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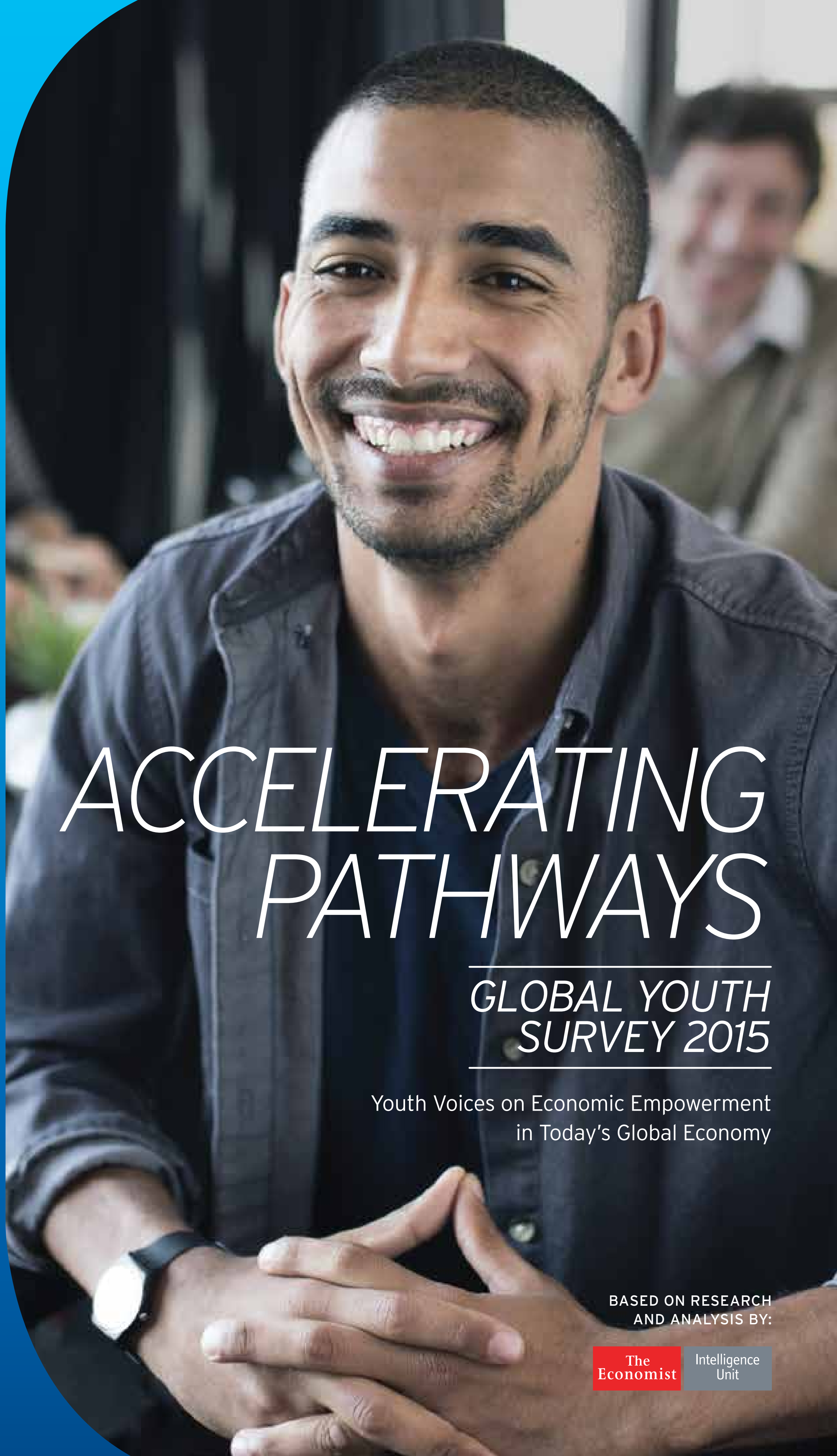

ACCELERATING PATHWAYS

GLOBAL YOUTH SURVEY 2015

Youth Voices on Economic Empowerment in Today's Global Economy

BASED ON RESEARCH AND ANALYSIS BY:

The Economist Intelligence Unit

Accelerating Pathways

Roughly 16 percent of the world's population today is between the ages of 15-24. These young people are moving to cities at record rates and are optimistic and ambitious.

