



**FINANCIAL BEHAVIOR OF UNIVERSITY LECTURERS IN NIGERIA:
THE IMPACT OF EDUCATION, SAVING HABITS,
AND GENERATIONAL DIFFERENCES.**

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ABSTRACT: *This study investigates income and expenditure patterns among university lecturers in South-East and South-South Nigeria, focusing on the roles of generational traits, income levels, and saving behavior in shaping financial decisions. Using survey data from 147 lecturers across Federal, State, and Private universities and applying ordered logistic regression, the findings reveal a marked gap between earnings and financial stability. Most respondents report inadequate income for basic needs (76.2%) and difficulty affording luxury items (87.8%), indicating significant economic pressure. Expenditure is largely income-driven (79.5%), consistent with Ajzen's Theory of Planned Behavior and the Life Cycle Hypothesis. Generational analysis shows younger lecturers (Gen Y) prioritize savings and lifestyle spending, while older cohorts focus on necessities and debt management. Regression results indicate that Gen Y spends more relative to income ($p = 0.018$), whereas senior academics are more financially cautious ($p = 0.044$). Savings positively affect consumption, moderated by age. The study highlights the need for age-specific financial literacy and institutional reforms to promote sustainable financial practices in Nigerian universities.*

KEYWORDS: Income, Relative Consumption, Education, University Lecturer, Savings, ordered logit.



INTRODUCTION

Education and skills are investments that enhance an individual's productivity, resulting in higher earnings (Heckman, 2006). An individual's educational level is widely recognized as a determining factor of their earning potential, consumption patterns, and savings (Pacharpopulos & Patrinos, 2004; Hai Fang et al., 2012). In general, higher education correlates with higher earnings and better savings (Jumena, Sialia, and Wido Kartik, 2022; Lugauer, 2022; Uang, Zhang, and Yang, 2022; c Lutter, 2005). Solmon (1995) emphasized that an additional year of schooling benefits individual earning ability and causes them to save, while adding that education contributes to higher earnings and efficiency of household production of final consumer satisfaction.

Supanantarock et al. (2017) discovered that educational programs focused on social and financial aspects enhance savings perspectives in Uganda. Jumena et al. (2022) pinpointed fifteen factors influencing savings, which include personal wealth, demographics, occupational profiles, financial aspirations, and broader economic conditions, while Chamon, Liu, and Prasad (2013) associated the urban household savings in China with income volatility and pension reforms. Eka and Nguru (2021) highlighted that income, motivation, perceptions, values, knowledge, mindset, and pricing are pivotal consumption influencers. Schiffman and Leon (2000) stressed the importance of demographic, socio-economic, gender-related, and familial career variables. Lifestyle and cultural aspects contribute as well (Hosaini & Rojhe, 2020), along with individual and familial preferences (Choi & Johnson, 2019). Sheth and Mittal (2004) and Paz and Vargas (2023) acknowledged the impact of subjective norms such as reference groups and inspirational figures. Bowles and Park (2005) identified a correlation between working hours and consumption patterns among affluent individuals in OECD nations. Moreover, behaviors influenced by context, family, peers, and social circles play a role in shaping consumption decisions (Gilal et al., 2018; Qazzafi, 2020; Peter & Olson, 2005). Morisset and Revoredo (1995) affirmed that education reduces income volatility and increases savings in the long run. Despite this, the Lifetime hypothesis assumes that individuals have a fixed lifetime income profile, which may not accurately reflect the experiences of university lecturers, who may be faced with uncertain income prospects as well as pressures to maintain a certain level of living throughout their careers.

Relative income expenditure, which pertains to the inclination for individuals to assess their spending in comparison to others, is yet another critical element to examine in consumption pattern (Alvarez-Cuadrado & Long, 2011). The Relative Income Hypothesis posits that individuals' spending behaviors are shaped by their relative income standing among their reference group (Dusenberry, 1949; Fisher & Hof, 2000; Clark et al., 2008; Alpizar et al., 2005). University professors, who frequently operate in a highly interactive and comparative atmosphere, might be especially vulnerable to these relative income dynamics

