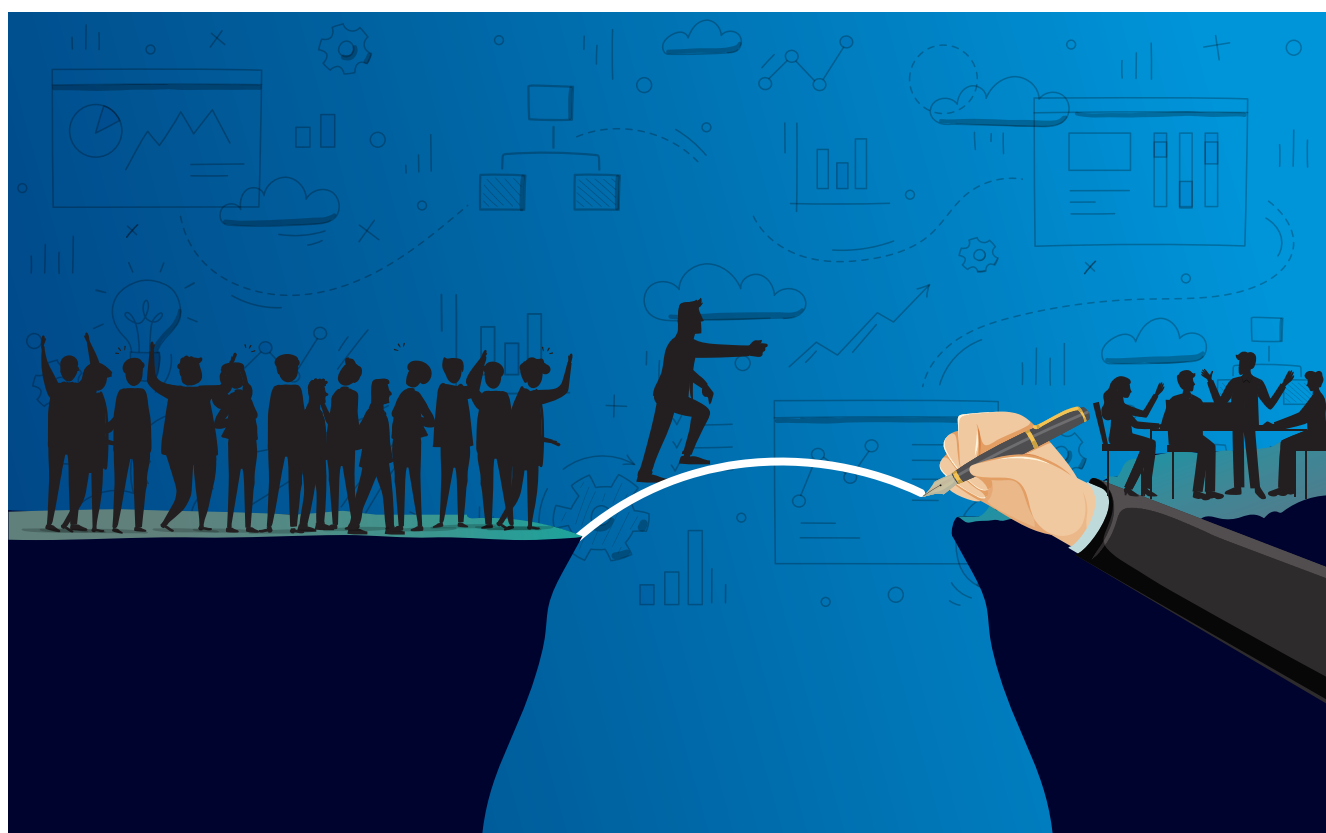


Research Paper

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Navigating the Youth Frontier

Rajesh Shukla, Adite Banerjee and Asha Sharma



People Research on India's Consumer Economy

Navigating the Youth Frontier

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Abstract

India's formidable 420-million strong population of youth embodies a reservoir of untapped potential. If nurtured, the youth could power the country to realize its ambition of becoming a developed economy by 2047. This paper delves into the evolving socio-political-economic-digital landscape of contemporary India, emphasizing the necessity for strategic recalibrations to empower the youth. Beyond imparting skills and capabilities, the focus has to shift to create an enabling environment that unleashes the full potential of this pivotal demographic. Recognizing the aspirations of India's youth is crucial for catalysing their transition into productive contributors to national growth. Amidst technological advancements and the pervasive digital environment, policymakers face the intricate task of designing targeted interventions that align with the evolving needs of the youth while leveraging technology for inclusive development. The promise of India's youth, however, is marred by significant disparities in access to essential resources such as healthcare, education, gender equality, employment, and living conditions. Addressing these inequities and investing in equitable resource distribution are imperative for harnessing India's demographic dividend and achieving developed economy status by 2047. This paper provides a comprehensive exploration of the multifaceted landscape of India's youth, analysing their economic status, aspirations, challenges, and opportunities. By examining the perceptions, realities, and imperatives shaping the youth narrative, the paper offers insights into the current status quo and highlights key factors for unlocking the transformative potential of India's youth.

Keywords: Indian Youth Population, Demographic Dividend, Youth's Education & Employment, Economic Well-Being, Regional Disparity.

Introduction

India boasts of the largest cohort of young people worldwide. As of 2025, the PRICE estimates that nearly one in five young individuals globally calls India home. This is a formidable 420-million strong force, constituting approximately 29% of the nation's total population, and made up of individuals aged between 15 and 29 years as defined by India's National Youth Policy (2014). These young minds embody the change agents of tomorrow, wielding influence across myriad spheres including business, politics, education, and academia. India's ambition to become a developed economy by 2047, marking the centenary of its independence, further places significant emphasis on the role of its youth.

India's youthful bulge not only signifies numerical superiority but also embodies a reservoir of untapped

potential, poised to drive economic growth and foster holistic national development. However, the potential of promise camouflages formidable challenges, which if left unaddressed would undermine the realization of this demographic dividend. Without strategic investments in human capital development, there exists a real danger of squandering away this unparalleled opportunity.

The contemporary socio-political-economic landscape of India is in flux, necessitating a recalibration of strategies to empower this pivotal segment of society. Merely imparting requisite skills and capabilities is no longer sufficient. Rather, there is a need to foster an enabling environment which can unleash their full potential. Central to this endeavour would be a recognition of the aspirations and wants of India's youth, thus catalysing their transition into productive and innovative contributors to the nation's growth trajectory.

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Against the backdrop of technological advancements and the omnipresent digital milieu that envelops today's youth, policymakers are faced with an increasingly intricate challenge of crafting targeted interventions. The paradigm shift necessitates a nuanced approach, one that not only acknowledges the evolving needs and preferences of the youth but also harnesses the transformative power of technology to foster inclusive growth and development.

However, the promise of India's youth is tempered by stark disparities in access to essential resources and opportunities. Across dimensions such as healthcare, education, gender equality, employment, and living conditions, glaring inequities persist, exacerbating the gaping chasm between the privileged and the marginalized segments of society. Addressing these disparities and investing in systems that facilitate equitable resource distribution emerge as imperatives if India is to harness the full potential of its demographic dividend and chart a course towards becoming a developed economy by 2047.

In this report, we embark on a comprehensive exploration of the multifaceted landscape of India's youth, unravelling the intricacies of their aspirations, challenges, and opportunities. Through an analysis that encompasses the perceptions, realities, and imperatives shaping the youth narrative, we endeavour to provide insights into the current status quo and highlight the key factors that can harness the transformative potential of India's youth.

Taking Stock of Youths

There are 420 million young people in India who fall in the age group of 15 to 29 years and constitute 29% of the total population. There are 220 million male youths (52%) and 200 million female youths (48%) making up for a total of 420 million. In terms of social groupings, the largest cohort of youths belongs to the Other Backward Caste (OBC) group at 189 million or 45% followed by the scheduled caste group which makes up for a quarter of all youths (26%). The general category youths and scheduled tribe groups make up for 22% and 7% respectively.

Nearly 84% of the youths are Hindus, 13% are Muslims.

Location-wise, an overwhelming majority of youths live in rural India - 268 million or 63.7%. The youth population of urban India² is about 152 million or 36.3%.

Further breakdown of rural and urban clusters reveals that while the youth population for the emerging rural and left-behind rural is 22% and 33.9% respectively, the developed rural areas have the lowest concentration at 7.9%. In urban India, there is a more even distribution of the youth population. Metro cities' share of youth population

is 9.7%, for niche cities it is 8.7%, rest of urban's share is slightly higher at 11.9% and for boom cities, it is the lowest at 6%.

How are they distributed in the Country's Zonal Councils - north, south, central, east and west? Not surprisingly, the North has the largest youth population of 128 million or 30%. East has a similar proportion - 125 million or 30%. The South and West each have 19% and 12% share of the youth population respectively while the Central states' is lowest at 9%. Significantly, the share of youths to the total population of the states in these five regions ranges roughly between 24% to 35%.

However, this cohort is by no means a homogeneous group. They belong to diverse income backgrounds, social groupings, reside in cities or villages that range from the poorest, most remote and economically backward to medium income and affluent agglomerations. All these factors contribute in shaping their aspirations. Access to education, healthcare, physical and other social infrastructure are crucial in shaping their potential as key contributors to the talent pool of the country. This clearly indicates that youths are a force to reckon with for political parties that hope to earn their votes for electoral success. It is therefore essential to look at the youth from three perspectives:

1. What Youths Want - the Perceptions of what makes for a Good Life to today's Youth.
2. What Youths Have - the Current Situation in terms of what is accessible to them.
3. What Youths Need - the bridge that will connect the present set of Haves with the Wants within a reasonable timeframe.

Pursuit of Good Life - Same but Different

Looking at the young in the current socio-economic milieu and comparing them with earlier generations of youths, it may be easy to come to the conclusion that their wants and desires have always been similar - the pursuit of happiness and the good life. However, as the socio-economic-political-technological environment has evolved, the specific elements that constitute "the good life" in contemporary times have also undergone changes.

As of 2025, PRICE'sⁱ ICE 360° surveyⁱⁱ finding shows that for today's youths the key "wants" include "comfortable life, a house with home conveniences, stress-free life, the ability to pursue personal interests and spend on self".

2. The definition of urban areas adopted here is the same as that used in the 2011 Census. Accordingly, urban areas include a) All places with a municipality/corporation, cantonment board or a notified town area committee; b) All other places having minimum population of 5,000, where at least 75% of the male workforce is engaged in non-agricultural pursuits and with a population density of over 400 per sq km (1,000 per sq mile).

They also aspire to earn incomes that will help them grow their personal spending, adopt healthy lifestyles, secure quality education for themselves and their families and attain fulfilling jobs as well as other achievements. These desires signify a blend of material well-being and personal fulfilment which they hope to achieve within the next ten years.

Thus, for today's youths to be able to achieve the good life, he/she aspires to a decent standard of living that will allow them the means of acquiring a comfortable home with the necessary conveniences while having adequate leisure and me-time.

They are also very clear about the 'top national priorities' for the next five years:

- Adequate/better education
- A low inflation economy
- Better health infrastructure
- Overall better infrastructure
- Creation of more jobs

There are clear linkages between the Youth's perceptions of the needs of the Nation and their individual Wants. Access to better education, a focus on job creation and better overall infrastructure will provide them with the launching pad they need to achieve their aspirations.

The Key Enablers

The goals of the youth and the desire for the good life have not manifested in a void. Multiple studies have shown that Indian youths are among the most optimistic as compared to their counterparts around the world. They believe in seeing the "positive in every situation". Even more heartening is that an overwhelming majority of Indian youths display a can-do attitude who are confident of bringing about a change in the world.

The optimism and can-do attitude among Indian youth are further shaped by key enablers such as growing urbanization, narrowing of the rural-urban divide, higher disposable income in the hands of youth, and other related factors. Here's how these factors contribute:

Growing Urbanization

By 2047, India's urbanization rate is projected to increase significantly. Currently, about 35% of India's population lives in urban areas, but this number is expected to grow substantially due to rapid urbanization and

industrialization. It is estimated that the urban population will account for more than 50% of the total population by 2047³. This means that over the next few decades, India will see a massive shift from rural to urban living, driven by migration and natural population growth in cities.

The expansion of infrastructure, improved transportation, and better employment opportunities in urban areas are key drivers. Additionally, policies aimed at developing smart cities and enhancing urban planning are expected to facilitate this transition⁴. Here's are two examples:

- **Bangalore's Startup Ecosystem:** Bangalore has emerged as a leading startup hub, with numerous young entrepreneurs launching successful ventures. Companies like Flipkart and Swiggy, started by young Indians, have grown into major businesses, benefiting from the city's supportive ecosystem.
- **Mumbai's Entertainment Industry:** Mumbai's urban environment has nurtured the careers of many young actors, directors, and musicians. The city's robust infrastructure and opportunities have made it the epicentre of India's entertainment industry.

This urbanization is anticipated to transform India's social and economic landscape, creating both opportunities and challenges. For instance, there will be increased demand for housing, energy, and services, necessitating significant investments in urban infrastructure and governance reforms to manage this growth effectively. Urbanization brings better access to education, healthcare, employment opportunities, and infrastructure. Cities provide a melting pot of cultures, ideas, and technologies, fostering innovation and entrepreneurship among the youth.

Narrowing of the Rural-Urban Divide

Improved digital connectivity and government initiatives in rural areas have enhanced access to information, resources, and markets. This has empowered rural youth with better educational and employment opportunities, reducing the disparity between rural and urban regions. Here are few initiatives:

- **Digital India Initiative:** Launched by the Government of India, this initiative aims to ensure digital connectivity across the country. Programs like BharatNet have connected thousands of villages to high-speed internet, allowing rural youth to access online education, telemedicine, and e-commerce platforms.

3. <https://www.worldbank.org/en/news/opinion/2024/01/30/gearing-up-for-india-s-rapid-urban-transformation>
4. <https://csep.org/reports/india-2024-an-urban-india/>

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- **eNAM (National Agriculture Market):** This online trading platform for agricultural products has empowered young farmers by providing better market access and fair prices. It has encouraged rural youth to adopt modern agricultural practices and engage more actively in the agricultural economy.

Higher Disposable Income

Increased financial stability allows youth to invest in their education, start businesses, and improve their quality of life. This financial independence boosts confidence and encourages a proactive attitude toward personal and professional goals.

- **Rising Middle-Class Consumption:** The increase in disposable incomes has boosted consumer markets, particularly among young professionals. Companies like Zomato and Paytm have thrived by catering to the growing consumer base, reflecting the increased spending power of the youth.
- **Education and Skill Development:** Higher disposable incomes have enabled more families to invest in higher education and specialized training. Institutions like the Indian Institutes of Technology (IITs) and Indian Institutes of Management (IIMs) have seen increased enrolments, equipping young Indians with world-class education and skills, thus opening up global opportunities.

These examples illustrate how urbanization, improved rural connectivity, and increased financial stability collectively contribute to the optimism and ambition of Indian youth, empowering them to seize opportunities and drive positive change.

Education – the Stepping Stone to a Good Life

Education is among the most critical factors that helps shape the minds of the young and enables them to become productive, resourceful and innovative citizens of the nation. While literacy levels have been rising consistently, thanks to aggressive government initiatives undertaken to increase school enrolment, the quality of education available across the country to all segments of society still leaves a lot to be desired.

