

An Empirical Study of Income and Expenditure on Living Standards in North Central Nigeria

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Abstract

This research surveyed the portent of quality of life (QoL) as determined by Human Development Index (HDI), which is a composite statistic used to classify states by the level of "human development". Evaluating and revealing what is QoL is an uncomfortable task. This research investigates the relationship between income and expenditure patterns in relation to living standards in the North Central region of Nigeria. Utilizing a mixed-methods approach, data were collected through surveys and interviews from households across various socio-economic backgrounds. The findings highlight the disparities in income and expenditure, revealing how these factors shape living conditions, access to basic services, and overall quality of life. This paper aims to contribute to the understanding of socio-economic dynamics in Nigeria, providing recommendations for policymakers to enhance living standards.

Keywords: Income, Expenditure, Living Standards, North Central Nigeria, Socio-economic Dynamics.

Introduction

Poverty remains a significant challenge in Nigeria, with varying manifestations across its regions. North Central Nigeria, comprising states such as Benue, Kogi, Nasarawa, Niger, and Plateau, has been the focus of numerous studies due to its diverse socio-economic conditions. This research aims to analyze how household income and expenditure impacts on living standards, ultimately providing insights for policy formulation.

Living Standard Measure: A Developmental Perspective

The UN has been concerned with living standards for some time. In 1952 the UN's Economic and Social Council adopted a resolution (434B IXIV) which called together industry experts to prepare a report on the most appropriate methods of quantifying and defining the standards of living and variances within developing countries (Altimir and Sourrouille, 1980). This was to be completed under the guidance of the then Secretary General in conjunction with the international labor organization (ILO) and other various agencies (Altimir and Sourrouille, 1980). From the 1950's to the 1980's various reports were drafted that aimed to enhance the reliability and validity of a living standard measure. In the 1970s, a group of academics joined forces with the World Bank to develop a living standard

measure for the developing countries (Musgrove, 1982; Ainsworth and Van der Gaag, 1988). Previous research has consistently highlighted the correlation between income levels and living standards (Anyanwu, 2017; Ogwumike & Adeyemi, 2020). However, limited empirical studies focus on specific regions like North Central Nigeria. The World Bank (2021) reports that income inequality and expenditure discrepancies exacerbate poverty levels in various communities. This literature review establishes the need for localized studies to address these unique socio-economic challenges (Fadeyi, 2019). As with all developing countries that have a large agricultural economy, due to the seasonality of the work and the dispersion of targeted groups, significant difficulties were observed and experienced in so far as the definition, quantification, measurement and conceptual application of living standards.

Recent literature has evaluated the effects of fiscal and monetary policies on income levels. The role of government initiatives aimed at poverty alleviation and economic growth are analyzed.

The effectiveness of social safety nets, such as cash transfer programs, on improving living standards in low-income households its importance. Expenditure Patterns the research has looked into how households allocate their income across different categories such as food, education, healthcare, and savings. The substantial proportion of income spent on food has been a recurrent finding. The influence of economic shocks, like inflation or global oil price fluctuations, on household expenditure behaviors is another area of focus. Poverty and Living Standards Publications frequently assess the multidimensional aspects of poverty in Nigeria, including not just income but also access to services such as education, healthcare, sanitation, and housing. The Sustainable Development Goals (SDGs) framework offers a lens through which living standards and poverty alleviation strategies are evaluated.

COVID-19 Impact the pandemic has significantly affected income and expenditure patterns in Nigeria. Research may explore how COVID-19 has exacerbated poverty and influenced spending behaviors, particularly in vulnerable communities. Microeconomic Studies often investigate the impact of small and medium enterprises (SMEs) on household income and overall economic resilience (Skouloudis et al., 2023). The role of women's participation in the labor force and entrepreneurship in achieving better household living standards is increasingly highlighted. Remittances research on the role of remittances from Nigerians abroad shows their importance in enhancing household income and consumption, especially in rural areas. Inflation and Cost of living. Investigations into the effects of inflation on cost of living and real purchasing power often dominate conversations about living standards in north central state of Nigeria (Oyadeyi et al., 2024).

