

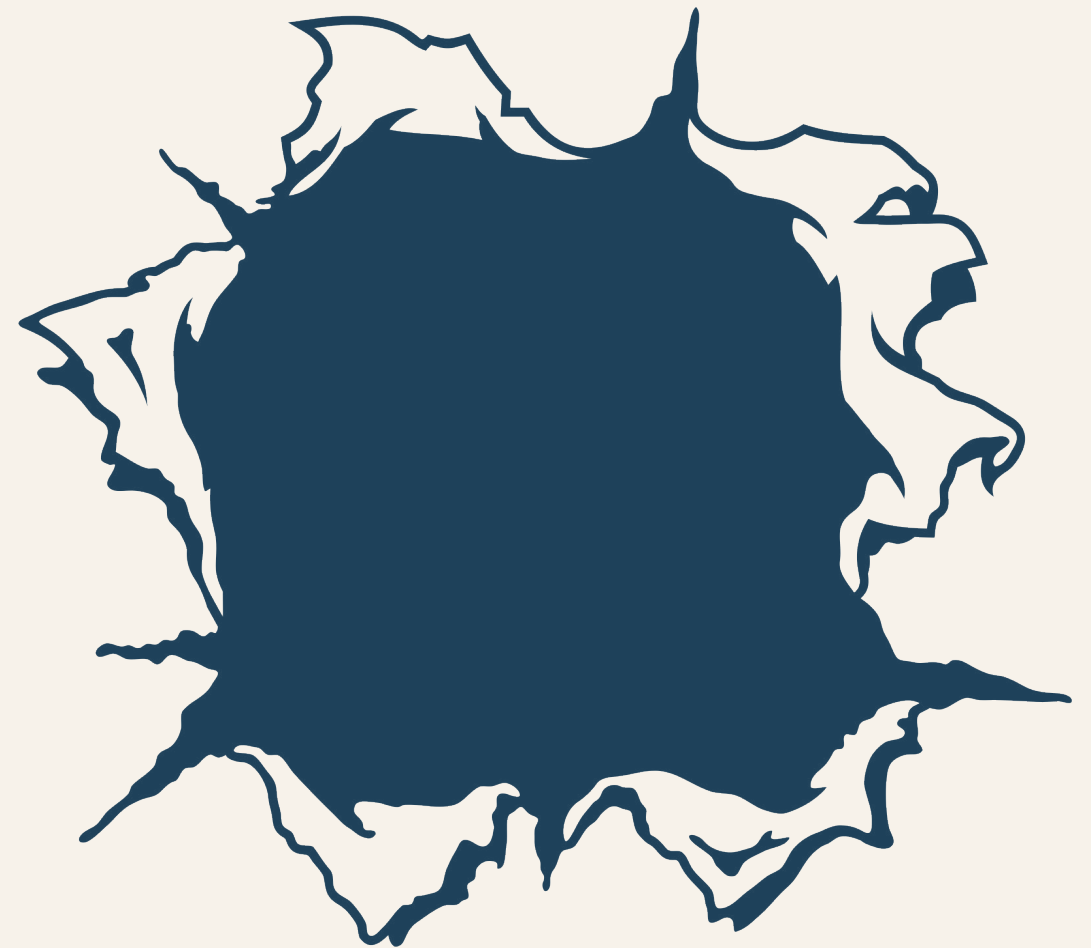


The HOLE In Nigeria's Education Budget

How a **N290 Billion** Shortfall Threatens Quality Education

July 2025

Column



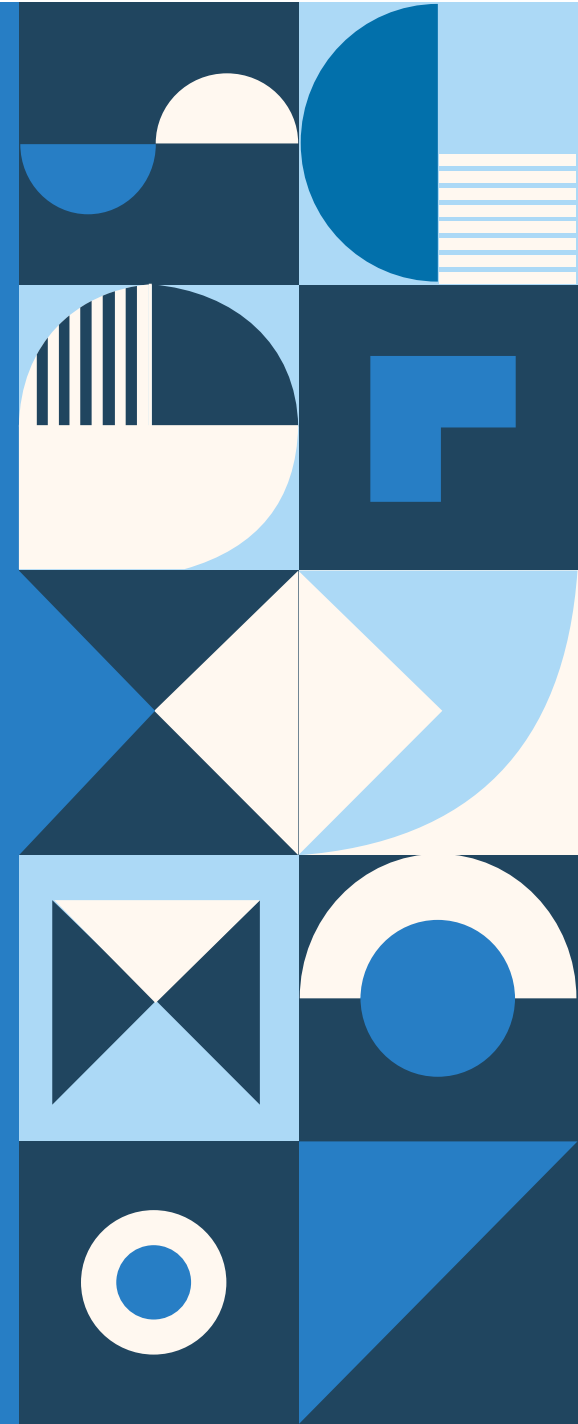
Introduction

Nigeria's education system is one of the largest in Africa, serving over 32 million students in various public and private institutions. Education is key to Nigeria's development, contributing to economic growth, poverty reduction, and social inclusion.

But despite its large student population, Nigeria's education sector has faced consistent underfunding, particularly in the areas of infrastructure, teacher remuneration, and educational resources. This has hindered its full potential for attracting and retaining qualified teachers.

In the 2025 fiscal year, Nigeria's education sector was allocated N3.52 trillion — 7% of the total budget. This is considered insufficient by many experts and stakeholders, especially when compared to international standards and the growing demands of the sector. As a percentage of GDP, education spending in Nigeria remains below the recommended benchmark set by UNESCO, which is 15–20% of total national expenditure.

Our primary objective is to highlight the HOLE between the required funding to pay teachers the national minimum wage and what has been allocated in the 2025 education budget. This report calls for increased funding and proposes measures to address the shortfall.



Teacher Salary Requirements

According to the Teachers Registration Council of Nigeria (TRCN), there were approximately 2.3 million registered teachers in Nigeria as of 2024. These teachers serve in primary, secondary, and tertiary institutions across the country. But there's still a shortage of qualified teachers, particularly in rural areas, where the majority of schools struggle to attract trained professionals.

Teacher Salary Calculation

Nigeria's minimum wage is N70,000 per month, effective from July 2024. This figure applies to all public sector employees, including teachers. Some simple calculations immediately highlight the funding hole:

Annual Salary per Teacher:

$N70,000 \times 12 \text{ months} = N840,000$

Total Salary for 2.3 Million Teachers:

$N840,000 \times 2,300,000 = N1.93 \text{ trillion}$

This is the amount needed to pay all registered teachers the national minimum wage for one year.

Comparison with the Budget Allocation

The education budget for 2025 allocates N1.64 trillion for personnel costs, which includes teachers' salaries. However, the total required for teacher salaries alone is N1.93 trillion.

Budget Hole: The shortfall between the required and allocated salary budget is approximately N290 billion.