Experts in the field of education have repeatedly been pointing out the importance of “learning poverty”, a concept that focuses on educational outcomes rather than input and output thus highlighting the significance

of learning proficiency rather than following a target-oriented approach of increasing enrolment rates. Reducing learning poverty through reforms that support, empower and enable teachers is the need of the hour if the education system has to deliver on achieving sustainable economic growth in India’s ambitions of becoming a developed nation⁵.

Not only does the quality of education need to be improved but it needs to be easily accessible and affordable. It goes without saying that good quality education will give the leg-up to Indian youths to thrive and succeed in tomorrow’s world, be employed gainfully and drive economic growth while increasing their own and family incomes, and in turn enable India to achieve its ambition of joining the ranks of developed nations.

As of 2025, PRICE’s survey data reveals that among the youth population, a mere 3% or 13 million are illiterate. Nearly 17% or 73 million have studied till the primary level, another 18% or 76 million are matriculates. Those who have studied till higher secondary number 93 million (22%) and 36 million (9%) have opted for vocational/technical studies. The 129 million strong grouping of young people who are graduates and/or post-graduates represent 31% of Indian youth (**Table 1**).

Table 1: How educated are Indian Youths?

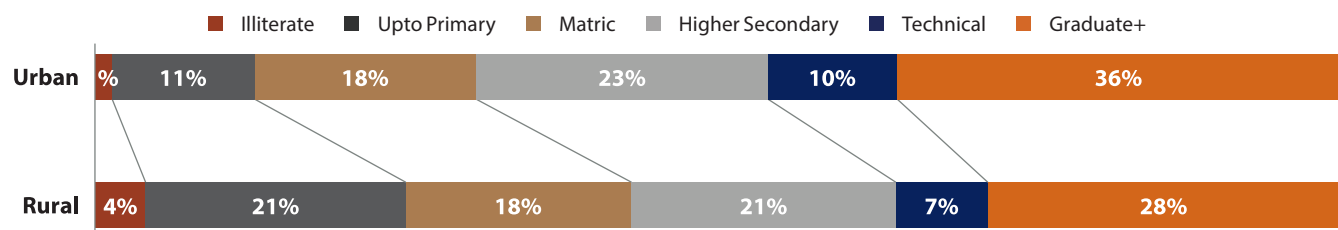
Level of education	Youth population (2024-25)		Share of rural (%)
	Million	%	
Illiterate	13	3%	90%
Upto Primary	73	17%	82%
Matric	76	18%	69%
Higher Secondary	93	22%	66%
Technical/Diploma	36	9%	60%
Graduate	99	24%	52%
Post-Graduate	30	7%	34%
Others	2	0.4%	15%
Total	420	100%	64%

Source: Authors’ estimate based on PRICE’s ICE 360° Surveys data

A correlation between urban dwelling and education level of youth is discernible. In consequence, the level of education tends to go up with for those residing in urban areas. We note that the urban share of literate youth with ‘upto primary’ level of education is 18 per cent; it steadily increases to 31 per cent when the level is ‘matric’ and rises further to 48 per cent at the level of graduation. The share

5. <https://ciiblog.in/advancing-school-education-in-india-challenges-and-strategies/>

Figure 1: Level of education of Indian youth: Rural vs. Urban (% of youth, 2024-25)



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

is as high as 66 per cent in cases where the youth have obtained any postgraduate degree.

Rural-Urban differences do exist but the gap in educational levels is gradually narrowing. There are 36% graduates in urban India versus 28% in rural India. The percentage of matriculate-level and higher secondary-level educated youths are almost identical in both groups (**Figure 1**). The only stark difference between urban and rural youths is that there are twice as many rural youngsters as compared to their urban cousins who have only studied up to the primary level.

The good news is that education levels across the country have increased and the present generation of youths are among the most educated that the nation has ever had. This enhancement in education levels equips young people to deal with changing technologies, emerging opportunities and increases their employability. However, the bad news is that the benefits of education are not accessible to all youths and "learning poverty" is a major cause of concern.

Geographical location, economic background, social grouping and gender also play an important part in determining the window of opportunity that opens up for the youths. Let's consider education by geographical clustersⁱⁱⁱ, for instance. If we simply look at the three major rural clusters - emerging rural, developed rural and left-

behind rural - it becomes abundantly clear that youths living in the developed rural areas, in close proximity to metro and tier I and II cities, are better placed in terms of higher education. So, while 36% of youths in developed rural are graduates, the percentages of graduates in emerging rural and left-behind rural drops down to 28% and 24% respectively.

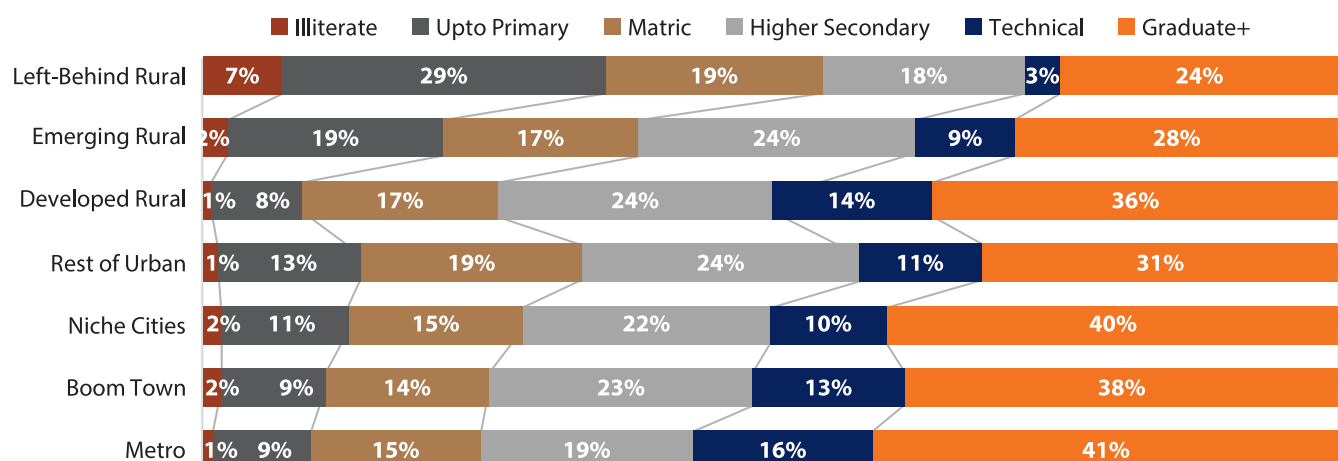
In the case of the urban clusters there is more or less an equitable percentage of graduate youths in metro, boom towns and niche cities - at 41%, 38% and 40% respectively. However, a much lower percentage of graduate youths are to be found in the rest of urban - 31% and this is only marginally higher than the percentage of graduate youths in the emerging rural areas.

Similarly, the rural area clusters have higher percentages of youths that have studied only up to the primary level as compared to those in the urban clusters.

Another significant factor that emerges is that there is only a slight variance in the percentage of youths opting for technical education in rural as well as urban clusters. Not surprisingly, among those living in remote rural areas only 3% have some form of technical education.

There is a very strong correlation between the prosperity levels of the regions and the education levels of their youths. The southern states in India exhibit significantly higher levels of higher education attainment compared to

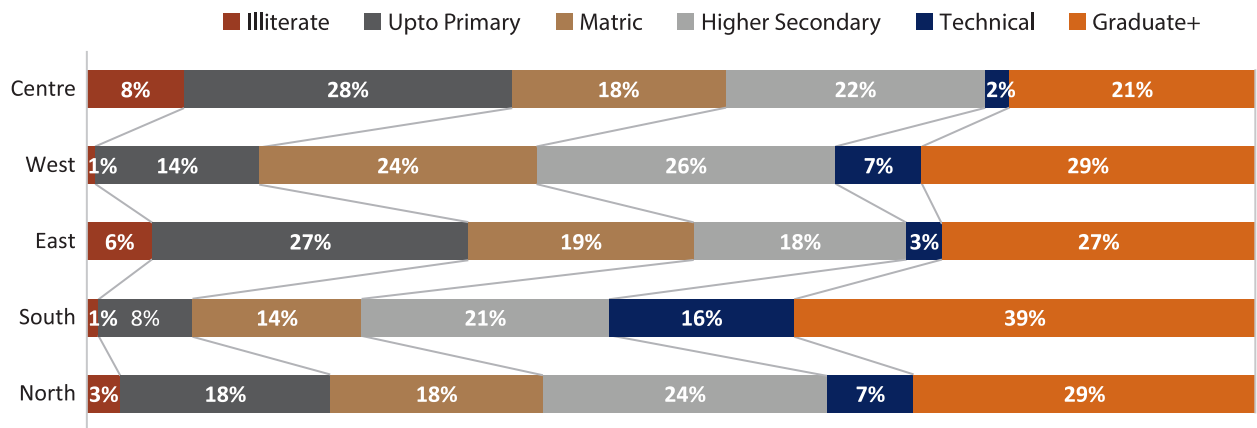
Figure 2: Level of education of Indian youth: Geographical Clusters (% of youth, 2024-25)



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

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Figure 3: Level of education of Indian youth: Regions^{iv} (% of youth, 2024-25)



Source: Authors’ estimate based on PRICE’s ICE 360° Surveys data

the other regions (Figures 3 & 4). For instance, in Kerala and Tamil Nadu, over 50% of youths have completed their graduation (or higher studies) while in the BIMARU states of Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh, this figure is in the range between 20-34%. Conversely, the proportion of youths with primary level education is notably higher in the BIMARU states, ranging from 20% to 25% compared to Kerala, where it is merely 1%.

The regional divide in educational levels has tremendous implications for the youths. Unless the BIMARU states are able to address the aspiration levels of the youths and provide them with adequate employment and/or entrepreneurship opportunities, scope for upskilling and upgradation, this could become a major pain point that will end up inhibiting economic growth.

Further, these factors have the potential to cause a crisis of confidence among the young people who are on the cusp of joining the labour force. “With the increase in educational attainment among youths, a disturbing feature of the labour market that emerged in recent years is the large imbalance between the demand for jobs by youths and their supply, leading not only to higher levels of unemployment and longer waiting periods but also the educated youths with a graduate degree or higher have readjusted their expectations to take up jobs for which they would otherwise be treated as overqualified⁶.” This in turn has led to “a mismatch between the numbers of youths with specific education and skill attainments and the jobs being created in the economy. This has two dimensions: from a demand-side perspective, employers perceive a shortage of youths with specific skills, which is seen as a crisis of employability. From the perspective of the job-seeking youths, there are not enough jobs of requisite quality and characteristics.... this has led to a high demand for scarce

public sector jobs, especially in slow-growing regions, thus leading to tension and unrest, sometimes even violence.”

Gender gap in education is narrowing

There has been a significant rise in the number of women who have achieved high levels of education. Significantly, the percentage of men and women who have studied upto higher secondary is identical at 22% while women are only slightly behind men at the graduate level - 29% versus 33% for men. Fewer women are into technical education (5% compared to 11% for men) and there are higher number of women than men who have only done primary level (20% versus 15%) and matriculation level education (19% vs 17%) (Figure 5).

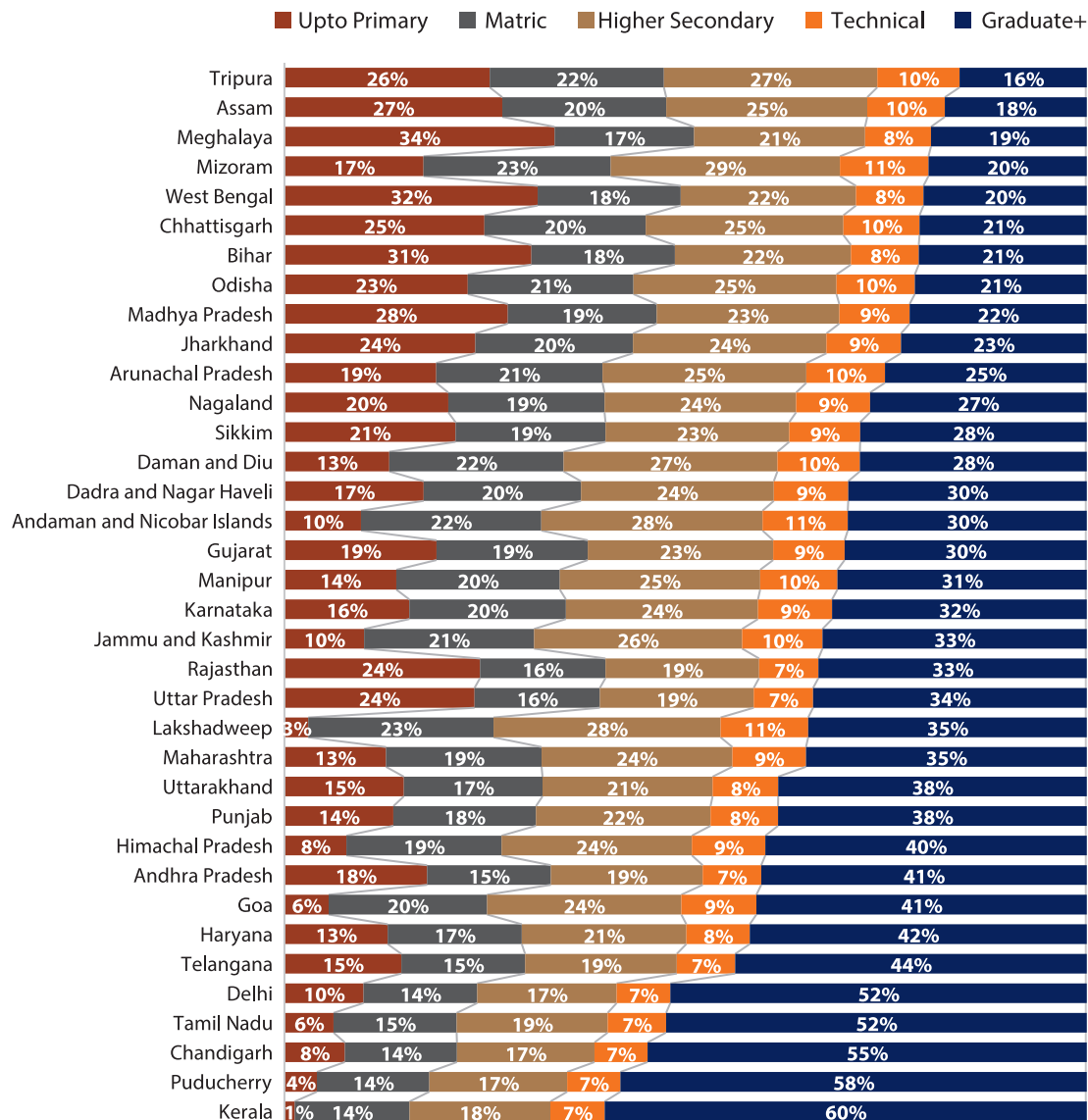
Even though the gender gap in education has narrowed, there is still a way to go before we reach the milestone where every girl child will be guaranteed a good quality education. Currently, the dropout rate of girl children from secondary schools continues to be high and according to some estimates around 17%. Caste, religion, poverty continue to pose barriers resulting in millions of girl children losing out on getting a formal, quality education at the primary as well as higher education levels.