University Lecturers are a group of individuals who mold the minds of future generations (undergraduate and postgraduate students) through teaching and research. They are the custodian of knowledge, coaches, and mentors who guide the students, inspire, and motivate them. Although they play a crucial role in the nation's progress, Nigerian educators encounter systemic obstacles that set their experiences apart from those in other nations. These challenges encompass a meager salary framework, inadequate working environments, and restricted access to research grants. As reported by Nigerian Informer, entry-level educators receive monthly salaries ranging from ₦96,000 to ₦128,000, while professors take home a base pay



of ₦342,442 after deductions, amounting to less than \$5,000 USD per month. Campus Cyber cafe offers a comprehensive analysis based on the CONUASS scale, indicating that senior lecturers earn between ₦290,000 and ₦350,000, Professors with total compensation (including allowances) between ₦420,000 and ₦500,000. These amounts fluctuate by institution and are frequently diminished by delayed disbursements and insufficient supplemental funding. Pulse Nigeria (2025) emphasizes that numerous educators depend on consultancy opportunities, tutorial payments, and external lecture engagements to bolster their earnings, signifying that the primary salary alone falls short for a satisfactory living standard. These financial challenges are worsened by deficient infrastructure, recurrent industrial actions, and restricted access to research funding, all of which impede academic productivity and morale. In contrast to international benchmarks, where university educators frequently obtain attractive salaries, strong research backing, and favorable work conditions, Nigerian scholars function under circumstances that stifle creativity and professional advancement.

In light of these structural limitations, it is crucial to investigate how these conditions materially influence the financial practices of university educators. This calls for a detailed analysis of their income expenditure trends, particularly concerning their level of education, spending behaviors, and ability to save. This study dives deep into the relative income consumption of university lecturers, linking their education levels to their income, consumption, and saving habits. This study adopts an inter-generational perspective to unveil trends and disparities across academic ranks, thereby illuminating how learned behaviors influence financial and consumption. This exploration holds the key to understanding how learned behaviors influence financial and consumption decisions based on the assumption of Becker (1967), who argued that as the income of an educated individual rises, likewise her consumption and savings (Luttmer, 2005; Hugget and Ventura, 2000).

Situated within this conceptual and theoretical framework, the investigation is directed by the subsequent research questions, which seek to explore the intricate connection between education, earnings, and financial behavior among university lecturers in the South-East and South-South:

- a. Does income impact consumption patterns and financial behaviors of University Lecturers in the South-East and South-South Nigeria?
- b. How do income allocation and financial decision-making differ between generations of University Lecturers in South-East and South-South Nigeria?
- c. What are the factors that influence University Lecturers' relative income consumption over time, such as generational class, career position, and saving behavior?

Objectives of the study

- a. To examine the relationship between lecturers' income, consumption patterns, and financial behaviors in the South-East and South-South Nigeria
- b. To analyze how university lecturers of different generations allocate their income and how Age affects their financial decisions in the South-East and South-South Nigeria.



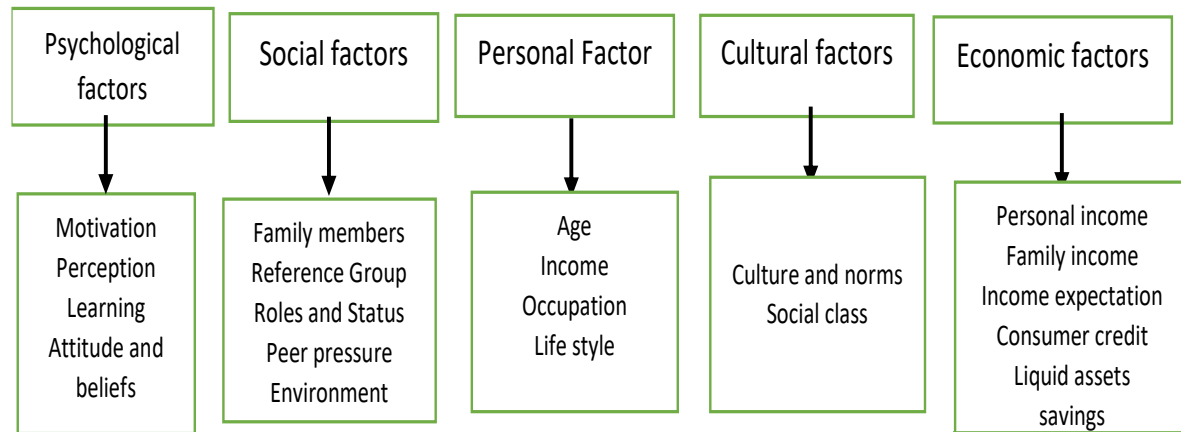
- c. To investigate the factors influencing relative income consumption among the University lecturers, with a particular focus on generational class, career position, and saving behaviors in the Southeast and South-south Nigeria

LITERATURE REVIEW

Conceptual Framework

The relationship between education and income is deeply connected; education is a crucial element for economic success and societal advancement in contemporary society (Olena, 2020; Alan, 2023). Education empowers its recipients to secure higher salaries and enhanced self-expression, along with critical satisfaction. Alan (2023) emphasized that education is a key determinant of a person's earning capability, and insufficient income hinders an individual's chance of achieving financial security. Psacharopoulos and Patrinos (2018) discovered that the private average return on an extra year of schooling is 9 percent annually, and both the private and social returns of higher education are on the rise. The research conducted by Blundel et al. (2005) confirmed that those with advanced education earn more, with average returns varying from 14 percent for O-levels to 48 percent for higher education, as noted by Bugheanu and Strachinaru (2020). Meanwhile, Lancet (2024) examined the gender disparities in returns and concluded that the financial benefits of female education are greater than those of males in low-income countries. Through education, individuals gain knowledge and improve their overall well-being (Wang et al. 2025; Umoke et al. 2020), develop skills, and access better-paying positions, enhanced career prospects, and increased opportunities for economic triumph (Olupona, 2023).

