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Choosing Wisely: How the Career Choices of Indian Youth Can Help Realise The Demographic Dividend

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ABSTRACT

India's working-age share of population is expected to reach about 68.9% by 2030, with the dependency ratio falling to a low of 31.2%, giving the country a demographic window that few economies have enjoyed. A demographic dividend, however, is realised only when young people are productively engaged. The India Employment Report 2024 shows how far that is from being guaranteed: graduates face an unemployment rate of 29.1% against 3.4% for those who cannot read and write, about one in three young people is not in employment, education or training (NEET), and the figure for young women is 48.4% against 9.8% for young men. This paper argues that one under-examined lever of the dividend is the quality of the career choices that young Indians make, at the points where they choose a stream, a course, a skill route and a first job. The paper reviews career-choice theory (Holland, Super, Lent, Brown and Hackett, Savickas) alongside the demographic-dividend literature (Bloom, Williamson, Canning and Sevilla) and examines the evidence using secondary data only: AISHE, PLFS 2025, ASER 2023, the India Skills Report 2026, the UNICEF YuWaah and iDreamCareer career aspiration report, a global student survey with Indian results, UDISE+, the Economic Survey 2025-26, AICTE and ILO/IHD. Arts accounts for 34.2% of undergraduate enrolment but shows the lowest measured employability of the four main streams (55.55%), against 70.15% for BE/BTech, which holds 11.8% of enrolment. Guidance and information are thin: only 9.36% of the low-income students surveyed had received career guidance, and family members (30%) are cited as an influence more than twice as often as school teachers (13%). Education does not secure engagement: unemployment among the educated (secondary and above) was 6.5% in 2025 against 3.1% overall, and the gender gap is wide even where women's measured employability matches men's (54% against 51.5% in 2026): the labour-force participation of graduates is 43.9% for young women against 85.9% for young men. Bridges into work are used by few: apprenticeships reach about one in five establishments and only about 31% of those who accepted PM Internship offers in the first two pilot rounds joined, while women's unpaid work averages 363 minutes a day against 123 for men. The paper proposes a four-decision career-choice pathway framework and offers recommendations for schools, colleges, employers, families and policymakers.

Keywords: Demographic Dividend, Career Choice, Career Guidance, Youth Employment, NEET, Labour-Market Information, Skill Development, India

I. Introduction

A demographic dividend arises when a country's working-age population grows faster than its dependent population, lowering the dependency ratio and, provided the additional workers are productively employed, raising per-capita income growth (Bloom & Williamson, 1998; Bloom, Canning & Sevilla, 2003). India is in the middle of such a window. According to EY's India@100 study, around 68.9% of India's population will be of working age by 2030, the dependency ratio is projected to reach its lowest point of 31.2% in the same period, and the country is expected to supply roughly a quarter of the incremental global workforce over the next decade. The median age is about 28.4 years, and the window will begin to close as the population ages, with young dependency expected to be overtaken by old dependency by around 2056.

The India Employment Report 2024, prepared by the International Labour Organization and the Institute for Human Development, shows that a young population does not in itself guarantee a dividend. Youth made up 27% of India's population in 2021 (about 371 million) and are projected to fall to 23%

by 2036, so the favourable share is already past its peak. Youth account for almost 83% of the unemployed, and the share of unemployed youth with at least secondary education rose from 35.2% in 2000 to 65.7% in 2022. Graduates recorded an unemployment rate of 29.1% against 3.4% for those who cannot read and write. About one in three young people is NEET; the figure is 48.4% for young women against 9.8% for young men. Only 4% of youth have received formal vocational training. Even the more recent figures of 10.2% for youth unemployment in PLFS 2023-24 and 9.9% in PLFS 2025, a considerable improvement on earlier years, leave these structural features of the labour market largely unchanged, and PLFS 2025 still puts the NEET share of those aged 15 to 29 at 25.0%.

Most public discussion of these problems focuses on the supply of education and training, on job creation, or on the quality of schooling. Far less attention has been paid to the decisions that young people and their families make along the way: which stream to take after Class 10, which course or skill route to follow, which sector to enter, and when to change direction. These career choices determine whether the same investment in education turns into productive work or into a mismatch. India's higher-education system is large and growing: AISHE 2021-22 records about 4.33 crore students and a Gross Enrolment Ratio of 28.4, with Arts accounting for 34.2% of undergraduate enrolment, Science 14.8%, Commerce 13.3% and Engineering and Technology 11.8%. The question is whether those choices are made with adequate information and guidance, and whether better-informed choices lead to better outcomes.