Methodology

This study employed a mixed-methods approach, combining quantitative and qualitative data collection methods. The study was designed in such a way that a space of items that could possibly define living standards in North-central state of Nigeria were identified using qualitative methods in the first phase of the study. A total of thirty key informants made up

of experts and practitioners working in the development, marketing, and sociological fields were interviewed to identify the unobservable traits of living standards. In the second phase, quantitative research involved carrying out a survey made up of a set of items collected in the first phase.

Formulation of Income and Expenditure Model

In this section, we develop an economic dynamics model for all income groups in the North Central State of Nigeria—specifically, the B₄₀, M₄₀, and T₂₀ categories. We categorize the population of the North Central State into three segments: households in the B₄₀ group (denoted as B), households in the M₄₀ group (denoted as M), and households in the T₂₀ group (denoted as T). Several factors (i.e., parameters) are considered in this model, including the ∂ standard of living, income rates, μ_1, μ_2, μ_3 and expenditure rates, $\varepsilon_1, \varepsilon_2, \varepsilon_3$ and income mobility rates α and ω in the North Central State. The flow diagram of our model is illustrated in Figure 1 below.

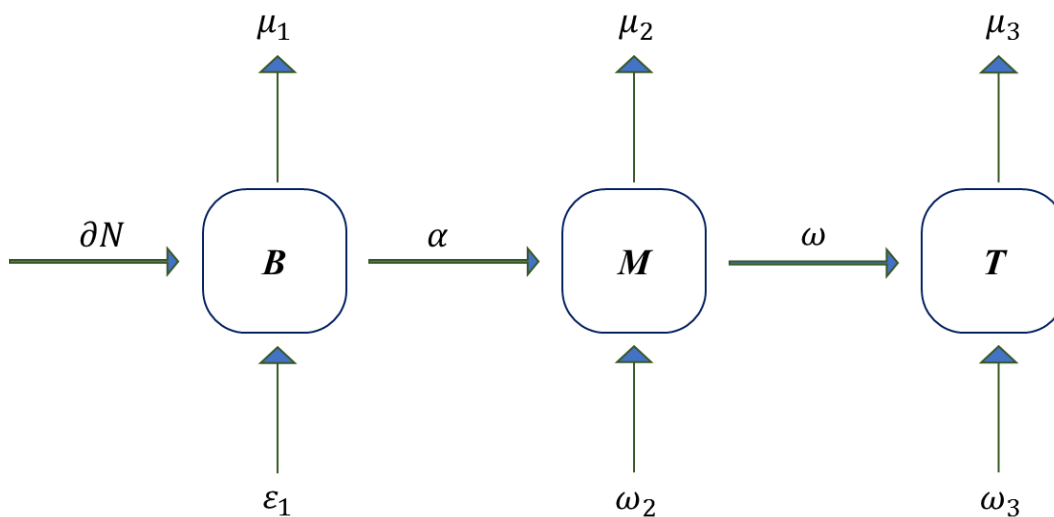


Figure 1: Indicates the Flow of Income and Expenditure

Figure 1: Flow Diagram depicting income and expenditure relationships among different income groups in the north central state (B₄₀, M₄₀, and T₂₀) with expenditure rates $\varepsilon_1, \varepsilon_2, \varepsilon_3$

From the flow diagram in Figure 1, we can construct an ordinary differential equation (ODE) model, represented as follows:

$$\begin{aligned} \frac{dB}{dt} &= \partial N + \varepsilon_1 B - \left(\mu_1 + \frac{\alpha M}{N} \right) B \\ \frac{dM}{dt} &= \left(\varepsilon_1 + \frac{\alpha B}{N} \right) M - \left(\mu_2 + \frac{\omega T}{N} \right) M \end{aligned} \quad (1)$$

$$\frac{dT}{dt} = \left(\varepsilon_1 + \frac{\omega M}{N} \right) T - \mu_3 T$$

Where the variables and parameter are defined in Table 1.