On the positive side, a Ministry of Education survey in 2020-21 reports that more women have been enrolling in higher education courses since 2017-18. Kerala has recorded the highest score for “Gender Parity Index” among all states with a score of 1.52. Remarkably, some of the other states with a higher female enrolment rate include Chhattisgarh, West Bengal, Uttarakhand, Telangana and Tamil Nadu⁷.

6. India Employment Report 2024 - Youth Employment, education and skills, International Labor Organization and Institute of Human Development.

7. Gender Focus. Where and what do India’s women study? <https://www.thehindubusinessline.com/on-campus/where-and-what-do-indias-women-study/article66493342.ece>

Figure 4: Level of education of Indian youth: States & UTs (% of youth, 2024-25)



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

This trend of higher participation of women in higher studies has coincided with the rise in women's employability over the past decade. The percentage of employable women, according to the India Skills Report (2023) is higher at 52.8% versus 47.2% for men⁸. This indicates a changing pattern in the labour market and a huge leap for women's participation in the work force.

Inequities among communities

Social groupings and religions have a major impact on the education levels of the youth. Not surprisingly, those belonging to the General Category are more likely to have

studied upto the graduation level (40%). The percentages for Other Backward Classes (OBC) dips to 32%, for Scheduled Castes to 21% and Scheduled Tribes to 18%. It is worth noting that until the higher secondary level, the percentages across all these groups remains more or less similar (Figure 6).

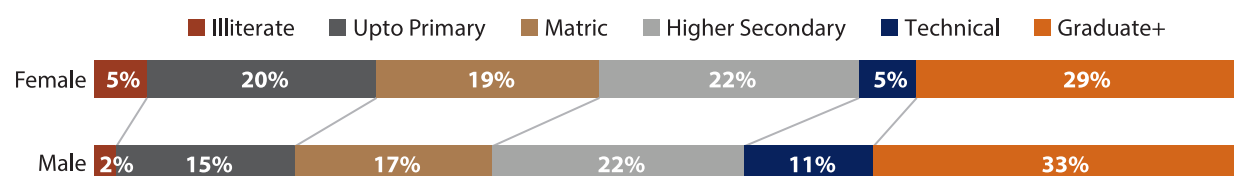
Among the religious groupings, minorities such as Christians, Jains, etc., have the edge in terms of percentage of youths who have studied till the graduation level (46%) followed by Hindus (31%), Sikhs (26%) and Muslims (13%).

One striking aspect is that Muslims score above all the other groups, in terms of the percentage of youths who have acquired technical education - 23% - while only 9% Hindu youths opted for similar education (Figure 7).

8. At 52.8%, India has higher percentage of employable women than men, says India Skills Report 2023. <https://economictimes.indiatimes.com/jobs/at-52-8-india-has-higher-percentage-of-employable-women-than-men-says-india-skills-report-2023/articleshow/96685119.cms?from=mdr>

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Figure 5: Level of education of Indian youth: Male & Female (% of youth, 2024-25)



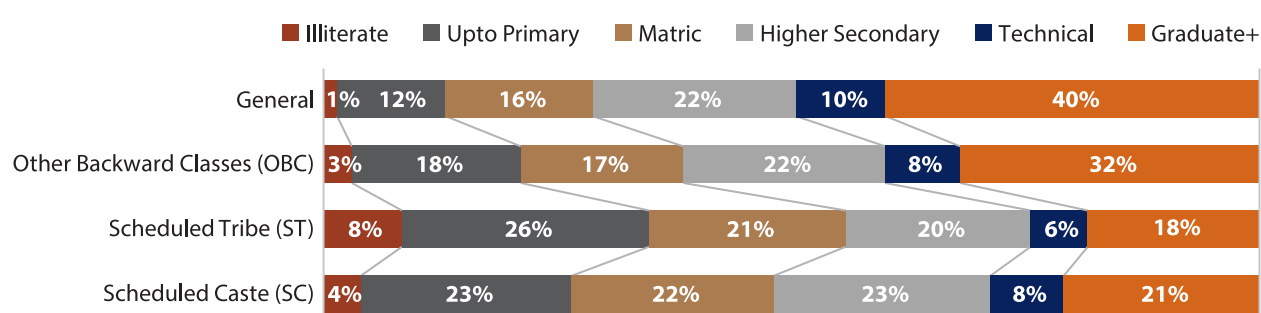
Source: Authors' estimate based on PRICE's ICE 360° Surveys data

The ambitions of today's youths starkly contrast with the current state of educational infrastructure and its efficacy in providing youngsters with the requisite skills for securing meaningful employment. Coupled with the significant disparity between demand for jobs and their supply, the situation could only further deteriorate unless tackled on an urgent basis. Considering that India has a rather short time-frame of about 10 to 15 years to leverage its distinctive youth bulge before the demographic shift towards an ageing population takes place, policymakers must urgently implement sufficient measures to address this pressing issue.

Activities of Indian Youths

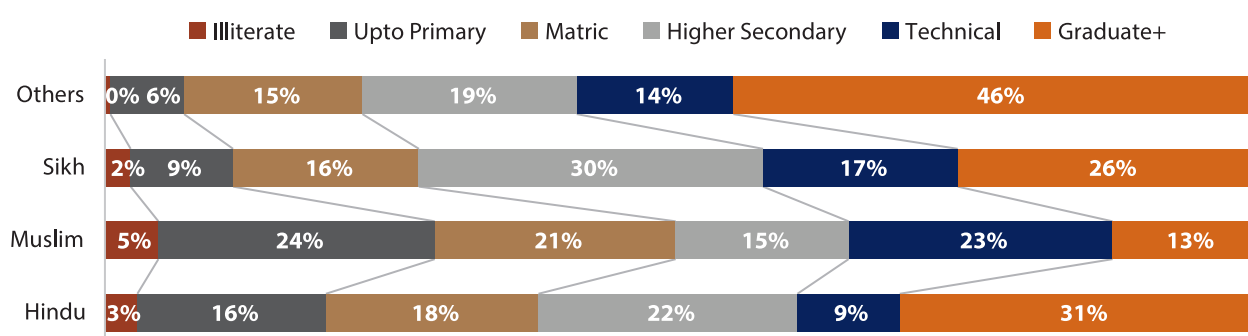
The shift from agricultural to non-agricultural employment is one of the key structural changes that has been witnessed in the Indian economy over the last three decades. "From 1991 to 2019, employment in agriculture as a percentage of total employed dropped from 63% to 43%. For males, the shift out of agriculture and into other types of employment was especially pronounced, falling to 40% by 2019."⁹

Figure 6: Level of education of Indian youth: Social Group (% of youth, 2024-25)



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

Figure 7: Level of education of Indian youth: Religion (% of youth, 2024-25)



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

9. C. Choithani, R. J. van Duijne and J. Nijman, "Changing livelihoods at India's rural-urban transition", World Development 146 (2021). <https://www.sciencedirect.com/science/article/pii/S0305750X21002321#s0010>.

Another major development has been the proliferation of Rurban towns and the reclassification of a large number of villages as Census Towns since 2011. This reorganization which led to the “emergence of ‘non-farm villages’ is especially prevalent across the Indo-Gangetic Plain in states that were hitherto considered to be predominantly rural. For example, Uttar Pradesh witnessed an increase of almost 500; in Bihar, the number jumped by 360; and Jharkhand and Odisha showed increases of 500 and 450.”

Their close proximity to bigger towns has also had an urbanising impact on the youths in terms of the kind of activities they are involved in and also exposure to new behaviours, technologies and attitudes. The biggest impact has been felt in terms of the shift away from farm-based activities leading to a rise in non-agricultural informal jobs.

PRICE data shows that only 2.4% of youths (10 million) in 2024-25 are involved in farm-related activities. While the largest proportion of youths are students (26.8%), a significantly large percentage is into business and/or self-employment (14.1%) followed by salaried employment (9.9%) and casual labour (12.3%). Nearly 7.9% of this group work as domestic help, 11.1% are non-working housewives and 6% are seeking jobs. About 71% of the labourers and 90% of agriculturists reside in rural areas where 68% each of the ‘unemployed’ and students, and 70% of those engaged in ‘unpaid housework’ also reside. The majority of salary earners (56%) and those ‘self-employed in non-agriculture (49%)’, however, live in urban areas (**Table 2**).

Significantly higher proportions of rural youths are labourers (14%) as compared to urban youths (4%) whereas a higher percentage of urban youths are in salaried employment (22%) versus 9% for rural youths (**Figure 8**).

Youth employment has seen an uptick during the 2000-2019 period though it has declined during the Covid-19 period. An interesting insight suggests that there has been an upward mobility in terms of type of work performed by

Table 2: What Youth does?

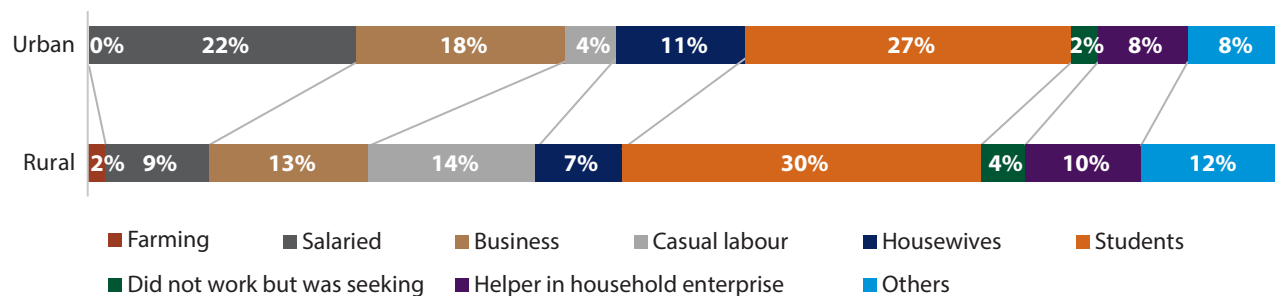
Activity status	2024-25		Share of rural (%)
	Million	%	
Farming	10	2.4%	90%
Salaried	42	9.9%	44%
Business	59	14.1%	51%
Casual labour	52	12.3%	71%
Housewives	46	11.1%	64%
Students	113	26.8%	68%
Did not work but was seeking	25	6.0%	68%
Helper in household enterprise	33	7.9%	70%
Others	40	9.5%	56%
Total	420	100%	65%

Source: Authors’ estimate based on PRICE’s ICE 360° Surveys data

youths in comparison to their fathers. For instance, in 2004, 80% of sons of casual wage workers were themselves in casual employment. For non-SC/ST groups, this proportion declined to 53% while for SC/ST too, the decline was not as steep (75.6%). Significantly, the percentage of sons who had regular wage jobs like their fathers grew significantly between 2004 and 2018¹⁰.

PRICE data reveals that the shift away from farm-related jobs and slow growth of salaried employment have been offset to a certain extent by the rise in self-employment. This is evident across all urban and rural clusters. For instance, in metro cities where there is the highest percentage of youths in salaried employment (22%), a significant proportion are also self-employed in non-agriculture activities (17%). Niche cities and boom towns represents self-employed youths with 19% and 16% respectively while the rural clusters (developed rural, emerging and left-behind rural) are almost on par at 10-12% (**Figure 9**).

Figure 8: Activity status of Indian youth: Rural vs. Urban (% of youth, 2024-25)

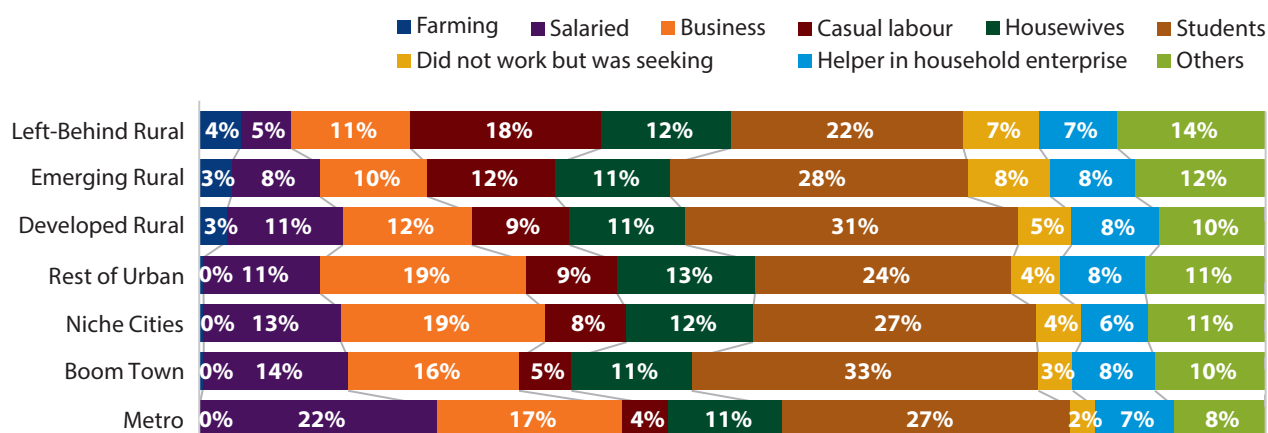


Source: Authors’ estimate based on PRICE’s ICE 360° Surveys data

10. State of Working India 2023 - Social Identities and Labour Market Outcomes <https://cse.azimpremjiuniversity.edu.in/state-of-working-india/>

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Figure 9: Activity status of Indian youth: Geographical Cluster (% of youth, 2024-25)



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

The government's emphasis on Atmanirbhar Bharat ties in with the surge in self-employment. These include activities such as taxi drivers, real estate agents, insurance agents, astrologers, street vendors, food delivery workers, etc. who lack financial capital, specialized skills or the entrepreneurial ability to set up a business.

Growth of the gig economy

A contentious debate arose when the Prime Minister asserted that selling pakodas was also a job. While the call to sell pakodas in an economic environment that is unable to provide adequate jobs to millions of youths, resonates with the 'atmanirbhar' motto, the fact remains that the lot of street vendors and pakoda sellers is pretty precarious. Daily earnings from such an activity are uncertain and prone to vagaries such as harassment by police, insufficient customers and variable cost of inputs. Moreover, self-employment doesn't provide the perks that regular employment does in terms of a growth plan, financial security and health insurance benefits.

No small wonder then that the gig economy is absorbing a large section of the youths who are currently unable to find regular employment, particularly in urban areas. A gig worker is defined as someone who works "outside the traditional employer-employee relationship" while a platform worker is someone who provides services through an online platform such as Ola, Uber, Swiggy, Zomato, Dunzo, etc. According to Niti Aayog, the gig

workforce is estimated to grow from 7.7 million in 2021 to 23.5 million by 2030. Gig work is preferred by youths with typically low to middle level of education and is not their primary source of income. Students and women prefer gig work to beef up their income and it also helps them to fit in the work along with their studies and household commitments¹¹.

Reports of exploitation of "delivery partners" are rampant as working conditions are unregulated, and the incentive systems do not favour the workers. Critics argue that the gig/platform economy is only exacerbating the informalisation of jobs. In a bid to bring in some regulation, the central government has passed the Social Security Code, 2020, with the aim of bringing unorganized workers within the social security net¹².

The e-Shram portal has been launched by the Ministry of Labour in order to create a national database of workers who earn a living in the informal economy and as of September 2023, 290 million registrations have been done¹³.