This paper therefore treats career choice as a lever of the demographic dividend. It asks how well the career choices of young Indians appear to be aligned with labour-market demand, what the published evidence says about the information and guidance available to them, and how education, field and gender relate to productive engagement, using published secondary data only.

Research Questions:

1. What does the published evidence show about the factors (career guidance, labour-market information, family influence, field of study, skilling and gender) that shape how well a young person's career choice is aligned with market demand?

2. Is the choice of field and programme associated with measured employability and with productive engagement (employment, self-employment or aligned study and training) among young Indians?

3. Does the gender gap in productive engagement persist where women's measured employability is not lower than men's, and what framework can connect individual career choices to the realisation of the demographic dividend?

II. Literature Review

The demographic dividend. Bloom & Williamson (1998), analysing East Asia, showed that a large part of the region's growth could be associated with the fall in dependency that followed its demographic transition, and Bloom, Canning & Sevilla (2003) generalised the argument while stressing that the dividend is a potential, not an automatic gain: it is converted into growth only when policy frameworks in education, health, labour markets and governance allow the larger working-age population to be employed productively. For India, EY (2023) and the ORF (2023) both emphasise that the window is time-bound and that human-capital development, not population size, determines whether it is realised. The ILO and IHD (2024) provide the clearest evidence on the shortfall: employment growth was about 0.01% a year during 2012 to 2019 even though gross value added grew at 6.7%, and the youth labour-force participation rate fell from 54% in 2000 to 42% in 2022, with female youth participation at 21.7% against 61.2% for male youth.

Career-choice theory. Holland (1997) proposed that vocational satisfaction and success depend on the fit between a person's interest type (realistic, investigative, artistic, social, enterprising, conventional) and the work environment. Super (1980) described career development as a life-span process in which self-concept evolves and choices are revised over time, which is why a one-time stream choice at the age of fifteen can be an unreliable basis for a working life. Lent, Brown & Hackett (1994), in social cognitive career theory, showed that interests, choices and performance are shaped by self-efficacy, outcome expectations and contextual supports and barriers, a framework that readily accommodates the family, gender and location effects seen in India. Savickas (2005) emphasised career adaptability, and Mitchell, Levin & Krumboltz (1999) argued that chance events and the willingness to act on them are an important part of real career paths. Becker's (1964) human-capital theory supplies the economic logic: education and training are investments whose return depends on whether the skills acquired are demanded in the labour market. Taken together, these strands imply that the quality of a career choice depends on two things, fit with the person and fit with the market, and that both depend on the information and guidance available at the time of choice.

Evidence from India. The AISHE (2021-22) data show a system in which enrolment is concentrated in general streams, with 34.2% of undergraduate students in Arts and only 11.8% in Engineering and Technology, and a postgraduate share of 12.1%. The ILO and IHD (2024) report that only about 4% of young people have accessed formal vocational training, that 75% of youth cannot send an email with an attachment and 90% cannot perform a basic spreadsheet task, and that only about 25,000 of roughly 120,000 establishments offer apprenticeships. These findings suggest that many young people reach the labour market with qualifications that are not matched either by practical skills or by employer demand. The National Education Policy 2020 acknowledged the problem by setting an aim of vocational exposure for at least half of all learners by 2025, though the figure for formal vocational training reported by the ILO shows how far the system still is from that aim. More recent sources show the same pattern: ASER 2023 finds that 55.7% of those in Std XI or above are in Arts or Humanities against 31.7% in STEM, and the UNICEF YuWaah and iDreamCareer Bharat Career Aspiration Report 2024 finds that only 9.36% of the low-income students it surveyed had received career guidance.