How can cities around the world work effectively and aggressively to harness the power of this group to drive sustainable economic growth? The significance of that challenge cannot be overstated, and it can be met only if we understand what these young people desire, expect and contribute within their communities. That is why the Citi Foundation commissioned Accelerating Pathways, a research initiative led by The Economist Intelligence Unit that uses a unique index methodology and survey of 5,000 youth to examine how 35 cities around the world are supporting the young people who live there. The initiative also provides insights from young people about what they hope to accomplish and the support they hope to receive as they pursue their dreams.

This research complements the Citi Foundation's *Pathways to Progress* initiative, designed to prepare young people for employment and support them to build the confidence, entrepreneurial mindset and professional connections needed to succeed in any industry or sector. Through entrepreneurship training, mentorship, leadership development, and a first job, we are working with leading community organizations around the world to help young men and women find their footing on the path to academic and career success.

We welcome this opportunity to deepen the discussion with our peers about how programs and policies can best support our young people—the future of our workforce, the future of our economies, the future of our cities.

I hope that these pages inform your work and accelerate the paths to youth economic opportunity you continue to pave.

Brandee McHale
President, Citi Foundation

Citi Foundation

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UNDESA Youth Facts: http://www.un.org/en/development/desa/population/publications/pdf/popfacts/PopFacts_2015-1.pdf
2015 World Population Prospects: http://esa.un.org/unpd/wpp/publications/files/key_findings_wpp_2015.pdf

CITIES are powerful engines of innovation and economic growth. In dense urban enclaves, bright minds come together to power global economies and solve critical problems. Leading this charge are young people who have the skills and energy to develop novel products and approaches in vital areas such as health, energy and economics unimagined by their elder peers.

But cities are set to grow by 28% by 2030, just as the world adds 100 million more youth to its ranks. This 'youth bulge' adds both pressure to a resource-constrained world and a well of talent for a vibrant, rich future. Which begs the question: How can cities prosper if they fail to harness the passion and ideas of young people?

To answer this and other questions on the unique intersection of cities and youth as economic drivers, and to provide a road map for municipal leaders as they consider ways to spark enduring long-term growth from the wealth young people offer, the Citi Foundation commissioned a perception and reality study from the Economist Intelligence Unit (EIU) in 2015.

For the perception component, the EIU surveyed more than 5,000 young people in 35 global cities on topics ranging from their living and financial arrangements to their education to their employment to the skills they hold – and those that they seek. The survey also posed questions about young people's professional aspirations, the level of their engagement in their communities and their economic outlook.

For the reality component, the EIU created an index. It scores cities on key enablers that contribute to young people's economic prospects, such as affordable education or the ease of opening a business.

The index is based on 31 city-based indicators. Of these, 24 were collected from proprietary EIU data and organisations such as the World Bank. Seven are new qualitative ones based on secondary research, plus primary research including expert interviews.

These are but first steps in sparking a conversation among business and municipal leaders about what works, what doesn't and what can be done differently to leverage the power of youth in cities. Although the data serve as guideposts and answer key questions, they also raise others, which suggests more research is needed.

This survey is not linear, and certainly not exhaustive. Moreover, the local context, which will be shared in upcoming materials, enormously influences each city's narrative.

But collectively, the voices of 150 young people in each city serve as a snapshot of young people's economic pursuits today and their future prospects at a particular moment in time. Findings give colour to young people's preoccupations and aspirations, and detail what they seek to better their economic lives.

In the survey, most telling are themes that emerged globally, and their overlaps in entirely different regions. These cluster around four areas of opportunity that mirror the patterns of young people at different ages and stages: migration, online learning, entrepreneurship and civic engagement. These themes, which stem from broad global shifts enabling more freedom, independence and contributions to society are explored more deeply in the sections that follow.

For this report the survey analyst was Ana Berenguer and Carolyn Whelan wrote and edited the Executive Summary.