A similar situation was seen in the previous year's budget. In 2024, the government allocated N1.59 trillion for the education sector, with N1.04 trillion specifically designated for teacher salaries. However, the total amount needed for teachers' salaries in 2024 was also higher than the allocation, which highlighted the recurring challenge of funding teacher compensation.

Required Budget for Teacher Salaries:

N1.93 trillion

Allocated Budget for Teacher Salaries 2024:

N1.04 trillion

Shortfall:

N892 billion (N1.93 trillion – N1.04 trillion)

Percentage Shortfall:

46.2%

– This shows a near 50% shortfall in the allocated budget for teacher salaries.

Impact of the Teacher Salary Shortfall

This budgetary **HOLE** — Huge Outlay Lacking in Education — has severe recruitment, qualitative, socioeconomic, civic, and security implications for Nigeria.



Effects on Teacher Recruitment and Retention

The significant shortfall in Nigeria's education budget makes it challenging for the government to recruit and retain qualified teachers, especially in public schools. This may result in teachers abandoning the profession, seeking employment in better-paying sectors, or leaving rural areas where teacher shortages are more prevalent.

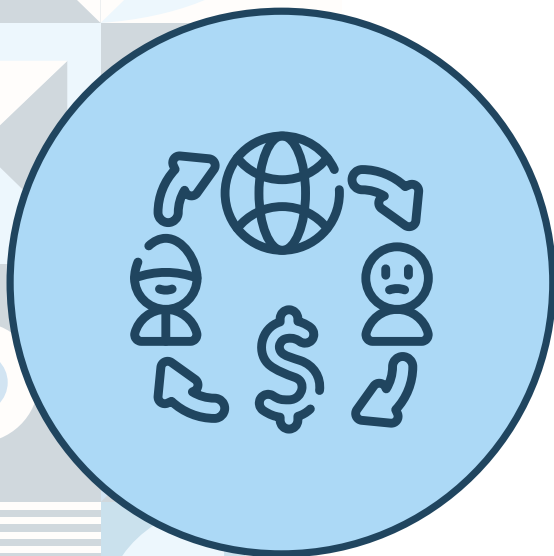
Teachers in Nigeria often face difficult working conditions, including inadequate school infrastructure, limited teaching resources, and poor pay, which further exacerbates the challenges in attracting and retaining talent in the education sector.



Consequences on Education Quality

A shortfall in teacher salaries directly impacts the quality of education. Underpaid teachers are less motivated and may struggle to meet the educational needs of their students. Inadequate remuneration also hampers the professional development of teachers, limiting their capacity to deliver high-quality instruction. With over 2 million teachers in Nigeria, the salary shortfall leaves the education system ill-

equipped to provide the quality education that Nigeria's growing population demands. This is a crucial factor in Nigeria's current educational challenges, including poor literacy rates and low academic performance. Nigeria's literacy rate has been quoted as between 69% to 77%. For comparison, Ghana's literacy rate is 80%.



Social and Economic Implications

The underfunding of education contributes to broader social and economic challenges. Lower teacher salaries means less spending by a significant chunk of the population. Poor education outcomes result in a less skilled workforce, limiting economic growth

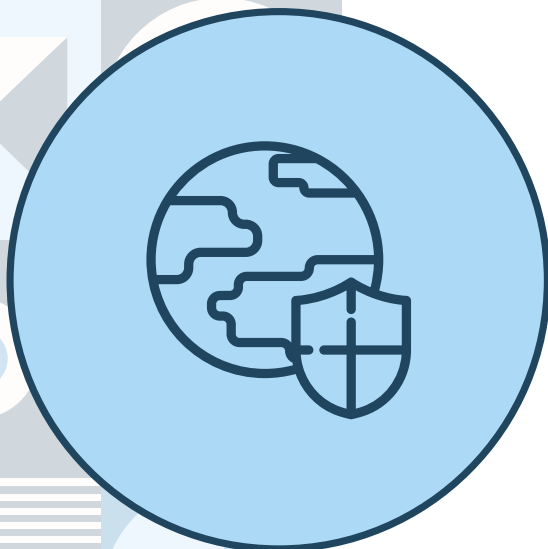
and social mobility. The shortage of trained teachers can also exacerbate unequal access to education, particularly for children in rural areas, thus perpetuating the cycle of poverty in those communities.



