

Direct Private Cost of Undergraduate Education in Southwest, Nigeria

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Abstract

Individuals have always shown interest in monitoring the cost of their activities, in an educational institution, cost monitoring ensures that financial and other outlays of education could be justified by the number of clients being served and the quality of education provided. As a result of its important nature, cost received significant attention from scholars across discipline. This study therefore examined the private cost of undergraduate university education in south west, Nigeria.

Descriptive research design of survey type and ex-post facto designs were adopted for the study. The population for the study consisted all final year undergraduates university students in South West Nigeria, Multi-stage sampling technique was used to select four universities from South West, Nigeria. A self-developed questionnaire titled private cost inventory questionnaire (PCIQ) was used to collect data. Two research questions were raised to guide the study and descriptive statistics of mean, bar charts, line graph and percentage were used to answer the research questions. Two hypotheses were formulated and inferential statistics like t-test and multiple regression were used to test the hypotheses at 0.05 level of significance.

Findings revealed that there was significant difference between the direct private cost of university education in federal and state university. It revealed that there was significant difference in the direct private cost of undergraduate education among faculties in the same university. Also, findings revealed that the best predictor of direct private cost were feeding with 45.0%, accommodation with 11.4% and total school fees (receipted) with 10.5%.

It was concluded that the private costs incurred by the students in the universities are high, especially in the state universities. Also, courses like Sciences and Law and Medicine are costly. It was recommended that there is need for the federal

government to be involved in the funding of university education in state universities.

Keywords: Private cost, undergraduate education, direct private cost, state university, federal university

Introduction

Individuals have always shown interest in monitoring the cost of their activities, in an educational institution, cost monitoring ensures that financial and other outlays of education could be justified by the number of clients being served and the quality of education provided. As a result of its important nature, cost received significant attention from scholars across discipline. Cost has attracted the attention of researchers in economics of education, functional planning and business discipline. Most studies on cost of schooling and enrollment use proxies for education costs such as free education policy (Deininger, 2003), community level prices of schooling (Glick and Sahn, 2006) and public cost related concept on education in developing and developed nations of the world which was reviewed. Sometimes costs of education are passed on to students and parents, debt levels are increasing and access is being threatened; all these have serious financial implication on private cost of education. Jean-Claude and Thierry (1992) concluded that, there is a financial crisis in education in most countries and that the crisis deepens than what macro statistics reveals; and it may not disappear soon, especially in developing countries, if new solutions are not found. Undoubtedly the financial challenge facing university education in Nigeria is gross under funding which could be linked to undue reliance on Government for funds by university managers (Enaigbe, 2014). Such inadequacy of funding could also be linked to the depression in the country's economy as well as the high level of corruption in the country.

Cost according to Oyetakin (2016) is the real resources (material, human and time) used up in production of human capital expressed in monetary values, it includes the direct expenditure in fiscal form by individual and society, and the indirect cost incurred by suppliers and beneficiaries of education product. As seen by Akinyemi (2012), educational cost therefore, refers to the real resources used and those resources forgone in the process of producing human capital. That is, it comprises both direct and indirect costs incurred in educating an individual or a group of individuals.

Also, the category of costs associated with university education is the cost of student living room, board, clothing, laundry, entertainment, and other expenses that would be incurred whether or not the individual was a student. In this sense, they are not strictly attributable to university education. To the student and his or her family, however, they are every bit as real as the costs of tuition or books, and must be met from the same combination of sources (students, parents, taxpayers, or institutional resources) that meets the costs of instruction. The costs of student living will vary according to whether the student lives at home with parents or with a spouse or in a

student flat or dormitory. Costs vary according to the prevailing standard of student's living, which may range from traditional student penury or to a standard of living commensurate with non-student age peers. Finally, the cost may be evident and easily measurable, as when they are paid directly by the student or his/ her parents, or quite obscure and sometimes virtually immeasurable, as when the expenditures are in the form of subsidies to canteens and residence halls or tax benefits to the parents (Coombs and Hallak 1987).

The last but not the least category of costs is the cost of foregone earnings (actually, foregone real production) of the student when disengaged from the productive work force. While this is a perfectly valid cost in theory, it presumes productive labour force alternatives for persons of university age, foregone by the decisions of some to be students instead. It is a very real cost in a society with labour shortages and where the loss of students from the work force causes real cost production. It is less relevant where the marginal productivity and employment options of young unskilled labour are minimal.