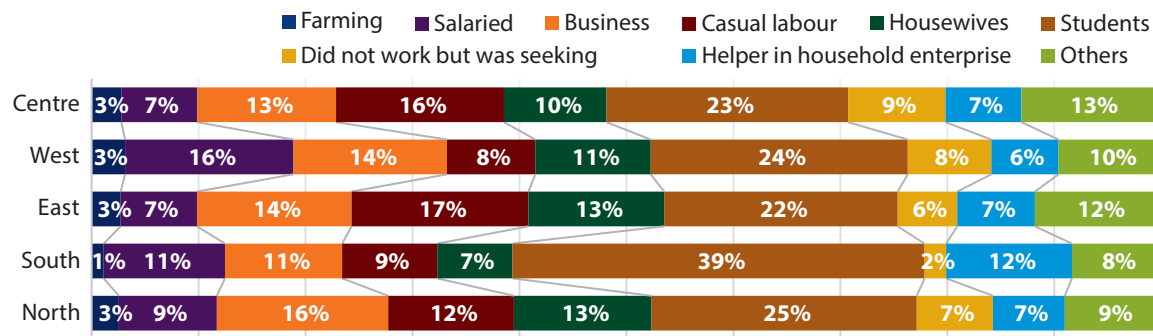
The challenge lies in leveraging this database to provide rights-based social protection to the large army of informal workers that is growing at a rapid pace in the country. As the Niti Aayog observes, much research is needed on the "formalising or informalising effects of the platform economy". It suggests that "it should also be determined if the effects vary based on the degree of urbanisation among other factors. Such an understanding will enable India to protect workers suitably while also creating an enabling environment for the sustainable growth of the platform economy."

11. India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work. https://www.niti.gov.in/sites/default/files/2022-06/25th_June_Final_Report_27062022.pdf.

12. Food Delivery Workers in India: Emerging Entrepreneurs of Informal Labour? <https://defindia.org/wp-content/uploads/2021/04/swiggy-zomato-delivery-workers-india-entrepreneurs-labour.pdf>

13. Registering Informal Workers in India: e-Shram, an Opportunity Lost? <https://www.wiego.org/blog/registering-informal-workers-india-e-shram-opportunity-lost>

Figure 10: Activity status of Indian youth: Regions (% of youth, 2024-25)



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

Regional, gender and social group differences

Across the five regions in the country, the South has the highest percentage of youths who are students (39%). In all the other regions, this percentage is roughly the same, between 22% to 25%. The South and the West also have the least number of youths who are engaged in casual labour while for the East and Central regions it is the highest (Figure 10).

A larger percentage of women in India than men are likely to be students and/or married and are therefore unlikely to be employed. A large percentage of men hold salaried jobs (14%) and casual labour work (17%), as compared to women, who account for only 4% and 5% in these categories, respectively. Similarly, only 6% women versus 19% men are self-employed (Figure 11).

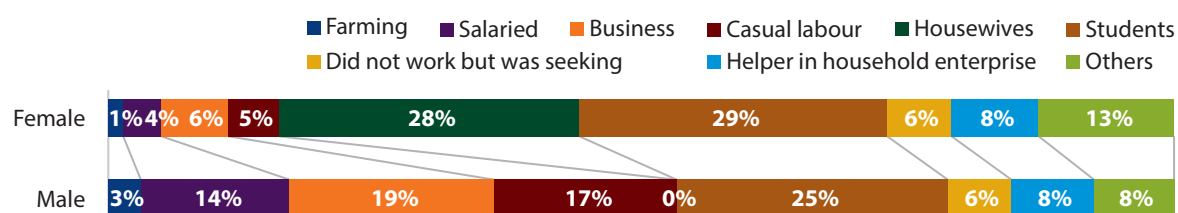
Historically, women's participation in the labour force has been low and like in many other developing countries, in India too, women have been engaged in unpaid domestic work or low-paying casual labour work. Even educated women are prone to dropping out of the work force when they get married. The role of women as wives and mothers has always been prioritized over their contribution towards family income or their own career aspirations.

However, there has been some noticeable shifts in recent times. Significantly, there is a rise in the number of younger and educated women entering the workforce. Salaried employment is increasing while informal wage work is declining. And finally share of women in agriculture is decreasing while those entering services sector is growing¹⁴.

Youths from social groups like Scheduled Castes and Scheduled Tribes are more likely to be engaged in casual labour (19% and 21% respectively) as against those who belong to OBC (11%) or General category (8%) (Figure 12). Fewer young people from SC and ST are likely to be self-employed (4% and 9% respectively) as compared to OBC and General (15% and 14% respectively).

A positive trend is that the percentage of SC and ST students is relatively on the high side and just marginally lower than that for OBC and General. There is also divergence in terms of youths' activities and their religious affiliations. For instance, while a larger percentage of Hindu and "others" youths (22% each) have salaried jobs, it is the least for Sikhs (14%) and Muslims (10%). Conversely, more "other" (19%) Muslim and Sikh youths (17% each) are engaged in business/self-employment than Hindus (12%) (Figure 13).

Figure 11: Activity status of Indian youth: Gender (% of youth, 2024-25)

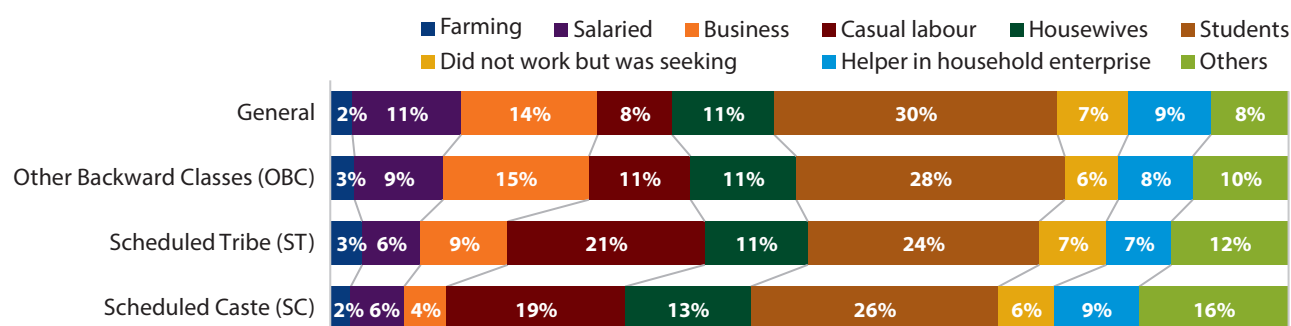


Source: Authors' estimate based on PRICE's ICE 360° Surveys data

14. Sunaina Kumar (2024) "The female workforce in India: Emerging trends and insights". <https://www.orfonline.org/expert-speak/the-female-workforce-in-india-emerging-trends-and-insights>

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Figure 12: Activity status of Indian youth: Social Group (% of youth, 2024-25)



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

Can MSMEs come to the rescue of job-deprived youths?

Youth employment has become a much-debated topic in recent times and not without reason. And this is being felt acutely in rural India. The pandemic too has had a profound impact on access to sources of livelihood particularly in rural India where the shift away from agriculture has been happening before the onset of the pandemic. The onset of Covid-19 ended up putting some barriers to this and in the post-pandemic period there has been a slowing down in the shift away from farm jobs.

Of the total employed youth (39% of total youth), barely 6% or 10 million youths are engaged in agricultural or related occupations. There are 42 million youths (26%) who are in Salaried employment. But the highest proportion of youths are either earning income as own account workers (OAW) or as casual labour - 31% and 32% respectively. Even among those who are engaged in casual labour, a much higher percentage is doing non-agricultural work (**Table 3**).

The lack of employment opportunities as government jobs have remained stagnant and the inability of the private sector to create sufficient jobs has made the situation precarious.

Out of 42 million youths who have salaried jobs, 74% work in private companies or corporates and 16% in government or autonomous enterprises. The rest are employed in households or family-owned entities or in their own family business. While 45% of these salaried youths have a permanent job an equal percentage has contractual employment.

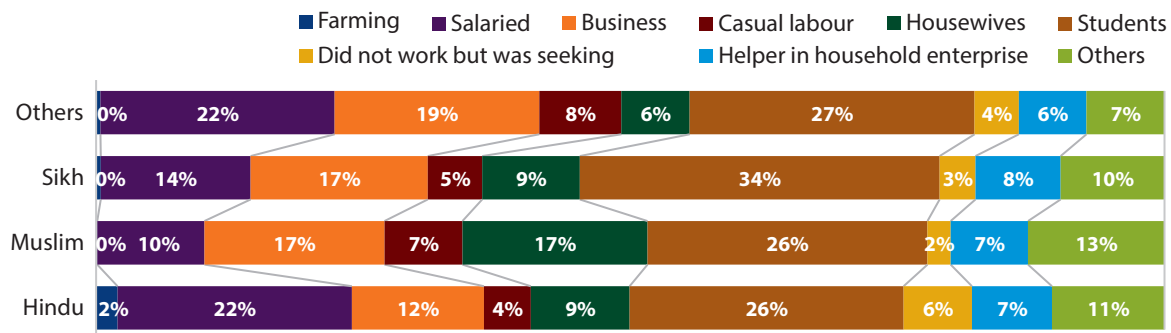
Only 39% of such youths have a written contract, 44% are entitled to paid leave, 68% get at least a day off in a week and 92% are paid monthly (**Table 4**).

Table 3: Distribution of earning Indian youth by occupation

Occupation of youth	2024-25	
	Million	%
Agriculture and related activities	10	6%
Salaried		
Grade 4 Unskilled	11	7%
Grade 4 Skilled	12	7%
Clerical	8	5%
Supervisory Level	6	4%
Officers/Executives	3	2%
Officers/Executives Middle/Senior	1	1%
Total salaried	42	26%
Own Account Worker (OAW)		
Petty Traders	8	5%
Shop Owners	25	15%
Businessman with no employee	5	3%
Self-Employed: Non-Professional with no employee	10	6%
Self-Employed: Professional with no employee	2	1%
Total OAW	51	31%
Employer		
Businessman with hired employees	5	3%
Employer- Non-Professional with hired employees	1	1%
Employer-Professional with hired employees	2	1%
Total Employer	9	5%
Casual Labour		
Agriculture Labour	9	6%
Non-Agricultural Labour	42	26%
Total Labour	52	32%
GRAND TOTAL	162	100%

Source: Authors' estimate based on PRICE's ICE 360° Surveys data

Figure 13: Activity status of Indian youth: Religion (% of youth, 2024-25)



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

Social security even among those with salaried employment is far from adequate with only 32% each getting a provident fund and health insurance. Less than half of them (45%) are entitled to bonus, 19% to maternity/paternity leave. Gratuity and pension are available only to 18% and 16% salaried youths respectively. A minuscule 14% pay income tax.

In such a scenario, it is not surprising that rural youths are increasingly inclined towards self-employment and entrepreneurship. A study found that 47% males and 38% females among adolescents and young adults in rural India aspire to become entrepreneurs in the future¹⁵. The MSME sector thus could be the launching pad for the fulfilment of the dreams of today's youths.

NITI Aayog puts the number of micro, small and medium enterprises at 63 million and it is poised to grow to 75 million at a projected CAGR of 2.5%.

As of August 2023, the Udyam Registration Portal reported that between July 2020 and August 2023, MSME's employed 12.36 crore persons¹⁶. One estimate puts the number of micro businesses in rural areas at 324.09 lakh units as against urban areas' 306.43 units. There are nearly 0.78 lakh small businesses in rural India and 2.53 lakh in urban India. For medium sized businesses, the numbers are: 0.04 lakh in urban vs 0.01 lakh in rural. State-wise, Maharashtra, Tamil Nadu, Uttar Pradesh, Gujarat and Rajasthan are the top states that are operating in the MSME space¹⁷.

Realizing the significance of the MSME sector, in Budget 2023-24, the government announced that a unified Skill India Digital Platform would be launched in order to enable demand based formal skilling, linking with employers, including MSMEs and facilitating access to entrepreneurship schemes. A revamped credit guarantee scheme for MSMEs through the infusion of Rs 9,000 crores was also announced, effective from April 2023. The scheme is expected to enable

Table 4: Quality of services of salaried youths

Characteristics	2024-25	
	Million	%
Type of enterprise		
Govt/ Public/ Autonomous Enterprise	6.6	16%
Private/ Private Ltd./ Corporate	30.9	74%
Co-Operative Society	0.5	1%
Own Family Business	0.8	2%
Family Business (Others)	0.4	1%
Households	1.0	2%
Others	1.3	3%
Total	42	100%
Nature of job		
Permanent	18.5	45%
Contractual	18.8	45%
Others	4.2	10%
Total	42	100%
Leave & Payments		
Have a written job contract (%)	16.2	39%
Frequency of payment (Monthly)	38.3	92%
Eligible for paid leave	18.5	44%
Get at least a day off in a week	28.2	68%
Social security		
Provident Fund	13.1	32%
Pension Scheme	6.8	16%
Gratuity	7.6	18%
Maternity/Paternity Leave	8.0	19%
Health Insurance	13.1	32%
Bonus	18.8	45%
Pay income tax	6.0	14%

Source: Authors' estimate based on PRICE's ICE 360° Surveys data

15. India's rural youth show high interest in entrepreneurship, finds survey. <https://www.villagesquare.in/indias-rural-youth-show-high-inclination-for-entrepreneurship>

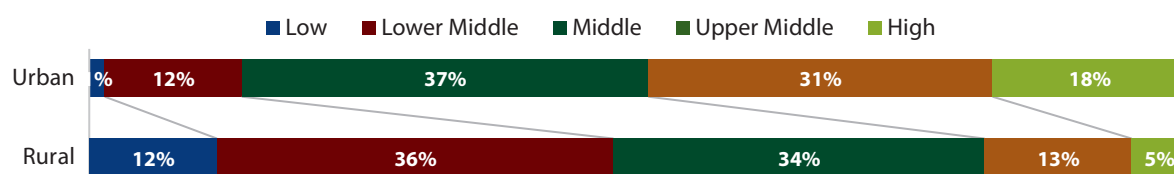
16. MSME sector continues to show resilience and growth: Minister. <https://www.livemint.com/news/india/resilience-and-growth-india-s-msme-sector-demonstrates-promising-trends-in-gdp-manufacturing-and-employment-11691407050876.html>.

17. MSME Statistics and Trends. <https://www.forbes.com/advisor/in/business/msme-statistics/>

18. MSME Industry in India. <https://www.ibef.org/industry/msme>

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Figure 14: Income distribution of earning Indian youth: Rural vs. Urban



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

additional collateral-free guaranteed credit of Rs 2 lakh crores and reduce the cost of credit by 1 per cent¹⁸.

Technology upgradation, innovation and digitisation need to be key focus areas so that the MSME sector lives up to its potential of being a large-scale job-creator.

Income Profile of the Youth

Nearly 162 million youths or 39% are income earners. Among them, 7.5% belong to the lowest rung annual earning less than Rs. 60,000; 26.7% earn about Rs. 60,001 to Rs. 1.2 lakh; 35% earn Rs. 1.2 lakh to Rs. 3 lakh. Upper Middle youth earners with income of Rs. 3 lakh to Rs. 6 lakh constitute 20.6% while 10% belong to the top earning class, with income of more than Rs. 6 lakh (**Table 5**).

Rural India has a higher proportion of income-lower middle youths (36%) compared to urban India (12%). And there is a higher proportion of upper middle income class youths in Urban India (31%) as against 13% in rural areas. The percentage of middle-income youths is almost equal in both urban and rural India - 37% and 34% respectively (**Figure 14**).

