

People's Voices on the Implications of Fuel Subsidy Removal on Household Expenditure and Savings in Birnin-Kebbi Metropolis

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Abstract

This paper examines the impacts of the fuel subsidy removal on household spending and saving behavior among 190 households in the Birnin-Kebbi metropolis, utilizing semi-structured surveys and interviews for the data collection and analysis. The sudden removal of fuel subsidies by the Nigerian government adversely impacted households' expenditure and saving patterns, with the majority cutting nonessential spending due to income doubt. Survey results reveal that 100% of the surveyed population was aware of the adverse consequences of the exit of the fuel subsidy. 97% changed their spending habits, and 89% could not save more. Consequently, 100 percent of the households are experiencing financial stress affecting their health and well-being. These findings can help policymakers to come up with targeted intervention initiatives such as promoting financial literacy, providing palliatives, subsidizing transport fare, and creating job opportunities in this economic hardship.

Keywords: Fuel subsidy, Household, Finance, Expenditure, Savings, Income

Introduction

The phenomenon of subsidy removal has attracted significant attention from scholars, analysts, and policymakers, particularly since the moment the President and Commander in Chief of the Armed Forces of Nigeria, President Ahmed Bola Tinubu, declared that “fuel subsidy is gone” in Nigeria. Subsidy removal, especially on fuel, is not a peculiar issue to Nigeria alone. Countries, including Kenya, Congo, and Ghana, have removed fuel subsidies as a response to economic crises, according to Agbetiloye (2023).

Fuel subsidy removal in Nigeria started in the 1970s following the promulgation of the Price Control Act, which banned the sale of certain commodities, including gasoline above the regulated price (Okwa et al., 2024). In 1986, petroleum subsidies were temporarily removed. The fuel subsidies have been in place since then. In January 2012, under the leadership of President Goodluck Ebele Jonathan, the government stopped covering the cost of fuel for Nigerians. The price for PMS rose from 65 Naira to 141 Naira per liter, which led to a quick increase in the price of consumer goods, transportation fare, and other services. Consequently, protests against the removal of the fuel subsidies erupted in major cities, including Kano, Lagos, the Federal Capital Territory, and other states in southern and western parts of Nigeria (Kowo, 2023). Protestants demand the immediate reversal of the subsidy on fuel. The government responded to the intense pressure by partially returning the fuel subsidies. According to Kowo (2023), statistics show that in 2022 alone, the fuel subsidy paid by the government reached 6.1 billion United States dollars, which is equivalent to 23% of the country appropriation bill of 25.9 billion United States dollars of the same fiscal year (Okwa et al., 2024). Consequently, the former president, Muhammadu Buhari, professed that the nation could no longer afford fuel subsidies, and the government would stop them in June 2023 (Adetayo, 2023). In May 2023, the president and commander in chief of the Armed Forces of the Federal Republic of Nigeria, Bola Ahmed Tinubu, announced the complete abolition of fuel subsidies in the country (Okwa et al. 2024). In his inaugural speech, Tinubu stated that the decision to remove the subsidy on fuel was aimed at addressing the economic

challenges and improving fiscal sustainability. He added that the funds for subsidies will be channeled to other things such as public goods, education, health care, and employment. Commenting on the ongoing economic reforms in Nigeria, the chairman of the Presidential Committee on Fiscal Policy and Tax Reforms, Taiwo Oyedele, stated that removing [fuel] subsidies is the best decision we made as a country.”

Supporters of the policy argue that subsidies removed on fuel could result in efficient allocation of resources and stimulate economic expansion and development. According to Omitogun et al. (2021, as cited in Ozili, 2023) and Adekunle and Akinyemi (2021), the fuel subsidy removal could help in decreasing the magnitude of carbon emissions in the country. In contrast, critics believed that the initiative might cause the price of premium motor spirit (PMS) and electricity to rise significantly. This would have a profound effect on families’ finances and businesses, and it might lead to changes in the expenditure and saving patterns of vulnerable Nigerians.