Table 1 Indicates Variables and Parameter in the model (I)

Symbol	Description
B	Household income groups
M	Household income groups
T	Household income groups
N	Total population
μ	Income working groups
$\hat{o}$	Income business groups
α	Income rates in M ₄₀ to B ₄₀
ω	Income rates in B ₄₀ to T ₄₀
ε_1	Expenditure rates in M ₄₀
ε_2	Expenditure rates in M ₄₀
ε_3	Expenditure rates in T ₄₀

Mathematical Analysis: Stability for Equilibrium Points of the Model

In this section, we examine the solution of model (I). In the context of dynamical systems, this solution is referred to as equilibrium points or equilibria. We assess the stability of these equilibrium points using the Routh-Hurwitz criterion (RHC), a recognized method that provides conditions for local asymptotic stability. Dynamic models appropriately account for time and the variations in income and expenditure over multiple periods.

For our model in (I), we will identify the equilibrium points corresponding to the income groups (B₄₀, M₄₀, T₂₀). Our objective is to determine the stability of each potential equilibrium point for these income categories. If the income groups are locally asymptotically stable, it indicates that these groups are likely to persist in the future (Othman et al., 2020). While the population of each group may fluctuate annually, their existence within society remains assured (Roslan et al., 2021).

The following steps outline the process for determining the stability of the equilibrium points in model (I). To obtain the equilibrium points, we set the equations equal to zero as follows:

$$\begin{aligned} \partial N + \varepsilon_1 B - \left(\mu_1 + \frac{\alpha M}{N} \right) B &= 0 \\ \left(\varepsilon_2 + \frac{\alpha B}{N} \right) M - \left(\mu_2 + \frac{\omega T}{N} \right) M &= 0 \\ \left(\varepsilon_3 + \frac{\omega M}{N} \right) T - \mu_3 T &= 0 \end{aligned} \quad (2)$$

By solving this system, we derive three potential equilibria for (B, M, T) :

$$E_1 = \left(\frac{\partial N}{\alpha_1}, 0, 0 \right),$$

$$E_2 = \left(\frac{a_2 N}{\alpha}, \frac{(a\partial - \mu_1 a_2 + \varepsilon_1 a_2) N}{\alpha a_1}, 0 \right),$$

$$\frac{\partial \omega N}{\alpha a_3 + \omega a_3}, \frac{a_3 N}{\omega}, \frac{1}{\alpha a_3 + \omega a_3} (N(\alpha \partial \omega - \alpha \mu_2 a_3 + \mu_1 \omega a_2 + \omega \varepsilon_1 a_2))$$

Here, $a_1 = \mu_1 - \varepsilon_1$, $a_2 = \mu_2 - \varepsilon_2$ and $a_3 = \mu_3 - \varepsilon_3$ the equilibrium point E_1 indicates that only the B₄₀ population sustains, while E_2 indicates that the T₂₀ group diminishes. Conversely, E_3 signifies that all income groups (B₄₀, M₄₀, and T₂₀) are present. It is worth noting that all equilibrium states must maintain nonnegative values for biological feasibility.

Next, to analyze the local stability of these equilibrium points, we derive the Jacobian matrix, J , for model (I):.

$$\begin{pmatrix} \frac{\partial B}{\partial B} & \frac{\partial B}{\partial M} & \frac{\partial B}{\partial T} \\ \frac{\partial M}{\partial B} & \frac{\partial M}{\partial M} & \frac{\partial M}{\partial T} \\ \frac{\partial T}{\partial B} & \frac{\partial T}{\partial M} & \frac{\partial T}{\partial T} \end{pmatrix} = \begin{pmatrix} -\frac{\alpha M}{N} - \alpha_1 & \frac{\alpha B}{N} & 0 \\ \frac{\alpha M}{\alpha_1} & \frac{\alpha M}{N} - \frac{\omega T}{N} - \alpha_2 & \frac{\omega M}{N} \\ 0 & \frac{\omega T}{N} & \frac{\omega T}{N} - \alpha_3 \end{pmatrix} \quad (3)$$