Survey background

In February and March 2015, the EIU queried 5,250 young people in 35 global cities about their economic situation and how this might change in the coming years.

Roughly 150 youth between the ages of 18 and 25 in each city were polled. More than one-third (37%) are 18 to 21 years old, and nearly two-thirds (63%) are 22 to 25. Just under half are male, and 52% female. As for income levels, half live in households which earn less than the city median income, and half live in households with incomes above this level.

As for the highest level of education completed, just under half (45%) cite undergraduate studies, 19% graduate studies, 26% secondary school, 10% vocational school and 1% elementary school. Broadly, 59% are taking classes, 62% are working, 33% are both working and studying, and 13% are neither working nor studying.

Respondents hail from the following cities:

Africa and the Middle East	Asia	Europe	Latin America	US and Canada
Casablanca	Bangkok	Istanbul	Bogota	Chicago
Dubai	Beijing	London	Buenos Aires	Los Angeles
Johannesburg	Delhi	Madrid	Lima	Miami
Lagos	Hong Kong	Moscow	Mexico City	New York
Tel Aviv	Jakarta	Warsaw	Panama City	Washington, D.C.
	Kuala Lumpur		São Paulo	Toronto
	Manila			
	Mumbai			
	Seoul			
	Shanghai			
	Singapore			
	Sydney			
	Taipei			

Global themes

Despite global and local socio-economic constraints, survey respondents are, with rare exception, largely aspirational and optimistic about their futures. They value technology and seek online learning, believe internships and apprenticeships best pave the way to improving their earning power, and are open and enthusiastic about working for themselves, or founding a business.

These findings are not surprising given the age group. However, even at older ages respondents live with or receive financial support from family. Roughly three in four of those polled (77%) reside with their parents or other relatives, while a smaller 57% are financially supported in some way by family on a monthly basis.

Perhaps more than ever since the Industrial Revolution, globally, family serves as anchor and springboard for the transition to adulthood. In parallel, roughly half of respondents (47%) have moved in the last five years for work, education or a better life.

The juxtaposition of the hopes, dreams and skill sets of these young people against the backdrop of continued dependency and the search for better opportunities elsewhere begs the question, are cities providing the enabling environment that supports the economic aspirations of young people? Are they making the proper investments to support their growth, to reap youth-driven dividends in the future?

A deeper dive into the data globally and regionally points to areas of opportunity. Technology is, not surprisingly, one that resonates globally. The skills most-oft cited by respondents are computer skills (62%), and though just one in ten of those polled takes classes over the Internet today, more than one in six (17%) prefers this medium for learning. Notably, the skill respondents most seek globally are foreign-language proficiency and management/leadership.

As for skills acquisition, among ten paths to improving earning power, on-the-job training tops the list. Respondents most often single out internships or apprenticeships as a means to increase their incomes. And in work, stability is a key jobs-choice driver, selected most by respondents as the reason for the work they do today.

However, a large majority of respondents aspire to work for themselves, or to start their own business. Over three-quarters of those polled (77%) say this work-choice appeals. Finally, the sample was overwhelmingly optimistic. Three in four respondents say they are somewhat or very optimistic about their economic future.

These apparent contradictions – aspirations for freedom through self-employment or work ownership while living with or receiving financial support from family, with stability trumping freedom as key factors for the work young people actually do – are age-old. And in geographies such as Asia or Latin America these align with cultural norms.

But the expansion of these contradictions into regions such as North America where this historically has been less true suggests that municipal leaders may want to explore ways to bridge the generational divide. Young people may respond positively to policies or programs that foster a mindset of measured risk for personal or global growth, while laying the groundwork for long-term stability.

Regional highlights

A more-focused look at the data surfaces some interesting trends. For example, in Latin America, vocational schools are far more popular than elsewhere. In cities like Bogota and Lima, roughly one-third or more of respondents have completed their studies or are studying at vocational schools. Latin American respondents are also more upbeat about working for themselves or starting their own business, an aspiration cited by roughly nine in ten (89%) of respondents in the region. The largest city-based cohort which has moved for school or a better life also resides in this region (São Paulo).