Aspirations, gender and constraint. Gottfredson (1981) argued that young people progressively narrow the range of occupations they consider, first by perceived gender and then by social standing, and then compromise on interest when access is limited, so that aspirations are formed early and are hard to reverse. This helps to explain patterns that the Indian data show, such as the gap between women's share of undergraduate Science (53.4%) and of undergraduate Engineering and Technology (31.1%) students in AISHE 2023-24, and the lower share of women in STEM at the stage of stream choice in ASER 2023 (28.1% against 36.3% for men). Social cognitive career theory (Lent, Brown and Hackett, 1994) adds that contextual barriers, such as caregiving and mobility constraints, shape whether a choice can be acted upon, which the time-use evidence in the Economic Survey 2025-26 supports.

Policy and institutional context. Public policy has begun to address the problem from several directions. The National Education Policy 2020 sets an aim of vocational exposure for half of all learners, the National Career Service connects 5.9 crore registered job seekers with 53 lakh providers, NATS 2.0 supports apprenticeship stipends, and the PM Internship Scheme, launched in October 2024 with a long-term goal of one crore internship opportunities over five years, is intended to give young people a first workplace experience (Ministry of Finance, 2026; ThePrint, 2026). The evidence reviewed in Section IV suggests that the availability of such schemes is not the binding constraint; take-up, quality of information and the barriers that women face are.

The gap in the literature. Career-choice theory is largely individual-level and psychological, while the demographic-dividend literature is largely macroeconomic. Few studies connect the two by examining, with national data on Indian youth, whether the alignment of career choices with market demand is related to the information and guidance available to young people, and whether the fit of a field to the market is in turn related to productive engagement. This paper takes a first step by assembling the published evidence on each link, and notes where only primary data could test the relationships directly.

III. Research Methodology

The study follows a descriptive-cum-analytical design, consistent with the approach used in the author's earlier work on electronic HRM (Lakhani & Sharma, 2020), and uses secondary data only; no survey was conducted. Published figures from AISHE (2021-22 and 2023-24), the PLFS annual report 2025, ASER 2023, UDISE+ 2024-25, AICTE, the Economic Survey 2025-26, the India Skills Report 2026, the Bharat Career Aspiration Report 2024, the IC3 Institute and FLAME University student survey, press reports on the PM Internship Scheme and the India Employment Report 2024 describe the national context and the information, guidance and outcomes of young people. Variables were chosen from career-choice theory and the Indian evidence reviewed above.

Objectives of the Study

1. To describe the national picture of youth education, employment and skilling relevant to the demographic dividend.
2. To assess, from published data, how well the fields chosen by young Indians match labour-market demand, and what is known about the information and guidance behind those choices.
3. To examine how education, field of study and gender relate to productive engagement, and whether the gender gap persists where women's measured employability is not lower than men's.
4. To propose a framework and recommendations through which career choices can contribute to realising the demographic dividend.

Propositions

P1: Enrolment is concentrated in streams whose measured employability is lower than that of the streams with smaller enrolment.

P2: Access to career guidance and labour-market information is thin, and family rather than counsellors or teachers is the main influence on choice.

P3: Education does not by itself secure productive engagement: unemployment and NEET rates remain high among the educated, and formal vocational training is rare.

P4: The gender gap in engagement persists even where women's measured employability is not lower than men's, and structural barriers such as unpaid work and mobility help to explain it.

P5: Bridges from training to work (apprenticeships, internships and job-matching services) exist but are used by few.

Data and Approach

The study is descriptive and cross-sectional in character and uses published figures only. Each table gives the source and period of every figure. Indicators were computed from the published figures where stated, for example differences in percentage points between groups. The India Skills Report 2026 is

based on the Global Employability Test taken by over 1 lakh candidates and on responses from more than 1,000 organisations; its figures describe test-takers and not all graduates. The PLFS 2025 estimates use a revised sampling design from January 2025 and may not be strictly comparable with earlier rounds. The sources report aggregates and not respondent-level data, so the proposed relationships are examined descriptively and not tested for significance.

Measures

(a) Market fit of fields: the share of undergraduate enrolment (AISHE 2021-22) and of Std XI and above enrolment (ASER 2023) by stream, set against measured employability by programme (India Skills Report 2026).

(b) Information and guidance: the share of students who have received career guidance, the sources of influence on career choice, and the counselling support reported by students (UNICEF YuWaah and iDreamCareer, 2024; IC3 Institute and FLAME University, 2024).