In recent times, due to recession in the economy, it appears that many parents are unable to provide for their children, the quality of education they envisaged. Some have to move their children from private university to public university due to lack of fund to continue in private institution. All these stem from improper awareness of the detailed cost of university education. Nevertheless, it has been noticed by the researcher that significant number of students from universities has dropped out due to financial inability. This makes it important to consider direct private costs not only for cost accounting purpose but also because they have implication for educational quality (Tsang, 2002). Direct private cost is divided into academic costs and incidental costs. Academic costs include cost of application form, acceptance fees, registration expenses, tuition fees, cost of textbooks, stationeries, and so on. Roseline (2009). According to Tsang (2002), there have been significant conceptual and methodological deficiencies in the analysis of cost of public and private universities and these deficiencies could lead to misleading policies regarding public and private education. For example, some studies have underestimated the total cost of education by ignoring household resources devoted to schooling or not including education input donated by parents or community sources (Jimenez and Lockheed 1995).

The cost of a university education is a combination of tuition fees, books and other educational supplies, and living expenses. Fees are composed of tuition (academic) fees and compulsory incidental (non-academic) fees. Basic student tuition fees vary by program and faculty but it is helpful to have a general idea of the educational costs each student can expect in his/her first year, depending on the program and campus, incidental and ancillary fees, books and supplies and cost for residence, depending on where the student choose to live, whether to purchase a meal plan, or buy and prepare his/her own food. Transportation is another important variable to consider in analysing the cost of university education. If a student lives off

campus, he/ she should consider the cost of transportation between home and the university campus. Other expenses vary according to what students can afford and personal requirements or preference. Student may also want to include clothing and mobile phone costs. In order to truly understand how much it may cost for student to attend any South West University, it is necessary for them to understand their monthly income.

Tuition fee is one of the most important variables in private cost. It is as important as the university itself. For a student to be able to have a smooth and itch free learning, he / she must have fulfill the task of paying the tuition fee. Without the payment, some schools especially private university may not even allow the student to enter into the school compound let alone receiving lectures. Likewise, in public universities, fees not paid may lead to student not registering their courses on time which can attract penalty or the student being disallowed to write examination at the end of the semester which means that the student can spend more than the normal years in school and it will lead to paying extra cost. Therefore, all the amount of money that has to be receipted must be taken care of by individual or their parents, so that the student can be in the class when other students are receiving lectures to curb more private cost.

Secondly, another important variable is books and stationery cost. To go to school without writing material is tantamount to failure. The cost of the material to be used must be considered. There are some courses that it is very important to have reading material no matter the cost, even despite the availability of internet. Sometimes, the cost of books can be more than the tuition fees. Therefore, cost of materials to be used must not be underestimated when calculating what has to be spent.

Feeding is another variable that has to be considered when talking about private cost. For a student to be able to study hard, he/she must be well fed because the strength within helps one a long way. It has to be considered whether the student has to cook by his/ her self or eat in canteen. In public university, Students are allowed to cook on their own while in most private universities, the students are disallowed to cook, they do eat in the school canteen and some amount of money has to be paid. One can see that if feeding fee is under estimated, one may discover that the student may always fall sick and unable to attend classes which may lead to failure at the end of the day and which will definitely lead to more private cost incurred.

Likewise, accommodation cost is very important for someone cannot leave outside a house. One has to consider the cost of where a student will leave; there are some universities with accommodation while some did not have which means that the student have to rent an apartment. The parent or individual has to put it in mind that there are different types of houses, that is, face me and face you type, self-content house and a flat. Therefore, one must also remember that the prices will vary and this will also depend on whether the house is close or far from where the university is located.

. Transportation is another important variable to consider in analysing the cost of university education. If a student lives off campus, he/ she should consider the cost of transportation between home and the university campus. Even, there are some universities that their hostels are very far to the lecture room; therefore, it is pertinent to consider transportation cost as an important variable and when not taken into consideration can impede success of the student by not allowing the student to get to the lecture room in time for the study.

One must not also forget the fees like faculty and departmental fees among others which can also cause problem to the student when not paid which can delay signing of registration form and even the submission. If student could not register on time can lead to penalty from the school therefore, this cost must not be underestimated.

Generally, regardless of gender and social class, investment in education particularly university education enhances individual growth and is a critical element of national development. This is in line with the World Bank (2009) reported that education is fundamental to the construction of knowledge economy and society in all nations. However, (Global Education Digest (GED), 2010) report reveals that despite the universally enshrined human rights, constitutional guarantees and political declarations being a girl still constitute a powerful case for exclusion. According to UNESCO's online consultation on gender inequality, current education and their literacy initiatives are not responding to the complex needs of women and girls. Also, Owolabi (2011) studied gender issues in teaching, learning, research and the use ICT in higher education reveals that amongst others that; there is gender gap in students enrolment, learning styles, inequality in teacher student interaction and however noted there is no gender disparity in students' achievements.