Young people in the US and Canada, by contrast, appear to be less enthusiastic about self-employment or starting entrepreneurial ventures; just 64% of respondents here say this work-choice appeals, with the lowest rates in the region in Chicago and Toronto. Perhaps this is because this cohort is also the most financially self-sufficient in the survey. This region also leads the world in civic engagement, with 52% of respondents there contributing to the community. Conversely, in Europe just 36% of those polled say they are involved in such activities.

As for respondents in Europe, they are the most likely to receive financial support from their families on a monthly basis (63%) and, along with their peers in Africa and the Middle East, have the fewest number of workers (Casablanca, Lagos). Those polled in the latter region say most often that they are not acquiring the necessary skills to get work.

Finally, respondents in the Asia-Pacific region are most likely to live with their parents or other relatives in all cities save Sydney; they are also the most likely to stay put, and trail Europeans in terms of the financial support they receive from their families. Notably, both the cities where respondents are most likely – and least likely – to have computer skills are in Asia: Mumbai (82%) and Seoul (29%), respectively.

These findings, which, of course, should be viewed through a cultural lens and against the local economic, political and social context, suggest that certain educational delivery models that are widely used in some regions – such as vocational schools in Latin America – may prove useful elsewhere, such as in Africa and the Middle East. Mumbai also may have valuable insights about computer-skills acquisition.

Mobility

The promise of a better life has long lured people of all ages to cities. Youth often accompany their families to new places, but the transition to adulthood and the opportunities this life phase brings make cities particularly attractive to young people for the better schools and job prospects cities often offer.

This certainly bore out the EIU survey. Nearly half of respondents (47%) moved to their city for work, education or a better life in the last five years – most (90%) from within the country.

Not surprisingly, globally, respondents in the US and Canada are the most transient since 2010, while their peers in Europe and Asia-Pacific more often stayed put over that period, with European respondents expressing the least willingness to move in the future.

Notable mobility outliers among the survey sample are respondents in Bangkok and São Paulo, where 69% and 77%, respectively, of those polled have moved in the last five years. This is well above the laggards in this category, or the roughly one in four respondents in Casablanca, Shanghai and Singapore who moved over this time.

Motivating these moves are, understandably, educational and work opportunities, reasons cited by nearly half of respondents who recently moved. Better education was the clear draw among those polled in Europe, where the 57% of respondents noting this enticement was far higher than the 38% in Africa and the Middle East who singled out education as a top reason for a move.

Other reasons cited by respondents include easier commutes to work, and better services, such as reliable transportation, police or electricity, noted most often by respondents in the Asia-Pacific and Africa and the Middle East. Notably, income levels did not vary between migrants and longer-term residents, though there are some differences between these two groups by city.