The economic hardship brought on by the elimination of fuel subsidies in Nigeria forced many families to review their expenditure habits, prioritize vital needs, and sustain savings. The need to understand how families in Nigeria, especially the low- and middle-earners, have managed their finances during this challenging time cannot be overemphasized (Omotosho, 2020; Ozili, 2023; Evans et al., 2023; Okwa et al., 2024; & Idris et al., 2024).

The majority of existing literature concentrates on the effect of the elimination of subsidies on businesses, with little concern for how families manage their financial challenges. Thus, this present paper aims to fill this research gap by examining the effect of fuel subsidy removal on household expenditure and savings in the Birnin-Kebbi metropolis, Kebbi State, Nigeria. Thus, the paper offers insights into how families adapt their financial behaviors in response to income uncertainties and economic downturns due to subsidy removal, where high inflation, foreign exchange rate volatility, high rate of unemployment, corruption, bribery, bad governance, poor social amenities, high rate of poverty, insecurity, etc., often aggravate financial instability among the low- and middle-income families.

Study Objectives

The main aim was to investigate the impact of subsidy removal on households in the Birnin-Kebbi metropolitan area. The specific objectives are:

1. To examine the impact of fuel subsidy removal on household expenditure in the Birnin-Kebbi metropolitan area.
2. To examine the impact of fuel subsidy removal on household saving in the Birnin-Kebbi metropolitan area.
3. To provide active policy recommendations that can help in improving household finances in the study area and elsewhere.

Literature Review

1. Conceptual Clarifications

1.1 Fuel subsidy

Subsidy, according to Sanchi et al. (2023), is the amount of funds granted by the government to assist businesses in keeping the price of goods and services low so that citizens can afford them. Subsidy can be direct (such as cash payments to businesses or individuals) or indirect (such as a given tax break to companies). Typically, subsidies are meant to reduce some burden and improve the quality of life of the citizens. A fuel subsidy can be described as the fund paid by the government that keeps the prices of fuel below the actual market price for consumers. The positive impacts of fuel subsidy removal include infrastructural development, reduced fuel scarcity, reduced government borrowing, reduced corruption, and reduced crude oil smuggling (Sanchi et al., 2013; Okwa et al., 2024). On the other hand, the negative implications of fuel subsidy removal include an increase in crime rate, increased poverty, reduced purchasing power, a rise in the price of petroleum products, and social unrest, among others (Raji, 2018; Muhammed et al., 2020; Houeland, 2020; and Shagali & Yusuf, 2022).

1.2 Household Expenditure

The Organization for Economic Co-operation and Development, OECD (2022), defined household expenditure as “the amount of final consumption

expenditure made by residents' households to meet their everyday needs such as food, clothing, housing (rent), energy, transport, durable goods (notably cars), health costs, leisure, and miscellaneous services." Household spending is a multifaceted aspect of financial decision-making influenced by income level, size of the family, education, and norms and values. Amari (2020, as cited in Sumastuti, 2024) argues that demographic characteristics may influence saving behavior, arguing that financial literacy leads to more judicious expenditure and saving decisions of households (Chakrabarty & Mukherjee, 2022).

1.3 Household Saving

Ajibade et al. (2024) explained household saving as the money that households add to their wealth and may be invested for future use. According to Devi and Sudhakar (2018), household savings are influenced by factors such as income, interest rates, economic growth, and tax incentives. Loaba (2022) commended how the use of mobile banking and fintech companies like Opay, Palm Pay, Kuda, etc. in West Africa, including Nigeria, has made financial services easy and accessible, ultimately improving families' savings. Similarly, Harding and Klein (2022) remind us that changes in interest rates can motivate or discourage household savings.

2. Related studies

Okwa et al. (2024) study the effect of the elimination of the fuel subsidy on consumers' commodities, house rent, and welfare among 300 residents from Lagos State and Delta State. Results show that there is a significant increase in the price of consumer goods due to the removal of the fuel subsidy, which directly leads to a hike in transportation fare and house rent. Additionally, the scholars found that it negatively impacted the price of essential products, including transportation fare, which in turn deteriorated the standard of living of many Nigerians. The study advised that price control on essential commodities and services, massive agricultural production, and investing in green energy may prevent excessive increases in the price of consumer goods and reduce reliance on the government to pay subsidies.

