

KEY FIGURES ON **INCOME AND WEALTH INEQUALITY IN NIGERIA**

FACT SHEET



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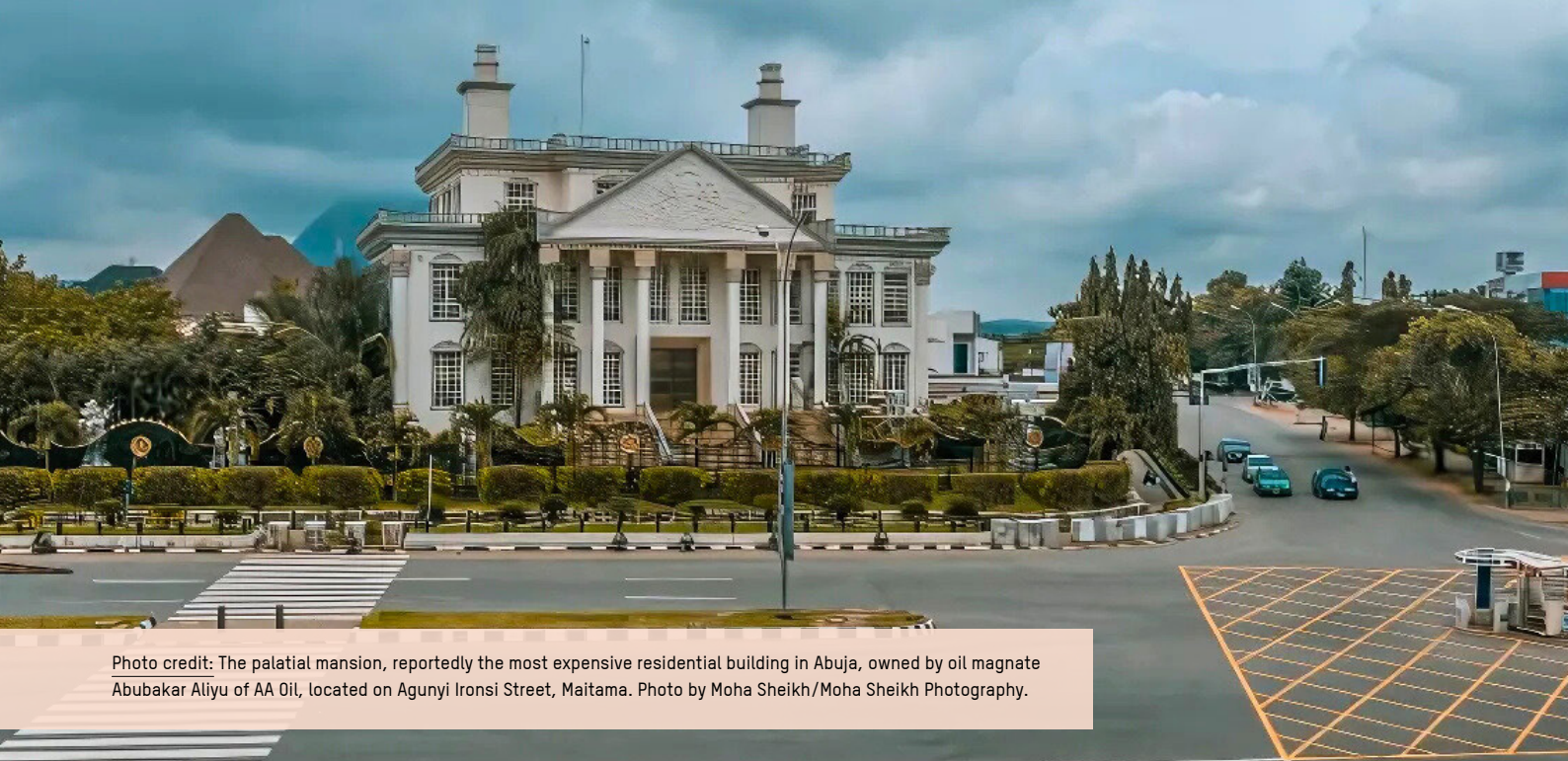


Photo credit: The palatial mansion, reportedly the most expensive residential building in Abuja, owned by oil magnate Abubakar Aliyu of AA Oil, located on Agunyi Ironsi Street, Maitama. Photo by Moha Sheikh/Moha Sheikh Photography.