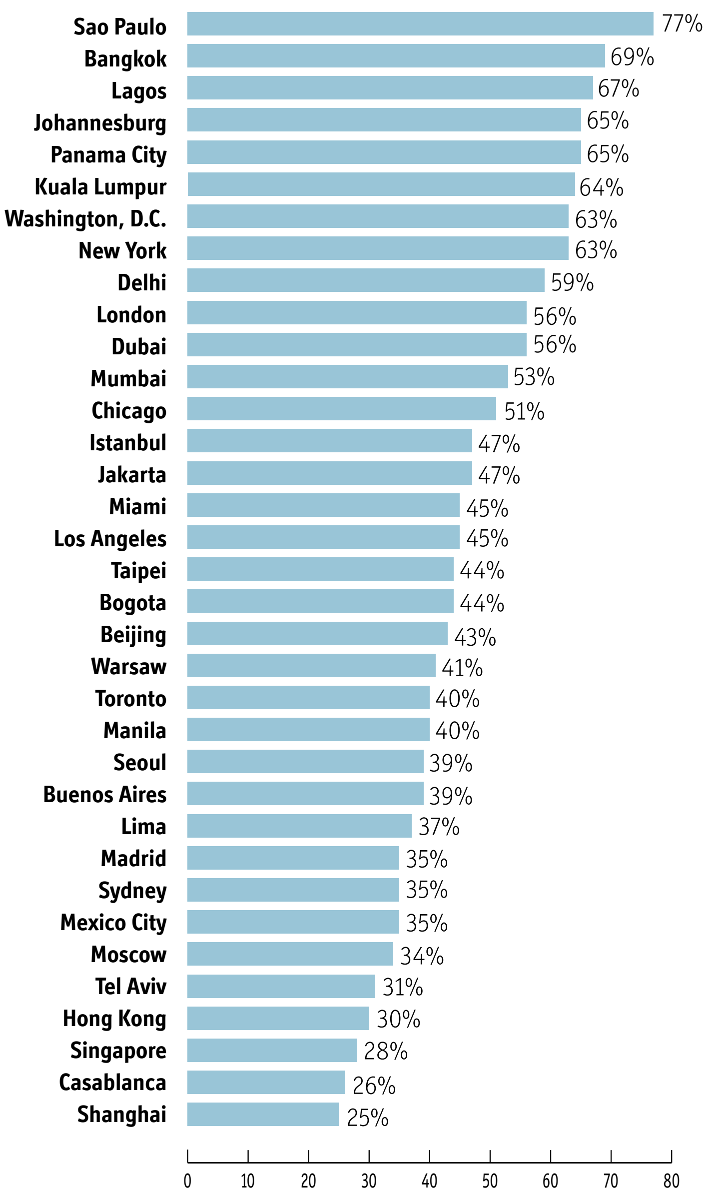
In Bangkok, for example, which is an Asia-Pacific outlier, with more than two in three respondents having moved to this city over the last five years, lower-income respondents are less likely to have moved (61% versus 76% of those with high incomes).

Conversely, more lower-income respondents moved to Washington, D.C. (71% versus 56% of those with higher incomes), than their peers in other regions who moved to other cities.

Finally, in some regions, higher levels of tolerance appear to be a lure. In Asia-Pacific, Latin America, and the African and Middle Eastern regions, more respondents than elsewhere cite gender, race or ethnicity issues as a key driver for their move to their current city, with respondents who had moved to Lagos most often (26%) making this claim.

Respondents who moved for work, education or a better life may have found, in many cases, what they sought. Globally, migrants are more likely to work (68% versus 56% of longer-term residents who work) and to study (61% versus 57%, respectively). Moreover, 72% and 76%, respectively, of those who say they moved to study or work are indeed studying or working. Finally, this "mobility" cohort is more optimistic about its economic future than respondents who have lived in the city longer (38% of

Percentage of respondents who have moved for school, work or a better life, in the last five years



migrants versus 29% of non-migrants who say they are very optimistic).