De Gregorio and Lee (2002) propose that education, income, and spending are closely linked. A person with a higher level of education frequently earns more and experiences greater returns on spending. Rosel (2015) highlighted the significant influence of education on consumption patterns, while Becker and Murphy (2007) concentrated on examining the impact of education on household expenditure and the economy. Their research confirmed that enhanced education has led to increased returns on household expenditure. Various factors can influence consumption behaviors, and Hitesh (2023) identified five key factors: psychological, social, personal, cultural, and economic factors. This is represented in the figure 1 below:

Figure 1: Factors Affecting Consumer Behaviors

Source: Authors Depiction, 2025

University lecturers are a group of individuals who have a passion for teaching and research; they play a very crucial role in higher education, and their roles include teaching both undergraduate and post-graduate students, supervising researches and contributing to academic communities, while through research contributing to policy formation. Their responsibilities include teaching, research, administrative studies, and student supervision. With these enormous responsibilities, the salary structure of university lecturers in Nigeria is abysmal, the worst among the West African countries.

Salary Structure of Nigerian Lectures:

The salary structure of Nigerian lecturers depends on their experience in the field and placement in rank. The structure is governed by the Consolidated University Academic Salary Structure (CONUASS 11). Lecturers' rank ranges from Graduate Assistant, Assistant Lecturer, Lecturer 11, Lecturer 1, Senior Lecturer, Associate Professor, and Professor.

The table below contains different ranks with their respective monthly salary:

Table 1: Lecturers' Ranks and Monthly Salary

Lecturers' Rank	Monthly Salary in Naira
Graduate Assistant	99,768
Assistant Lecturer	114,464
Lecturer11	130,003
Lecturer1	163,709
Senior Lecturer	231,393
Associate Professor	281,867
Professor	342,442

Source: Arcoven (2022)



Theories

Life-Cycle Income Theory (LIT)

The Lifespan Income Theory (LIT), formulated by Modigliani and Brumberg (1954), asserts that individuals base their financial choices, especially concerning spending and saving, on their projected lifetime earnings rather than their present income. This theory implies that individuals strive to stabilize consumption throughout their lives: they may borrow or spend more during their youth when earnings are lower, save during their highest income years, and draw down savings in retirement (Modigliani, 1986). In the context of university educators in South-East and South-South Nigeria, this model aids in understanding generational variations in financial habits. Younger educators might favor immediate spending due to familial obligations and constrained resources, while mid-career educators are often inclined to save diligently in preparation for retirement and forthcoming financial demands.

Implementing the Life-Cycle Hypothesis (LCH) within this population underscores the significance of institutional frameworks such as retirement plans, mutual societies, and the availability of financial management resources. These systems affect how educators view and handle their long-term assets. Additionally, societal expectations concerning familial assistance and community responsibilities may alter conventional saving trends, particularly in collectivist cultures like Nigeria. As noted by Deaton (2005), the LCH presents a solid economic framework, yet actual behaviors frequently mirror social customs and institutional limitations. Therefore, grasping the financial conduct of Nigerian educators necessitates combining LCH with contextual elements that influence saving practices through generations.

Planned Behavior Theory (PBT)

The Planned Behavior Theory (PBT), introduced by Icek Ajzen (1991), asserts that personal actions are guided by behavioral intentions, which arise from three fundamental elements: attitudes toward the action, social norms, and perceived capacity to control one's behavior. In the realm of financial actions, PBT implies that a university instructor's desire to save, invest, or spend is affected by their personal convictions regarding money management (attitude), the expectations set by peers or society (social norms), and their assurance in their ability to execute the behavior (perceived capacity). For instructors in South-East and South-South Nigeria, these influences may be molded by cultural expectations, financial education, and institutional assistance structures such as cooperative societies and pension plans (Deaton, 2005).

The Theory of Planned Behavior (TPB) is notably instrumental in analyzing saving tendencies across different generations. Younger educators might feel a diminished sense of control over their finances due to limited income and familial responsibilities, whereas older educators could demonstrate stronger saving intentions because of retirement considerations and enhanced financial security. Furthermore, societal expectations, like communal duties or the pressure to support extended family, can affect financial choices independent of personal beliefs. By leveraging TPB, scholars can investigate how educational attainment, cultural context, and generational identity converge to influence the financial intentions and actions of university lecturers in Nigeria.