Why does wealth in Nigeria remain out of reach for so many?

Nigeria, Africa's most populous nation and one of its largest economies, faces a **deepening inequality crisis that cuts across economic, social, and geographic lines**. Despite the country's vast natural resources and periods of economic growth, the distribution of wealth remains highly skewed, leaving millions in poverty without access to essential services such as healthcare, education, and infrastructure.

The widening wealth gap reflects a system where a small elite benefits disproportionately from economic progress while the majority of Nigerians continue to struggle. Inequality in Nigeria is not confined to income; it extends into areas such as health, education, and social inclusion, particularly affecting women and rural communities. Structural factors, including weak governance, gender inequality, and unequal access to resources, further entrench this divide.

Regional disparities exacerbate the problem, with northern Nigeria experiencing significantly higher levels of poverty and underdevelopment compared to the relatively more prosperous southern regions. **This uneven distribution of wealth contributes to social unrest and erodes public trust in institutions.**

This factsheet highlights the key figures that help you see the trends behind Nigeria's inequality for a better understanding of the root causes and effects.

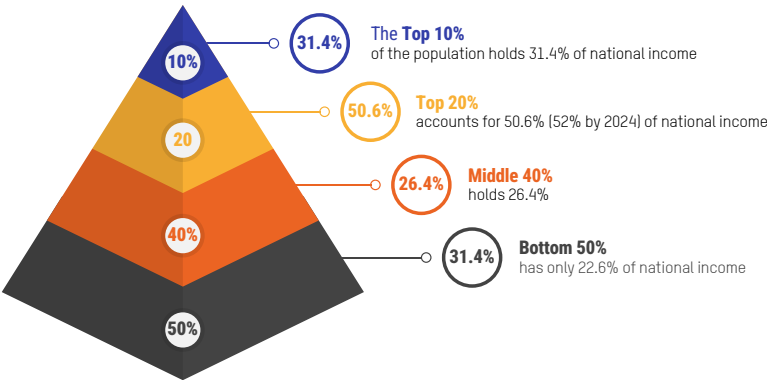
NIGERIA'S INEQUALITY CRISIS IS A PRODUCT OF SYSTEMIC INEFFICIENCIES, INCLUDING LOW SOCIAL SPENDING, POOR GOVERNANCE, AND UNEQUAL ACCESS TO OPPORTUNITIES. ADDRESSING THESE ISSUES IS CRITICAL TO FOSTERING INCLUSIVE ECONOMIC GROWTH, IMPROVING THE QUALITY OF LIFE FOR ALL NIGERIANS, AND ENSURING LONG-TERM STABILITY AND DEVELOPMENT.