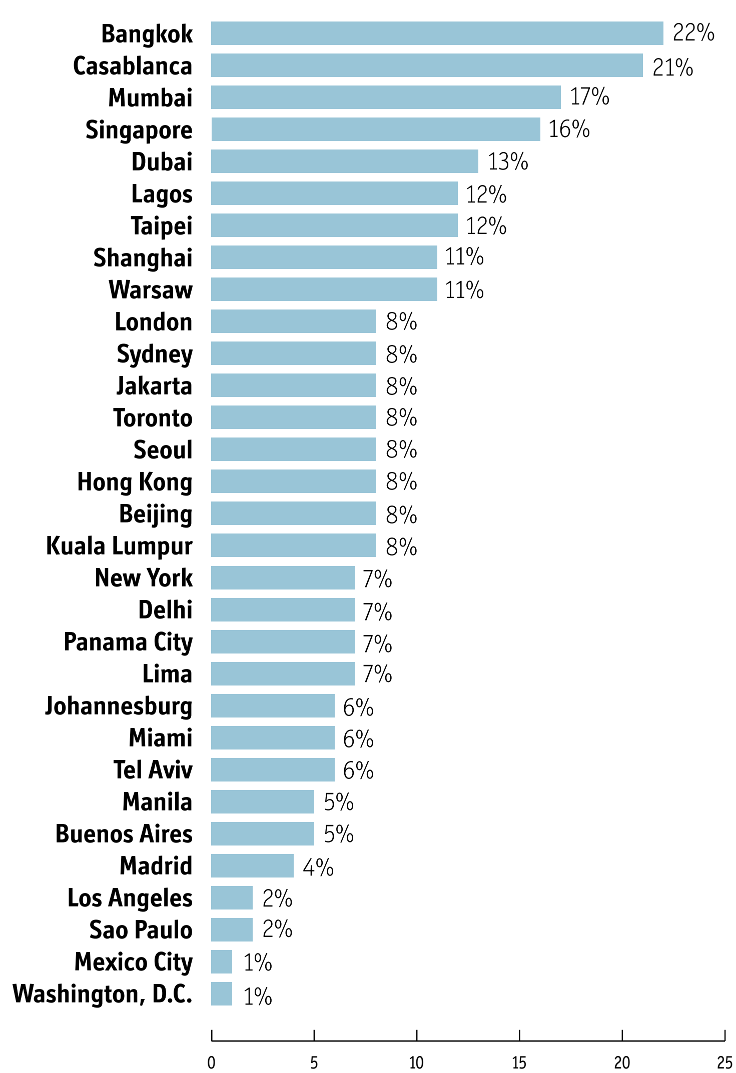
Yet, despite this optimism, a sizeable 75% of those who moved say they will move again – most often, again, within the country. Respondents in Latin American cities who have moved before most often express willingness to move again (85%), for similar reasons, and more than one-third of them believe this will be to a different country. And though respondents in Asia had moved the least since 2010 and Singaporeans are the least likely to cite plans to move again (along with their peers in Moscow), migrants in Bangkok and Manila say they may move again. For many, moving for opportunity promises payback, but also incites those who moved to keep on moving, for ever-better opportunities.

Computers and online learning

Technology as a learning tool and a leg up economically is a theme that resonates throughout the survey. Globally, respondents who work most cite computer skills as the top skill they hold (62%), led by those in the US and Canada and in the Asia-Pacific region, save in Panama City (39%) and in Seoul (29%).

Rising interest in online learning

Percentage difference between respondents who study over the Internet today and those who prefer this medium for learning



Yet some interesting digital divides emerge among various income levels: not surprisingly, respondents in higher-income households are more likely to cite computer skills than their peers in households with lower incomes (66% versus 58%), with a wider gap between income levels in Asian cities (69% versus 56%), led by respondents in Beijing (81% versus 65%), Bangkok (64% versus 49%) and Shanghai (77% versus 53%). This is also true of Europe and Africa and the Middle East, though the gap is narrower here.

But it is perhaps in the area of education that the greatest opportunity for technology looms. Although today a full 75% of students learn predominantly at schools, respondents' current interest in learning in this environment is waning, with their preference increasingly skewed towards online learning.

While only 10% of those who study do so over the Internet today, more than one in six (17%) prefers this medium. This way of learning is particularly popular in the Asia-Pacific and Africa and the Middle East, where roughly 10% of those who take classes do so online, and 21% favor this platform for learning. But in Latin America, findings point to room for improvement in online capacity building or the telecommunications infrastructure, where just 13% of respondents prefer this medium for education.

Some gender-based disparities also surface in this area in Latin America, where male respondents are significantly more likely to have computer skills.

In Lima, for example, just 28% of female respondents cite this skill versus 59% of their male peers. Similar gaps exist in other regional cities such as Buenos Aires (52% versus 61%), Bogota (45% versus 71%) and São Paulo (59% versus 69%). This lack of computer skills may hold young Latin American women back. For instance, in all Latin American cities save Bogota, more male respondents prefer taking classes over the Internet than their female peers.

Entrepreneurship

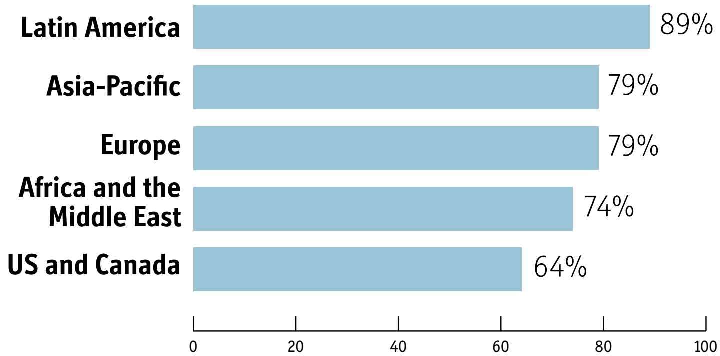
Self-employment or founding a business broadly appeals to survey respondents, perhaps because of their age, perhaps because of obstacles in finding work. More than three in four respondents (77%) express interest in working for themselves or founding a business, with this interest most pronounced in Latin America, where 89% make this claim.

