Citi Foundation

PATHWAYS TO PROGRESS

GLOBAL YOUTH SURVEY 2017

Economic Prospects & Expectations

Based on research and analysis by:

Ipsos

Pathways to Progress

Young people today make up the largest youth population in history. Their successes and struggles are as diverse as their personalities and aspirations.

However, in all corners of the globe, this generation faces a common challenge: persistent youth unemployment. Left unaddressed, the consequences reverberate across our cities. When young people don't see or have a sustainable economic path, our families and communities also suffer. In fact, the futures of cities are intrinsically tied to the economic success of young people.

We know, however, that young people remain optimistic, entrepreneurial, and have expectations for what they need to succeed. We wanted to capture these drivers and learn how municipal leaders, civil society, the private sector, and others can work together to bridge the gap between the economic aspirations and reality of young people. Young people believe in a brighter future and it is up to us to afford them that opportunity.

That's why the Citi Foundation commissioned a survey with Ipsos to build on existing research and further gauge the economic prospects and pursuits of young people in 45 cities across 32 countries around the world. The results in this paper are based on the voices of more than 7,000 young people surveyed. We learned about what careers they want to pursue, the availability of resources that help connect them to employment opportunities, and the obstacles that stand in their way.

This research is part of the Citi Foundation's *Pathways to Progress* initiative, designed to boost the employability of young people, ages 16-24, around the globe. In February 2017, we announced an expanded three-year commitment to invest $100 million to connect 500,000 young people globally to opportunities that set them on a path towards economic success. Through entrepreneurship training, mentorship, leadership development, and a first job, we are working with leading community organizations and municipal leaders around the world to help make today's young people the most employable generation yet. Together, we are helping test, scale and replicate proven solutions, as well as taking learnings from our work in the United States and applying it globally where appropriate.

With a rapidly changing and complex economic and social environment, these insights will help guide our approach to investing in our future leaders. We hope it will help inform your work too.

Brandee McHale
President, Citi Foundation

Citi Foundation

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Young people in this changing world

We live in a time full of opportunities and uncertainties. These rapid changes present a challenging new landscape for today's young people to navigate. Young people (defined as 16-24 year olds) are a significant population representing about 1.2 billion people and 16% of the world's population[1]. They are the largest single generation in human history and face unprecedented technological, social and economic changes. Young people have the opportunity to shape the next five decades, but they need help to overcome barriers and realize their full potential.

Globally, unemployment among young people is stubbornly high at more than 13%. More alarming is the number of employed young people—156 million—who live in extreme or moderate poverty despite having a job, often in emerging and developing countries[2]. In this environment, young people need an agile and versatile skill set to compete for meaningful employment opportunities, thus ensuring their individual economic well-being and also contributing to the overall strength and success of their communities.
For this young demographic, large hurdles exist such as poor access to education, few opportunities for on-the-job training and limited numbers of well-paying jobs, particularly among low-income young people.

1. *CIA World Factbook, 2016*
2. *International Labour Organization, 2016*

Our research shows that young people across the globe are overwhelmingly optimistic about their future. A fundamental question is how to capitalize on this optimism and best prepare young people to take advantage of future opportunities that will lead them towards economic success. To investigate this, we ask two central questions in this paper:

- How are young people preparing for their future?
  - In terms of where they live? The types of careers they pursue? Their education? The importance of practical experience through internships and apprenticeships? Their desire to have their own business?
- And what barriers do they face when preparing for their future careers?
  - Central here is what impediments or gaps exist that would hinder young people's preparation for their future?

To address these questions, the Citi Foundation commissioned Ipsos to conduct this research. The survey was conducted online between November 2016 and January 2017 among more than 7,000 young people age 18-24 in 45 cities around the globe. Approximately 150 interviews were conducted in each city. Data was weighted to the local adult population of 18-24 year olds on gender, age, and household income. In the U.S., race/ethnicity was also included in the weighting scheme. Five hundred young people age 18-24 were interviewed across the United States to provide a national view of this population.

This analysis was conducted by the Public Polling unit of Ipsos Public Affairs led by Clifford Young, PhD. Secondary data from other sources, where relevant, is used to synthesize this analysis.

7,394	18-24	45	32
YOUNG PEOPLE	YEARS OF AGE	CITIES	COUNTRIES

Developed Markets: Chicago, Cleveland, Dallas, Denver, Dubai, Hong Kong, Istanbul, London, Los Angeles, Madrid, Miami, Moscow, New York, San Francisco, Seoul, Singapore, St. Louis, Sydney, Taipei, Tampa/Jacksonville, Tel Aviv, Tokyo, Toronto, Warsaw, Washington D.C.