Thus, we evaluate the Jacobian matrix near E_1 the equilibrium points, expressed as:

$$J(E_1) = \begin{pmatrix} -\alpha_1 & -\frac{\alpha \delta}{a_1} & 0 \\ 0 & \frac{\alpha \delta}{a_1} - a_2 & 0 \\ 0 & 0 & -\alpha_3 \end{pmatrix} \quad (4)$$

Eigenvalues are determined by solving the characteristic polynomial:

$$(J(E_1) - \lambda I) = 0$$

Where I represent the identity matrix, and $i = 1, 2, 3$. Consequently, the characteristic equation $J(E_1)$ is given by:

$$\lambda^3 - A_1 \lambda^2 - A_2 \lambda - A_3 = 0$$

where

$$A_1 = \frac{\alpha\partial - a_1^2 - a_2\mu_1 - a_3\mu_1 + a_2\varepsilon_1 + a_3\varepsilon_1}{a_1}$$

$$A_2 = \frac{\alpha\partial a_1 - \alpha\partial a_3 - a_1^2\mu_2 - a_1^2\mu_3 + a_1^2\varepsilon_2 + a_1^2\varepsilon_3 - \mu_1\mu_2a_3 + \mu_1\varepsilon_2a_3 + \mu_2\varepsilon_1a_3 - \varepsilon_1\varepsilon_2a_3}{a_1}$$

$$A_3 = (\alpha\partial - \mu_1a_2 + \varepsilon_1a_2)a_3$$

According to the Routh-Hurwitz criterion, all roots of λ the characteristic polynomial are negative if and only if $A_1 > 0, A_3 > 0$ and $A_1A_2 > A_3$ specific conditions are E_2 satisfied. If these conditions are met, we categorize the equilibrium point as locally asymptotically stable. Subsequently, we consider the Jacobian matrix near E_2 each equilibrium point as follows:

$$J(E_2) = \begin{pmatrix} -\frac{\alpha\partial - \mu_1a_2 + \varepsilon_1a_2}{a_2} & -a_2 & 0 \\ \frac{\alpha\partial - \mu_1a_2 + \varepsilon_1a_2}{a_2} & 0 & -\frac{\omega(\alpha\partial - \mu_1a_2 + \varepsilon_1a_2)}{\alpha a_2} \\ 0 & 0 & \frac{\omega(\alpha\partial - \mu_1a_2 + \varepsilon_1a_2)}{\alpha a_2} - a_3 \end{pmatrix} \quad (5)$$

The corresponding characteristic equations $J(E_2)$ are determined similarly:

$$\lambda^3 - B_1\lambda^2 - B_2\lambda - B_3 = 0$$

where

$$B_1 = \frac{\alpha\partial(\alpha - \omega) + \alpha\mu_2a_3 - \alpha\varepsilon_2a_3 - \mu_1\omega a_2 - \varepsilon_1\omega a_2}{\alpha a_2}$$

$$B_2 = \frac{\alpha\partial^2\omega - \alpha\partial a_2^2 - \alpha\partial\mu_2a_3 - \alpha\partial\varepsilon_2a_3 - \partial\omega a_1a_2 - \mu_1a_2^3 - \varepsilon_1a_2^3}{a_2^2}$$

$$B_3 = \frac{(\alpha\partial\omega - \alpha\mu_2a_3 + \alpha\varepsilon_2a_3 - \mu_1\omega a_2 - \varepsilon_1\omega a_2)(\alpha\partial - \mu_1a_2 + \varepsilon_1a_2)}{\alpha a_2}$$

