



Youth Economics

Career Expectations Survey

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PHD Research Bureau

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Youth Economics: Career Expectations Survey



Sharad Jaipuria

From President's Desk

The predominance of youth population in India holds immense significance and it will determine the direction of economy and business in the coming times. Demographics are changing and are in India's favour because the working age population is growing faster than the overall population which will earn and save thereby contributing to higher savings and higher investments and will lead to higher growth trajectories.

The growing workforce could prove advantageous only if sufficient investment is undertaken to enhance their productivity. Effective education and skill development hold the key to reap the emerging demographic dividend. Hence, the education system should be aligned with needs of the industry to enhance employability of the youth.

The biggest challenge to India's growth story is its poor supply side infrastructure and if bottlenecks to supply side economics were removed, the country has potential to attain fastest economic growth in the world economic system. Reforms in supply side infrastructure would pave the way for macro economic stability, increased consumption demand and millions of new jobs

Going ahead, India's emerging demographic dividend would place it better in comparison to other countries in the global economic order in the coming times, however, we need to tap this unique demographic advantage by generating more and more employment opportunities and at the same time addressing mounting inflationary pressures which not only impact the businesses and households but our youth of the country also.

Youth Economics: Career Expectations Survey



Saurabh Sanyal

From Executive Director's Desk

Youth Economics: Career Expectations Survey has been undertaken to understand the perception of students in terms of their career expectations, sources of income and managing finances and expenditures. The study focuses on finding the impact of inflation on students' pocket, their financial dependency, career settlement expectations, goals and view point on preference of jobs.

Today, the youth of India is grappled with multiple challenges such as lack of financial resources for pursuing education vis-à-vis ever increased prices and lack of employment opportunities in the economy. Volatile economic scenario such as decelerating industrial growth, high costs of borrowings and inflexibilities in labour markets impact directly or indirectly the growth of youth in terms of providing gainful employment.

In order to create a productive youth workforce that contributes to economic development, it is imperative to form a comprehensive approach of assessing the current needs and challenges of youth and hence, efficient measures are required in the direction to equip the youth with right skills set to take on the present as well as future challenges.

I commend and appreciate the tireless efforts of PHD Research Bureau team led by Dr. S P Sharma, Chief Economist and Ms. Surbhi Sharma, Research Officer, PHD Chamber.

I wish in the coming times India is set to experience a dynamic transformation due to the presence of unique demographic dividend which would take our country to an unprecedented growth trajectory.

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We acknowledge the support extended by Mr. Aman Thakur, Cluster Innovation Centre, University of Delhi in helping to conduct the survey.

Last but not least, we would like to take this opportunity to acknowledge the services of printing team comprising of Mr. Punit Chaudhary, Deputy Secretary, PHD Chamber and Mr. Hariom Kuthwaria, Graphic Designer, PHD Chamber who collaborated in producing this work.

Dr. S P Sharma
Chief Economist

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Executive Summary

About 84% of graduation and post graduation students in Delhi NCR feel that India's growth story would remain intact in the coming times and they prefer to settle in India for career development, while 16% students felt that moving to abroad would help them to repay their education loans and attain good financials and better living standards.

The biggest challenge to India's growth story is its poor supply side infrastructure. If bottlenecks to supply side economics were removed, the country has potential to attain fastest economic growth in the world economic system. Reforms in the supply side infrastructure would pave the way for macro economic stability, increased consumption demand and millions of new jobs.

The survey 'Youth Economics: Career Expectations Survey' was undertaken during November 2013-February 2014 to understand the perception of students in terms of their career expectations, sources of income and managing finances and expenditures. During the course of the survey, a large sample of about 3000 students including graduation and post graduation courses/programmes across the colleges in Delhi NCR was conducted.

Survey found that students are grappled with multiple challenges such as lack of financial resources for pursuing education vis-à-vis ever increased prices and lack of employment opportunities.

Regarding their plans for career development, according to the survey, 55% of the respondents said that after the completion of their graduation/post-graduation they would prefer to join job to become self-sustainable financially as early as possible while 29% of the respondents were thinking about the further higher studies followed by entrepreneurship (12%) and family business (4%).