Developing Markets: Bangkok, Beijing, Bogotá, Buenos Aires, Casablanca, Guadalajara, Ho Chi Minh, Jakarta, Johannesburg, Kuala Lumpur, Lagos, Lima, Manila, Mexico City, Mumbai, Nairobi, New Delhi, Panama City, São Paulo, Shanghai

The Optimism Gap:

YOUNG PEOPLE ARE OPTIMISTIC DESPITE UNCERTAINTY AND CHANGE ACROSS THE GLOBE

Where a young person lives and works drives much of the direction of his or her life. Many studies have shown that geography signicantly affects health, life expectancy, education, income, security, and overall happiness with large urban areas outperforming rural and peripheral regions[3]. The old adage, 'Location, Location, Location,' also applies to determining life outlook.

As such, it is not surprising that these young people from large global cities—which are the economic engines of their respective countries—are very optimistic about their future career opportunities. In fact, 70% of young people surveyed say they have many opportunities to succeed in their preferred career. This optimism holds true despite the changing global political and economic landscapes—from the intensifying global refugee crisis, to the recent 'Brexit' vote in the United Kingdom, to the recent U.S. presidential election. These events undoubtedly leave a mark on young people, however, they remain optimistic. Interestingly, we see a higher level of optimism amongst young people in developing cities compared to developed cities. Eight in ten (79%) young people in developing markets believe they will find opportunities to succeed in their preferred career as compared to 64% of their counterparts in developed markets.

70%

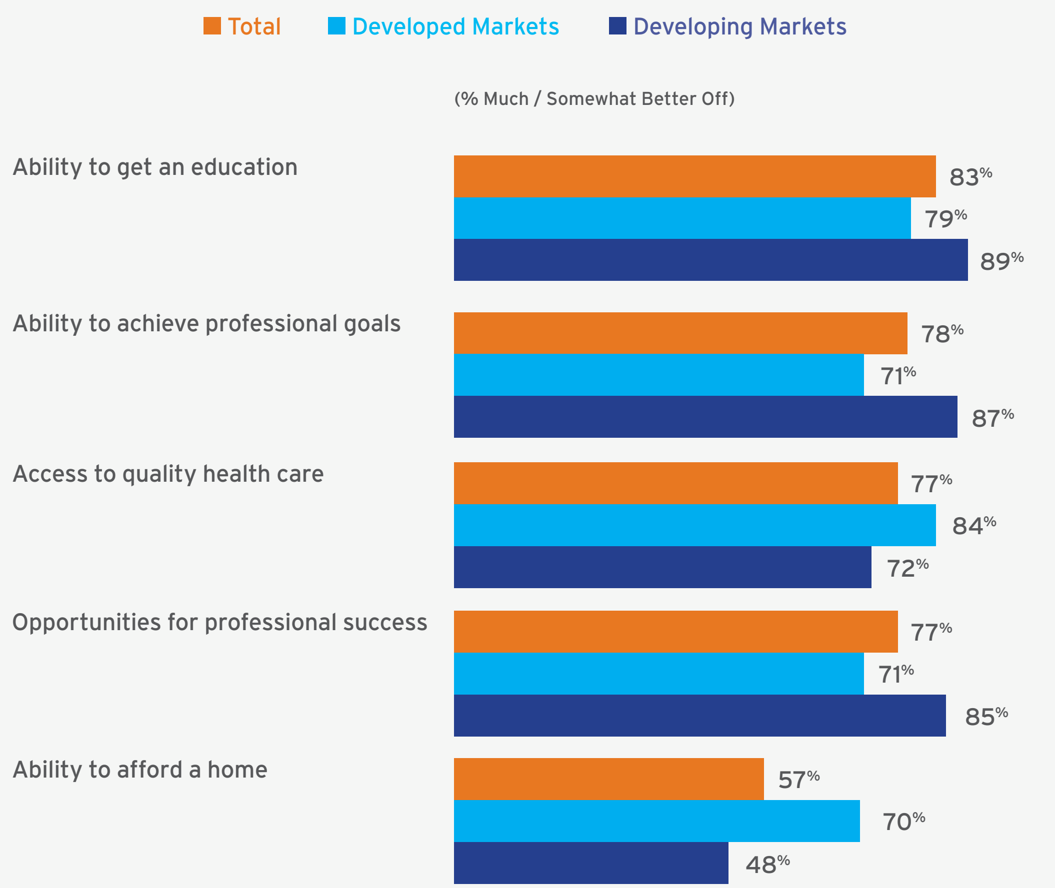
OF YOUNG PEOPLE SURVEYED SAY THEY HAVE MANY OPPORTUNITIES TO SUCCEED IN THEIR PREFERRED CAREER

3. Chetty, Stepner & Abraham, 2016

What is the basis for this optimism? Most of these young people believe that they are better off than their parents were at their age, in several different areas. More than three-quarters say they are doing better relative to their parents at their age in terms of their ability to get an education (83%), their ability to achieve their professional goals (78%), their access to quality health care (77%), and their opportunities for professional success (77%). Interestingly, youth are far less optimistic about their ability to afford a home (57%) relative to their parents at their age. This is particularly apparent in developed markets, where fewer than half (48%) say they are optimistic in their ability to afford a home, perhaps reflecting the lingering impact of the 2008 financial crisis and also the high costs of city-living. Given the unprecedented urban growth in recent decades, many parents likely lived in less expensive rural areas when they were young.