Idris et al. (2024) examined the impact of the elimination of fuel subsidies on the cost of living, income, unemployment, and security among 400 residents of Changa Local Government Area, Niger State. Findings show that fuel subsidy removal

significantly increased the cost of living, reduced income generation, increased the unemployment rate, and worsened the security situation. The scholars advised implementing programs (cash transfers, vocational training, community policing, etc.) that can provide succor to low-income and vulnerable populations.

Sumastuti's (2024) work explored the relationship between household expenditure, savings, and the economic impact of the COVID-19 pandemic among Indonesian households. The researcher discovered significant patterns in financial behavior during times of crisis. Accordingly, it was found that household spending positively influences household savings, showing that higher-income households, despite higher spending, tend to save more. The study further found that the COVID-19 crisis negatively impacted household spending and saving habits, forcing households to reduce their spending and even use part of their savings to pay for basic needs because they lost their jobs.

Methodology

1. Study Area

The area of this current research is the Birnin-Kebbi metropolitan area, Kebbi State, Nigeria. Birnin-Kebbi is the largest city and also the state capital of Kebbi State. Hausa and Fulfulde are the most widely spoken languages in Birnin-Kebbi, while Islam is the predominant religion practiced. Geographically, Birnin-Kebbi has a semi-arid climate and covers a total of 7,624 square kilometers. The area experiences both rainy and dry seasons. The average temperature in Birnin-Kebbi is 34 degrees centigrade, while the humidity level is 17 percent. Economically, agriculture, hunting, textile dyeing, and pottery are the main economic activities that attracted thousands of buyers and sellers within and outside the state and also from neighboring countries like Niger, Benin-Republic, and Cameroon.

2. Study Design

Mangal and Mangal (2013) wrote that descriptive survey design is widely adopted by researchers in educational, social, and management sciences to comprehensively examine a given phenomenon. Therefore, this study utilized a

descriptive survey design to gather data on the impacts of fuel subsidy removal among households in the study area.

3. Population and Sampling Techniques

The study targeted all adult households in the Birnin-Kebbi metropolis. According to official data, Birnin-Kebbi has an estimated population of over 286,259 inhabitants. Given that all households in the study area cannot be reached, a sample was drawn. With regard to the quantitative data, a multi-stage sampling technique was utilized. Firstly, the Birnin Kebbi metropolis was divided into clusters based on the number of districts or areas. That is, the Birnin-Kebbi metropolis was divided into Makera Gandu, Rafin Atiku, Nassarawa I, Nassarawa II, Emir Palace, Prison Service, DG's Quarters, and New Prison Quarters. Secondly, a simple random technique was used to select four streets from the districts. Thirdly, because the respondents must be directly affected by the removal of the fuel subsidy, a purposive sampling technique was used to select 190 respondents. For the qualitative data, 1 household of each street was selected from the various districts in the Birnin-Kebbi metropolis. Hence, 32 were selected based on purposive sampling (only households affected by the removal of the fuel subsidy). This selection was based on the need to capture different opinions from diverse areas while ensuring manageability in data collection and analysis.

4. Data Collection

The study utilized qualitative and quantitative methods of data collection. These methods enable the study to have a comprehensive understanding of the phenomenon in question. In the selected streets, a semi-structured questionnaire and interviews were the tools utilized in collecting both quantitative and qualitative data from the households. The survey questionnaire was self-administered by the researcher.

5. Data Analysis

The study utilized descriptive statistics for the analysis of the study's data. The data collected via questionnaire were quantitatively analyzed using the Statistical Package for Social Sciences (SPSS, version 25). The quantitative data were sorted, coded, and entered into the computer for analysis. The analyzed data were presented using frequency distribution tables and simple percentages. For qualitative data, we

utilized Miles and Huberman's (1994) narrative data analysis, consisting of four aspects (i.e., data collection, data reduction, data display, and conclusion drawing). Firstly, the interview responses were transcribed, coded, and simplified to identify key themes. Secondly, the reduced data were visually presented to summarize the results and identify relationships between themes. Lastly, conclusions were drawn based on the observed patterns.