Table 5: Income distribution of earning Indian youth

Income class (Annual income at 2024-25 prices)	2024-25		Share of rural (%)
	Million	%	
Low (Less than Rs. 60,000)	12	7.5%	89%
Lower Middle (Rs. 60,001-Rs. 1.2 lakh)	43	26.7%	74%
Middle (Rs. 1.2 lakh-Rs. 3 lakh)	57	35.1%	48%
Upper Middle (Rs. 3 lakh-Rs. 6 lakh)	33	20.6%	30%
High (More than Rs. 6 lakh)	16	10.1%	22%
Total	162	100.0%	52%

Source: Authors' estimate based on PRICE's ICE 360° Surveys data

Income of youths across geographical clusters

The largest chunk of middle-income youths is to be found across all geographical clusters, with the developed rural areas as the front runner (45%) followed by rest of urban (41%), niche cities (41%) and boom towns (40%). The remote rural areas have the highest percentage of income-lower middle youths (44%). Metro cities, not surprisingly, are home to the largest percentage of upper middle class (43%) and high-income youths (26%) (**Figure 15**).

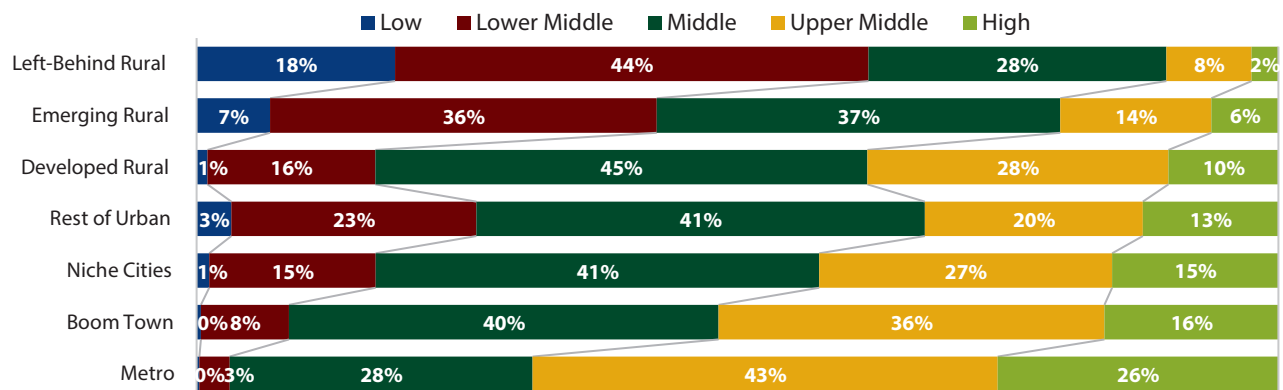
The economic growth of tier II and tier III towns has coincided with the rise in entrepreneurial activities in these urban centres. Today, India is home to more than 100 unicorns with 52% of these based in Tier II and Tier III cities. In 2023 alone, 1.5 crore jobs were created by startups in these towns.

As an IBEF report points out: "These cities are increasingly viewed as strategic locations to address local challenges with innovative solutions, contributing significantly to the country's next phase of startup growth¹⁹." Zomato started operations in Gurugram and now has expanded to 24 countries. Surat has edtech firm *Dronstudy* and fashion platform *Wishbook*. Pune has *Padcare Labs* offering hygiene solutions. And, Zoho Corporation, a software company, which started its first data centre in Tenkasi village in Tamil Nadu, has 16 data centres across India's hinterland with over 15,000 employees.

The government has also started a slew of initiatives in order to foster entrepreneurship and drive economic growth in smaller towns. These include the Startup India initiative and the Atal Innovation Mission. Under these schemes 10,000 Atal Tinkering Labs (ATL) have been set up in schools for students from 6th to 12th grades with the objective of nurturing innovation; 72 Atal Incubation Centres, aimed at providing support to entrepreneurs have been formed with nearly 32,000+ jobs created; 14 Atal Community Innovation Centres have also been established to extend the technology led innovation to tier II and tier III towns, hilly, tribal and coastal areas. Till date,

19. Promoting Indigenous Startups – Case Study of Investor Interest in Small-town Startups, IBEF. <https://www.ibef.org/download/Promoting-Indigenous-Start-ups.pdf>

Figure 15: Income distribution of Indian youth: Geographical Cluster



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

3500+ startups have been supported which include 1000+ women-led entities.

Consider, for instance, the role that improvement in transportation infrastructure in tier II and tier III towns has played in enabling rural youths to access employment opportunities in these cities, thereby, bringing forth a new angle to the rural-urban migration story. Smaller cities are increasingly attracting labour and talent from the peripheral rural and semi-urban areas around them. Citing the example of Mangalore, a research paper notes, "Mangalore's economic dynamism is built on a long history of trade and multiculturalism, and fuelled by private investments by elites belonging to a range of castes; thus the city produces more diverse economic opportunities, with jobs spanning across sectors and skill levels." This interplay of socio-economic factors and infrastructural development is attracting young men and women to the city for fulfilling their aspirations. "In the context of domestic migration, low-scale smaller cities are enabling employment opportunities and fostering aspirational (im)mobilities among young people. At the cusp of varied and complex mobilities, smaller cities act as origins,

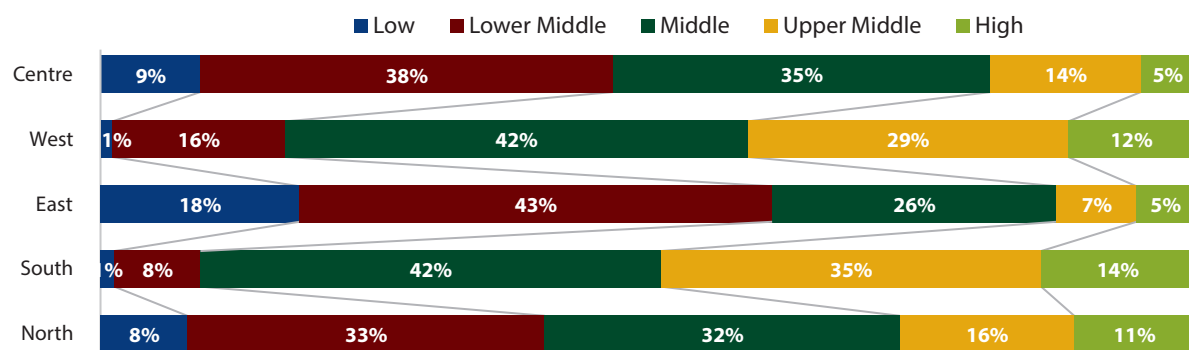
destinations and transit points in the mobility pathways of young men and women who navigate social worlds and economic opportunities to pursue personal aspirations. The mobility of people, ideas and resources is, therefore, the prerogative not just of metropolitan cities that are networked with each other as part of a globalised world but also of lower-scale smaller cities²⁰."

When we look at the income profiles of youths across the different regions, the South emerges as the region whose youths are better off income wise compared to all other regions - with 35% and 14% belonging to the upper middle- and higher-income classes respectively. It also has the least number of income lower middle youths in the country (8%).

The West follows closely on the Southern states' heels with an equal percentage of youths belonging to the middle-income (42%). It has 29% upper middle-income youths and 12% high income youths, though the percentage of income lower middle youths at 16% is twice that of the South (**Figure 16**).

The East and Central regions rank at the bottom of the pile in terms of income. Nearly 43% in the East and 38% in the Central states are income lower middle. The North too

Figure 16: Income distribution of Indian youth: Regions

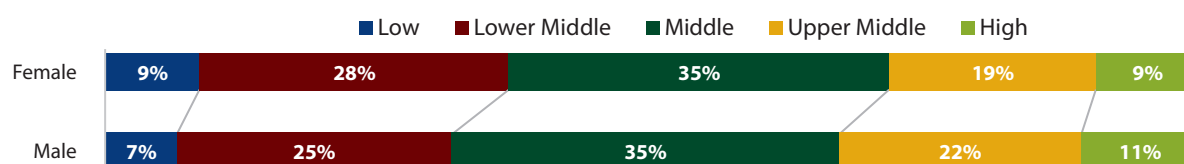


Source: Authors' estimate based on PRICE's ICE 360° Surveys data

20. Naik, M. (2024). Smaller cities as sites of youth migrant incorporation. *Urban Studies*, 0(0). <https://doi.org/10.1177/00420980241237416>

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Figure 17: Income distribution of Indian youth: Gender



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

has a high percentage of such youths (33%). Share of upper middle youths in North is 16% and in the upper income class 11%.

Gender-wise distribution of income does not show much diversity though female income is on the lower side as compared to that of male (**Figure 17**).

Looking at youth income from the lens of the communities to which they belong, it appears that the largest percentage of income lower middle youths are in the SC and ST categories (29% and 31% respectively). Interestingly, SCs also have a high percentage of middle-income youths (38%) followed by General Category (35%), OBC (33%) and ST (31%). The General Category and OBCs have the highest percentage of upper middle- and high-income youths (**Figure 18**).

Religion-wise differences crop up as well with Muslims being among the most economically lower middle group (36%) compared to Hindu youths (26%). A higher percentage of Hindu and Sikh youths belong to the upper middle class - 21% each as against 13% Muslim. Significantly, across all religion groups, the percentage of middle-income youths is more or less in the same range - 33% to 38% (**Figure 19**).

Economic Well Being of Youths

The economic well-being of Indian youth is deeply influenced by their location, with urban youth faring better than rural youth in terms of income and employment. Geographical clusters and state income levels further highlight disparities, with metros and high-income states

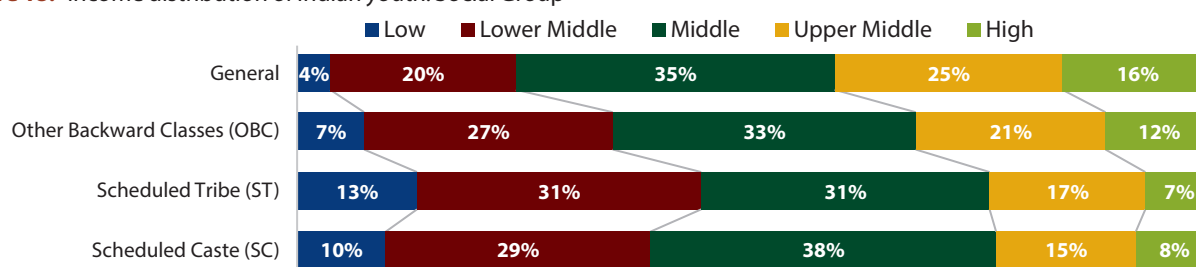
providing the best economic opportunities for youth. Nearly 66% of young Indians live in rural areas compared to 34% in urban areas. Those in the cities are more likely to earn a personal income, with 41.8% of urban youth earning some income compared to 38.5% of rural youth.

Urban youth also have a substantially higher average annual income of Rs. 2,19,000, compared to Rs. 1,28,000 for their rural counterparts. This disparity is reflected in the income index, where rural areas score 0.81 versus 1.38 for urban, indicating a significant income gap. Despite this, the contribution of youth to household income is relatively similar in both settings, at 31.4% for rural youth and 32.4% for urban youth, suggesting that youth income is a crucial component of household finances across both rural and urban areas (**Table 6**).

Economic well-being also shows significant variation across different geographical clusters. In the Metros, which comprise 10% of the youth population, 47.8% of youth earn an average annual income of Rs. 3,71,000 and shows a high-income index of 2.33. Conversely, in the Left-behind rural areas, which account for 34% of the youth population, only 36.4% earn an average annual income of Rs. 1,00,000, which is reflected in an income index of 0.63 (**Table 7**).

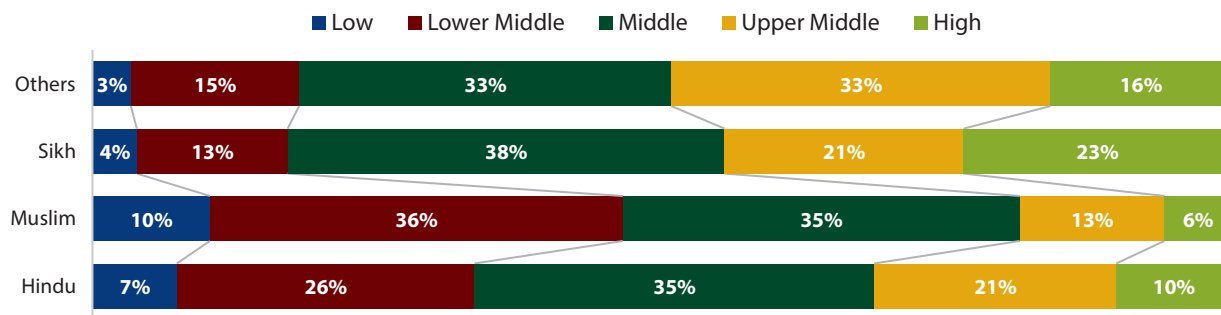
Boom Towns and Niche Cities show moderate economic well-being, with average annual incomes of Rs. 1,94,000 and Rs. 1,75,000 respectively. Developed Rural areas, while having a lower youth population share (8%), show relatively high economic indicators with an average income of Rs. 2,67,000 and an income index of 1.68. Youths in Emerging Rural areas and the Rest of Urban areas have average incomes of Rs. 1,21,000 and Rs. 1,44,000 respectively. Overall, youths in Metros contribute the most

Figure 18: Income distribution of Indian youth: Social Group



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

Figure 19: Income distribution of Indian youth: Religion



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

Table 6: Economic well-being of Indian youth (2024-25): Location

	Rural	Urban	Total
Total youth population (Million)	276	144	420
Share of youth (%)	66%	34%	100%
Share of youth earning personal income (%)	38.5%	41.8%	39.6%
Average annual income of youth (Rs.)	1,28,000	2,19,000	1,59,000
Contribution of youth to household income (%)	31.4%	32.4%	31.8%
Income index (All India=1.00)	0.81	1.38	1.00

Source: Authors' estimate based on PRICE's ICE 360° Surveys data

to household income at 35.3%, while those in other clusters contribute around 30-33%.

State-wise disparities exist when we compare the earnings of youths in the high, middle and low income states. High-income states, representing 32% of the youth population, have the highest economic well-being

indicators. In these states, 46.1% of youths earn an average annual income of Rs. 2,63,000 and an income index of 1.65. Youth in high-income states also contribute significantly to household income at 33.1% (Table 8).

In Middle-income states, comprising 21% of the youth population, 39.6% of youth earn an average annual income of Rs. 1,61,000, reflected in an income index of 1.01. Low-income states, which hold the largest share of the youth population at 46%, have the lowest economic indicators. Here, only 35.1% of youth earn a personal income, with an average annual income of Rs. 85,000 and an income index of 0.53. Despite these disparities, the contribution of youth to household income is fairly consistent across state categories, ranging from 30.4% to 33.1%.

Among the different social groupings, there is a wide disparity among income-earning youths. OBCs have the largest share of youth population (45%) followed by SC (26%) and General category (22%). In terms of share of youths earning a personal income, SC's share is highest at 43.5%. The share of youths earning incomes is within 37-39% range for the other groups. General Category youths have the highest average annual income (Rs 207,000) while SC youths are not far behind at Rs 154,000.