Their sense that their opportunities are better than those of their parents is particularly pronounced when we examine young people's attitudes in developing (more optimistic) vs. developed (relatively less optimistic) markets. Young people in developing markets rate their position relative to their parents consistently higher than their counterparts in developed markets.

FIGURE 1: HOW ARE YOU DOING RELATIVE TO YOUR PARENTS WHEN THEY WERE YOUR AGE?



Q. How would you rate how you are doing relative to your parents when they were your age on the following...?

Young people from cities in developing markets like Mumbai (95%), Delhi (93%), Jakarta (92%), Manila (92%) and Panama City (91%) are the most likely to feel their opportunities for professional success are better than their parents. Young people from developed markets like London (58%), Taipei (57%), Tokyo (54%), Seoul (51%) and Madrid (48%) are least likely to feel this way.

The Opportunity Gap:

YOUNG PEOPLE BELIEVE IN THEIR OPPORTUNITIES FOR FUTURE CAREER SUCCESS; HOWEVER, DISCONNECTS EXIST

There are significant disconnects between the careers young people want and the ones they are currently working in—55% of those who are currently working are employed in an industry they don't aspire to be in—and interestingly this is consistent across developed and developing markets. Yet, as previously noted, when asked if they will find opportunities to succeed in their desired field, 70% believe they will.

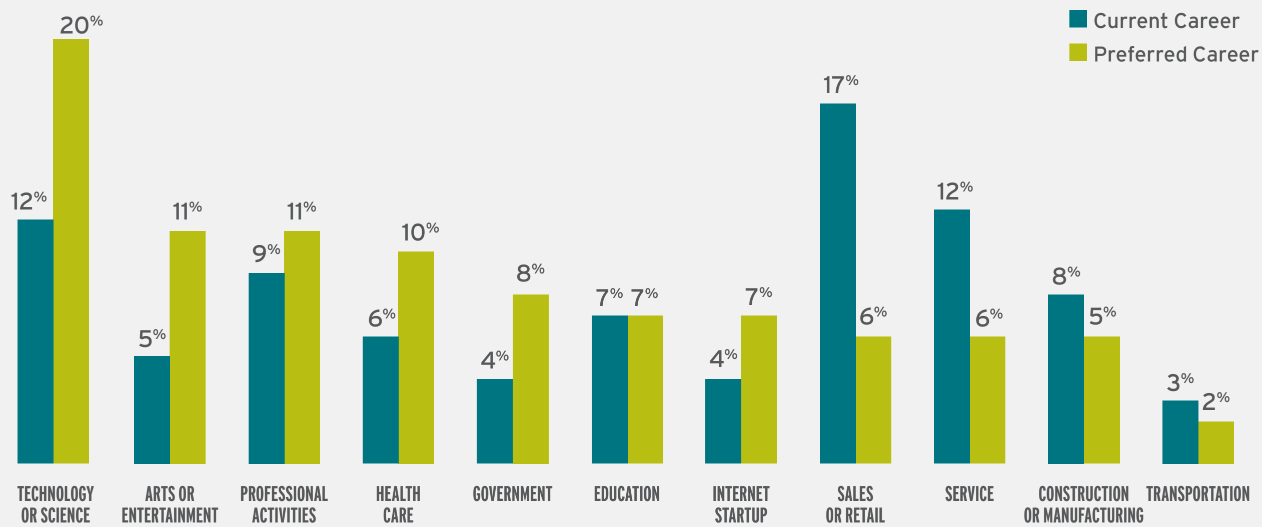
So what is this mismatch, what are young people doing and what do they want to be doing?

55%

OF YOUNG PEOPLE SURVEYED CURRENTLY WORK IN AN INDUSTRY THAT THEY DON'T ASPIRE TO BE IN

Across all regions of the world, the top three professions young people aspire to work in are: technology/science, arts/entertainment, and professional activities. One in five (20%) young people express the desire to work in technology/science, outstripping any other field. However, currently the top profession young people are working in is sales/retail (17%).

FIGURE 2: CURRENT CAREER VS. PREFERRED CAREER



Q. What type of work do you do? If you work for more than one organization, think of your main employer.
Q. What field would you most like to have a career in?