Empirical Review

Olupona (2023), using the Gini Index, examined the relationship between education and income inequality across 145 nations from 1996 to 2016. The study found a positive correlation between education and inequality in high- and low-income countries, but a negative correlation in middle-income nations. Yang and Qiu (20216) explored education's effect on income disparity and intergenerational mobility using an overlapping generational model, showing that higher education and intrinsic ability contribute to inequality. Olena (2020) found that education correlates positively with income and self-perceived happiness across 145 countries, while Lazear (1977) and Jörg Rössel (2015) highlighted education's causal influence on income and consumption.

Investing in education yields higher earnings, economic autonomy, innovation, and self-awareness. Psacharopoulos and Patrinos (2018) analyzed returns on schooling from 1950–2014 across 139 countries, reporting average private returns of 9% per year and significant social returns. Revoredo and Morisset (2016) confirmed that higher education reduces income instability and increases long-term savings despite initial consumption trade-offs. Morisset et al. (1995) and Bollinger, Ding, and Lugauer (2022) similarly linked education to higher savings, though Uang, Zhang, and Yang (2022) noted that higher education expansion may reduce national savings in Asia.

Mouna, Jarbouli & Salhi (2020) highlighted that financial literacy moderates risk aversion and savings, with demographics affecting financial behavior. Bugheanu and Străchinaru (2020) showed life events influence consumption, while Jumena, Siaila & Widokarti (2022) identified multiple factors affecting saving, including financial literacy and psychological traits. Cheng (2021) reported that each additional year of education raised household consumption by seven percentage points among Chinese migrants, with education expenditures driving consumption inequality. Hoffmann and Muttaract (2020) found schooling promotes pro-environmental behaviors, and Zhang & He (2007) confirmed that education positively influences consumption structure.

Goa (2025) demonstrated that advanced education enhances intra- and intergenerational income mobility in China, while Wang et al. (2025) found education improves subjective well-being via relative income and social class. Guijarro-Garvi et al. (2022) documented increased educational attainment in Ecuador, and Umoke et al. (2020) observed that parental education affects children's eating behaviors.

Peer and social influences also shape consumption. Gunawan et al. (2023) showed social and peer effects significantly affect e-commerce behavior, while Wang & Luo (2024) confirmed peer effects in consumption through bibliometric analysis. Yue et al. (2022) found higher reference-group income increases household spending. De Giorgi et al. (2020) similarly noted peer consumption effects, though Clark et al. (2010) highlighted ambiguity in income-consumption-peer interactions. Wang, Yu, and Wei (2012) showed social media-mediated peer communication influences consumer choices through conformity and product validation.



RESEARCH METHOD

This study surveyed 150 respondents among lecturers in Nigerian universities, drawn from the federal government, state government, and privately-owned universities. The sample size was determined following Godden (2004) sample size (SS) for an unknown population.

$$SS = \frac{Z^2 * p * (1-p)}{c^2} \quad (1)$$

SS: Sample Size

Z: Z- Value (e.g. 1.96 for a 95% percent confidence level)

Z-values (cumulative Normal Probability Table) represent the probability that a sample It will fall within a certain distribution.

P: Percentage of population picking a choice, expressed as a decimal

C: Confidence interval, expressed as a decimal (e.g., 0.08= +/- 0.08 percentage points)

$$SS = \frac{3.8416 * 0.5 * (1 - 0.5)}{0.08^2}$$

$$SS = \frac{3.8416 * 0.25}{0.0064}$$

$$SS = 150.0625$$

Sample Size is 150

Although over 3500 qualified lecturers were contacted, via emails and mobile telephones, only 147 respondents were willing and actually participated in the online survey. This is a response rate of 98%, which was considered good enough for the study.

A multi-stage sampling method was used as the university lecturers were purposively selected for the study; deliberate efforts were made to ensure the inclusion of all categories of lecturers, ranging from Graduate Assistants to Professors. The snowball approach was also used, as respondents were requested to recommend the survey to their colleagues. Furthermore, sharing the survey link in pools of lecturers' WhatsApp platforms led to random responses from lecturers who were willing to participate in the study. The instrument used for data collection was a semi-structured e-questionnaire, which included clear guidelines for participants to avoid a wrong interpretation of the question.

To validate the instrument, the questionnaire was administered to a pilot group of 30 lecturers. The responses from the pilot survey were tested for reliability of the instrument using Cronbach's Alpha, which yielded a Cronbach's α of 0.809; that is, about 81 percent reliability (Sekaran, 2003). Both descriptive and inferential analyses were used. Statistical Package for



Social Sciences (SPSS) was used for the descriptive, while STATA 16 was used for the inferential analysis, with the hypotheses tested at 5% level of significance.