Notably, though respondents in higher and lower income households are equally likely to say that self-employment or founding a business appeals in Europe, North America and Asia-Pacific, in Africa this work choice has broader appeal among lower-income respondents, and, to some degree, in Latin America.

In Africa, 78% of low-income respondents say they would be interested in self-employment or starting a business versus 69% of their regional peers who note the same interest in higher income households; this gap is more narrow in Latin America (92% versus 87%, respectively).

Would-be entrepreneurs, by region

Percentage of respondents who want to work for themselves, or to start or grow a business



Driving this interest is a desire for more freedom and flexibility, selected by more than one in three respondents (36%) globally. However, would-be entrepreneurial respondents in the Africa and Middle Eastern region are more likely than their global peers to point to creativity as a primary motivation for interest in this work-choice. By contrast, respondents in the US and Canada single out meeting a market need as a top reason they would gravitate to self-employment or entrepreneurial activities. They most cite – after freedom or flexibility – selling a useful product or service as a reason for this work-choice.

To work for themselves or to start a business, would-be entrepreneurial respondents say they most need capital, of course, followed by technology (32%), a skilled team (31%) and mentoring and guidance (30%). Respondents in this category in Europe also single out government policies or laws that make it easier for young people to start a business. This suggests that municipal governments in this region could do more to foster entrepreneurship among young people.

Gender-based stereotypes also ring true in the survey: in all 35 cities, more male than female respondents say self-employment or founding a business appeals. This gender gap is particularly marked in the US and Canada, where nearly three in four male respondents (73%) express interest in this work-choice versus 58% of their female peers. However, some Asian cities, namely Bangkok and Mumbai, appear to buck this trend. In Mumbai, female respondents are more likely than their male peers to express interest in this work-choice (96% versus 88%), though there are fewer female respondents here than in other cities.

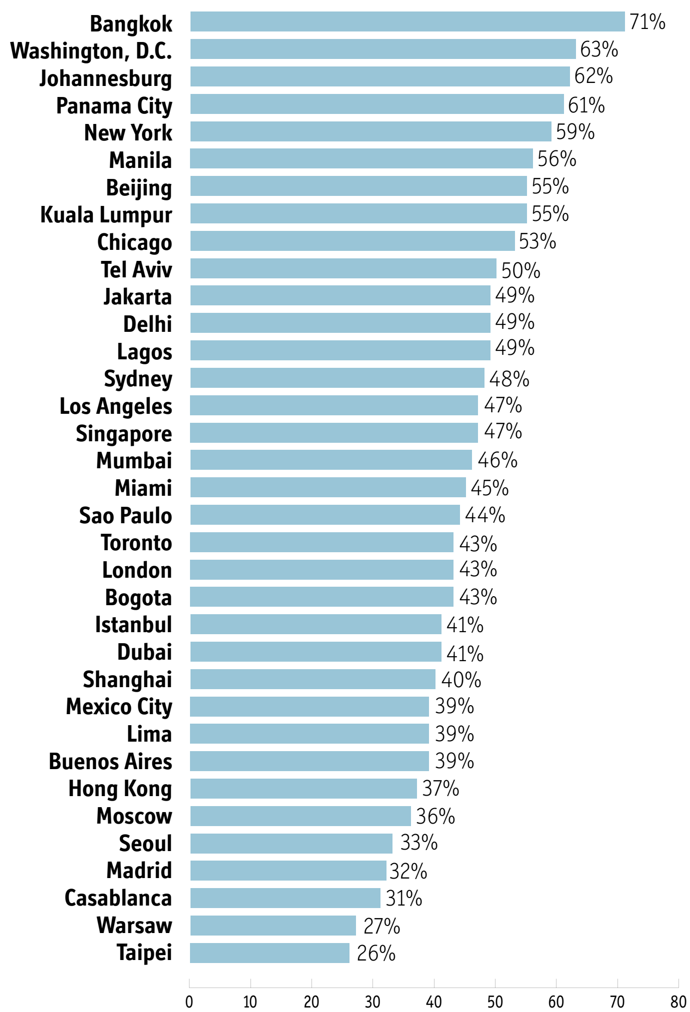
Skill sets appear to play a role in young people's interest in self-employment or founding a business, as well. In cities where respondents are more likely to have accounting skills or skills to start a business, the interest in starting one or working for oneself is also higher. Indeed, across all regions would-be entrepreneurial respondents most cite these skills. These practical skills are perhaps why the cities where more respondents than elsewhere express an interest in self-employment or founding a business are the same cities (Bogota and Lima, where nearly all – 96% – express interest in this work-choice) in which more respondents completed their studies at a vocational school. Moreover, in Latin America, respondents who expressed interest in this work-choice are more than twice as likely to have completed their studies at vocational schools as their peers who say they are not interested. Meanwhile, their counterparts in graduate and undergraduate programmes are less likely to be interested in self-employment or in founding a business.