A closer look at the technology/science sector illustrates the mismatch facing these young peoples' reality vs. expectation. Although 20% of these young people would like to work in the technology/science sector, only 12% of workers are currently in that field. The top cities with this mismatch are: Tel Aviv, Shanghai, Buenos Aires and Panama City.

FIGURE 3: TECHNOLOGY/SCIENCE CURRENT VS. PREFERRED CAREER: CITIES WITH THE LARGEST MISMATCH

TECHNOLOGY / SCIENCE	CURRENT CAREER	PREFERRED CAREER	CURRENT VS. PREFERRED
TEL AVIV	12%	39%	-27
BUENOS AIRES	16%	36%	-20
SHANGHAI	23%	43%	-20
PANAMA CITY	6%	23%	-17
GUADALAJARA	18%	33%	-15
BOGOTÁ	16%	31%	-15
CASABLANCA	22%	37%	-15
NAIROBI	23%	38%	-15

Q. What type of work do you do? If you work for more than one organization, think of your main employer.

Q. What field would you most like to have a career in?

Young people believe a wide range of factors would help them find a job that is in line with their career aspirations. The most cited needs are more on-the-job experience (48%) followed by more professional connections (41%) and more social connections (35%), which are consistent across developed and developing markets.

FIGURE 4: WHAT WOULD MAKE IT EASIER TO FIND A JOB?

	TOTAL	DEVELOPED MARKETS	DEVELOPING MARKETS
On-the-job experience	48%	47%	50%
More professional connections	41%	42%	39%
More social connections	35%	36%	35%
The right education	33%	34%	32%
If I knew where to learn about job opportunities	33%	35%	31%
More jobs in my city	31%	32%	29%
More jobs in my occupation	27%	30%	24%

Q. What would make it easier to find a job / employment?

Perhaps this "opportunity gap" is a motivating factor behind the mobility of young people. A quarter (24%) of young people surveyed have moved within the last 5 years, citing more or better education opportunities (40%) and more work opportunities (36%) as the reasons for moving.

67%

OF YOUNG PEOPLE SURVEYED BELIEVE THAT COLLEGE IS NECESSARY TO BE SUCCESSFUL

The Higher Education Gap:

AN IMPORTANT KEY TO SUCCESS YET OUT OF REACH FOR MANY

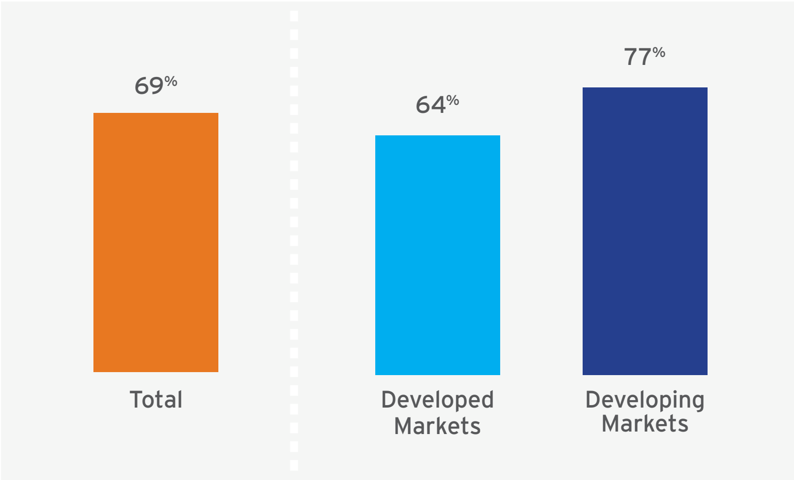
Globally, 67% of young people believe that a university education is needed to be successful. However, seven in ten (69%) see education as beyond their financial means.

These perceptions are grounded in reality. In the U.S., the average cost of higher education per year is more than half the median household income (US$ 33,620 v.$56,516). In Japan, it is about half (US$11,865 v. $22,790), and, in Mexico, it is close to 100% of the average household income (US$4,615 v. $5,077)[4].