Of the total job aspirants, around 44% of the students responded that they would prefer private sector jobs for excellent growth opportunities, fabulous remuneration packages and challenging roles. While 36% respondents preferred the government jobs as they prefer a good combination of job security and privileges, stability and satisfaction. The remaining 20% surveyed students were indifferent between the public or private sector jobs.

According to the survey, about 16% students borrowed money to meet their day to day pocket expenses due to high inflation. Most of the students were borrowing money from friends and relatives. About 53% of the students have curtailed expenditures by 35% in times of inflationary pressures in terms of food, clothing, transportation and entertainment while 14% of the students opted for part time jobs and tuitions, 12% of them used previous savings. However 5% of the respondent students said there is hardly any impact on their financials during the times of high inflation.

According to the survey, a large share of the students (73%) were found to be financially dependent on their parents, while 19% of the students were dependent on scholarships or stipends, part time jobs like assisting accounts, giving tuitions etc and remaining 8% were dependent on small home based businesses like trading, direct selling etc. As per the survey, almost all the students unanimously felt that volatility in global and domestic economic scenario have impacted their career planning and expectations.

Going ahead, PHD Chamber strongly believes that India's emerging demographic dividend would place it better in comparison to other countries in the global economic order in the coming times, however, we need to capitalize on this unique demographic advantage by generating more and more employment opportunities and at the same time addressing mounting inflationary pressures which not only impact the businesses and households but our students also.

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1. Introduction

The predominance of youth population in India holds immense significance and it will determine the direction of economy and business in the coming times. India, the country with the second highest population next to China is home to more than 40% of India's population is below 20 years. India is expected to have a very favourable demographic profile; which is an asset only if it is educated, skilled and finds productive employment. India will have about¹ 63% of its population in the working age group by 2022, whereas China's demographic dividend would start narrowing by 2015. India's emerging demographic dividend would place it better in comparison to other countries in the global economic order in the period ahead; however, we need to capitalize on this unique demographic advantage by generating more and more employment opportunities.

2. Youth scripting India's growth story

Demographics are changing and are in India's favour because the working age population is growing faster than the overall population. This expanding working age population will earn, and will save, thereby contributing to higher savings and higher investments, which will lead to higher growth trajectories, going forward. Keeping in mind the importance of young population, Government of India spends a considerable amount of money on youth development programmes for the development of youth in our country.

With a vision to empower youth of the country to achieve their full potential Government of India has introduced National Youth Policy² 2014 which focuses on creating productive workforce, developing a strong and healthy generation, instilling social values and promote community service, facilitating participation and civic

¹ 12th Five Year Plan, Planning Commission

² Ministry of Youth Affairs and Sports, Government of India

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engagement and support youth at risk and create equitable opportunity for all. The central government currently invests³ more than Rs. 90,000 crores per annum on youth development programmes through youth-targeted such as higher education, skill development, healthcare etc. and non-targeted such as food subsidies, employment etc. programmes. In addition, the state governments are also working to support youth development and to enable productive youth participation.

The growing workforce could prove advantageous only if sufficient investment is undertaken to enhance their productively. Effective education and skill development hold the key to reap the emerging demographic dividend in case of India. Hence, the education system should be aligned with needs of the industry to enhance employability of the youth. In case these conditions are not met, the huge number of people with the potential of joining the workforce in the years to come would prove to be a bane rather than a boon.

3. Major challenges faced by youth in India

Today, the youth of India is grappled with multiple challenges such as lack of financial resources for pursuing education vis-à-vis ever increased prices and lack of employment opportunities in the economy. Volatile economic scenario such as decelerating industrial growth, high costs of borrowings and inflexibilities in labour markets impact directly or indirectly the growth of youth in terms of providing gainful employment. With cost of living skyrocketing in recent years, it becomes difficult for the youth to manage his/her personal finances and hence it poses a great impact on the overall consumption behavior of the youth, which plays vital role in pushing India's growth story to a higher and higher trajectory.

³ National Youth Policy 2014, Ministry of Youth Affairs and Sports, Government of India

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In addition, lacking reforms in the education sector is another grey area which must be addressed to build skill formation and expanding training and education capacities in the economy. Without improvement in the regulatory framework and capacity expansion, the country will lose the demographic advantage that it possesses.