6. Ethical Consideration

The study guarantees privacy and voluntary participation. Participants who agreed to participate in the study were provided with a consent form, which they signed prior to filling out the study instrument or participating in the interviews. The researchers remind the study subjects that their participation was voluntary and the data collected are mainly for the purpose of this study.

Results and Discussions

1. Descriptive statistics

The quantitative data from the responses of the sampled respondents are summarized as follows:

1.1 Demographics of the Respondents

The subjects of this current study comprise one hundred and ninety (190) households living in the Birnin-Kebbi metropolis. Based on the structured questionnaire, the sampled respondents were asked questions about their sex or gender, age category, marital status, educational level, religious affiliation, occupation, and annual income. Data in Table 1 shows males constitute 73.6% and females 26.3%, with the majority, 31.5%, falling under the age bracket of 33 years and above, followed by 26% (28-32 years), 25% (23-27 years), and 18% (18-22 years). As stated in the table 42.1% of the respondents work in the public sector, and 21.1% own their private businesses. 26.3% of the sampled respondents have an annual income of ₦500,000 - 999,999 and ₦1,500,000 - ₦1,999,999, followed by 22.1%, earning ₦1,000,000 - ₦1,499,999, 15.7%, earning ₦500,000 - ₦999,999, and 9.5% earning > ₦2,000,000.

Table 1 Profile of the Respondents

Description	Details	Frequency (N = 190)	Percentage	Cumulative percentage
Sex/Gender	Male	140	73.6	73.6
	Female	50	26.3	100
Age (years)	18-22 years	34	17.8	17.8
	23-27 years	47	24.7	42.5
	28-32 years	49	25.7	68.2
	33 years above	60	31.5	100
Work	Farming	8	4.2	4.2
	Student	62	32.6	36.8
	Business	40	21.1	57.9
	Civil servant	80	42.1	100
Household Income (annual)	<฿500,000	30	15.7	15.7
	฿500,000- ฿999,999	50	26.3	42
	฿1,000,000-฿1,499,999	42	22.1	64.1
	฿1,500,000-฿1,999,999	50	26.3	90.4
	>฿2,000,000	18	9.5	100

(Source: Field survey, 2025)

1.2 Awareness and Effect of the Fuel Subsidy

Table 2 Awareness about the effect of the elimination of the fuel subsidy

Response	Frequency (N= 190)	Percentage (100%)
Yes	190	100

(Source: Field survey, 2025)

As presented in Table 2, all (100%) of the respondents said “yes,” they were fully aware of the adverse consequences of the government policy.

Table 3 Opinions on household spending changes after the fuel subsidy removal

Response	Frequency (N= 190)	Percentage (100%)
Yes	184	97
No	6	3

(Source: Field survey, 2025)

When questioned about changes in their spending habits, 97% said “yes,” that the removal of the fuel subsidy has altered their spending habits. Only a few (3%) said “no.”

Table 4 Opinions on transportation fare after the fuel subsidy removal

Response	Frequency (N= 190)	Percentage (100%)
Yes	190	100

(Source: Field survey, 2025)

Responding to the question of whether they spent more of their income on transportation prior to and after the subsidy removal, nearly all (100%) the respondents indicated “yes,” and the remaining said “no.”

Table 5 Opinions on monthly budget adjustments due to rising fuel prices

Response	Frequency (N= 190)	Percentage (100%)
Yes	169	89
No	21	11

(Source: Field survey, 2025)

Table 5 shows that a significant portion 89% of the questionnaire respondents said “yes,” they have altered their monthly budget to deal with the current economic realities, while the remaining 11% said “no.”

1.3 Financial Changes

Table 6 Opinions on the impact of fuel subsidy removal on household saving

Response	Frequency (N= 190)	Percentage (100%)
Yes	169	89
No	21	11

(Source: Field survey, 2025)

In Table 6, 89% of the sampled respondents answered “yes” they saved less money since the moment the government stopped paying subsidies on fuel. 11% answered “no.”