4. Usher and Medow, 2010

FIGURE 5: THE EDUCATION I WANT TO ACHIEVE IS BEYOND MY FINANCIAL MEANS

(% Strongly / Somewhat Agree)

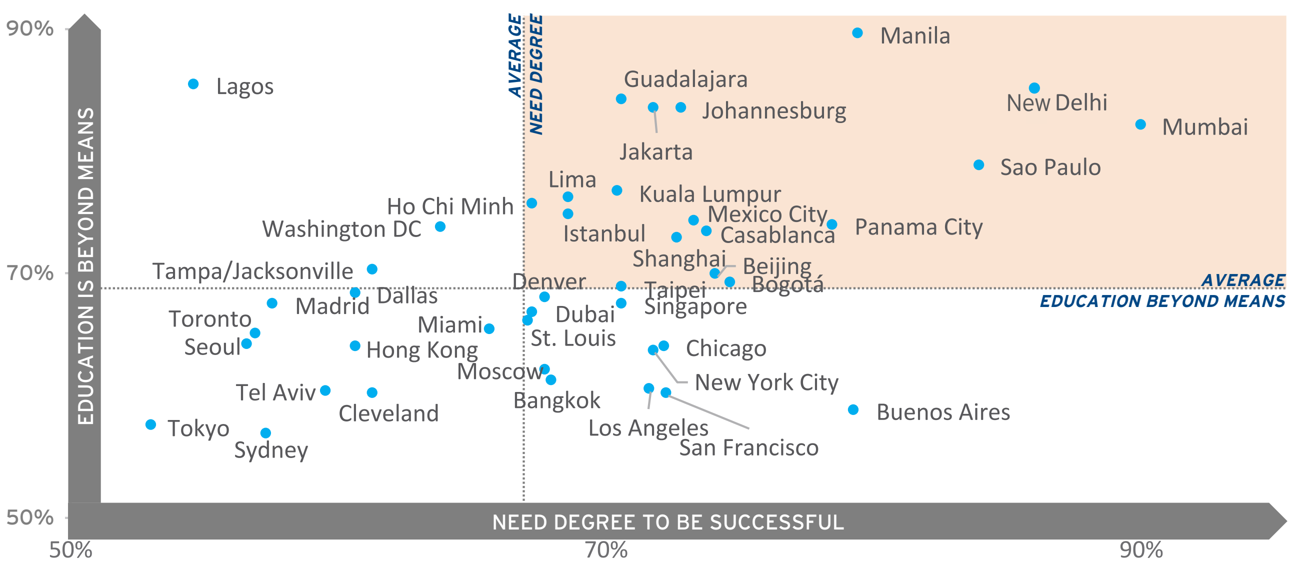


Q. Do you agree or disagree with the following statement? The education I want to achieve is beyong my financial means

The number of young people who see higher education as unaffordable is not equally distributed across the world. Young people in developing cities are much more likely to feel an education is beyond their financial means. In cities like São Paulo, New Delhi, Mumbai and Manila, young people view a university degree as critical for success but also see education as beyond their financial means. In contrast, in cities such as Buenos Aires, Los Angeles, San Francisco and Bangkok, a university education is highly valued, but is less likely to be viewed as beyond their financial means.

FIGURE 6: PERCEIVED NECESSITY OF UNIVERSITY EDUCATION VS. PERCEPTION EDUCATION IS BEYOND MEANS

(% Strongly / Somewhat Agree)



Note: Three cities with outlier scores are not included in the chart, in order to improve legibility: Nairobi (38% agree university education is needed to be successful, 78% education is beyond means); London (49%, 50%); and Warsaw (48%, 50%).

Q. Do you agree or disagree with the following statements? You need a university education to be successful

Q. Do you agree or disagree with the following statements? The education I want to achieve is beyond my financial means

Ultimately, education is seen as essential by a majority of young people. But it is both perceived and actually is beyond the means of many young people. This inequality of educational opportunity is especially acute in cities in developing countries.

The Experience Gap:

INTERNSHIPS AND APPRENTICESHIPS ARE SEEN AS CRITICAL FOR SUCCESS BUT YOUNG PEOPLE DON'T BELIEVE THERE ARE ENOUGH OPPORTUNITIES

While education is very important, young people don't believe that it is the only component in achieving success. Others factors are at play. Social scientists see "social capital" as essential in advancing in one's career-building strong communities and combating social ills[5]. How do young people forge such bonds of trust and experience? The short answer is through internships and apprenticeships.

Eight in ten young people (78%) agree that apprenticeships and internships are critical to their career success. This sentiment varies across region, from a high of 81% in Latin America to a low of 75% in both North America and Europe.

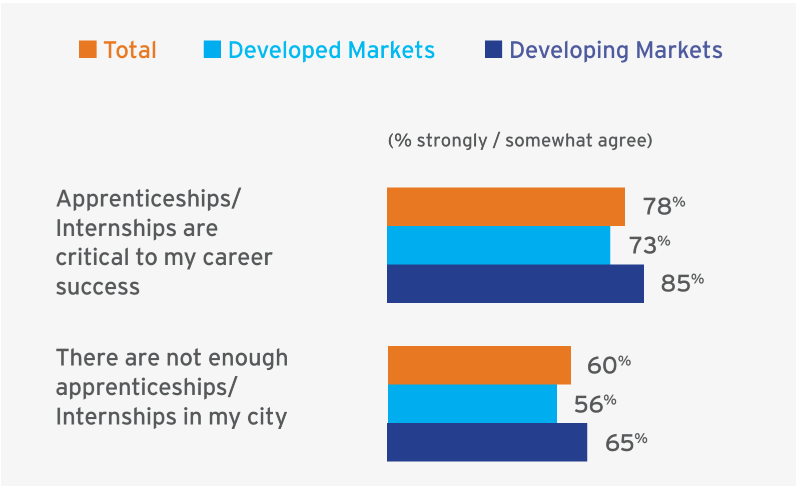
However, as strong as this value might be, the majority of young people (60%) don't feel that there are enough internships and apprenticeships in their city. Simply put, there is a mismatch between the demand for such opportunities and the supply of them.