INCOME AND WEALTH INEQUALITY



Income Distribution

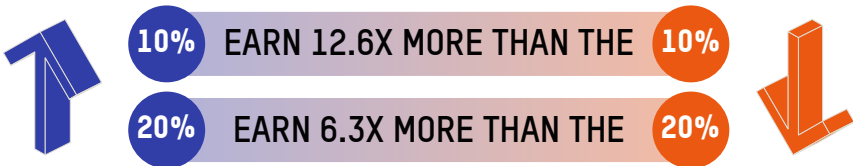


Gini Coefficient

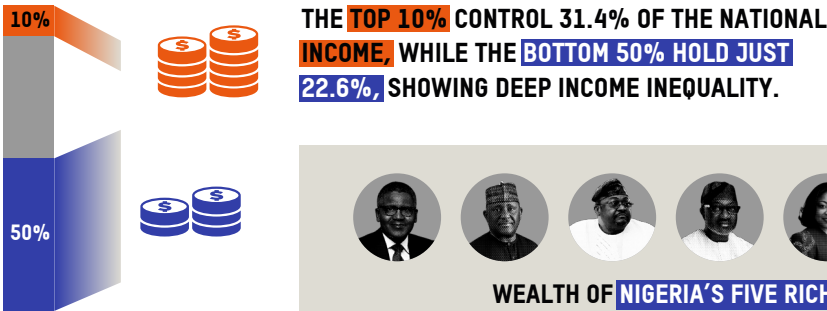


NIGERIA HAS ONE OF THE HIGHEST GINI COEFFICIENT IN SUB-SAHARAN AFRICA

Income Disparity in Nigeria



Wealth Distribution



Nigeria's wealth is concentrated in the hands of a small elite, while the majority of the population struggles to make ends meet. Economic growth has not translated into shared prosperity, with vast disparities in income levels across different regions and sectors. This divide creates a stark contrast between the wealthy few and the many left behind.



\$29.9 BILLION

WEALTH OF NIGERIA'S FIVE RICHEST MEN COULD THEORETICALLY END EXTREME POVERTY, YET VAST DISPARITIES PERSIST.

POVERTY RATES



Despite being one of Africa's largest economies, Nigeria continues to grapple with widespread poverty. **Millions of people, particularly in rural and northern regions, live in conditions of deprivation, struggling to access even the most basic necessities.** The persistent high poverty rates reveal deep structural issues that limit opportunities for many Nigerians.

Extreme Poverty Rate



133 MILLION

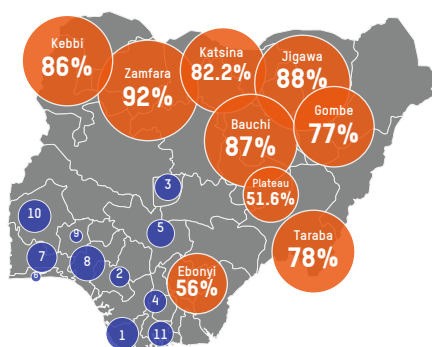
NIGERIANS (63% OF THE POPULATION) ARE MULTIDimensionALLY POOR.



OVER 95 MILLION

NIGERIANS LIVE ON LESS THAN \$2 A DAY

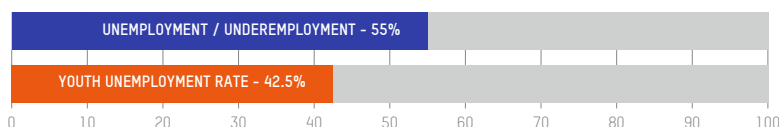
Subnational Poverty Rate



1. Bayelsa - 29%
2. Edo - 19%
3. FCT - 24%
4. Imo - 20%
5. Kogi - 25%
6. Lagos - 8.5%
7. Ogun - 27%
8. Ondo - 28%
9. Osun - 11%
10. Oyo - 29%
11. Rivers - 21%

● Worst States
● Best States

Vulnerability to Poverty



60%

OF NIGERIA'S POOREST POPULATION ARE CONCENTRATED IN THE NORTHERN REGIONS.

76.3%

PERCENTAGE OF INDIVIDUALS LIVING BELOW THE \$1.90 POVERTY LINE RESIDING IN NORTHERN REGIONS OF NIGERIA.

84.6%

PERCENTAGE OF INDIVIDUALS LIVING BELOW THE \$1.90 POVERTY LINE RESIDING IN RURAL AREAS.



AVERAGE HOUSEHOLD INCOME IN THE NORTH IS AROUND ₦50,000, WHILE IN THE SOUTH, IT EXCEEDS ₦675,000 PER MONTH.



ONLY 40%

OF RURAL HOUSEHOLDS HAVE ACCESS TO ELECTRICITY, COMPARED TO 83% OF URBAN HOUSEHOLDS.