According to RHC all root of λ are negative if and only if $B_1 > 0, B_3 > 0$ and $B_1B_2 > B_3$. If these conditions are held, then we say E_2 is locally asymptotically stable. Lastly the system has the following Jacobian matrix near E_3 as

$$J(E_3) = \begin{pmatrix} \frac{\alpha a_3}{\omega} - a_1 & \frac{\alpha \partial \omega}{\alpha a_3 + \omega a_1} & 0 \\ \frac{\alpha a_3}{\omega} & \frac{\alpha \partial \omega}{\alpha a_3 + \omega a_1} - \frac{\alpha \partial \omega - \alpha \mu_2 a_3 + \alpha \varepsilon_2 a_3 - \mu_1 \omega a_2 - \varepsilon_1 \omega a_2}{\alpha a_3 + \omega a_1} - a_2 & -a_3 \\ \frac{\alpha \partial \omega - \alpha \mu_2 a_3 + \alpha \varepsilon_2 a_3 - \mu_1 \omega a_2 - \varepsilon_1 \omega a_2}{\alpha a_3 + \omega a_1} & 0 & 0 \end{pmatrix} \quad (6)$$

Then the characteristic equation of $J(E_2)$ is given by

$$\lambda^3 - C_1 \lambda^2 - C_2 \lambda - C_3 = 0$$

where

$$C_1 = \frac{\alpha a_3 + \omega a_1}{\omega}$$

$$C_2 = \frac{a_3(\alpha \partial \omega - \alpha \mu_2 a_3 + \alpha \varepsilon_2 a_3 - \mu_1 \omega a_2 + \varepsilon_1 \omega a_2)}{\alpha a_3 + \omega a_1}$$

$$C_3 = \frac{(\alpha \partial \omega - \alpha \mu_2 a_3 + \alpha \varepsilon_2 a_3 - \mu_1 \omega a_2 + \varepsilon_1 \omega a_2) a_3}{\omega}$$

By applying the Routh-Hurwitz criterion again, we assess the stability of the system if and only if $C_1 > 0, C_3 > 0$ and $C_1 C_2 > C_3$. If the necessary conditions hold, we conclude that the system E_3 is locally asymptotically stable.

Sampling techniques

A stratified random sampling technique was utilized to ensure representation across various socio-economic strata. The unit of analysis for the study was a "household" in North-central state of Nigeria and the actual respondent was the head of the household. The sample selection was guided by the need to represent different socio-economic groups in urban and non-urban settings.

The study was conducted in six state and eighteen local government areas using computer assisted personal interviewing (CAPI), because of its efficiency in managing field studies (Kelly *et al*, 2008). The randomness of the survey design was important in ensuring that the households selected for the study were sufficient enough to provide a guide of the living standards in the country as a whole. The urban population represented individuals that live within the metropolitan cities and large towns. The non-urban population represented individuals that live in small towns, villages, settlements and farms on the outskirts of major and other localities that had been selected. A total of 1,620 respondents were selected to form part of the study's sample. However, after the data validation process, the remaining sample size was n=1540. Eighty percent (80%) of the respondents were working class

people (between 18 and 55 years of age). More than two thirds of the respondents earn less than a N100 000.00 and only 3.4% of the sample earn N100 000.00 and above.

Data collection

An interview protocol with the following questions was used to collect qualitative data: • In your view what are the most important attributes of a high standard of living? the three key things that would improve your standard of living area, Quantitative data was collected using a 36-item survey instrument. During the data cleaning, coding and validation process binary nonmetric variables were all recoded with the aim of transforming nonmetric data into a metric form. Negatively worded items were also recoded to facilitate interpretation of descriptive statistics. The data validation process resulted in a reduction of items from 29 to 22 as depicted in Table 1.

Data analysis

Qualitative data was analyzed using content analysis guidelines. Narratives from the participants were transcribed using Tesch's coding (K;einheksel, 2020). In following Tesch's analysis approach, coding was initiated with predefined themes. After all the patterns were identified, the themes were clustered into topics that reflect their meaning (Vaismoradi et al., 2016). Identification of topics involved evaluating, sorting, categorizing, comparing and synthesizing the coded data. Quantitative data was analyzed using exploratory factor analysis (EFA). EFA is particularly useful because of its capacity to demonstrate the dimensionality of the Living Standard tool by identifying the number of latent constructs and the underlying factor structure of a set of living standard indicators. R software were utilized for running analyses (Ngamwong, et al., 2024). Model validation ensure the model fits well using R-squared, Adjusted R-squared, and other statistical tests (Gupta et al 2024). Participants provided a range of factors that they perceived to be contributors to a decent lifestyle. These include car ownership, access to clean water and sanitation, education, monthly income in terms of employment, health, fuel, electricity and home ownership. A noticeable difference in views was observed in the responses that came from participants in the higher socio-economic groups. For example, one respondent placed emphasis on the fact that domestic help allows for extra free time to pursue other interests