78%

OF YOUNG PEOPLE SURVEYED AGREED THAT APPRENTICESHIPS AND INTERNSHIPS ARE CRITICAL

5. Seibert, Kraimer & Liden, 2001

FIGURE 7: PERCEPTIONS OF APPRENTICESHIPS / INTERNSHIPS



Q. Do you agree or disagree with the following statements? Apprenticeships or internships are critical for career success

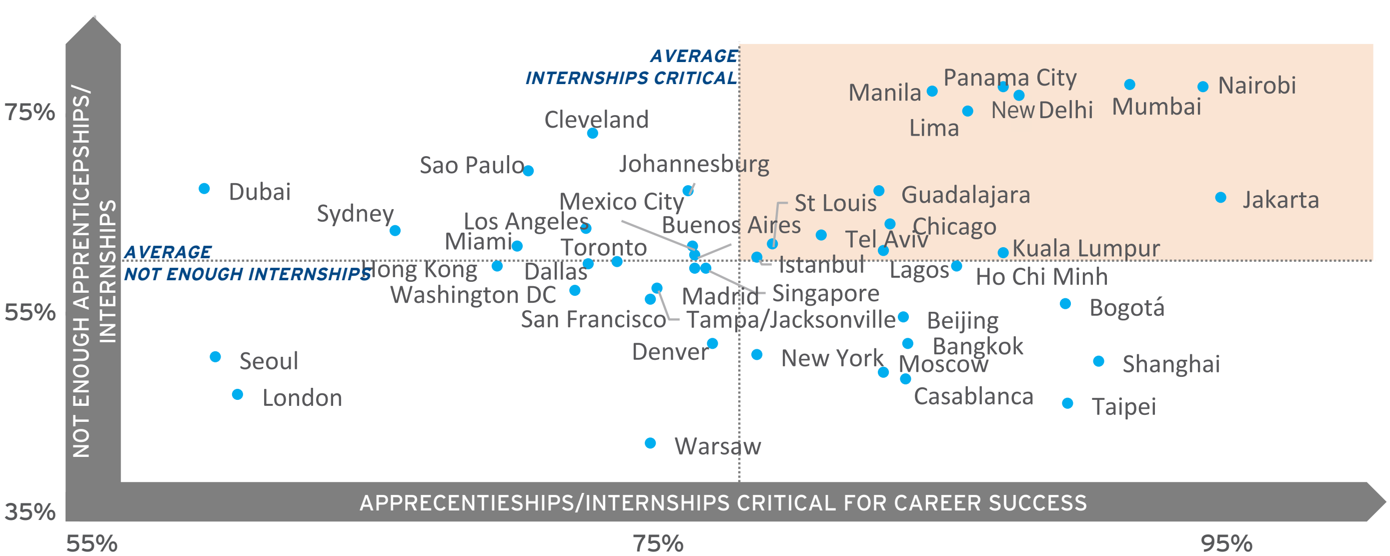
Q. Do you agree or disagree with the following statements? There are not enough apprenticeships or internships in my city

Interestingly, like jobs and education, access to apprenticeships and internships is not equally distributed. The developing markets show an even greater lack of opportunities for apprenticeships/internships. The cities where the lack of opportunities are greatest include: Mumbai (78%), Nairobi (78%), Manila (77%), Panama City (77%), New Delhi (76%) and Lima (75%), among others. In contrast, cities in developed countries do not show a large deficit.

Again, the value might be widely held but the practical means to achieving it are not.

FIGURE 8: IMPORTANCE OF APPRENTICESHIPS / INTERNSHIPS VS. PERCEIVED AVAILABILITY

(% strongly / somewhat agree)



Note: One city with an outlier scores was not included in the chart in order to improve legibility: Tokyo (54% agree apprenticeships/internships are critical for career success, 33% agree there are not enough internships in their city).