4. Objectives of the Study

With the objective to gain deeper understanding of notions of India's young generation, the present study has been undertaken to understand their perception in regards to career expectations, sources of income and managing finances and expenditures. The specific objectives of the study pertain:

- a) To study the impact of inflation on students' pocket
- b) To analyze the financial dependency of students
- c) To know about the career settlement expectations of students in India or abroad
- d) To analyze the perspective of students in regards to their career goals and preference of jobs
- e) To draw conclusions and suggestions

5. Research methodology

The present study attempts to understand the sentiments and expectations of the students in regards to their career expectations, sources of income and managing finances and expenditures. The key activities to conduct the survey were initiated in November 2013 and extended for a period of three months i.e. till February 2014. The activities ranged from preparation of questionnaire, data retrieval, verification of survey findings and inputs from students. During the course of the survey, a large sample of about 3000 students including graduation and post graduation courses/programmes across the colleges in Delhi NCR was conducted. The surveyed students' educational

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background mainly belongs to Arts, B-Tech/ Engineering, Economics, Science, Diploma courses, professional courses such as MBAs, Hotel Management, Fashion designing, etc.

6. Survey findings

In order to create a productive youth workforce that contributes to economic development, it is imperative to form a comprehensive approach of assessing the current needs and challenges of youth and hence, efficient measures are required in the direction to equip the youth with right skills set to take on the present as well as future challenges. High inflation in the economy has been found to be the one of the key challenges for the youth as it bound them to curtail their spending, take up part time jobs or borrow money to meet their day to day pocket expenditures.

6.1 Impact of inflation on students' pocket

According to the survey, about 16% students borrowed money to meet their day to day pocket expenses due to high inflation in the economy. Although students take loan to meet their educational expenses in terms of fee and study materials etc, inflationary pressures have also forced them to take loan to meet their increased day to day pocket expenditures in terms of entertainment, outside food, branded items, picnics and travel.

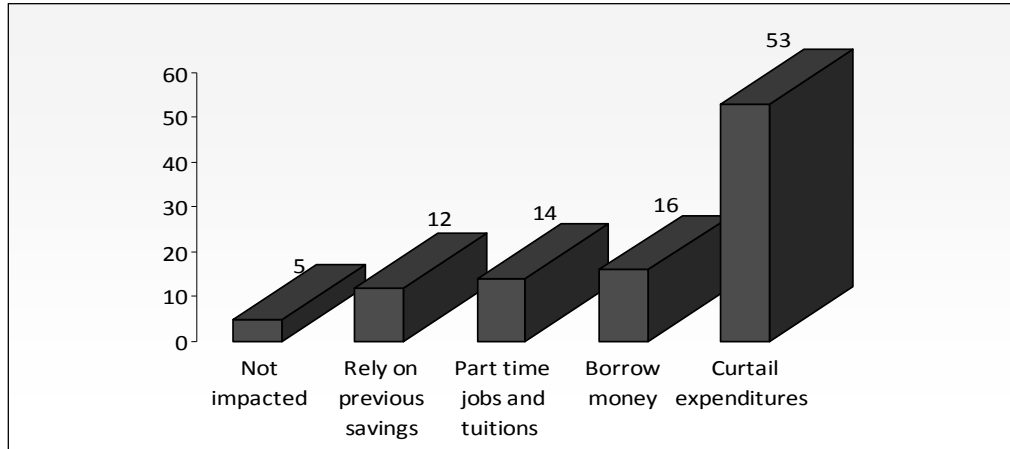
According to the survey, most of the students were borrowing money from friends and relatives. About 53% of the students have curtailed their expenditures significantly in times of inflationary pressures in terms of food, clothing, transportation and entertainment. It has been observed that on an average they have reduced their monthly expenditures by about 35%.

During the times of increased financial burden vis-à-vis high inflation while 14% of the students opted for part time jobs and tuitions to meet their expenditure, around 12% of them met the expenses with their previous savings. However 5% of the respondent

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students said there is hardly any impact on their financials during the times of high inflation.