Conceptual Framework

In this study, the conceptual framework used was adapted from Janjua and Kamal (2011), who opined that educational attainment has both direct and indirect effects on income and consumption. Both descriptive and inferential analyses were used. For the inferential data analysis, an ordinal logistic model (Borooah, 2001) with interaction effects was adopted, given that the dependent variable, lecturer relative income and consumption, was captured as a 4-point ordered categorical variable (as stated in equation 1). This was used to capture in the first objective, which seeks to ascertain how education level and saving behaviors influence the relative income consumption of the university lecturers across different generations in the South-east and South-south Nigeria. This was estimated using Equation 3.

$$y^* = \sum \alpha_k x_k + \mu_k \dots\dots\dots 1$$

where y^* represents an unobserved continuous tendency behind the observed ordered response (ranking). X_k are the exogenous variables, while the α_k are the associated parameters, and μ_k captures stochastic variation. It is assumed to be distributed logistically. Equation 2 shows the relationship of the unobserved y^* to Y through a series of “cut points”.

$$\left. \begin{array}{l} Y = 1 \text{ if } y^* \leq \delta_1 \\ Y = 2 \text{ if } \delta_1 < y^* \leq \delta_2 \\ \dots \\ Y = j \text{ if } \delta_{j-1} < y^* \end{array} \right\} \dots\dots\dots 2$$

where Y is the ranking, and the δ 's represent thresholds of y^* that delineate the categories of the ordered response variable. The threshold parameters are constrained to be positive, where each one is greater than the previous – ordered responses. The first parameter δ_1 is normalized to 0 so that one less parameter has to be estimated. That is not a problem because the scale of the latent variable is arbitrary (Borooah, 2001). Equation 3 was estimated with STATA 16.

$$Q_RIC = f(Q1, Q2, Q3, Q4, Q5, Q6, X11, X22) \dots\dots\dots 3$$

Measures

The description of the variables used in the estimation is provided in Table 2. The Table captures the variable code, type of variable, and description.

Table 2. Definition of variables

Variable Code	Type	Description
Q RIC	Quantitative	Relative income consumption (measured by how often a lecturer compares his/her income with that of the colleagues/neighbors: strongly disagree = 1, disagree = 2, neutral = 3, agree = 4, and strongly agree = 5)



Q1	Quantitative	Generational class (age of lecturers: 25-35 = 1 [Gen Y], 36-45 = 2 [Millennials], 46-55 = 3 [Generation X], 56-65 = 4 [Baby Boomers], 65+ = 5 [Silent Generation])
Q2	Dummy	Gender (male=1, female=0)
Q3	Quantitative	Current career position as a lecturer
Q4	Dummy	Other sources of income (Have other sources of income =1, otherwise = 0)
Q5	Quantitative	Highest education attainment (BSc1, Master = 2, and PhD/Fellowship =3)
Q6	Quantitative	Saving behavior (savings frequency: Daily = 1, Weekly = 2, Monthly = 3, Quarterly = 4, Rarely/occasional = 5)
X11	Quantitative	interaction effect between saving behaviors (Q6) and generational class (Q1)
X22	Quantitative	interaction effect between education attainment (Q5) and generational class (Q1)

RESULT PRESENTATION

Descriptive Statistics

Table 3: tabulated results of the descriptive statistics

University Type		Percentage(%)	Age Distribution	Percentage(%)
Federal University		67%	25-35 years	13%
State Government		27%	36-55 years	70%
Private University		6%	56 – 65 years	14%
			Above 65years	3%
Gender			Education Qualification (Degree)	
Male		63%	Bachelor's	0.7%
Female		37%	Master's	23.1%
			PhD/Fellowship	76.2%
Generational Distribution		Percentage (%)	Annual Income Distribution (Income Range)	
Gen Y		12.9%	1,000,000 – 20,000,000	22.4%
Millennials		34.7%	2,100,000 – 3,000,000	23.1%
Generation X		35.4%	3,100,000 – 4,000,000	21.1%
Baby Boomers		14.3%	4,100,000 – 5,000,000	12.9%
Silent Generation		2.7%	5,100,000 – 6,000,000	13.6%
			Above 6,000,000	6.8%
Gender				
Male		63%		
Female		37%		



Academic Cadre	
Graduate Assistants	6.1%
Assistant Lecturer	12.9%
Lecturer 11	11.6%
Lecturer 1	25.2%
Senior Lecturer	17%
Associate Professor	10.2%
Professor	17%

The statistical overview of our descriptive data in Table 3 indicates that a significant proportion of participants (67%) hail from public universities, with a large segment aged between 36 and 55 years (70%). The gender ratio leans towards males (63%), and a notable share possess doctoral or fellowship credentials (76.2%). Examining generational categories, Generation X (35.4%) and Millennials (34.7%) are prevalent, while income brackets show a dispersion, with the largest group earning ₦2.1M–₦3M annually (23.1%). Merely 6.8% report earnings exceeding ₦6M. Regarding academic roles, the Lecturer I position is predominant (25.2%), followed by Senior Lecturers and Professors (17% each). Graduate Assistants represent the smallest fraction (6.1%). These statistics portray a workforce that is predominantly seasoned, well-educated, and primarily situated in public institutions, with income and generational variety influencing their professional and financial constructs.