NIGERIA STRUGGLES WITH SEVERE INEQUALITY, WITH 40% OF ITS POPULATION (83 MILLION) LIVING IN POVERTY. BY 2020, 89 MILLION NIGERIANS SURPASSED INDIA'S 73 MILLION IN EXTREME POVERTY, A SITUATION WORSENER BY COVID.

SOCIAL SPENDING AND PUBLIC SERVICES



2.5% - 3.5%

Recommended: 15% - 20% by UNESCO

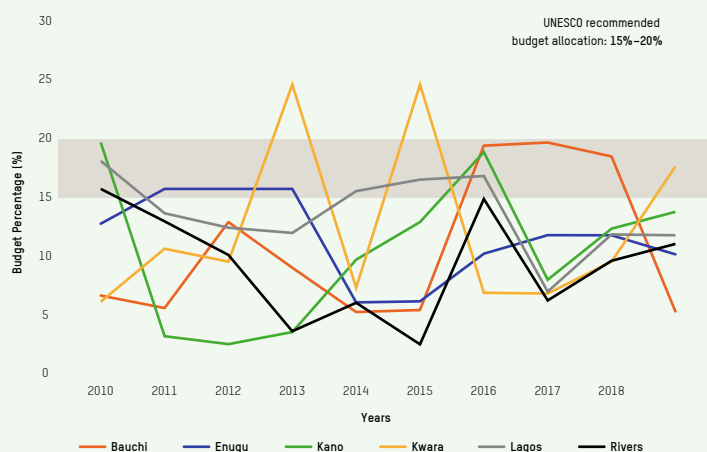


4% - 7%

Recommended: at least 15% by WHO

GOVERNMENT SPENDING ON ESSENTIAL SOCIAL SERVICES FALLS WELL BELOW GLOBAL STANDARDS

EDUCATION ALLOCATION ACROSS SELECTED STATES



Source: Nigeria Bureau of Statistics

Access to quality education, healthcare, and infrastructure remains out of reach for a large portion of Nigeria's population. **Insufficient investment in social services has resulted in a lack of progress for millions of citizens.** The government's spending priorities often overlook these vital areas, deepening the inequality that already exists.

LESS THAN 2% OF HOUSEHOLDS RECEIVE SOCIAL PROTECTION BENEFITS.

PUBLIC SERVICE OUTCOMES ARE POOR, WITH ONLY 15% OF CHILDREN FROM THE POOREST HOUSEHOLDS COMPLETING SECONDARY SCHOOL.

ONLY 10 MILLION NIGERIANS ARE COVERED, THOUGH 90 MILLION LIVE ON LESS THAN \$2 A DAY.

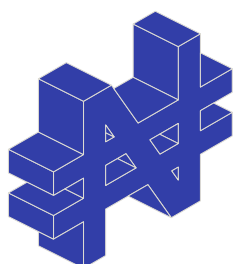
40%

OF NIGERIANS LACK ACCESS TO HEALTHCARE.



1 IN 10 NIGERIANS (APPROXIMATELY 22 MILLION) SPEND MORE THAN 10% OF THEIR INCOME ON BASIC HEALTH SERVICES.

TAXATION DISPARITIES



APPROXIMATELY

5 TRILLION

(18.5% OF THE 2024 FEDERAL BUDGET)
IS LOST DUE TO TAX INCENTIVES
GRANTED TO LARGE CORPORATIONS.

THE STANDARD VAT RATE IS 7.5%
(INCREASED FROM 5% ON 1 FEBRUARY 2020)

Progressive Taxation Potential



A PROPOSED WEALTH TAX ON NIGERIAN
MILLIONAIRES AND BILLIONAIRES COULD
GENERATE UP TO US\$2.4 BILLION
ANNUALLY BASED ON A STRUCTURE OF:

2% ON NET WEALTH ABOVE US\$5 MILLION

3% ON NET WEALTH EXCEEDING US\$50 MILLION

5% ON WEALTH ABOVE US\$1 BILLION

1% TAX ON NET WORTH ABOVE \$1 MILLION
COULD RAISE **\$7.5 BILLION**



ALIKO DANGOTE, AFRICA'S
RICHEST MAN, HAS **PAID A
MERE 1% TAX RATE OVER
THE PAST 15 YEARS** DESPITE
SUBSTANTIAL PROFITS FROM
HIS BUSINESSES.