Impact of inflation on students' pocket (%)

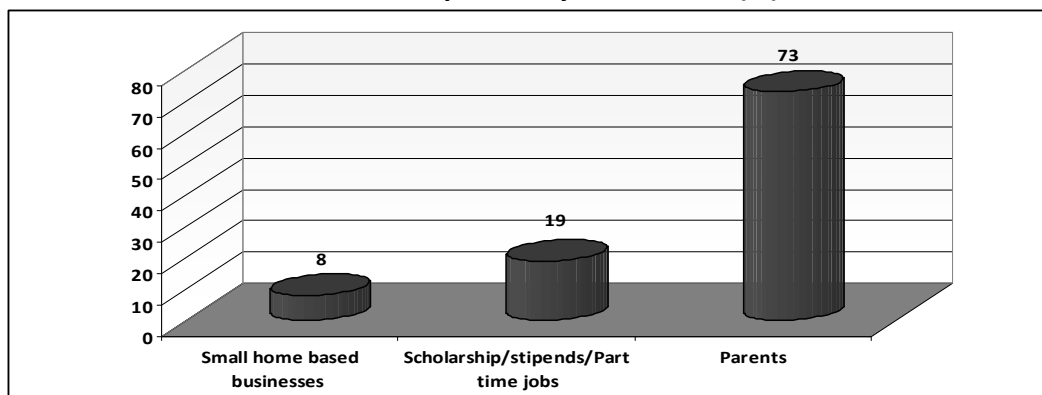


Source: Youth Economics: Career Expectations Survey conducted by PHD Research Bureau, PHDCCI (Nov 2013- Feb 2014)

6.2 Financial dependency of students

According to the survey, a large share of the students (73%) were found to be financially dependent on their parents, while 19% of the students were dependent on scholarships or stipends, part time jobs like assisting accounts, giving tuitions etc and remaining 8% were dependent on small home based businesses like trading, direct selling etc.

Financial dependency of students (%)



Source: Youth Economics: Career Expectations Survey conducted by PHD Research Bureau, PHDCCI (Nov 2013- Feb 2014)

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6.3 Career settlement expectations

As per the survey, almost all the students unanimously felt that volatility in global and domestic economic scenario have impacted their career planning and expectations. About 84% of graduation and post graduation students in Delhi NCR feel that India's growth story would remain intact in the coming times and they prefer to settle in India for career development, while 16% students felt that moving to abroad would help them to repay their education loans and attain good financials and better living standards.

Career settlement expectations of students in India (%)



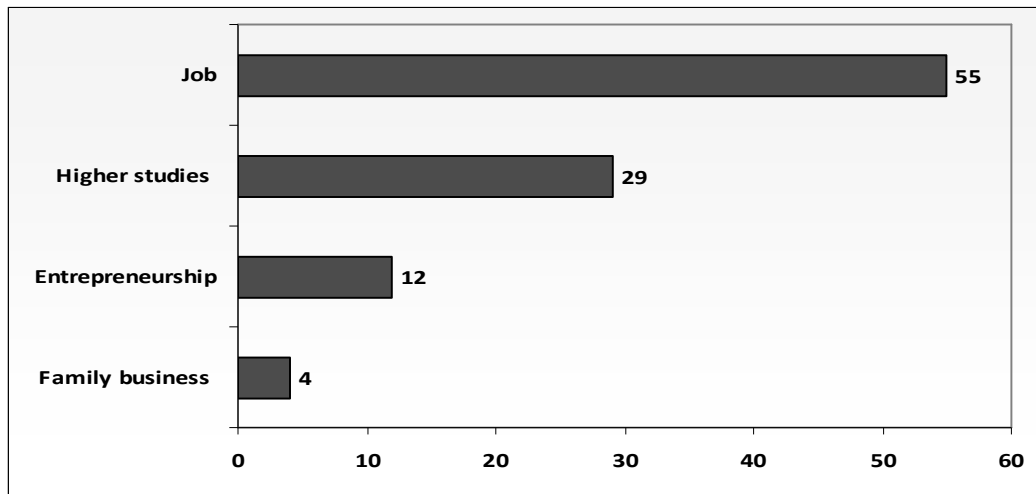
Source: Youth Economics: Career Expectations Survey conducted by PHD Research Bureau, PHDCCI (Nov 2013- Feb 2014)

6.4 Career goals of students

Regarding their plans for career development, according to the survey, about 55% of the respondents said that after the completion of their graduation/post-graduation they would prefer to join job to become self-sustainable financially as early as possible while 29% of the respondents were thinking about the further higher studies followed by entrepreneurship (12%) and family business (4%).