Table 7: Economic well-being of Indian youth (2024-25): Geographical Clusters

	Metro	Boom Town	Niche Cities	Rest of Urban	Developed Rural	Emerging Rural	Left-Behind Rural	Total
Total youth population (Million)	41	25	37	50	33	92	142	420
Share of youth (%)	10%	6%	9%	12%	8%	22%	34%	100%
Share of youth earning personal income (%)	47.8%	44.5%	36.1%	39.9%	44.7%	39.4%	36.4%	39.6%
Average annual income of youth (Rs.)	3,71,000	1,94,000	1,75,000	1,44,000	2,67,000	1,21,000	1,00,000	1,59,000
Contribution of youth to household income (%)	35.3%	30.6%	29.2%	31.2%	33.0%	30.5%	31.1%	31.8%
Income index (All India=1.00)	2.33	1.22	1.10	0.91	1.68	0.76	0.63	1.00

Source: Authors' estimate based on PRICE's ICE 360° Surveys data

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Table 8: Economic well-being of Indian youth (2024-25): State Categories

	High Income States	Middle Income States	Low Income States	Total
Total youth population (Million)	136	89	195	420
Share of youth (%)	32%	21%	46%	100%
Share of youth earning personal income (%)	46.1%	39.6%	35.1%	39.6%
Average annual income of youth (Rs.)	2,63,000	1,61,000	85,000	1,59,000
Contribution of youth to household income (%)	33.1%	30.6%	30.4%	31.8%
Income index (All India=1.00)	1.65	1.01	0.53	1.00

Source: Authors' estimate based on PRICE's ICE 360° Surveys data

This translates to an income index of 1.30 for General Category and 0.97 for SC youths (**Table 9**).

The religion-wise breakdown of youths reveals that Hindus have the highest share of youths (82%) while those for Muslims is 14% (**Table 10**). The percentage share of youths earning a personal income for Hindus, Sikhs and Others falls in the range of 39-42% while for Muslims it is much lower at 32%. Sikh youths earn more than double the average personal annual income (Rs 346,000) compared to Hindu youths (Rs 162,000). The amount for Others is Rs 144,000 and for Muslims is the lowest at Rs 111,000.

There is a direct correlation between higher education and youths' economic well-being. While share of illiterate youths who earn a personal income is the lowest at 24.9%, this share keeps steadily increasing as we go up the education ladder. At the highest education level of graduate-plus, nearly 50.6% youths have a personal income.

The highest average annual income is for youths in "others" category includes technical and professional degree (Rs 293,000). For the graduate-plus youths, this figure is Rs 236,000 which declines to Rs 74,000 for

illiterate youths. Share of youths contributing to household income is also the highest for others (69.5%) while share of youths who have a graduate (or above) degree and contribute to family income is at 48.4%. This percentage drops down to 31.7% for those educated till primary level and 15.5% for illiterate youths (**Table 11**). The income index thus declines from 1.84 for others to 1.48 for graduate youths going down to 0.99 and 0.47 respectively for primary-educated and illiterate youths.

Occupations of youths and economic well-being are correlated. The share of youths that are engaged in self-employed agriculture and labour non-agriculture stand at 20% and 21% respectively. A higher percentage of youths are found in regular salaried work (25%) while the share of youths in self-employed agriculture and labour-agriculture and others is the lowest at 15%, 11% and 8% respectively.

Share of youths earning a personal income is highest among those employed in salaried work (45.4%) and their average annual income is Rs 316,000 with an income index of 1.99. Significantly, the share of youths engaged in agricultural labour work stands at 42.5% and they have the lowest average annual income of Rs 52,000 with an income index of 0.33. Share of youths in self-employed non-

Table 9: Economic well-being of Indian youth (2024-25): Social Groups

	Scheduled Caste (SC)	Scheduled Tribe (ST)	Other Backward Classes (OBC)	General	Total
Total youth population (Million)	109	31	189	91	420
Share of youth (%)	26%	7%	45%	22%	100%
Share of youth earning personal income (%)	43.5%	37.7%	38.1%	38.8%	39.6%
Average annual income of youth (Rs.)	1,54,000	1,34,000	1,43,000	2,07,000	1,59,000
Contribution of youth to household income (%)	33.5%	30.7%	31.1%	31.9%	31.8%
Income index (All India=1.00)	0.97	0.84	0.90	1.30	1.00

Source: Authors' estimate based on PRICE's ICE 360° Surveys data

Table 10: Economic well-being of Indian youth (2024-25): Religion

	Hindu	Muslim	Sikh	Others	Total
Total youth population (Million)	346	60	5	9	420
Share of youth (%)	82%	14%	1%	2%	100%
Share of youth earning personal income (%)	40.2%	32.0%	41.9%	39.8%	39.6%
Average annual income of youth (Rs.)	1,62,000	1,11,000	3,46,000	1,44,000	1,59,000
Contribution of youth to household income (%)	32.5%	24.9%	34.6%	28.0%	31.8%
Income index (All India=1.00)	1.02	0.70	2.18	0.91	1.00

Source: Authors' estimate based on PRICE's ICE 360° Surveys data

agriculture is at 34.7% and they have an average annual income of Rs 176,000 with an income index of 1.11. Clearly, the two significant occupations for youths currently are salaried work and self-employment in non-agriculture (Table 12).

Among the income classes - ranging from the Low, lower middle, middle, upper middle and high - the share of youths among the middle-income youth is at 31%. The

share of Low and lower middle together is 46%. The upper middle- and high-income classes account for 23% youths. Not surprisingly, the high-income class youths are the ones earning the highest average annual personal income of Rs 646,000 with an income index of 4.06 (Table 13). The upper middle-class youths have an average annual income of Rs 326,000 with an income index of 2.05 while that for the middle income is less than half that at Rs 132,000 and an income index of 0.83.

Table 11: Economic well-being of Indian youth (2024-25): Highest Level of Education of Household

	Illiterate	Up to Primary	Matric	Higher Secondary	Graduate & above	Others	Total
Total youth population (Million)	58	157	64	82	58	1	420
Share of youth (%)	14%	37%	15%	19%	14%	0.2%	100%
Share of youth earning personal income (%)	24.9%	38.7%	38.0%	44.9%	50.6%	65.4%	39.6%
Average annual income of youth (Rs.)	74,000	1,58,000	1,59,000	1,82,000	2,36,000	2,93,000	1,59,000
Contribution of youth to household income (%)	15.5%	31.7%	27.8%	38.7%	48.4%	69.5%	31.8%
Income index (All India=1.00)	0.47	0.99	1.00	1.14	1.48	1.84	1.00

Source: Authors' estimate based on PRICE's ICE 360° Surveys data

Table 12: Economic well-being of Indian youth (2024-25): Major Source of Income

	Self-Employed - Agriculture	Regular Salaried	Self-Employed - non-agriculture	Labour - Agriculture	Labour - non-agriculture	Others	Total
Total youth population (Million)	84	106	63	48	88	32	420
Share of youth (%)	20%	25%	15%	11%	21%	8%	100%
Share of youth earning personal income (%)	35.1%	45.4%	34.7%	42.5%	36.5%	49.4%	39.6%
Average annual income of youth (Rs.)	1,25,000	3,16,000	1,76,000	52,000	70,000	1,44,000	1,59,000
Contribution of youth to household income (%)	28.0%	37.7%	27.8%	25.9%	31.4%	27.8%	31.8%
Income index (All India=1.00)	0.79	1.99	1.11	0.33	0.44	0.91	1.00

Source: Authors' estimate based on PRICE's ICE 360° Surveys data

Table 13: Economic well-being of Indian youth (2024-25): Income Class

	Low	Lower Middle	Middle	Upper Middle	High	Total
Total youth population (Million)	96	99	131	65	30	420
Share of youth (%)	23%	23%	31%	16%	7%	100%
Share of youth earning personal income (%)	34.2%	38.6%	38.9%	44.7%	52.7%	39.6%
Average annual income of youth (Rs.)	30,000	65,000	1,32,000	3,26,000	6,46,000	1,59,000
Contribution of youth to household income (%)	31.8%	30.1%	28.6%	35.3%	32.6%	31.8%
Income index (All India=1.00)	0.19	0.41	0.83	2.05	4.06	1.00

Note: Income class is defined based on annual income earned by youth: Low (Less than ₹60,000), Lower Middle (₹60,001 to ₹1.2 lakh), (₹1.2 lakh to ₹3 lakh), Upper Middle (₹3 lakh to ₹6 lakh) and High (More than ₹6 lakh) at 2024-25 prices..

Source: Authors’ estimate based on PRICE’s ICE 360° Surveys data

A model for successful self-employment strategy

While self-employment is on the rise among youths, and offers opportunities for income generation, policymakers need to provide them with adequate resources that will not only boost their income but help them access employment-like perks, including health insurance, access to easy credit and retirement plans. Perhaps one of the most successful models has been the role of women self-help groups in providing self-employment opportunities to women in rural areas.

India’s women Self-help groups (SHGs) exemplify grassroots empowerment, bridging financial gaps and fostering entrepreneurship. Their success underscores the transformative potential of community-driven initiative. As of December 2023, India boasts nine million SHGs, with nearly 100 million women as active members.

With approximately 0.65 million villages across the country (according to the 2011 Census), this translates to an average of 14 SHGs per village. Remarkably, every eighth Indian woman is part of an SHG. Each SHG plays a crucial role in supporting eight to ten women in launching their own businesses.

The roots of SHGs trace back to the 1970s, with the pioneering SEWA (Self-Employed Women’s Association) originating in Gujarat. In 1992, these groups were formally linked to banks through the SHG Bank Linkage Project (SHG-BLP). This linkage facilitated small loans for livelihood opportunities. A significant boost came in 1999 when the

government leveraged SHGs to promote self-employment in rural areas under the Swarn Jayanti Gram Swarojgar Yojana. Over time, SHGs have gained strength due to deliberate government efforts. In 2014, the creation of the Community Investment Fund empowered SHGs by providing up to Rs 50,000 annually for local livelihood programs.

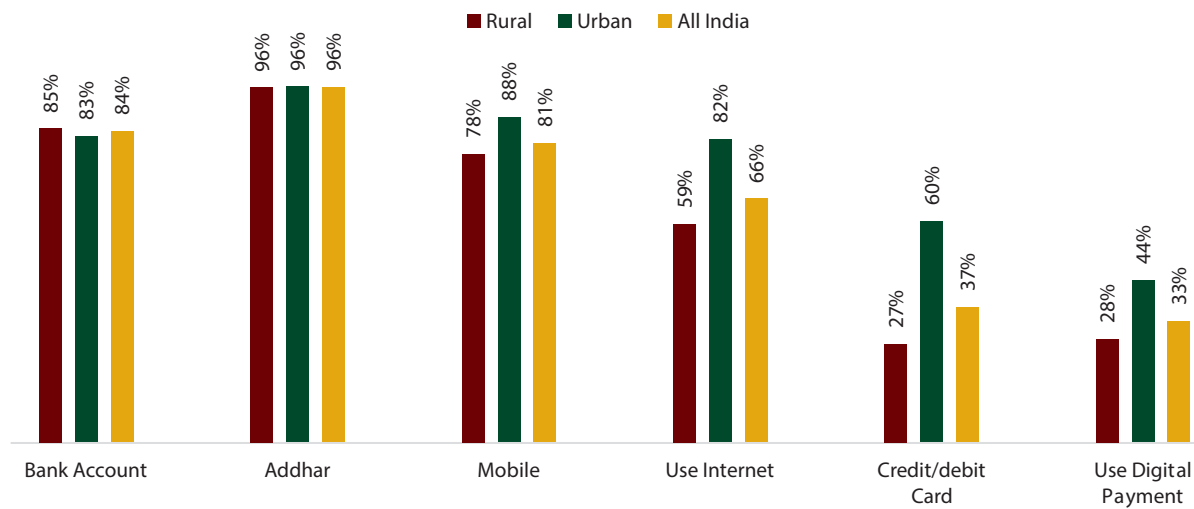
Today, India’s SHGs collectively represent the world’s largest microfinance project. Official data reveals that, until February 2024, these groups disbursed loans totalling Rs 1.7 lakh crore. What’s more, SHGs maintain a bank repayment rate of over 96 per cent, highlighting their credit discipline and reliability²¹.

Digital Public Infrastructure comes of age

India’s Digital Public Infrastructure (DPI) is today the toast of the world. In the words of Amitabh Kant, former top honcho of Niti Aayog, “Central to India’s digital transformation is Aadhar, envisioned as a cutting-edge digital ID that offers cloud-based authentication services. This revolutionary ID system seamlessly integrates into various service transactions, from opening bank accounts and obtaining mobile SIMs to receiving rations. Building on the success of Aadhar, India introduced complementary digital products such as the digital locker, electronic KYC and on demand digital signature (e-sign). Furthermore, the direct benefit transfers (DBT) initiative was launched leading to significant government savings²².” Entrepreneurship too has got a major boost in the digital space with India emerging as the third largest ecosystem

21. <https://www.cseindia.org/india-s-women-led-self-help-groups-are-emerging-as-the-world-s-biggest-microfinance-project-12094>
22. Amitabh Kant: India’s DPI journey: From local innovations to global solutions. <https://www.hindustantimes.com/india-news/indias-dpi-journey-from-local-innovations-to-global-solutions-101698745875674.html>

Figure 20: Digital profile of Indian Youth: Rural vs. Urban (Penetration, %, 2024-25)



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

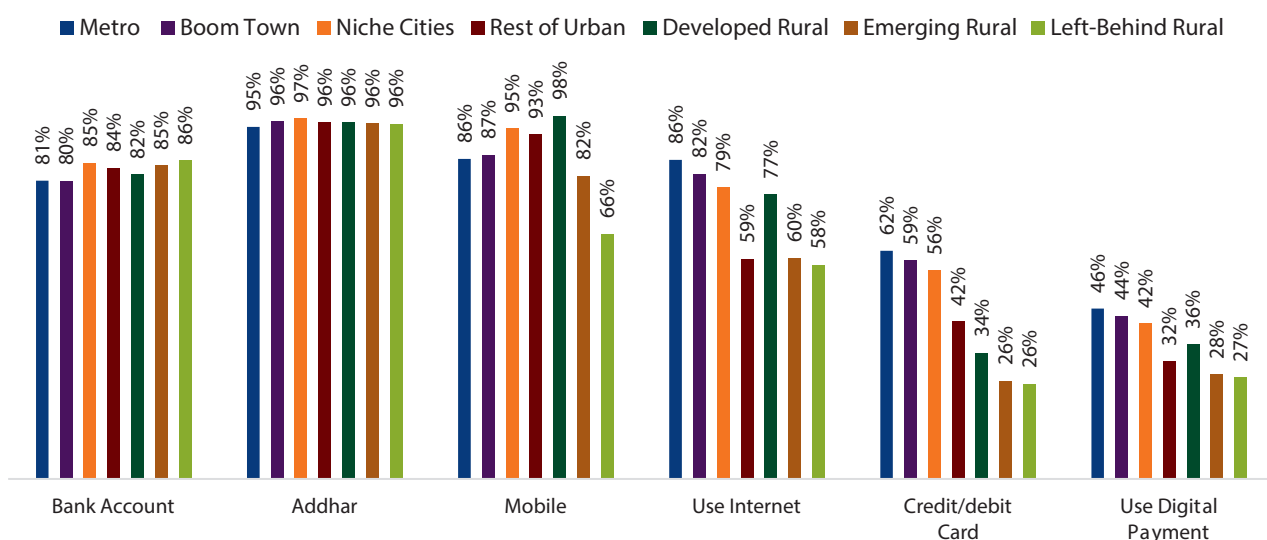
for startups globally. The country boasted of 107 unicorns with a total valuation of \$341 billion as of August 2022²³.