Q. Do you agree or disagree with the following statements? Apprenticeships or internships are critical for career success

Q. Do you agree or disagree with the following statements? There are not enough apprenticeships or internships in my city

The Small Business Gap:

YOUNG PEOPLE HAVE THE ENTREPRENEURIAL SPIRIT BUT CITE MANY BARRIERS TO ACHIEVING THIS DREAM

The entrepreneurial spirit is strong in all of the surveyed cities, with seven in ten (69%) of young people dreaming of starting their own business. Additionally, 70% of young people say that owning their own business is a better path to success than working for someone else. More than three quarters of young people are willing to work long hours (76%) and think it's worth taking risks to achieve their dream (82%).

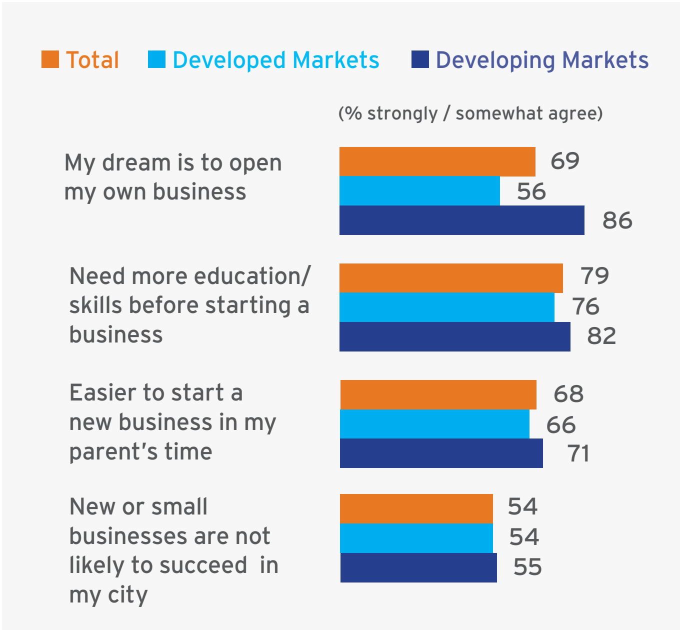
However, only 44% of young people are currently trying to start their own business, and very few at present are actually entrepreneurs (6%).

Two thirds of young people (67%) see small businesses as the foundation of the economy in their city. Despite this, a majority feel that new or small businesses are not likely to succeed in their city (54%). Why is this the case?

69%

OF YOUNG PEOPLE SURVEYED DREAM OF STARTING THEIR OWN BUSINESS

FIGURE 9: ENTREPRENEURIAL ASPIRATIONS & CHALLENGES



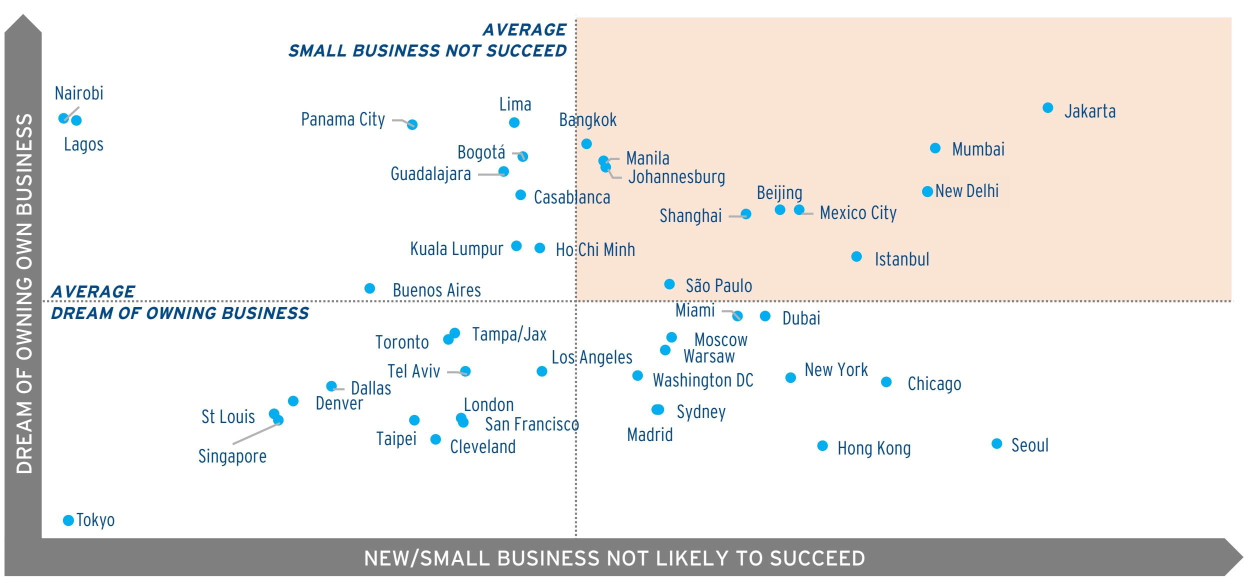
The dream of opening a business is particularly pronounced in the developing vs the developed markets (86% vs. 56% respectively). However, as young people see it, there are real barriers to opening a new business, and interestingly this view is largely consistent across the developed and developing markets. These barriers include the need for more skills and education (79%), a belief that it is harder than in previous times to start a business (68%) and, more specifically, the concern that new businesses are not likely to succeed in their city (54%). So young people have a strong entrepreneurial spirit but agree that serious challenges exist to starting a business.