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Career goals of students (%)

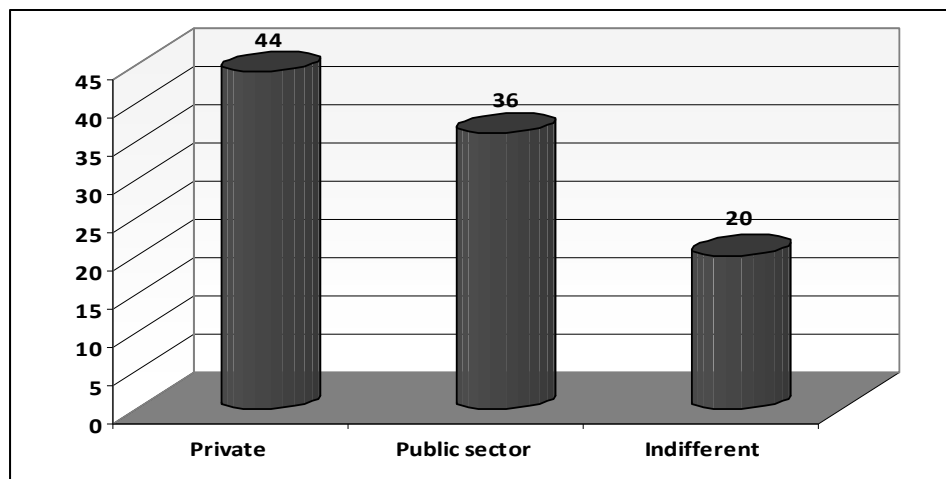


Source: Youth Economics: Career Expectations Survey conducted by PHD Research Bureau, PHDCCI (Nov 2013- Feb 2014)

6.5 Preference of jobs by students

Of the total job aspirants, around 44% of the students responded that they would prefer private sector jobs for excellent growth opportunities, fabulous remuneration packages and challenging roles. While 36% respondents preferred the government jobs as they prefer a good combination of job security and privileges, stability and satisfaction. The remaining 20% surveyed students were indifferent between the public or private sector jobs

Preference of jobs by students (%)



Source: Youth Economics: Career Expectations Survey conducted by PHD Research Bureau, PHDCCI (Nov 2013- Feb 2014)

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7. Conclusion and Suggestions

The predominance of youth population in India holds immense significance and it will determine the direction of economy in the coming times. Demographics are changing and are in India's favour because the working age population is growing faster than the overall population. This expanding working age population will earn and save thereby contributing to higher savings and higher investments, which will lead to higher growth trajectories, going forward.

Today, the youth of India is grappled with multiple challenges such as lack of financial resources for pursuing education vis-à-vis ever increased prices and lack of employment opportunities in the economy. Volatile economic scenario such as decelerating industrial growth, high costs of borrowings and inflexibilities in labour markets impact directly or indirectly the growth of youth in terms of providing gainful employment.

The biggest challenge to India's growth story is its poor supply side infrastructure. If bottlenecks to supply side economics were removed, the country has potential to attain fastest economic growth in the world economic system. Reforms in the supply side infrastructure would pave the way for macro economic stability, increased consumption demand and millions of new jobs.

The need of the hour is to work on a more comprehensive approach of assessing the current needs and challenges of youth and efforts are required in the direction to equip the youth to take on the present as well as future challenges. High inflation must be addressed by taking effective measures to improve and fasten the supply chain process to prevent jump in prices of various commodities.

About 16% students borrowed money to meet their day to day pocket expenses due to high inflation in the economy. According to the survey, most of the students were

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borrowing money from friends and relatives. About 53% of students have curtailed their expenditures significantly in terms of food, clothing, transportation and entertainment. It has been observed that on an average they have reduced their monthly expenditures by about 35%.