Civic and Political Implications

With up to a third of the population being illiterate, it becomes harder for the country to make informed decisions, and its democratic processes are less effective. It's a ticking time bomb that may sound good from a politician's short-term perspective, where they can easily sway a less educated electorate, but ultimately, it becomes self-defeating. Poor governance, political manipulation, and social unrest are consequences of an uneducated population, destabilizing the future of the country.

This significant illiterate population in Nigeria (up to 31%, or about 62 million people) limits critical thinking, which is essential for meaningful civic participation. Without strong literacy skills, people struggle to analyze complex issues, evaluate the credibility of sources, and make informed decisions during elections. This can result in low voter turnout, particularly among marginalized groups, and undermine the democratic process.



National Security Implications

The rise of extremism, insecurity and violent political movements can also be fueled by an illiterate population. When people can't critically assess political situations or recognize the dangers of extremist rhetoric, they become susceptible to radicalization.

An illiterate youth is the perfect suicide bomber. In this way, lack of education threatens peace and security. You can invest in schools today or spend money rebuilding ruins tomorrow.

Recommendations

Increase Education Budget Allocation

The Nigerian government must increase the education budget, particularly for personnel costs, to ensure teachers are paid competitive salaries. The government should allocate at above the N290 billion HOLE for teacher salaries and introduce salary scales based on experience, qualifications, and local cost of living.

Increase Budget Allocation for Teacher Security

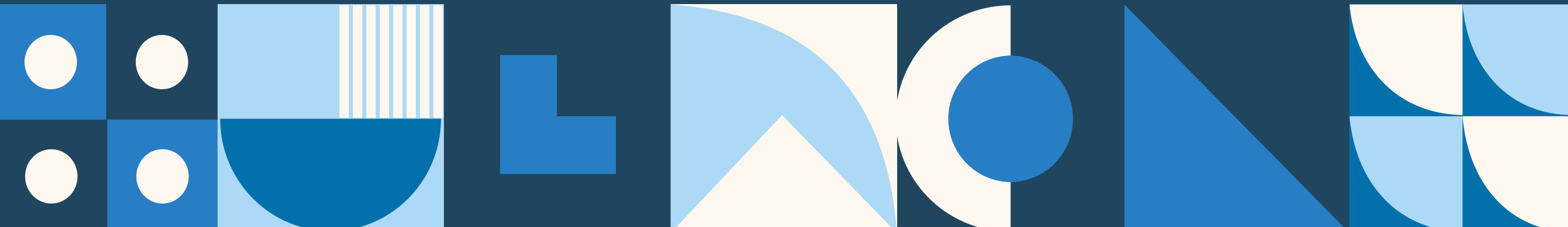
In addition to salary increases, the government should allocate funds for teacher security, particularly in high-risk areas. A dedicated security fund should be established to protect teachers in regions affected by violence, reducing absenteeism and improving retention.

Where Will the Money Come From?

Recover it from corruption. The government needs to allocate more funds to the education sector, but, rather than raising new funds through taxes or borrowing, the government can recover a significant portion of the needed funds through anti-corruption efforts. The EFCC's recovery of N277 billion in 2024 shows the potential for rechanneling misappropriated funds to bridge the education deficit. Over 50% of the N290 billion deficit for teacher salaries can be covered through these efforts. Strengthening oversight and minimizing public spending leakages will further help allocate resources effectively, without burdening taxpayers or going into debt.

Conclusion

This report highlights a serious funding **"HOLE"** — **H**uge **O**utlay **L**acking in **E**ducation — in Nigeria's education budget, with N290 billion needed to meet teacher salary requirements. The current allocation of N1.64 trillion is insufficient compared to the N1.93 trillion required, leaving a 15.03% shortfall. This underfunding of teacher salaries threatens the quality of education in Nigeria. Immediate action is needed to address this gap by increasing the education budget possibly through recovered misappropriated funds. Strengthening teacher welfare is essential for the nation's long-term development.



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