Objective (a): To examine the relationship between lecturers' income, consumption patterns, and financial behaviors in the South-east and South-south Nigeria

The distribution of income and consumption patterns is presented in Table 4.

Table 4. Income and consumption pattern

Question	Strongly disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly agree (%)	Total (%)
Is your income sufficient to meet your basic needs?	39.5	36.7	6.8	10.9	6.1	100
Your income allows you to afford luxury items occasionally?	51.7	36.1	4.1	6.1	2.0	100
Do you prioritize spending on luxury items?	42.9	35.4	3.4	10.9	7.5	100
Do you often compare your income with that of your colleagues/neighbours?	45.6	17.0	21.1	0.0	16.3	100
Do you consume based on your income level?	6.1	8.8	5.4	60.5	19.0	100
Do you experience financial stress based on your income level?	5.4	6.1	5.4	40.1	42.9	100
To what extent do you believe your education level influences your income consumption patterns?	13.6	18.4	20.4	38.8	8.8	100



Do you feel confident in your ability to save for retirement?	24.5	19.0	19.0	27.2	10.2	100
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As depicted in Table 4, about 76 percent insisted that their income is not sufficient to meet their basic needs. It is therefore no surprise that only 7 percent agreed that their income allows them to afford luxury items occasionally. The majority (62.6%) of the respondents do not compare their income with that of their colleagues or neighbours. Most of them (79.5%) opined that their consumption is based on their income level. In any case, 83 percent of them agreed that they experienced financial stress based on their income level. About 48 percent of the lecturers believed that their education level influences their income consumption patterns; 20 percent were undecided. With regards to saving for retirement, about 44 percent opined that they do not feel confident in their ability to save for retirement; only 37 percent expressed such confidence. The majority (76.2%) of the participants save only 10% or below from their income; only 8.9% can save 30 percent or above. An equal percentage (42%) of participants believed that their educational attainment had impacted or not impacted their financial stability; the rest were not sure. Most of the respondents were motivated to save money for the sake of retirement (32%), or an emergency fund (42%); about 20 percent and 2 percent were motivated due to major purchases (like a house or a car) and the education of children, respectively.

In the past three years, 89.8 percent of them have noticed changes in their spending habits. A further analysis shows that, among the respondents, 49.1 percent of their income is allocated to Essential expenses (such as housing, food, and transportation); about 22 percent was allocated to debt repayment, and 18 percent for savings. The remaining income is divided among non-essential (like entertainment and hobbies) expenses (9%), Charity (1.4%), and Needs of the moment (0.3). Considering the effects of education on spending habits, 47 percent indicated that it increased their spending on education, research, and personal development; about 27 percent agreed that it increased their spending on housing and transportation, and 25 percent opined that it decreased their spending on entertainment. Only 0.7 percent asserted that education has increased their spending on luxury items; the rest noted that their needs or unplanned events determine their spending habit, not education. Income allocation among different generations of lecturers is presented in Table 3.

Objective (b): To explore how university lecturers from different generational groups allocate their income and examine how age influences their financial decision-making

Table 5. Income allocation among different generational classes

Generational classes			Percent
Gen Y	Allocation of Income	Debt repayment	14.3
		Essential expenses (housing, food, transportation)	51.4
		Non-essential expenses (entertainment, hobbies)	14.3
		Savings	20.0
Millennials	Allocation of Income	Debt repayment	26.2
		Essential expenses (housing, food, transportation)	44.9



		Non-essential expenses (entertainment, hobbies)	8.4
		Savings	18.7
		Charity	1.9
Generation X	Allocation of Income	Debt repayment	18.0
		Essential expenses (housing, food, transportation)	54.0
		Non-essential expenses (entertainment, hobbies)	8.0
		Savings	18.0
		Charity	2.0
Baby Boomers	Allocation of Income	Debt repayment	25.0
		Essential expenses (housing, food, transportation)	47.7
		Non-essential expenses (entertainment, hobbies)	11.4
		Savings	15.9
Silent Generation	Allocation of Income	Debt repayment	28.6
		Essential expenses (housing, food, transportation)	42.9
		Savings	14.3
		Needs of the moment	14.3