While 14% of the students opted for part time jobs and tuitions to meet their expenditure, around 12% of them met the expenses with their previous savings. However, 5% of the respondent students said there is hardly any impact on their financials during the times of high inflation.

A large share of the students (73%) were found to be financially dependent on their parents, while 19% of the students were dependent on scholarships or stipends, part time jobs like assisting accounts, giving tuitions etc and remaining 8% were dependent on small home based businesses like trading, direct selling etc.

In order to capitalize the opportunity of demographic dividend, there is an urgent need to increase investments and more concentrated efforts are required in the direction of effective implementation of government initiatives for the development of the youth.

About 84% of graduation and post graduation students in Delhi NCR feel that India's growth story would remain intact in the coming times and they prefer to settle in India for career development, while 16% students felt that moving to abroad would help them to repay their education loans and attain good financials and better living standards.

About 55% of the respondents said that after the completion of their graduation/post-graduation they would prefer to join job to become self-sustainable financially as early as possible while 29% of the respondents were thinking about the further higher studies followed by entrepreneurship (12%) and family business (4%).

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It is necessary to empower youth of our country with access to the right set of educational and skill tools and opportunities to make a productive and sustainable contribution to the economy. The youth must have equitable access to high quality education and be able to develop the necessary skills that are required by the labour market to ensure that they are gainfully employed.

Further government and private sector plays a critical role in overall development of the youth of our country and facilitate in organizing youth development programmes at larger scale on education, skill development, health care, sports etc. Mechanisms for financing both primary and secondary education and skill developments programmes must be encouraged.

Of the total job aspirants, around 44% of the students responded that they would prefer private sector jobs for excellent growth opportunities, fabulous remuneration packages and challenging roles. While 36% respondents preferred the government jobs as they prefer a good combination of job security and privileges, stability and satisfaction. The remaining 20% surveyed students were indifferent between the public or private sector jobs.

Going ahead, India's emerging demographic dividend would place it better in comparison to other countries in the global economic order in the coming times, however, we need to tap this unique demographic advantage by generating more and more employment opportunities and at the same time addressing mounting inflationary pressures which not only impact the businesses and households but our students also.

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PHD Research Bureau

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The Research Bureau has been instrumental in forecasting various lead economic indicators national and sub-national. Many of its research reports have been widely covered by media and leading newspapers.

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Studies undertaken by PHD Research Bureau

A: Thematic research reports

1. Comparative study on power situation in Northern and Central states of India (September 2011)
2. Economic Analysis of States: A Study of Northern & Central States of India (October 2011)
3. Growth Prospects of the Indian Economy, Vision 2021 (December 2011)
4. Budget 2012-13: Move Towards Consolidation (March 2012)
5. Emerging Trends in Exchange Rate Volatility (Apr 2012)
6. The Indian Direct Selling Industry Annual Survey 2010-11: Expanding Horizons (May 2012)
7. Global Economic Challenges: Implications for India (May 2012)
8. India Agronomics: An Agriculture Economy Update (August 2012)
9. Reforms to Push Growth on High Road (September 2012)
10. The Indian Direct Selling Industry Annual Survey 2011-12: Beating Slowdown (March 2013)
11. Budget 2013-14: Moving on reforms (March 2013)
12. India- Africa Promise Diverse Opportunities (November 2013)
13. India- Africa Promise Diverse Opportunities: Suggestions Report (November 2013)
14. Annual survey of Indian Direct Selling Industry-2012-13 (December 2013)
15. Imperatives for Double Digit Growth (December 2013)
16. Women Safety in Delhi: Issues and Challenges to Employment (March 2014)
17. Emerging Contours in the MSME sector of Uttarakhand (April 2014)

B: State profiles

18. Rajasthan: The State Profile (April 2011)
19. Uttarakhand: The State Profile (June 2011)
20. Punjab : The State Profile (November 2011)
21. J&K: The State Profile (December 2011)
22. Uttar Pradesh: The State Profile (December 2011)
23. Bihar: The State Profile (June 2012)
24. Himachal Pradesh: The State Profile (June 2012)
25. Madhya Pradesh: The State Profile (August 2012)
26. Resurgent Bihar (April 2013)
27. Life ahead for Uttarakhand (August 2013)
28. Punjab : The State Profile (February 2014)



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