Finally, there appears to be a correlation between interest in self-employment or entrepreneurial ventures and levels of optimism. Indeed, in all regions, would-be entrepreneurial respondents are more likely to say they are very optimistic about their economic future. For instance, in the Asia-Pacific region 31% of respondents who say this work-choice appeals are very optimistic, versus the 14% of those who say this among those who express no interest in self-employment or entrepreneurial ventures.

Civic engagement

Is there a link between civic engagement and work? In the EIU survey, cities with higher numbers of respondents in the workforce tend to have higher numbers of respondents involved in the community. School and work may be factors in participation in these activities, with more than half of respondents (52%) who take classes contributing to the community versus 37% who are not studying. Similarly, those who work are also more likely to be engaged in their communities (49% versus 40% of those who do not work).

Percentage of respondents who have participated in programmes or activities that help their city, community or country, in the last two years



However, while the majority of respondents believe these activities will help improve their city, community or country, less than one in three respondents globally believe these activities will help them find work.

The exception, however, may be in the area of networking. In US cities which cite the highest levels of civic engagement, more respondents than elsewhere also cite networking skills. This is also true globally. In cities with the highest levels of civic engagement, respondents are more likely to have networking skills than those in cities with fewer respondents who contribute to their communities.

Globally, of the less than half of respondents (46%) who say they have participated in programmes or activities, respondents in the US and Canada are the most engaged in their communities, with more than half of those polled participating in community activities, most often by volunteering their time.

Levels of civic engagement in Africa and the Middle East are also noteworthy, with nearly half participating in such activities, the majority of them volunteering their time. Respondents in this region also contribute more time to these endeavors than their peers in other cities (over 15 hours). It is in the Asia-Pacific region, however, that some interesting disparities emerge: Bangkok leads the world in the percentage of respondents who have contributed to the community (71%), while Taipei, at 26%, is the global laggard in this category.

Civic engagement could help lure young adults on the fringes back into the fold. Respondents who say they are pessimistic about their economic future are less likely to be involved in their communities: more than two-thirds of this cohort have not participated in these activities. Collectively, these findings suggest that civic engagement may help brighten young people's outlook and bring valuable skills.

Conclusion

Young people across the world have ideas and ingenuity. They bring energy, enthusiasm and 21st-century skills the world badly needs, and often more rapidly adapt to change and spot emerging opportunities than their older peers. With millions more youth joining the global workforce by 2050, cities can tackle the many challenges they face – from a greying workforce, to strained infrastructure to slowing economic growth – by tapping into this rich human capital. This is particularly true in developing countries, where the bulk of young people will live.

But without the enabling environment to tap this precious resource, cities risk the loss of an important dividend. This survey points to some areas young adults globally believe will help them in this endeavour, including mobility, technology, entrepreneurship and civic engagement, which may fuel urban economies in the future.