Table 7 Opinions on non-essential expenditure after the fuel subsidy removal

Response	Frequency (N= 190)	Percentage (100%)
Yes	181	95
No	9	4.7

(Source: Field survey, 2025)

Data in Table 7 show that the majority of the respondents, 95%, indicated option “yes,” that they have cut spending on nonessential items like entertainment, etc. The remaining 5% indicated option “no,” implying that their spending habit on nonessentials did not change.

Table 8 Responses on opting for public transportation to save fuel

Response	Frequency (N= 190)	Percentage (100%)
Yes	169	89
No	21	11

(Source: Field survey, 2025)

Data in Table 8 highlighted that the majority of the respondents, 90%, said “yes,” that they opted for public transport to save more money. 11 percent said “no.”

1.4 Lifestyle Changes

Table 9 Responses on energy consumption adjustment due to fuel subsidy removal

Response	Frequency (N= 190)	Percentage (100%)
Yes	177	93
No	13	7

(Source: Field survey, 2025)

As can be seen in Table 9, a significant majority, 93%, of the respondents said “yes,” they adjusted their energy consumption attitude, and the remaining 7% said “no.”

Table 10 Responses to increased financial stress after the removal of the fuel subsidy

Response	Frequency (N= 190)	Percentage (100%)
Yes	190	100

(Source: Field survey, 2025)

Table 10 shows that 100% of the respondents indicated “yes,” they have experienced more financial strain due to fuel subsidy removal.

1.5 Future Hopes

Figure 1 depicts that 70% of the respondents guess that their spending may “decrease,” 25% think it may “increase,” and the remaining 5% guess it may “remain the same.”

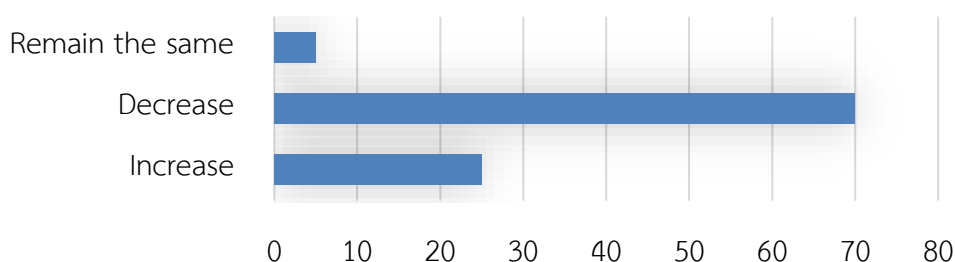


Fig. 1 Opinions on anticipated expenditure adjustment due to the fuel subsidy removal.

(Source: Field survey, 2025)

Table 11 Opinions on government assistance for households due to subsidy removal

Response	Frequency (N= 190)	Percentage (100%)
Yes	190	100

Source: Field survey, 2025

Data in Table 11 show that 100% of the respondents said “yes,” there is a need for government intervention to provide support to alleviate the hardship caused by fuel subsidy removal in Nigeria.

2. Narrative Analysis

Furthermore, the narrative analysis of the semi-structured interview shows that the elimination of the gasoline subsidy has negatively affected households’ expenditure and savings, as indicated by their responses. The description of these findings is presented under the following lines:

2.1 Impact on Household Expenditure

The consequences of fuel subsidy removal on household expenditure were indicated by the interview participants negative responses, that is, a hike in food prices, rising transportation costs, altered spending priorities, and adaptation to new budgeting practices.

2.1.1 Hike in food prices

Today, in Nigeria, food prices have recorded an unprecedented hike since the government announced the stoppage of subsidy payments on fuel. As a result, it impacted the household expenditure, which can be proved in the following extract.

Extract 1 (KM, January 22, 2025)

“Everyone, including a small child, knows what is going on in Nigeria. Since the time this government, headed by President Bola Tinubu, removed the fuel subsidy, I have noticed that everything, especially food, has become very expensive. For example, a “*mudu*” of rice that used to cost ₦1,500 is now sold for ₦4,000. It is disheartening every time I go to market because the price of food keeps increasing day by day.”

