

WHO ARE YOUNG PEOPLE?

In 2015, there were 1.2 billion people in the world that were 15-24 years of age. That's one sixth of the total global population. Youth are defined roughly as people age 10-24, and Millennials, born

in the late 1980s through the 1990s, make up a subset of that population.

Most of the world's youth are concentrated in Asia and the Pacific. Approximately 60% of youth live in Asia, 15% in Africa, 10% in Latin America and the Caribbean, and the remaining 15% live in all developed countries/regions ([UN 2015](#)).

Young people today are known for their propensity to tackle problems using technology. Children are growing up with technology more thoroughly integrated into their lives than any generation before. This is creating an entirely new type of people – referred to as digital natives. A 'digital native' is a youth with 5 or more years of experience using the Internet. While 30% of the youth population is comprised of digital natives today, within the next 5 years the digital native population in the developing world is expected to double.

CONSUMPTION

As the largest generation in history, Millennials are on track to consume a great deal of natural

resources. By 2050, it is projected that we will need the equivalent of 3 planet's resources to sustain our current level of consumption. Just 61% of Millennials currently seek environmentally-friendly products to use, however ([World Economic Forum](#)).

STOP AND THINK

What matters to you when you choose a product? Do you check for ethical practices? Have you ever chosen to buy or not buy something based on information about the company's practices?

The good news is that young people almost unanimously want to take action on climate change. Eighty-four percent of Millennials globally believe it is their generation's duty to change the world for the better, and close to half a million young people have already used small grant programs to start change on a local level ([UN Youth Envoy](#)).

PLANNING FOR THE FUTURE

Taking steps to plan for the future is particularly important for youth today, as life expectancy has increased over time. Young people today will need to be able to support themselves for much longer than previous generations did.

New challenges may arise for Millennials, as governments and employers have increasingly transferred the responsibility for saving and investing onto individuals. This means that people will need to have more financial knowledge than ever before, as they may not have other social

"An Investment in Knowledge Pays the Best Interest." –Benjamin Franklin

welfare programs to fall back on.

FINANCIAL KNOWLEDGE

Although financial knowledge is imperative, financial literacy rates are low among youth. Just 12% of youth score demonstrate the highest level of proficiency with their personal finances, and 22% of youth score at the lowest proficiency level (OECD, 2017).

One thing that improves financial knowledge among youth is bank account ownership (OECD, 2017). Only 46% of people aged 15-24 had a bank account in 2014, however ([World Bank Findex](#)). And, only 5% had ever borrowed from an institution. The UN has stated that financial institutions and the financial industry as a whole dramatically under-serve the young.

Access to financial tools like loans and savings accounts can help young people with everything from education to entrepreneurship – things closely linked to developing agency and breaking the cycle of poverty ([UNCDF 2014](#)).

While financial knowledge may not be as high as desired among youth, there is evidence that progress in this area will be made. Young adults generally have less financial knowledge than middle-age adults in major advanced economies. This means that as young people move through adulthood, they gain more financial knowledge. In emerging economies, young adults have higher levels of financial literacy than older adults, as education and access to resources have become more widely available in recent years.

EDUCATION LEVELS

Education is vital for young adults today. If young people in developing countries had basic literacy

and numeracy skills, as many as 171 million people could be lifted out of poverty. This would be a 12% reduction in global poverty ([UNICEF 2012](#)).

While a majority of school-age children are enrolled today, a total of 24 million children still will never have the opportunity to attend school. In Sub-Saharan Africa, for example, half of the children who are not currently enrolled will never step foot in a classroom ([UNESCO 2015](#)).

POST-SECONDARY EDUCATION

Post-secondary education is considered to be any degree or certification program beyond high school. By 2025 the OECD estimates that 260 million students will be enrolled in post-secondary education worldwide (OECD 2011). Although college enrollment has risen, it is projected that by 2013 there will still be a shortfall of 38-40 million college-level educated workers in the world (McKinsey Global Institute, 2012).

This is in part due to the remaining systematic barriers to education facing young people across the globe. Factors like poverty and migration are keeping young people from attaining an education, and it is negatively impacting the world.

Violence and forced migration are also large barriers to education. Just 1% of refugee youth attend post-secondary education ([UNHCR 2016](#)). Even when migration is voluntary, factors like documentation can severely impact students' ability to enroll. In the United States, for example, the high cost of post-secondary education and the low availability of financial aid has made it difficult for undocumented youth to attend (Núñez & Holthaus).

The average Millennial has \$48,000 in student loan debt, and 81% of Millennials who hold

college degrees in the U.S. have at least one source of long-term debt ([GFLEC/PWC](#)).

EMPLOYMENT

Earnings are higher and unemployment rates are lower for those who achieve higher education, which makes education a good investment in one's future. In the United States, bachelor's degree holders will make an estimated million dollars more over their lifetime than those with a high school diploma. Unemployment for college-educated individuals is also nearly half the rate of those holding a high school diploma (Bureau of Labor Statistics).

Millennials account for the majority of the workforce today, and by 2025 it is projected that 3 out of every 4 workers will be Millennials (Schawbel, 2012).

In countries where male youth unemployment is high or rising rapidly, social unrest is common. Violent conflict creates a vicious cycle of unemployment. Jobs are hardest to find in areas plagued by unrest, but youth unemployment exacerbates that unrest. Today, half of the 1.4 billion people living in countries dealing with crisis-level conflict are under the age of 20 (OECD 2015).

CHALLENGES

Young people today are facing a changing world – the climate is changing, there are more displaced people than has ever been recorded, and rapidly evolving technology has become part of our daily lives ([UNHCR 2017](#)). How young people tackle these challenges is going to be a determining

factor in the way the future will look.

ADDITIONAL RESOURCES

[Deloitte](#)

[GFLEC/PWC](#)

[Millennial Money](#)

[US Census Bureau](#)

[Goldman Sachs](#)

[Advocates for Youth](#)

[UN Youth Envoy](#)

EXTENDED LEARNING

Have you thought about what you want to do after high school? Start a conversation with your parents about the financial preparations you will need to make to achieve your goals.