Nigeria's tax system does little to address inequality, with policies that tend to benefit the wealthy more than the poor. **The burden of taxation is unevenly distributed, and the wealthy often evade paying their fair share.** This creates a system where those who are already struggling bear a heavier burden, further entrenching economic inequality.

GENDER INEQUALITY



Economic Participation

WOMEN EARN ONLY
77 CENTS

FOR EVERY DOLLAR
EARNED BY MEN



ONLY 13%

OF WOMEN OWN LAND, DESPITE
MAKING UP THE MAJORITY OF
THE AGRICULTURAL WORKFORCE.

Gender disparities are deeply rooted in Nigeria, where **women face barriers to equal income, education, and representation.** Cultural norms and systemic issues have long kept women from achieving the same opportunities as men, contributing to a gender divide that impacts all areas of society, from the economy to leadership roles.

Education

11 MILLION

OUT-OF-SCHOOL CHILDREN ARE GIRLS (60% OF THE TOTAL), WITH OVER HALF IN THE NORTH



ONLY 1 IN 4 GIRLS FROM POOR, RURAL AREAS
COMPLETE JUNIOR SECONDARY SCHOOL

35%

OF WOMEN ARE LITERATE, COMPARED
TO APPROXIMATELY 59.5% OF MEN



Political Representation



- WOMEN HOLD JUST 6.4% OF NATIONAL ASSEMBLY SEATS. IN THE 2019 ELECTIONS,
- 80 WOMEN AND 984 MEN RAN FOR GOVERNORSHIPS, WHILE 234 WOMEN AND 1,649 MEN SOUGHT SENATE SEATS.
- FROM 1999 TO 2020, THERE WERE 136 MALE AND 66 FEMALE MINISTERIAL APPOINTMENTS.

123 OUT OF 146

IN THE 2022
GLOBAL GENDER
GAP REPORT,
HIGHLIGHTING
GENDER
DISPARITIES IN
EDUCATION AND
ECONOMIC
PARTICIPATION.

GOVERNMENT RUNNING COST



Impact of Corruption



BETWEEN 2006 AND 2013, **NGN1.34TN WAS STOLEN BY 55 INDIVIDUALS**, WHILE **CORRUPTION CASES INVOLVING HIGH-PROFILE POLITICIANS TOTALLED NGN21.63TN AND \$47.4BN OVER 15 YEARS**, ACCORDING TO A 2022 REPORT.

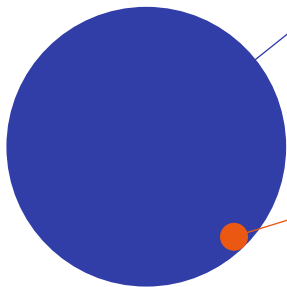
High Cost of Governance



70% OF THE NATIONAL BUDGET IS SPENT ON RECURRENT EXPENDITURES (SALARIES, ALLOWANCES, OFFICE MAINTENANCE).

The Nigerian government allocates a large portion of its budget to maintaining the machinery of government, with significant spending on salaries and perks for public officials. This focus on recurrent expenses leaves limited resources for development projects and infrastructure improvements, stalling broader progress for the country. The imbalance in spending reflects a system that prioritizes administration over meaningful public investment.

Lawmakers' Salaries vs. Minimum Wage



SENATOR'S SALARY:
NGN14.5M MONTHLY
(N174M annually)

MINIMUM WAGE:
NGN70,000 MONTHLY
(N840,000 annually)

IT WOULD TAKE A FEDERAL WORKER 207 YEARS TO MATCH A SENATOR'S ANNUAL SALARY.



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