(c) Productive engagement: unemployment, labour-force participation and NEET rates by education level and gender from the PLFS annual report 2025 and the India Employment Report 2024, together with formal vocational training, participation of those trained, and the use of apprenticeships, internships and job-matching services.

(d) Gender gap: women's and men's measured employability over time (India Skills Report) compared with their labour-force participation, unemployment and NEET rates at graduate level (PLFS 2025) and with time-use and mobility indicators (Economic Survey 2025-26).

Statistical Tools Descriptive statistics and simple derived measures (percentage-point gaps and ratios) computed from the published figures. No significance tests are applied because the sources report aggregates.

IV. Data Analysis

4.1 Secondary data: the national picture

Table 1 brings together the main national indicators on the demographic window and on youth education and employment.

Table 1: Demographic Dividend and Youth Employment Indicators for India

Indicator	Value	Source
Working-age share of population by 2030	68.9%	EY (2023)
Lowest dependency ratio (around 2030)	31.2%	EY (2023)
Youth share of population	27% in 2021 (about 371 million); 23% projected for 2036	ILO & IHD (2024)
Youth share of the unemployed	Almost 83%	ILO & IHD (2024)
Educated youth (secondary or above) as share of unemployed youth	35.2% in 2000; 65.7% in 2022	ILO & IHD (2024)
Youth unemployment rate	12.1% in 2022; 10.2% in 2023-24 (PLFS, age 15 to 29)	ILO & IHD (2024); PIB
Youth unemployment rate, PLFS 2025	9.9% (rural 8.3%, urban 13.6%); 10.3% in 2024	MoSPI (2026)
Unemployment rate: graduates versus those who cannot read and write	29.1% versus 3.4% (2022)	ILO & IHD (2024)
Unemployment among educated persons (secondary and above)	6.5% in 2025 (7.0% in 2024), against 3.1% overall	MoSPI (2026)
NEET share: young women versus young men	48.4% versus 9.8% (2022)	ILO & IHD (2024)
NEET share of youth, PLFS 2025	25.0% (age 15 to 29); 21.0% (age 15 to 24)	MoSPI (2026)

Indicator	Value	Source
Youth with formal vocational training	4% (ILO & IHD, 2024); 5.0% for age 15 to 29 (PLFS 2025)	ILO & IHD (2024); MoSPI (2026)
Youth labour-force participation: female versus male	21.7% versus 61.2% (2022)	ILO & IHD (2024)
Female labour-force participation, all ages 15 and above	23.3% in 2017-18; 41.7% in 2023-24	Ministry of Finance (2026)
Higher-education enrolment and GER	4.33 crore; GER 28.4 (2021-22). 4.50 crore; GER 30 (2023-24)	AISHE via PIB; AISHE 2023-24 via Careers360 (2026)

Table 2: Undergraduate Enrolment by Stream (AISHE 2021-22) and Measured Employability (India Skills Report 2026)

Stream	Share of UG enrolment	Employability, 2026	Gap to Engineering and Technology (points)
Arts	34.2%	55.55%	14.6 lower
Science	14.8%	61%	9.2 lower
Commerce	13.3%	62.81%	7.3 lower
Engineering and Technology	11.8%	70.15% (BE/BTech)	Reference

Source: AISHE 2021-22 via PIB; India Skills Report 2026 as reported by Careers360 (2025). Gaps are computed. The streams in the two sources are matched by name and are not identical.

The four streams listed together account for 74.1% of undergraduate enrolment, and Arts alone is nearly three times the size of Engineering and Technology while showing the lowest measured employability of the four (55.55% against 70.15%). Three features of Table 1 frame the data. First, the young are a shrinking share of the population, so the window is time-bound. Second, unemployment is concentrated among the educated: the share of educated youth among the unemployed nearly doubled in two decades, graduates face a rate more than eight times that of the illiterate, and in PLFS 2025 unemployment among those with secondary or higher education (6.5%) is more than twice the overall rate (3.1%). Third, women are very largely outside work, education and training, although female labour-force participation has risen from 23.3% in 2017-18 to 41.7% in 2023-24 (Ministry of Finance, 2026). None of these outcomes is fully explained by the supply of seats or courses, which is why the data focus on the choices made by young people themselves.