Extract 2 (SA, January 22, 2025)

“It is difficult to believe how prices of food doubled in Nigeria. Sometimes I feel like I was dreaming because the government decision to remove the fuel subsidy dramatically changed everything. Before the subsidy removal, I used to buy a loaf of bread for 300, but now it costs 900. As the breadwinner of my family, I have to change our meal plan because food prices have climbed sharply.”

2.1.2 Rising transportation cost

Fuel is the main factor determining transportation cost and transport fare in Nigeria. Nadoo (2022) pointed out that when fuel prices rise, operational costs increase. This cost may then be shifted down to businesses and consumers, potentially inflating the prices of goods and services. This condition makes households find alternatives to using fuel in their endeavors, as shown in the following extract.

Extract 5 (AHH, January 22, 2025)

“The hike in transportation fare is making it difficult for households, including mine, to get around. I and my spouse rely on public transport, and the costs have doubled due to a hike in petroleum prices. I feel like my monthly earnings are just spent on transport.”

Extract 6 (AS, January 22, 2025)

“Well, rising transportation costs adversely affected households’ expenditure on commodities and services. Getting to my place of work has become a financial burden. I used my personal car to get to work, but now I parked it because it is difficult to manage it due to the increase in fuel price. Now I used to take public transport.”

2.1.3 Altered spending priorities

As with the previous conditions, the respondents convincingly confirmed that subsidy removal has adversely impacted their expenditure; now they prioritize spending on essential commodities and services such as food, house rent, and health. Their perspectives can be seen in the extract below.

Extract 10 (SD, January 22, 2025)

“Fuel subsidy removal has taught Nigerians a lesson. For instance, I have to think twice before I spend my money. I used to buy things like snacks and carbonated drinks daily, but now I only buy what’s more important, like food, energy, and water bills.”

Extract 11 (RKM, January 22, 2025)

“Because of the fuel subsidy removal, I have to cut my expenses, especially on non-essential items. My main goal is to make sure that we have enough food supplies and pay bills and children’s school fees.”

2.2 Impact on Household Savings

The responses and attitude of the interview participants shared how the subsidy removal significantly impacted households' savings, as echoed in the reduction in savings rates, increased financial stress, and change in saving strategies. The description of this adverse effect is further elaborated as follows:

2.2.1 Reduction in saving rate

The hike in the prices of goods and services due to subsidy removal reduced the purchasing power of households and significantly affected households' savings. This condition increases the level of poverty and puts families at risk in times of emergencies, as depicted in the following extract.

Extract 12 (MJ, January 22, 2025)

“I have realized that I can hardly save money anymore because of the increase in prices of goods and services due to the fuel subsidy removal. My household’s grocery bill has increased, and I don’t have extra money left over.”

Extract 14 (BN, January 22, 2025)

“The majority of families in Nigeria cannot save. I recall when I could save part of my salary every month, but presently it is not happening.”

2.2.2 Increased financial stress

For many Nigerians, the removal of the fuel subsidy has increased financial strain by increasing the cost of survival and reducing the income levels of the citizens. This situation may cause depression, anxiety, and domestic violence, as elicited in the following extract.

Extract 15 (RS, January 22, 2025)

“I am financially stressed because of the effect of subsidy removal. With the higher costs of commodities and services, I feel like I’m continually juggling bills. It is hard to concentrate on anything else because all I can think of is how to make ends meet.”

Extract 16 (RK, January 22, 2025)

“I am so concerned about the adverse effect of fuel subsidy removal on households in Nigeria. Honestly, I am stressed about my finances.”

2.2.3 Change in saving approaches

Many families are reviewing their saving approaches, seeking ways to reduce spending and increase savings. Their point of view is depicted in the extract below.

Extract 18 (RU, January 22, 2025)

“In these present circumstances, one has to rethink how to save for the rainy day. For me, I am cutting my expenses on nonessential items so that I can save the little I can.”

