and lastly, wage learners (₦74, 103.98) on all the budgeted items mentioned followed a trend. Interestingly, it reveals that higher income of the self-employed group engenders higher expenditure for the same occupational group. The result further revealed that food expenditure was found to be the most important expenses item in all groups. This was followed by transport for the self-employed, followed by the wage earning group and lastly self-employed and wage earning group. From the research findings, the high cost of transportation in the study area could be related to the high cost of pump price of fuel as a result of fuel subsidy removal by the federal government which directly cause a sharp increase in transport fare. For school fees, the self-employed group recorded the highest followed by the self-employed and wage earning group and the least was found in the wage earning group. This could be attributed to poor learning environment, over population in public schools, and that is why the wealthy parents resort to sending their wards to private schools where they can have qualitative education and a conducive academic environment. The wage earning group with low income regard this as a luxury. This is in line with Cunningham, Cunningham and Saigo (2005). The authors however, do not regard this as luxury as education is a fundamental asset and an enduring legacy that should be given to any loved and cherished sibling.

Distribution of respondents according to average monthly expenditure on budgeted items and household size in Table 5 shows that household expenditure increases with household size to a certain level but drops at household size greater than 15. Moreover, the findings showed that poorer households in the study area have larger family sizes. This is similarly to Coker *et al.* (2007) in Ibadan City. The average transport cost of household with size greater than 15 persons is the highest among the various groups. This group however, recorded the least expenditure on accommodation. Apart from transport expenses, it was observed that the household size of over 15 persons expended the least amount on other budgeted items. This may be an indication of economic burden of large households.

Results in table 6 indicated that food expenditure takes the lion share of the total expenses for all levels of education. This is followed by transport and others. Interestingly, this group of household heads are viewed to have the highest expenditure as compared to other groups. The Table further revealed that household heads that have acquired polytechnic/university education or their equivalents expended more on all household budget items far from other groups. There seems not to be much difference in the average amount spent on accommodation by the primary school and secondary school certificate holders. Food seems to be central to all well-being as it takes the major chunk of the total household expenditure among the various educational groups.

Distribution of respondents according to average monthly expenditure on budgeted items and income group in Table 7 revealed that food take the largest chunk of the respondents' income. Transportation took the second portion in terms of expenditure for low, middle and high-income group. This is followed by accommodation and school fees in that order. The result revealed that the high-income group spent the highest amount on all budgeted items. Also, there is a tendency to spend more as the household disposable income increases.

Analysis of distribution of respondents according to surplus of household income over expenditure by income group reveals that the low-income group spent 79.58%, the middle income 51.21% and the high-income earners spent only 35.57% of their total monthly income. It implies that the low-income group expended more of their income monthly than others. This is corroborated by Umoh (1994) findings that the low-income group expended more of their income monthly. Though, the surplus is more than the recommended American household average recommendation of 2-10% for savings, this may not be because of the African extended family tradition of responsibility.

## CONCLUSION AND RECOMMENDATIONS

This paper examined household income distribution patterns and budgetary allocation in Uyo Metropolis, Akwa Ibom State, Nigeria. Household income distribution patterns showed that about 68% of the households in the study were found to be low income households. Gini coefficient of 0.3785 was obtained which implies that there is skewed income distribution in the study area. Unequal distribution of income may breed social vices such as armed robbery, violence, etc in the metropolis. Household consumption expenditure on food, accommodation, transport, clothing, school fees and other household items and services by different income groups revealed that on the average, low income group spent 65.1% on food; the middle-income

group spent 51.2% while the high-income household spent 38.5%. Except the high-income earners, all other groups spent more than a half their income on food. This situation may make it difficult for households to access other basic necessities of life such as quality education, good healthcare, good and conducive environment and may leave very little for investments on capital intensive portfolios. This situation may slow down the pace of development of the study area.

The study recommended among others that employment should be provided for the labour force so that unemployment can be reduced to the minimum. Qualitative education and apprenticeship training of the population should be embarked upon by government and developmental agencies in order to enhance the employment of the generality of the masses. Also, the current minimum wage rate should be increased. There should be a concerted effort by citizens and government to get those who are not educated to be educated to the higher level. This is because; the likelihood of securing higher paid jobs tends to increase with the level of educational attainment. It also increases the tendency of the population to adopt new practices that can lead to a rise in income generation. Equally, attempt should be made by government to reduce income inequality in the study area by employing adequate and effective tax and subsidy measures. The high-income earners can be taxed for some of their consumables while the low-middle income earners can be supported with social security.

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