The problems can be summarized thus; many parents or guidance's income can no longer sustain the family due to inflation in the economy, some parents also under estimate the cost of education in that they omit or underestimate the importance of education cost, there is need to track the private cost of university education in Southwest Nigeria, this study therefore, seeks solution to these problems. Consequently, the problem to which attention is directed in the study are, what is the direct private cost of undergraduate education in public universities (state and federal). This study therefore, seeks solution to these problems. Consequently, the problem to which attention is directed in the study are; what is the direct private cost of undergraduate education in public universities (state and federal).

Purpose of the Study

The main purpose of this research was to find out private cost of undergraduate students in Southwest, Nigeria universities and specifically, this study intended to:

- Find out the direct private cost of undergraduate students in Southwest, Nigerian universities by programme; and

- Findout the place of feeding in private cost of undergraduate students in Southwest, Nigerian universities.

Research Questions

In analysing the cost of undergraduate university education, the following research questions were raised for this study:

1. What is the average direct private cost for undergraduate students in Southwest Nigerian universities by programme?
2. What is the place of feeding in the private cost of undergraduate students in Southwest Nigerian universities?

Research Hypotheses

The following research hypotheses were formulated and tested for this study;

1. There is no significant difference in the direct private cost of educating undergraduates by programmes in public universities in Southwest, Nigeria.
2. There is no significant relationship among the direct private cost of education components in public universities in Southwest, Nigeria.

Methodology

The study was a descriptive research design of the survey type and *ex-post facto* design. The population of the study comprised all undergraduate students of the 15 public universities in the six States in Southwest, Nigeria. The sample of the study was 1920 undergraduates across universities and programmes. In order to select the sample of the study, the researcher adopted a multi-stage sampling procedure to cater for the different locations, States and programmes of study in the universities. A self-developed proforma titled “Private Cost of Undergraduate Education proforma(PCUEP)” was used for data collection, having being subjected to validity test. The research questions were answered using percentage while the hypotheses were tested using t-test and multiple regression analysis. All hypotheses were tested at 0.05 level of significance.

Results

Research Question One: What is the average direct private cost for undergraduate students in Southwest Nigerian universities by programme?

In answering this question, the pro-forma of private cost of undergraduate education was used. The stream of cost items were summarized per sampled university and the average cost per annum across the years were derived in the period under course of study. The average crude costs were then adjusted for alpha co-efficient to derive Table 1

Table 1
Summary of Average Direct Private Cost across Faculties in Public Universities in Southwest, Nigeria

Universities	Faculties							
	Agric (₦)	Art (₦)	Educ. (₦)	Engr. (₦)	Law (₦)	Med. (₦)	Sci. (₦)	Sos.Sci. (₦)
OAU	1,197,500.	1,341,740.	591,650.	1,606,590	1,627,190	1,781,920	1,354,110	1,060,760
UI	1,197,500	860,070	1,014,500	1,368,000	1,482,000	2,126,450	1,205,800	1,367,700
LASU	1,807,750	1,222,000	1,450,000	1,659,000	1,940,700	3,008,000	1,670,750	1,460,700
OOU	1,680,000	793,648	1,022,000	1,766,000	2,255,500	3,308,000	1,060,750	895,000
AVR	1,470,687.5	1,054,364.5	1,019,537.5	1,599,897.5	1,826,347.5	2,556,092.5	1,322,852.5	1,196,040

Source: Fieldwork 2019

Table 1 shows the direct private across faculties in Southwest universities. The table showed that the Faculty of Medicine has the highest average direct private cost of ₦2,556,092.5 followed by faculty of Law ₦1,826,347.5 and the faculty of Education with ₦1,019,537.5.

Research Question Two: What is the place of feeding in the private cost of undergraduate students in Southwest Nigerian universities?

In answering this question, the pro-forma of private cost of undergraduate education was used. The stream of cost items were summarized per sampled universities and the average cost per annum for each cost item was derived in the period of study. The average crude costs were then adjusted for alpha co-efficient to derive Table 2.