Extract 19 (JM, January 22, 2025)

“The best way to face the economic realities caused by the removal of the fuel subsidy is to stretch my budget. Now I started buying essential commodities in bulk to save extra money.”

From the foregoing, it is evident that the above findings highlight how the removal of the fuel subsidy adversely affected household expenditure and savings, leading to a shift in their spending and saving behavior. Regarding the impact of fuel subsidies on household expenditure, the quantitative data show that the majority, 97 percent, agreed that the recent removal of fuel subsidies in Nigeria has altered their spending behavior. Furthermore, the qualitative data from the interviews reveals that the elimination of fuel subsidies affected household expenditure in the Birnin-Kebbi

metropolis in particular and Nigeria in general. These findings align with the argument put forth by Ogboru and Akinyotu (2024), Idris et al. (2024) and Sodeeq (2024), that the elimination of the fuel subsidy negatively impacted household income and spending habits. Adeniyi (2021) reminds us that higher costs of survival due to fuel subsidy removal breed crime and increase poverty among Nigerians.

Meanwhile, 89 percent of the respondents saved less money since the moment the government stopped paying subsidies on fuel. The qualitative data corroborated this finding, where people's voices depict the profound impact that the removal of the petroleum subsidy had on household savings. This includes drastic reductions in saving, increased financial strain, and changes in saving approaches. Ogboru and Akinyotu (2024) established that a hike in the price of fuel due to subsidy removal reduced the purchasing power of households, which led to a reduction in savings for families in Nigeria. In the same direction, Jacinta (2024) found that subsidy removal has caused financial stress impacting the overall well-being and productivity of Nigerians.

Limitations of the Study

The study acknowledges certain shortcomings. Firstly, this current study was conducted on 190 sampled participants as representatives of the Birnin-Kebbi metropolis, which may not completely represent the diverse experiences of families in the study area and other places in the country. Thus, the survey result cannot be generalized. Secondly, it is pertinent to state that the study relied on self-reported data that may introduce biases because some households may not precisely remember their financial behaviors or may wish to present themselves in a more favorable light. Again, the study focused entirely on economic implications, such as changes in expenditure and savings behaviors, excluding other areas such as education, healthcare, etc., among others. Forthcoming studies should aim to include large and different samples and examine the broader implications of fuel subsidy removal on other aspects of life in Nigeria.

Conclusion and Recommendations

In summary, the study concluded that fuel subsidy removal had significantly affected families in the Birnin-Kebbi metropolis in particular and Nigeria as a whole. Based on the study findings, a significant proportion, 97%, of households in the study area have reported changes in their expenditure habits, as constant increases in the price of commodities and transportation fare have forced them to rethink their priorities. The majority of households are struggling to cope with these challenges, leading to significant financial stress affecting their general well-being. Further, while the decision to stop subsidizing fuel may have helped the government, it has created a serious challenge for Nigerians, especially the poor citizens. The findings of this current study disclose that the removal of fuel subsidies in Nigeria adversely impacted household savings.

Based on the above, the study proposes that targeted intervention initiatives may help to alleviate the adverse consequences of fuel subsidy removal. Hence, there is a need for the government at both the federal, state, and local levels to:

1. Launch a mass awareness program on resource management. To encourage prudent resource management, the policymakers can collaborate with the local community leaders, religious groups, and civil societies to disseminate information in a manner households can understand.
2. Promote financial literacy among Nigerians, especially to people living in rural areas. Financial literacy campaigns via the social media platforms, television, radio, posters, and pamphlets should be created to teach basic financial practices like savings, budgeting, and spending on essential needs.
3. Provide palliative to poor families who are seriously affected by the removal of the fuel subsidy. Palliatives, such as food aid or cash transfers, should be given to poor households to help them cope with the current economic realities.
4. Provide subsidies on public transportation to reduce the impact of increased transportation fares. To achieve this, policymakers can provide financial assistance to public transporters to ensure transport fares remain cheap for households.

5. Providing job opportunities for unemployed youth can help young people without work to gain experience, develop skills, and establish financial independence.

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