According to Table 5, as expected, essential expenses (such as housing, food, and transportation) attracted a greater proportion of income allocation across all generations. However, it is interesting to note that the oldest generation (silent generation) reported the highest allocation (28%) to debt repayment, followed (25%) by Millennials (26.2%) and the baby boomers (25%). Only the oldest generation indicated that their income (14.3) is allocated to unforeseen expenses (needs of the moment). The youngest generation (Gen Y) allocated the highest percentage (20%) to savings. This is followed by the next generation (18.7%), which is the Millennials, and Generation X (18%), and in that order. Table 3 further shows that the older generation (silent generation) is the only class that did not allocate income to non-essential expenses (like entertainment and hobbies).

Based on the study's objectives, a logit regression model with an interaction effect was estimated. In Table 4, we present the regression results.

Objective (c): To investigate the factors influencing relative income consumption among university lecturers, with emphasis on generational class, career position, saving behavior, and their interaction effects.

Table 6. Estimation of ordered logistic regression with interaction effect (Dependent variable = Relative income consumption [Q11])

Q RIC	Coef.	Std. Err.	z	P>z	[95% Conf. Interval]
Q1	2.6047 [13.526]	1.0970	2.37	0.018	0.4547 4.7547
Q2	-0.4508 [0.6371]	0.3348	-1.35	0.178	-1.1070 0.2054



Q3	-0.3027 [0.7388]	0.1504	-2.01	0.044	-0.5974	-0.0081
Q4	0.3361 [1.3994]	0.3303	1.02	0.309	-0.3113	0.9834
Q5	1.0898 [2.9735]	0.8787	1.24	0.215	-0.6325	2.8120
Q6	1.4253 [4.1589]	0.4957	2.88	0.004	0.4538	2.3967
X11	-0.4603 [0.6311]	0.1811	-2.54	0.011	-0.8152	-0.1054
X22	-0.2012 [0.8177]	0.1935	-1.04	0.298	-0.5805	0.1780
/cut1	6.5172	2.8106			1.0086	12.0257
/cut2	7.2923	2.8250			1.7554	12.8291
/cut3	8.5178	2.8516			2.9287	14.1069

[..] = Odds Ratio Number of obs. = 147 LR $\chi^2(6) = 19.21$

Prob > $\chi^2 = 0.0138$ Log likelihood = -179.075 Pseudo R² = 0.0509

The results of the estimated model (Table 6), generational class (Q1), current career position of lecturer (Q5), saving behavior (Q6), as well as the interaction effect between saving behaviors and generational class (Q1) were statistically significant ($p < 0$). While generational class (Q2) and saving behavior (Q6) showed a positive effect on relative income consumption, current career position of lecturer (Q3) and the interaction effect between saving behaviors and generational class showed a negative effect. On the other hand, gender (Q2), other sources of income (Q4), education attainment (Q5), and the *interaction effect between Education attainment and generational class* were not statistically significant ($p > 0$).

The result indicates that a movement from a lower generational class to an upper class, relative income consumption increases. Likewise, an increase in the level of savings among the lecturers leads to an increase in the relative income consumption. However, the result also suggests that as lecturers are promoted from one career position to an upper position, their relative income consumption decreases. Similarly, the interaction effect between saving behaviors and generational class leads to a reduction in relative income consumption.

DISCUSSION OF RESULTS

Results revealed a misalignment between earnings and financial wellness, consistent with the Life-Cycle Hypothesis: low income during peak earning years undermines long-term financial planning. Generational analysis shows younger lecturers (Gen Y/Millennials) balance savings and discretionary spending, while older cohorts prioritize necessities and debt repayment, supporting prior studies (Million, 2019; Nwosu et al., 2023).

Ordered logistic regression for the third objective indicates that generational class, professional position, and saving behavior significantly affect income expenditure. Younger staff who save actively spend more relative to income, while senior academics exercise caution. The interaction between age and saving underscores the role of generational context, aligning with the Theory of Planned Behavior (Ajemunigbohun & Azeez, 2023; Udoh, 2025). Overall, the study emphasizes targeted financial literacy programs, institutional reforms, and age-specific planning strategies to support lecturers' diverse financial needs.

The data in Table 4 reveal a substantial gap between lecturers' earnings and financial stability in South-East and South-South Nigeria. A combined 76.2% of participants either strongly



disagreed or disagreed that their salaries meet essential needs, while 87.8% reported occasional difficulty affording luxury items. This indicates that most lecturers face financial constraints, limiting their capacity to save, invest, or plan for future financial goals. These findings align with the Life Cycle Hypothesis (Modigliani & Brumberg, 1954), which posits that inadequate income during peak earning years undermines long-term financial strategies. Eneogu et al. (2023) similarly noted that Nigerian lecturers increasingly encounter financial difficulties, often resorting to cost-cutting or alternative income sources. Supporting this concern, 83% of respondents reported financial stress, highlighting vulnerability despite high educational attainment.