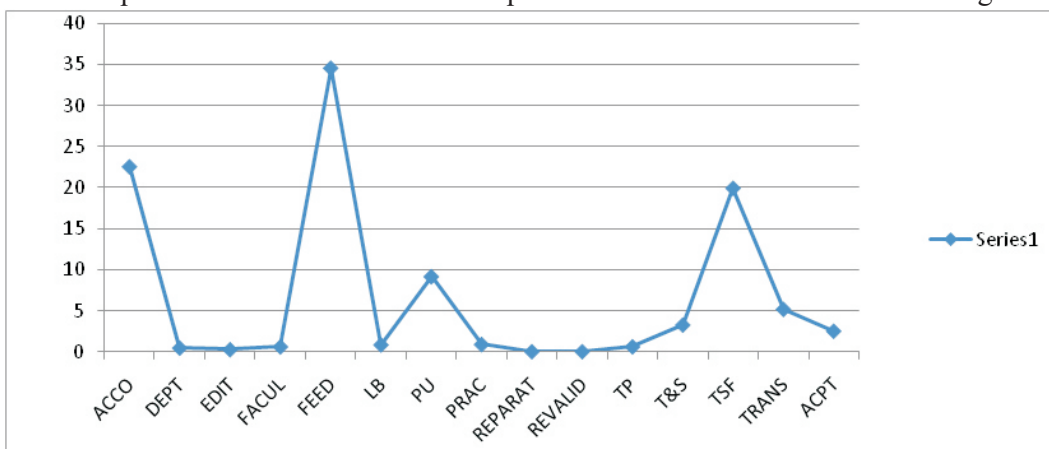
Table 2
Place of Feeding in the Private Cost of Undergraduate Students in Southwest Nigerian Universities

Items	OAU	%	UI (á)	%	LASU (á)	%	OOU (á)	%	Average (á)	%
Acceptance	20,000	1.75	20,000	2.2	20,000	1.17	40,000	3.75	25,000	2.05
Accommodation Fees	260,000	22.74	176,000	18.42	420,000	24.53	245,000	13.58	275,250	22.55
Departmental Dues	6,000	0.52	6,000	0.67	-	-	4,000	0.37	5,333	0.44
Editing of Registration Form	4,000	0.35	400	1.27	-	-	8,000	0.75	3,100	0.25
Faculty dues	8,000	0.7	11,500	0.04	-	-	2,000	0.19	7,166.67	0.59
Feeding allowance	328,000	28.70	410,000	1.27	550,000	32.13	400,000	37.46	422,000	34.57
Lab coat	8,500	0.74	12,000	45.23	12,000	0.70	8,000	0.75	10,125	0.83
Personal Upkeep	150,000	10.50	27,000	1.37	250,000	14.60	20,000	1.87	111,750	9.15
Practical Fees	18,000	1.58	4,000	2.99	15,000	-	6,000	0.50	10,750	0.88
Reparation Fee	-	-	-	-	-	-	-	-	-	-
Revalidation Fee	-	-	-	-	-	-	-	-	-	-
Teaching Practice Fees	12,000	1.05	7,500	0.83	4,000	0.88	6,000	0.56	7,375	0.60
Textbooks & Stationery	52,000	4.55	25,000	2.76	75,000	4.38	6,700	0.63	39,675	3.25
Total School Fees (Receipted)	195,000	17.07	180,000	19.86	276,000	16.12	322,000	30.16	243,250	19.93
Transport	35,000	3.06	27,000	2.98	90,000	5.6	100,000	3.75	63,000	5.16
Total	1,143,150	100	906,400	100	1,717,000	100	1,067,700	100	1,220,674.67	100

Source: Field work 2019

Table 2 shows the direct private cost of educating students in various items that make up private cost of education. The table reveals that the highest amount expended on acceptance fee is with the value of ₦ 40,000 in OOU and the least is ₦ 20,000 in OAU, UI and LASU. Accommodation fee has the highest direct private cost with ₦ 420,000 in LASU and the least cost ₦ 176,000 in UI. Among the component of direct private cost, feeding allowance has the highest average with 34.57%, followed by accommodation fee with average of 22.55%, total school fees received 19.93%. The component with the least average direct cost is editing of registration fee with the value of 0.25%.

A clearer picture of the trend in the direct private cost of education is shown in Figure 1.



Source: Derived from Table 2

Figure 1: Chart Showing the Averages of Direct Private Cost Components

Figure 1 shows the variations of each private cost items of universities in Southwest, Nigeria. At a glance, private cost on feeding, accommodation and total school fees were higher while editing of registration fee and lab coat were lowest.

Research Hypothesis One: There is no significant difference in the direct private cost of educating undergraduate in public universities in Southwest, Nigeria.