The DPI has come as a massive boon to a significant proportion of Indian youths. Consider the penetration of bank accounts, Aadhar cards and mobile phones. Across both rural and urban India, the share of youths possessing these ranges between 78% and 96%. Internet usage is 59% among rural youths versus 82% for their urban counterparts. Credit/debit card usage is significantly higher in urban India (60%) versus rural areas (27%) (Figure 20). A similar trend is reflected in terms of digital payment usage with more urban youths (44%) availing it compared to rural (28%).

In terms of geographical clusters, niche cities, rest of urban and developed rural show the highest penetration of mobiles while left-behind rural is still lagging behind. Credit/debit card usage is highest among metro youths (62%) declining to 26% each for emerging rural and left-behind rural. Penetration of digital payment interfaces is almost on par for metro, niche cities and boom towns while it declines as we go down the rural clusters (Figure 21).

There is a high correlation between digital access and education level of youths. Consequently, penetration of bank accounts, Aadhar cards, mobile phones, internet usage, credit/debit cards is highest for graduates. Interestingly, higher percentage of youths with technical

Figure 21: Digital profile of Indian Youth: Geographical Clusters (Penetration, %, 2024-25)

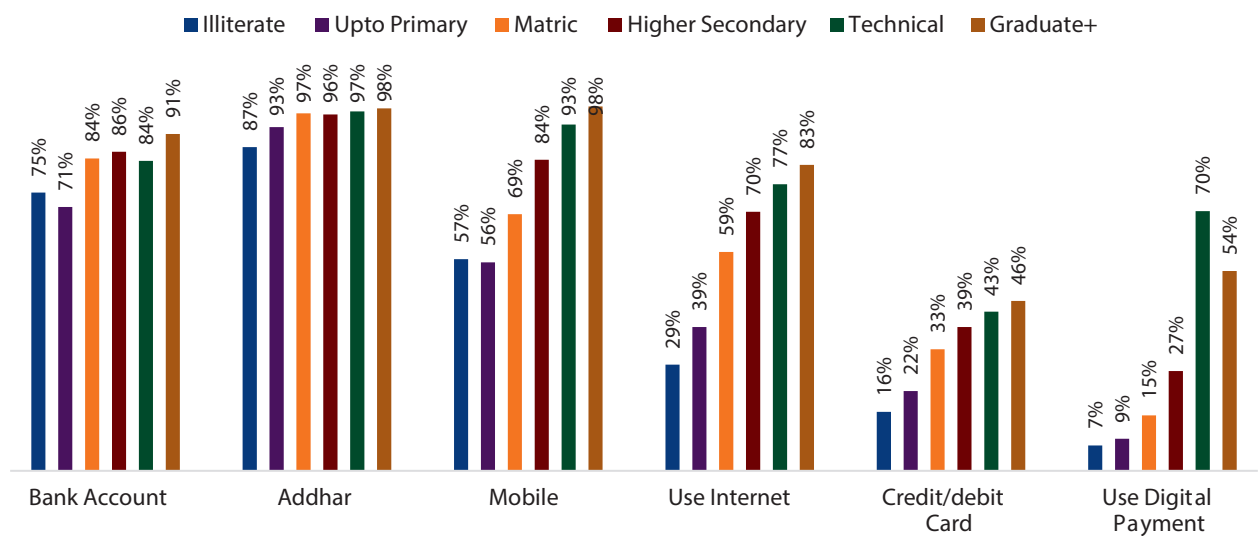


Source: Authors' estimate based on PRICE's ICE 360° Surveys data

23. INDIA@100: Realizing the potential of a US\$26 trillion economy. https://assets.ey.com/content/dam/ey-sites/ey-com/en_in/topics/india-at-100/2023/01/ey-india-at-100-full-version.pdf

Navigating the Youth Frontier

Figure 22: Digital profile of Indian Youth: Education Level (Penetration, %, 2024-25)



Source: Authors’ estimate based on PRICE’s ICE 360° Surveys data

education (70%) use UPI payments compared to graduates (54%) (Figure 22).

Aadhar card ownership is in the region of 93%+ across all types of youths, including those in farming, salaried jobs, self-employment, casual labour. Similarly, an overwhelming majority of housewives, those seeking employment and helpers in household enterprises too have Aadhar cards. Bank account penetration is also on the high side - upwards of 78% across all these categories (Figure 23).

Significantly, mobile ownership is highest among the salaried youths (98%) and those who are seeking jobs (99%) while penetration of mobile phones is lowest for housewives and students - 69% and 76% respectively.

Credit/debit card penetration is highest among the salaried youths (79%) and remains low for all the other

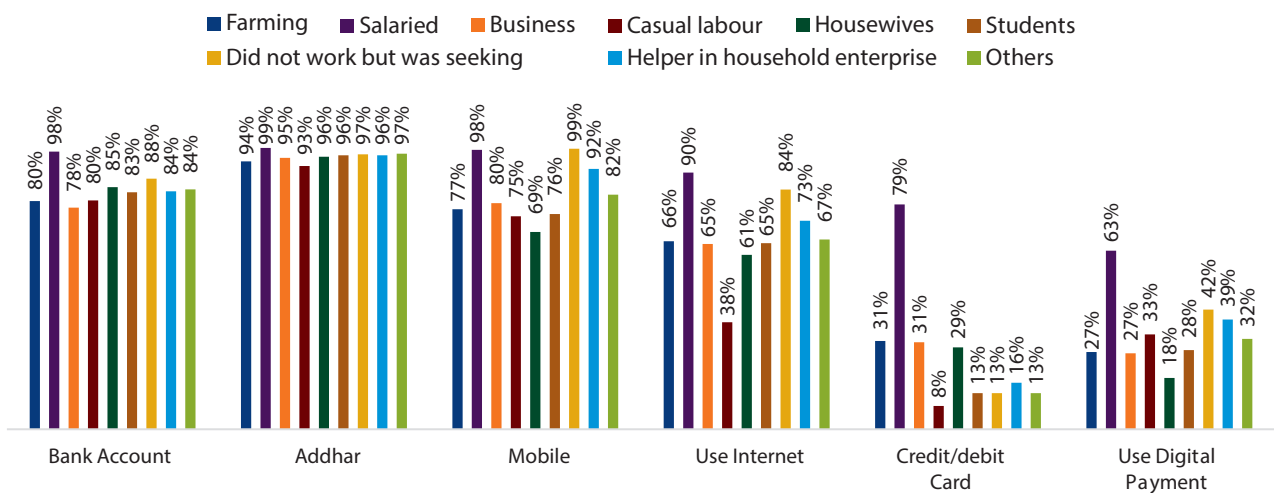
categories of youths. Only 8% casual labour use credit/debit cards while there are about 31% youths in farming and business (each) who own these.

There is a higher penetration across all groups for UPI payment with the salaried (63%) being among the top users. Only 18% housewives use digital payment.

Ownership of Mobiles and Internet Usage

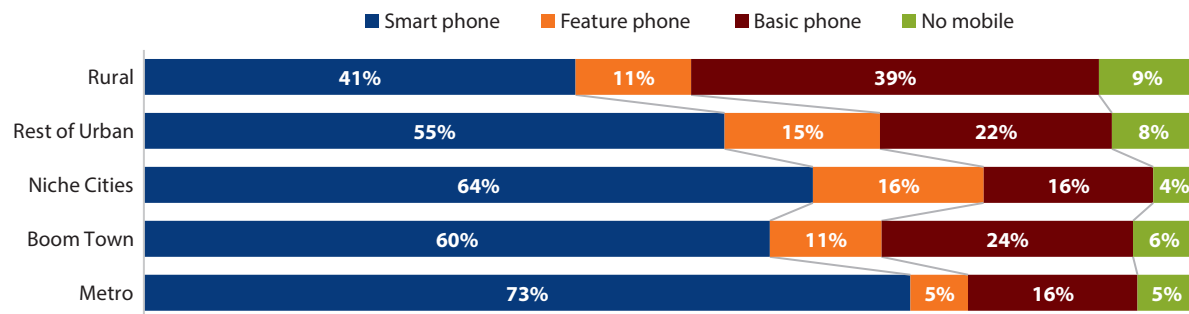
Given that the digital infrastructure is more robust in urban India, it comes as no surprise that higher proportions of youths in urban clusters own mobile phones (Figure 24). Nearly three-fourths of all metro youths have smart phones. In Boom towns and niche cities, 60% and 64%

Figure 23: Digital profile of Indian Youth: Activity Status (Penetration, %, 2024-25)



Source: Authors’ estimate based on PRICE’s ICE 360° Surveys data

Figure 24: Ownership of Mobile by Type and Location (2024-25)



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

youths respectively have smart phones while rest of urban lags behind with 55% smart phone owning young people. In rural India, 41% youths have a smart phone. Basic phone ownership is highest among rural youths (39%). Nearly 5% urban and 9% rural youths do not own any phone.

The gender divide is quite stark among men and women - while 62% men have smart phones only 36% women have them (**Figure 25**). Basic phone ownership is higher among women (36%) as compared to men (26%).

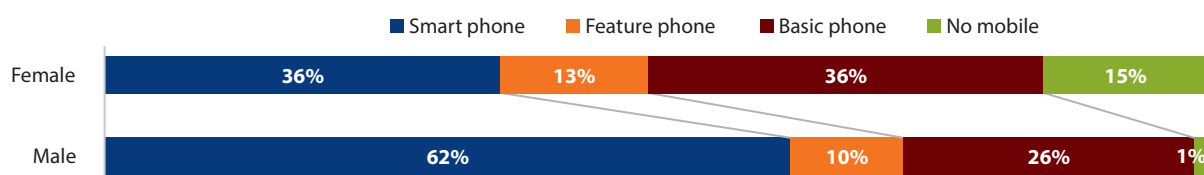
Access to mobile phones for women is often restricted for patriarchal and safety reasons. Young girls are often discouraged from using the Internet and many end up borrowing the phones of their siblings (mostly brothers). Thus, shared device usage is quite high among young

women, particularly in semi-urban and rural areas. (source: The Ideal Internet - Understanding the Internet of Children and Young People in India) And the trend towards shared device usage has been growing in the last couple of years- from 5% in urban (2021) to 14% (2023); 11% over the same period to 21% in rural areas²⁴.

Ownership of smart phones is highest among youths with a technical education (94%) and graduates (83%). Illiterate and primary-educated youths have a higher ownership of basic phones - 61% and 45% respectively (**Figure 26**).

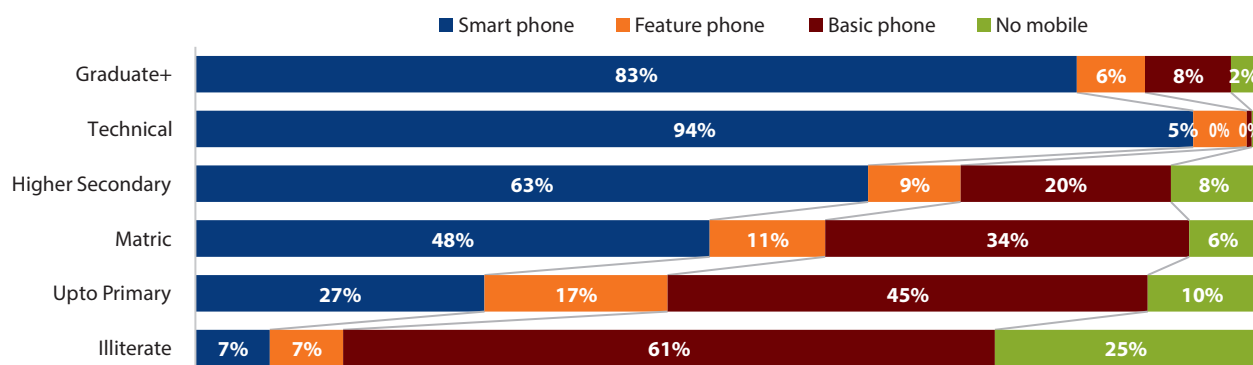
Smart phone ownership is close to 100% among salaried government employees followed by salaried private employees (87%). Interestingly, ownership of smart

Figure 25: Ownership of Mobile by Type and Gender of Indian Youth (2024-25)



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

Figure 26: Ownership of Mobile by Type and Level of Education of Indian Youth (2024-25)

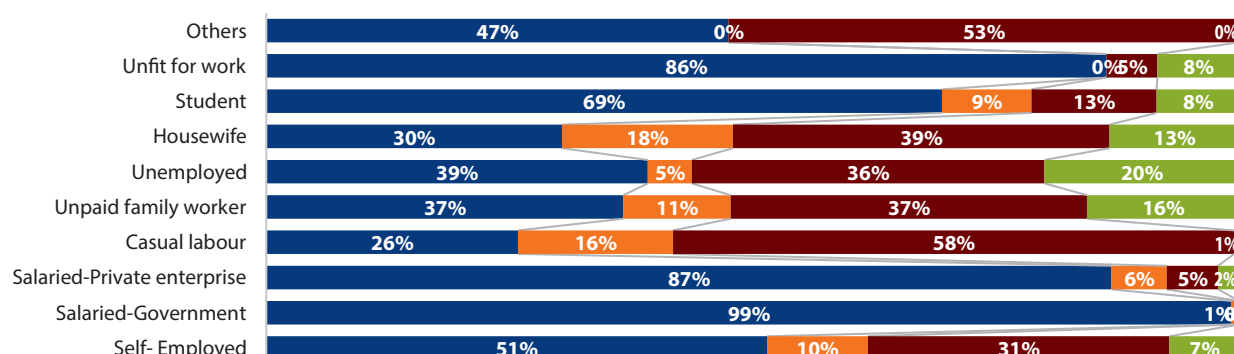


Source: Authors' estimate based on PRICE's ICE 360° Surveys data

24. ICUBE All India 2023.

Navigating the Youth Frontier

Figure 27: Ownership of Mobile by Type and Activity Status of Indian Youth (2024-25)



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

phones is also high among those “unfit for work” (86%). Students (69%) and self-employed (51%) have smart phones (**Figure 27**).

There is still scope for smart phone growth among casual labour, a large percentage of whom (58%) own basic phones.

The trend towards democratization of smart phone ownership has significant implications for the youth population of India. It's already evident in young Indians' use of the Internet for accessing news, entertainment and education channels. The rise of the gig economy is another facet of the seamless connection between phone ownership and access to work opportunities.