Spending behavior is largely income-driven, with 79.5% agreeing that consumption aligns with earnings, consistent with the Theory of Planned Behavior (Ajzen, 1991), which emphasizes perceived behavioral control in economic decision-making. Yet only 37.4% feel confident saving for retirement, revealing a gap between intention and perceived control. While 47.6% acknowledge that education influences income and spending, 32% disagree, reflecting diverse perceptions of academic qualifications' economic benefits. Nwosu, Okolie, and Onukwube (2023) further highlight that job category and financial literacy shape spending patterns, emphasizing the need for targeted financial education and institutional reforms to address income sufficiency and retirement planning.

Table 5 highlights generational variations in financial allocation. Younger cohorts, including Gen Y and Millennials, dedicate 20.0% and 18.7% of earnings to savings, respectively, and 14.3% and 8.4% to non-essential spending, indicating a balance between future security and lifestyle. Millennials also exhibit the highest debt repayment rate (26.2%), reflecting student loans, early career obligations, or limited income growth. In contrast, older generations, such as Baby Boomers and the Silent Generation, prioritize essential expenditures and debt repayment. The Silent Generation allocates 28.6% to debt and only 14.3% to savings, underscoring a focus on immediate necessities. These patterns align with the Life Cycle Hypothesis and Ajzen's (1991) Theory of Planned Behavior, highlighting generational differences in perceived control and financial priorities. Eneogu et al. (2023) note that rising living costs further encourage conservative strategies among senior lecturers, emphasizing the need for age-specific financial planning and literacy initiatives.

Ordered logistic regression (Table 6) identifies factors influencing relative income consumption, focusing on generational class, career level, and saving habits. The model is significant (LR $\chi^2 = 19.21$, $p = 0.0138$). Generational class (Q1) shows a strong positive coefficient (2.6047, $p = 0.018$), indicating younger lecturers engage more in relative income consumption, consistent with Nwosu et al. (2023). Career level (Q3) has a negative coefficient (-0.3027, $p = 0.044$), suggesting senior staff exercise caution, consistent with Million (2019) and Ajemunigbohun & Azeez (2023). Saving habits (Q6) positively influence consumption (1.4253, $p = 0.004$), reflecting a balanced approach where saving complements moderate spending, in line with Ajzen (1991).

The interaction term between generational class and saving behavior (X11) is negative and significant (-0.4603, $p = 0.011$), indicating that the impact of saving on consumption varies by age: younger lecturers may save while maintaining moderate spending, whereas older lecturers prioritize conservation. This aligns with Udoh (2025), who observed that financial literacy interacts with age to shape financial outcomes. Although the pseudo R^2 is modest (0.0509), the significance of key variables underscores the influence of generational and career factors on



financial behavior. These findings emphasize the importance of targeted financial education, age-appropriate planning strategies, and institutional support to foster sustainable financial practices among university lecturers.

CONCLUSION AND POLICY IMPLICATIONS

This research investigated the financial habits of university lecturers in South-East and South-South Nigeria, focusing on three objectives: (a) the relationship between earnings, spending patterns, and financial behavior; (b) generational differences in income distribution and financial decision-making; and (c) factors affecting relative income expenditure, including job status, saving behaviors, and their interactions.

A majority, 76.2%, disagreed or strongly disagreed that their income meets basic needs, highlighting economic vulnerability. Luxury consumption is also limited, with 87.8% unable to afford luxury items even occasionally, and 78.3% not prioritizing such spending. Social comparison is low, as 62.6% do not compare income with peers. Spending is largely income-driven (79.5%), reflecting rational budgeting under constraints. Financial stress affects 83%, while 47.6% acknowledge education's impact on income and consumption. Yet only 37.4% feel confident in saving for retirement, consistent with national trends showing rising living costs and limited disposable income. These challenges contribute to young lecturers resigning for more lucrative employment, threatening human capital development.

FURTHER STUDIES

This study's focus on lecturers in South-East and South-South Nigeria limits the generalizability of its findings to other regions with differing economic conditions and cultural attitudes toward finance. The sample may not adequately represent all academic fields, employment types, or private universities, which were minimally included (6%). Reliance on self-reported data introduces potential bias, such as underreporting income or overstating financial difficulties. The cross-sectional design also restricts the ability to observe long-term financial behaviors or policy effects. Future research could integrate survey data with qualitative approaches, such as interviews or focus groups, to examine contextual factors, individual motivations, and perceived constraints that shape financial decisions across diverse academic and regional contexts.

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