In testing this hypothesis, the adjusted streams of total cost were summarized per students sampled based on the ownership per annum across the years were compared using t-test to arrive at Table 3

Table 3
Summary of the Difference between the Average private Cost of Educating Undergraduate Student in Public Universities in Southwest, Nigeria

Variables	N	Mean	SD	Df	t-cal	t-crit	Decision
Federal	8	1467520.2677	484440.17469	14	1.005	0.024	Rejected
State	8	1866381.2500	163957057.06251				

Significant at 0.05

Table 3 shows that t-calculated value of 1.005 is greater than t-critical value of 0.024 at 0.05 level of significance with observed difference of 14 and mean of Federal with 1467520.2677 and mean of State is 1866381.2500, under two tailed test. With this result, the null hypothesis is rejected. This result implied that, there is a magnitude of difference in the average cost of educating undergraduate students in public universities in Southwest Nigeria is about ₦ 82,414,435. Therefore, there is a significant difference in the direct private cost of educating undergraduate by programme in public universities in Southwest, Nigeria.

Research Hypothesis Two: There is no significant relationship among the direct private cost of education components in public universities in Southwest, Nigeria.

To test this hypothesis, data collected on private cost of university education was pooled together to arrive at Table 4.

Table 4

Multiple Regression Analysis showing the Relationship Between Components of Direct Private Cost of Education

Variables	Coefficients				T	Sig.	R	R ²	F
	Unstandardized Coefficients		Standardized Coefficients						
	B	Std. Error	Beta	Std. Error					
(Constant)	1.495	.025			59.738	.000			
Acceptance fee	1.079	.000	.036	.036	.991	.322			
Accommodation fee	2.759	.000	.114	.092	.795	.427			
Departmental dues	1.524	.000	.036	.079	1.433	.152			
Editing of reg. form	7.050	.000	.034	.037	.929	.353			
Faculty dues	4.444	.000	.033	.038	2.244	.025			
Feeding allowance	8.569	.000	.450	.123	.414	.679	0.685	0.469	2.807
Lab coat	6.143	.000	.056	.037	1.535	.125			
Personal upkeep	7.685	.000	.086	.052	.631	.528			
Practical fees	1.296	.000	.059	.029	2.009	.045			
Reparation fees	2.195	.000	.022	.030	.749	.454			
Teaching practice fees	8.237	.000	.046	.031	3.436	.001			
Textbook & Stationeries	1.935	.000	.025	.031	.791	.429			
Total school fees(Receipted)	1.148	.000	.105	.091	.501	.616			
Transportation	6.679	.000	.072	.140	.516	.606			

Significant at 0.05

The result of the regression model in Table 4 revealed that the coefficient of joint correlation R between private cost of educating undergraduates in Federal and State universities is 0.685, while the coefficient of determination R^2 is 0.469, this infer that only 46.9% of direct private cost of educating undergraduate is attributed to private cost. The individual contribution of each of the components of direct private cost is also shown in the table. Feeding was the best predictor of direct private cost of university education with 45.0% contribution; this was followed by accommodation 11.4%, total school fees (receipted) 10.5%, personal upkeep 8.6%, transportation 7.2% respectively. The least predictor of direct private cost of university education is Reparation fee with only 2.2% contribution. Also, with F-ratio of 2.807 and P-value of .000, the observed relationship is statistically significant. As a result of this findings depicted on Table 4, the tested null hypothesis which states that there is no significant relationship between the direct private cost of components of private cost of university education in Federal and State universities in Southwest, Nigeria is rejected. This shows that there is a significant relationship between the direct private cost of components of private cost of university education in Federal and State universities in Southwest, Nigeria.

Conclusion

Based on the findings of this study, it can be concluded that the private costs incurred by the students are high, especially in the State universities compared to Federal universities. Also, courses like Law and Medicine are costly. It can also be concluded that food plays an important role which can determine the success or failure of the students.

Recommendations

Based on the findings and conclusion drawn from the study, it was recommended that;

- i. There is need for the Federal and State governments to intensify their efforts in the funding of university education in State university. A percentage of the Education tax fund (ETF) should be appropriated in form of grants to state universities in Nigeria. This will ensure equity and justice in all universities in Nigeria.
- ii. Parents should be aware that private cost involves so many components and all the components must be taken care of to help the students to achieve success in the university. Therefore, parents should encourage their children to eat homemade food and desist from junk foods because it costs more.
- iii. Students should be given orientation on the type of food they eat because homemade foods cost less than junk foods which can bring a drastic reduction on the amount spent on feeding.

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