Q. Do you agree or disagree with the following statements?

Cities with the greatest entrepreneurial desire and perceived barriers include Jakarta, Mumbai, New Delhi, Shanghai, Beijing, Mexico City, among others. It is interesting to note that, independent of the ease of opening and maintaining a new business, young people in developing markets are more likely to hold the dream of having their own business than their counterparts in developed markets.

FIGURE 10: ASPIRATIONS & CHALLENGES OF OWNING A BUSINESS

(% strongly / somewhat agree)



Q. Do you agree or disagree with the following statements? New or small businesses are not likely to succeed in my city
Q. Do you agree or disagree with the following statements? My dream is to own my own business

Conclusion

We are left with a portrait of incredible optimism and potential amongst young people despite numerous gaps between their expectations and hopes and the reality of their situations. But this intricate mosaic is a frail one—at risk of crumbling apart if we do not intervene and intervene early on.

We see that for these young people, large hurdles remain to access education and decent work, work that will lead to economic stability not only for themselves but for their families and for their communities. And while the majority of young people surveyed are optimistic about their future, this optimism is not necessarily supported by the actual prospects facing young individuals, as trends show real incomes and economic security decreasing or stalling throughout most cities.

The gaps between the desire to succeed, which is real and shared among these young people, and the knowledge and opportunity of how to succeed, remain open for a generation that is experiencing far less economic growth than generations prior. Our duty is to help these young people find the path to progress and help connect them with the opportunities to succeed. The need is as urgent and pressing as ever.

Methodology

These are the findings from a study conducted by Ipsos on behalf of the Citi Foundation. The survey was conducted online between November 2016 and January 2017 among 6,894 respondents, age 18-24 years old in 45 cities around the globe. Approximately 150 interviews were conducted in each city. Data was weighted to the local adult population of 18-24 year olds on gender, age, and household income. In the US, race/ethnicity was also included in the weighting scheme. Five hundred young people age 18-24 were interviewed across the United States to provide a national view of this population.

The precision of Ipsos online polls are calculated using a credibility interval. A poll of 1,000 interviews is accurate to +/- 3.1 percentage points; a poll of 500 interviews to +/- 4.5; and a poll of 150 interviews to +/- 9.1. For more information on the Ipsos use of credibility intervals, please visit the Ipsos website.

FIGURE 11: SAMPLE DETAILS

MARKETS
Developed: 56%
Developing: 44%
INCOME
Earn more than the city median income: 52%
Earn less than the city median income: 48%
AGE
18-21: 54%
22-24: 46%
GENDER
Male: 51%
Female: 49%
EDUCATION
Parents of the youth surveyed without a formal degree: 48%
Young people surveyed that are not currently studying or are not university graduates: 31%

FIGURE 12: CITIES INCLUDED IN THE SURVEY

REGION	CITY	MARKET TYPE
NORTH AMERICA		
	Chicago	Developed
	Cleveland	Developed
	Dallas	Developed
	Denver	Developed
	Los Angeles	Developed
	Miami	Developed
	New York City	Developed
	San Francisco	Developed
	St. Louis	Developed
	Tampa/Jacksonville	Developed
	Toronto	Developed
	Washington, D.C.	Developed
LATIN AMERICA		
	Bogotá	Developing
	Buenos Aires	Developing
	Guadalajara	Developing
	Lima	Developing
	Mexico City	Developing
	Panama City	Developing
	São Paulo	Developing
EUROPE		
	Istanbul	Developed
	London	Developed
	Madrid	Developed
	Moscow	Developed
	Warsaw	Developed
AFRICA & THE MIDDLE EAST		
	Casablanca	Developing
	Dubai	Developed
	Johannesburg	Developing
	Lagos	Developing
	Nairobi	Developing
	Tel Aviv	Developed
ASIA-PACIFIC		
	Bangkok	Developing
	Beijing	Developing
	New Delhi	Developing
	Ho Chi Minh	Developing
	Hong Kong	Developed
	Jakarta	Developing
	Kuala Lumpur	Developing
	Manila	Developing
	Mumbai	Developing
	Seoul	Developed
	Shanghai	Developing
	Singapore	Developed
	Sydney	Developed
	Taipei	Developed
	Tokyo	Developed

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