Table 2: Quantitative data instrument

S/N	DIMENSIONS	ITEMS
1	Human capital	i. Access to education ii. Access to health services iii. Employment iv. Infrastructure
2	Environmental capital	i. Access to clean water. ii. Arable land/grass iii. Renewable energy iv. Sanitation

		v. Source of fuel vi. Waste management facilities
3	Social capital	i. Community support g ii. Married with children iii. Safety and security iv. Social networks
4	Physical Capital	i. Food consumption ii. Land ownership iii. Livestock ownership iv. Property ownership v. Ownership of small durable items vi. Ownership of large durable items vii. Use of financial services viii. Vehicle ownership

Table 3 shows that size of property, value of property and ownership of a computer, a geyser and a generator load strongly with factor 1, with corresponding factor loadings of .660, .659, .652, .551 and, .544 respectively. Education qualification (.671), education expenditure (.675) and domestic help (.581) also loaded strongly with factor 1. Affluence resources is a label that captures the eight items in this dimension very well. As can be seen in Figure 3, "well informed neighborhood" and influential neighborhood" loaded lowest with the second factor, followed by free time pursuit personal interest then secure neighborhood. This particular dimension is given the label: neighborhood safety and connectedness. Piped water and toilet type loaded very strongly with the 4th factor labeled as environmental capital.

Table 3: Pattern Matrix of Living Standard Measure Items

S/N	Observables	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7
1	Community support	-0.134	-0.017	0.367	0.101	-0.26	-0.442	0.462
2	Do you own a generator	-0.048	0.544	0.16	0.069	-0.033	0.224	0.376
3	Do you own a computer	0.244	0.656	0.002	-0.002	0.266	0.002	0.545
4	Do you own a geyser	-0.065	0.551	0.079	0.026	0.452	0.005	0.572
5	Domestic help	-0.095	0.589	0.002	0.075	0.036	-0.095	0.408
6	Education qualification	0.241	0.675	-0.141	0.02	-0.041	0.037	0.494
7	Employment status	-0.749	-0.012	0.13	0.104	-0.015	0.176	0.598
8	Free time for personal interests	0.056	0.022	0.017	0.135	0.093	-0.551	0.354
9	Last 1year Educational expenditure	-0.005	0.671	0.091	-0.098	-0.299	-0.061	0.523
10	Belong to a network group	0.336	0.085	0.369	0.032	-0.185	-0.337	0.42
11	Health facility	-0.031	0.026	0.634	0.074	0.142	0.081	0.439
12	Family support	-0.016	-0.067	-0.05	-0.059	0.066	-0.657	0.424
13	Size of property	-0.254	0.66	-0.076	0.099	-0.128	0.099	0.565

14	Property value	-0.244	0.659	-0.174	-0.069	0.121	-0.197	0.617
15	Job seeking in last 2-4 weeks	0.545	-0.054	0.022	0.102	-0.029	0.156	0.342
16	I live in a safe and secure area	-0.105	0.113	-0.146	0.482	-0.089	-0.312	0.458
17	My area has trustworthy neighbors	-0.087	-0.032	-0.252	0.624	-0.017	-0.263	0.576
18	Well informed neighborhood	0.031	0.001	0.085	0.859	0.072	0.076	0.732
19	Influential neighborhood	0.093	-0.01	0.109	0.828	-0.002	0.121	0.684
20	Piped water	-0.025	0.19	-0.009	-0.017	-0.786	0.02	0.631
21	Travel time to health facility	-0.051	-0.099	0.718	-0.09	0.051	-0.024	0.533
22	Toilet type	-0.119	0.228	0.241	-0.027	0.617	-0.171	0.578

The factor loadings are the correlation coefficients between the variables and the factors. Items loading high on more than one factor were eliminated to ensure discriminant validity. The item: 'I belong to a network group' loaded strongly with factors 4, 5 and 6. As such, the item became a candidate for deletion. All items with a communality value of less than .3 were candidates for deletion, because the items would not have sufficient common explanation in the factor solution. However, no item in the factor solution had a communality of less than .3.