Internet Usage

Nearly 90% salaried youths and 84% unemployed youths are users of the Internet whereas only 38% casual labour

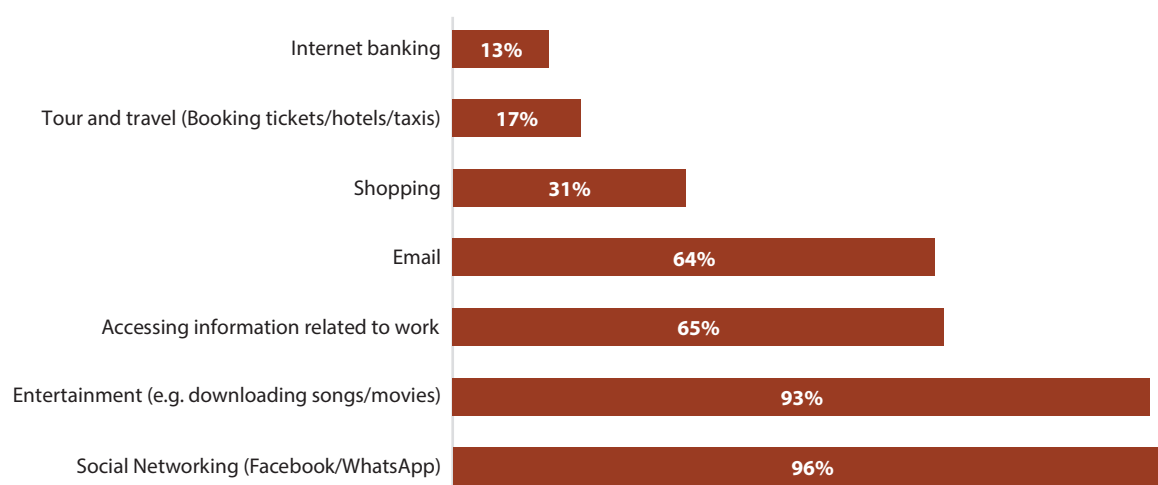
and 61% housewives use the Internet. Surprisingly, only 65% business/self-employed youths access the Internet.

An overwhelming 96% of youths use the Internet for social networking (WhatsApp/Facebook) and 93% use it for entertainment purposes, including downloading songs, movies, etc. Email (64%) and accessing information for work (65%) are other major reasons (**Figure 28**).

Short form videos have become quite the rage with the youth and according to some estimates, by 2025, 3 in 4 internet users will be spending almost an hour per day on short form video platforms. The most popular media for youths today include short-form videos (77%), news channels (16%) and television and OTT (7%).²⁵

The mobile phone is the most commonly used device to access the Internet. Today almost half the population of young India owns a smart phone (49%) and only 8% do not own any phone. Feature phones are owned by 12% and 31% youths have a basic phone.

Figure 28: Digital profile of Indian Youth: Activity Status (Penetration, %, 2024-25)



Source: Authors' estimate based on PRICE's ICE 360° Surveys data

25. Getting Young India Right – When young India met short form videos.

Pinning India's hopes on the youth

Today's youth have switched to a more pragmatic, non-ideological mode; they also appear less concerned about values and the betterment of society as a whole. This is reflected in the low priority youth give to "giving back/contributing to social betterment" (6%). The priority for today's youth is "comfort-car, house, home conveniences" (67%). They also appear to care little about "good social Status, reputation" (8%).

Indian leaders of the past like Swami Vivekananda advocated that the youth of the nation should train itself in order to serve humanity. Similarly, to Gandhi, youth were agents of social change. "Responsibility will mellow and sober the youth and prepare them for the burden they must discharge," he had once said.

But as India surges ahead, its youth faced by unprecedented competition for resources and opportunities, know they must swim or sink in the rising tide. Ethics, the greater good and such notions have perforce to take a back seat.

Despite this, youth-led change is visible in different segments of society and the economy. One such shining example is Indian sport. Consider the dramatic change in the sports arena over the last two decades. Not so long ago, cricket and hockey were the only sports in which Indians excelled. In 1998, India won less than 25 medals in the Commonwealth Games. Contrast this with the tally of 101 medals in 2010 when India hosted the Games, second only to sporting giant Australia in overall rankings. From athletics to archery, weightlifting to wrestling, the country's performance has improved by leaps and bounds since then.

The change is a consequence of multiple factors. Access to better food, health and education are among the primary reasons for the better performance of Indian youth in sports. According to a study by Andrew Bernard and Meghan Busse of Dartmouth and UC Berkely respectively, a large population and higher per capita income play a significant role in generating higher medal tallies for countries in the Olympics²⁶. Complementing this has been a set of government schemes and programs that are focused on setting up state of the art sporting infrastructure and access to specialised training for promising athletes. The Target Olympic Podium Scheme (TOPS) along with the Mission Olympic Cell has also provided select athletes with training and financial assistance.

The contributions of the corporate sector and social entrepreneurs have also helped to create the right enabling environment for the nurturing of sporting talent. Magic Bus, for instance, which conducts a sports and activity-based life skills program for four lakh adolescents in 72 districts across 24 states is one of the key pioneers in the development of sports²⁷.

Today sport stars like Neeraj Chopra, PV Sindhu, Sakshi Malik, Mary Kom, Mirabai Chanu, Lovlina Borgohain and many others have brought glory and accolades for the nation at international competitions. They have emerged as role models for thousands of Indian youths who are inspired to get into professional sports, thus fuelling the growth of the sport sector.

There are lessons of India's success in sports that can be applied across other domains to provide the youth with the platform that will help them bridge the gap between their aspirations and their needs and provide the necessary fuel to power India's ambition to become a developed nation by the year 2047.

Conclusion and Way Forward

India's 420-million-strong youth population is its greatest asset in the journey towards becoming a developed economy by 2047. However, realizing this potential requires addressing key challenges such as educational inequities, employment gaps, gender disparities, and uneven access to resources. If these issues remain unresolved, the demographic dividend could turn into a missed opportunity rather than a national advantage.

The aspirations of Indian youth align with national priorities—better education, employment opportunities, and improved living conditions. However, disparities persist across regions, social groups, and genders, limiting access to these opportunities. To bridge these gaps, India must focus on targeted interventions that equip young people with the right skills, create more employment opportunities, and enhance economic and social inclusion.

First, education and skill development must be strengthened. The focus should shift from increasing enrolment to improving learning outcomes, ensuring that youth acquire practical and employable skills. Expanding vocational and technical training, particularly in underserved areas, and integrating digital education will enhance employability and prepare youth for emerging industries.

26. <https://marcellus.in/blogs/sporting-success-captures-indias-rise-better-than-gdp-growth/>

27. Harnessing sports to realise Viksit Bharat. <https://www.hindustantimes.com/opinion/harnessing-sports-to-realise-viksit-bharat-101707314008323.htm>

Navigating the Youth Frontier

Second, employment generation and entrepreneurship must be accelerated. Strengthening MSMEs, expanding startup ecosystems beyond metro cities, and fostering innovation will create new job opportunities. Addressing challenges in the gig economy and ensuring social security for informal workers will also be crucial in providing stable livelihoods for young people.

Third, economic and social disparities must be addressed through targeted policies. Special attention should be given to economically weaker youth, particularly in low-income states and rural areas, by improving access to education, healthcare, and financial resources. Efforts to close gender gaps in education and workforce participation will further strengthen India's development trajectory.

Fourth, digital and technological advancements must be leveraged to enhance youth inclusion. Expanding access to affordable internet, promoting digital literacy, and integrating fintech solutions can empower young entrepreneurs and improve financial inclusion. Digital

Public Infrastructure (DPI) has already facilitated widespread access to banking and governance services, and its continued expansion can further drive youth-led innovation.

Finally, increasing youth participation in governance and leadership is essential. Encouraging young voices in policymaking, fostering leadership development, and creating platforms for civic engagement will ensure that youth play an active role in shaping India's future. A culture of social responsibility and innovation-driven growth must be nurtured to create ethical and forward-thinking leaders.

India's success in achieving *Viksit Bharat* will depend on how effectively it harnesses the energy and potential of its youth. By investing in education, employment, and digital empowerment, while addressing socio-economic disparities, India can transform its youth into a driving force for national progress. The next two decades provide a critical window of opportunity—one that must be seized to ensure a prosperous and inclusive future for all.

i About PRICE

(www.price360.in)

- People Research on India's Consumer Economy (*PRICE branded as ICE 360°*) established in 2012 as an independent, *not-for-profit*, 'fact tank' and 'think tank' registered U/S 8 Companies Act. The vision of PRICE is to be the premier research institute offering unparalleled insights into India's household economy. Its mission includes conducting high-quality research, providing data-driven insights, and fostering a deeper understanding of India's economic landscape. The institute conducts large-scale surveys to gather data on household well-being, which it then analyzes to identify trends and develop policy recommendations. As an independent organization, PRICE is committed to producing unbiased and objective analysis, contributing to the socio-economic development of India.
- Largely supported by grants and contract research, PRICE's strengths lie in its access to comprehensive data sets, experienced team of researchers, and strong collaborations with academic institutions, government bodies, and industry players.

ii About PRICE's ICE 360° Surveys

PRICE's ICE 360° surveys called as "*Household Survey of India's Consumer Economy and Consumer Environment*" aimed to generate integrated longitudinal data (Interconnected, consistent and up to date) to provide a 360° view of "household's & people's" progress on financial conditions (income, expenditure, saving and borrowings), living conditions, access to public goods, amenities, state welfare, health, education, occupational conditions, social and occupational mobility and inclusion in the household economy.

In recent times, it has been the only regular source of data on income, expenditure and saving in India. And among household surveys of its kind across the world, ICE 360° surveys hold a unique position on account of scientific and robust measurement of income, its massive sample size, range, and the depth of information it uncovers. Over the years, the survey has become the most credible source of information on Indian consumer market structures for decision makers in top marketing concerns, in public enterprises and Indian household economy in government. Details about the PRICE's ICE 360 Surveys are available at

<https://www.price360.in/ice-360-surveys.php>

https://www.price360.in/uploads/A_brief_about_ICE360_Surveys.pdf

These surveys (2014, 2016, 2021 and 2023) are mammoth and complex exercise, for instance, the Wave 2.0 (2016) covered about 300,000+ households through a household listing exercise, followed by a more detailed survey of 61,000 households - 25,000 in rural India and 36,000 in urban India deploying probability sample design. Geographically, the sample has been drawn from across 216 districts, 1217 villages and 487 towns spread across 25 major states.

PRICE's ICE 360° survey - Features

Feature	ICE 360° survey (2014)	ICE 360° survey (2016)	ICE 360° survey (2021)	ICE 360° survey (2023)
Survey type	Best mix of Baseline-Panel-Longitudinal -Cross-sectional			
Sample design	Probability Sample: Three stage stratified random sample design			
Coverage	21 states & UTs (Rural &Urban)	25 states & UTs (Rural &Urban	23 states & UTs (Rural &Urban);	25 states & UTs (Rural &Urban)
Sampling frame	100,000 households	300,000 households	200,000 households	200,000 households
Sample size	20,000 households	61,000 households	40,000 households	43,000 households
Data collection	Face-to-face interview		Face-to-face interview - CAPI	
Respondents	Chief Wage Earner (CWE)/Head, Housewife and other earning members of households			
Reference period	Financial Year - 2014	Financial Year - 2016	Financial year - 2021	Financial year - 2023

The findings in the form of actionable insights, presentations, and reports including the household level data are shared with various stakeholders ranging from policymakers in government, policy advisors, business strategists, media, academic & research institutions including national and international individual researchers.

iii Geographical clusters

To take a finer-grained look at the geography of inequality after considering differences across seven types of clusters that lie along a continuum ranging from metro cities to the most remote rural areas.

In the case of **urban India**, a combination of three different criteria helped identify the first three (of four) categories of districts - “Metros”, “Boom Towns” and “Niche Cities”. The three criteria we employ are population, rate of urbanization and per capita household consumption. As a base for selecting the first three urban clusters we have considered all cities having population of one million and above in 2021. Once the first three clusters have been defined, the fourth urban cluster has been defined as the rest of urban India and has been called as “Rest of urban”.

- **Nine ‘Metros’** - Mumbai, Delhi, Kolkata, Bangalore, Chennai, Hyderabad, Surat, Ahmadabad and Pune- garner the lion’s share of attention as India’s consumption centres. These are the country’s largest population centres (all have population above five million), and for the most part they are the largest markets in terms of household disposable income and total consumption expenditure.
- **Sixteen ‘Boom Towns’** stand out because of their potential to be the next set of large population cities are emerging cities that are quickly moving up the ranks as the largest markets (all have population between 2.5- 5 million) following the ‘Metros’. This group of cities has younger populations and has posted the fastest growth in disposable income. Cities in this group include Kozhikode, Coimbatore, Kochi, Malappuram, Lucknow, Jaipur, Thiruvananthapuram, Nagpur, Thrissur, Indore, Kanpur, Nashik, Madurai, Bhopal, Tirupur, and Kannur.
- **Thirty-Eight ‘Niche Cities’** are somewhat smaller in terms of overall population (all have population between 1- 2.5 million) but still hit well above their weight in spending per household. Cities in this group include Visakhapatnam, Vadodara, Vijayawada, Patna, Kollam, Rajkot, Agra, Raipur, Ludhiana, Jamshedpur, Srinagar, Aurangabad, Jodhpur, Meerut, Jabalpur, Tiruchirappalli, Asansol, Varanasi, Kota, Bhubaneswar, Mysore, Ranchi, Dhanbad, Allahabad, Amritsar, Bareilly, Moradabad, Gwalior, Hubli-Dharwad, Guwahati, Salem, Durg-Bhilainagar, Saharanpur, Siliguri, Aligarh, Jalandhar, Chandigarh, and Solapur.

Rural India has been grouped into three sub-regions: “Developed Rural”, “Emerging Rural,” and “Left-Behind Rural”. To enable this categorisation, a District Development Score has been calculated for all the 640 districts by using a set of 21 developmental indicators based on demographics, financial inclusion, access to basic amenities, and asset penetration, among other parameters, which are available from Census 2011. Using the score value, districts have been grouped into three sub-categories as follows:

- **Developed Rural (160 districts)** - districts with the top 25 per cent highest District Development Scores (Examples, Thane, Pune, Kozhikode, Ernakulam, Jalandhar, Ludhiana, Sonipat, Surat, Gandhinagar),
- **Emerging Rural (160 districts)** - districts with the next 25 per cent highest scores (Examples, Agra, Mathura, Warangal, Mysore, Guntur, Cuddalore, Nashik, Solapur, Jaipur, Ajmer), and
- **Left-Behind Rural (320 districts)** - Districts with the bottom 50 percent of scores, the least-developed or more “backward” (Example, Firozabad, Madhubani, Adilabad, Nellore, Jodhpur, Buldana, Gaya, Samastipur, Ratlam, Ganjam, Bastar, Bilaspur districts).

iv India’s Zonal Councils

India is composed of 28 states and eight union territories (including a national capital territory). The states of India have been grouped into six zones having an Advisory Council “to develop the habit of cooperative working” among these States. The present composition of each of these Zonal Councils is as follows.

- **Northern Zonal Council**, comprising Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Ladakh, Punjab, and Rajasthan.
- **North-Eastern Council**, comprising Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim.
- **Central Zonal Council**, comprising the States of Chhattisgarh, Madhya Pradesh, Uttarakhand and Uttar Pradesh.
- **Eastern Zonal Council**, comprising Bihar, Jharkhand, Odisha, and West Bengal.
- **Western Zonal Council**, comprising Dadra and Nagar Haveli and Daman and Diu, Goa, Gujarat, and Maharashtra.
- **Southern Zonal Council**, comprising Andhra Pradesh, Karnataka, Kerala, Puducherry, Tamil Nadu, and Telangana, Andaman and Nicobar Islands, and Lakshadweep.

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