The Screen Plot as illustrated in Figure 2 plots the number of factors or components on the X - axis and the corresponding eigenvalues on the Y-axis (Catell, 1966). The factor solution resulted in seven factors with an eigenvalue less-than one.



Figure 2: Indicates Screen Plot of Income and Expenditure

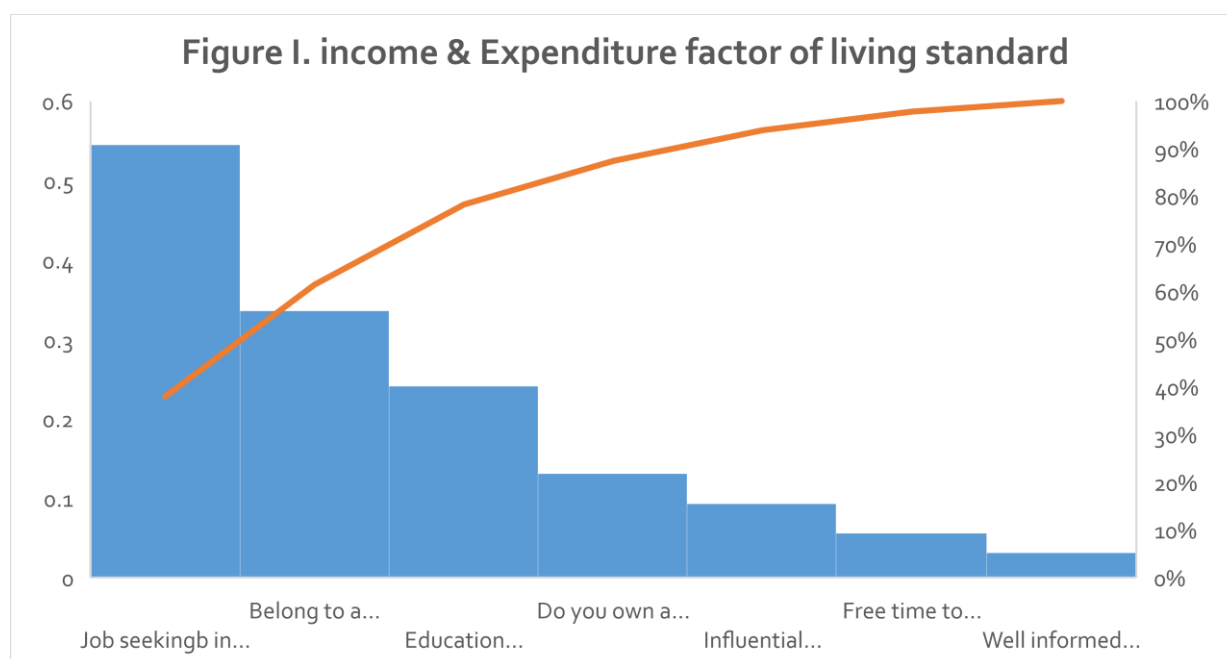
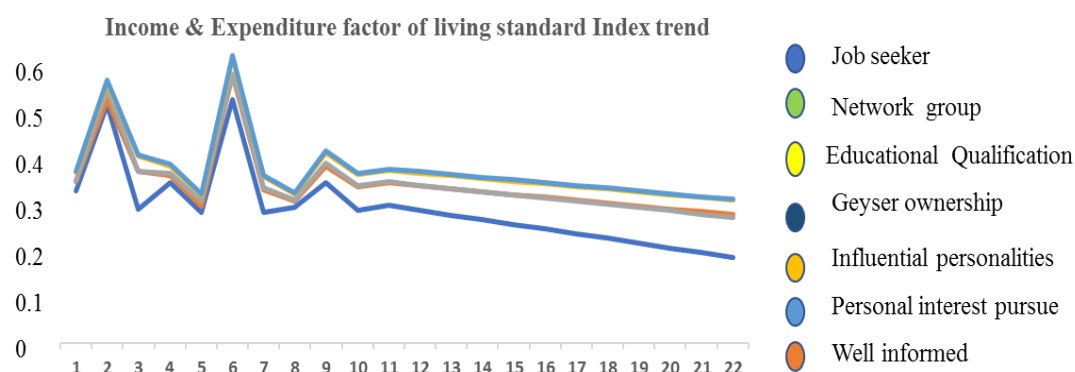


Figure 3: Reveals the Income and Expenditure Factors of Living Standard

Figure 4 illustrates the income and expenditure index factors within the North Central region of Nigeria. The analysis of seven key factors reveals a downward trend, indicating a decrease in these factors coinciding with a higher number of job seekers and network groups. This pattern is observable across the various states in the region. The negative slope of these trends suggests that the elements crucial for determining living standards in these states are stagnating or declining. This situation raises questions about the causal relationship between income and expenditure as they relate to living standards. According to Wagner's "Law of Increasing State Spending," an increase in economic activities can lead to heightened government involvement, which subsequently elevates public expenditure (Liu & Chang et al., 2005).



Discussion and Conclusion

To gain a deeper understanding of living standards in North Central Nigeria, participants were invited to express, in their own words, the factors they believe contribute to a decent standard of living. Regardless of the disparities in living standards among participants, income emerged as a predominant theme affecting living conditions. This observation aligns with insights from various researchers, including Bruggen et al. (2017) and Harputlugil and de-Wilde (2021). The outcomes of this investigation reinforce the notion that living standards are multidimensional, with key contributors including income, health, education, safety, access to credit, transportation, clean water, affordable energy, public service delivery including quality infrastructure, and leisure time. Furthermore, the analysis indicates a positive correlation between higher income and improved living standards. However, the significant share of income allocated to food expenses highlights households' vulnerability to economic shocks. Additionally, limited investment in health and education could impede overall societal progress, perpetuating cycles of poverty.

Moreover, this study reveals that living standards are influenced by the ownership of physical assets, where income is a critical determinant of such ownership. Income levels are largely influenced by educational attainment, access to healthcare, basic infrastructure, and public goods. In essence, a higher income facilitates better education, access to well-equipped private healthcare facilities, and services of higher quality. It also enables individuals to afford domestic assistance, allowing for leisure time to pursue personal interests.

The findings further indicate that social networks, family support, and neighborhood safety significantly enhance living standards, corroborating the perspectives of Mahmoud et al. (2024) and Krassikova et al. (2021) on the interplay between income, expenditure, and living standards. Krassikova et al. (2021) emphasize that household wealth influences educational attainment, which in turn affects living standards.

Recommendations:

This research highlights the urgent need for targeted interventions to address income disparities and improve expenditure efficiency in North Central Nigeria. Recommended policy actions include:

- Establishing social safety nets to safeguard the most vulnerable populations.
- Increasing investments in healthcare and education to enhance accessibility.
- Promoting economic diversification to raise income levels.

This paper enriches existing knowledge by revealing a notable divergence in how different socio-economic groups perceive the factors contributing to decent living standards. The affluent prioritize security, personal leisure, and alternative energy sources, while those in lower socio-economic strata emphasize access to clean water, housing, food, transportation, and entertainment as essential elements for a decent quality of life. The results indicate that the moderately affluent place a higher value on education, health, and community support. Regardless of household demographics, indicators of affluence—

including property or land ownership, possession of a computer and generator, education level, and adequate income for education—emerged as significant determinants of living standards in North Central Nigeria. Although environmental, wellness, and human capital are recognized as important for enhancing living standards, they ranked lower in significance within the assessment framework. Future research involving a broader spectrum of items from the literature and insights from key informants is crucial for enhancing the validity of the subdimensions of the new Living Standards Measurement (LSM) tool.

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