4.2 Choice of stream and the pipeline to higher education

Table 3 shows how learners aged 14 to 18 who have reached Std XI or above are distributed across streams in ASER 2023. More than half are in Arts or Humanities (55.7%) and fewer than a third in STEM (31.7%), with Commerce at 9.4%. The STEM share is 36.3% for young men and 28.1% for young women, a gap of 8.2 points. Enrolment is high at age 14 but falls with age: 32.6% of 18-year-olds are not enrolled in any institution, and only 5.6% of the 14 to 18 age group are in vocational training (16.2% at college level).

Table 3: Stream Choice and Enrolment among Learners Aged 14 to 18, ASER 2023

Indicator	Value
Arts or Humanities (Std XI and above)	55.7%
STEM (Std XI and above)	31.7% (women 28.1%, men 36.3%)
Commerce (Std XI and above)	9.4%
Enrolled in an educational institution, ages 14 to 18	86.8%

Indicator	Value
Not enrolled at age 14; not enrolled at age 18	3.9%; 32.6%
Currently in vocational training	5.6% (16.2% at college level)

Source: ASER Centre (2024), Annual Status of Education Report (Rural) 2023: Beyond Basics. The survey covers rural districts.

The pipeline before and after that point shows where choice is narrowed (Table 4). Of those who complete Class 10, 75.1% move on to Class 11 in 2024-25 (77.9% of girls and 72.4% of boys), so about one in four does not enter higher secondary education at all, and the secondary dropout rate is 11.5%. In higher education, the latest AISHE (2023-24) records 4.50 crore students and a GER of 30, with a female GER of 31.2% and a gender parity index of 1.08. STEM accounts for 1.02 crore students, or about 22.6% of enrolment, and the female share of STEM has risen from 38.4% in 2014-15 to 44.0% in 2023-24. That aggregate hides a sharp difference between disciplines: women are 53.4% of undergraduate Science students but only 31.1% of undergraduate Engineering and Technology students, a gap of 22.3 points, and computer engineering alone is about 40% of Engineering and Technology enrolment. AICTE data show that the engineering enrolment rate (enrolment against intake) rose from 53.73% in 2020-21 to 75.07% in 2024-25, so engineering demand is recovering after a slump.

Table 4: The Pipeline: School Transition, Higher-education Enrolment and Gender in STEM

Indicator	Value
Transition from Class 10 to Class 11, 2024-25	75.1% (girls 77.9%, boys 72.4%)
Dropout rate at secondary level (Classes 9 and 10), 2024-25	11.5%
Higher-education enrolment; GER, 2023-24	4.50 crore; 30 (female GER 31.2)
STEM enrolment, 2023-24	1.02 crore (about 22.6% of enrolment)
Female share of STEM enrolment	38.4% in 2014-15; 44.0% in 2023-24
Undergraduate Science enrolment; female share, 2023-24	45.68 lakh; 53.4%
Undergraduate Engineering and Technology enrolment; female share, 2023-24	43.90 lakh; 31.1%
Engineering enrolment rate (AICTE)	53.73% in 2020-21; 75.07% in 2024-25

Source: Education for All in India (n.d.) analysis of UDISE+ 2024-25 and of AISHE 2023-24; AISHE 2022-23 and 2023-24 as reported by Careers360 (2026); AICTE as reported by Careers360 (2025). The UDISE+ analysis contains internal inconsistencies between its text and tables, and the table values are used here.

4.3 Why young people choose what they choose, and what guidance they have

No national source records the reasons for the career choice of young Indians in the way a survey of one sample would, but two recent studies show whose voice counts and how thin formal guidance is. In the Bharat Career Aspiration Report 2024, based on 4,968 students of Classes 9 to 12 from low-income families in 25 states, family members were the most influential figures (30%) and school teachers came next (13%), and only 9.36% of the students had received career guidance and knew such services existed. Boys had better access to career information than girls, and the gap widened at higher levels of education. Government and defence services were the top aspiration for both sexes; of the 2,999 students who aspired to professional careers 62.42% were female, and of the 704 who aspired to vocational careers 56.25% were female. In the student survey by the IC3 Institute and FLAME University, 68% of Indian students report some counselling support, 25% none and 7% no formal or structured support, 73% begin career discussions with their parents between the ages of 10 and 14, and Indian counsellors name parental expectations (26%), student lack of planning (24%) and high student-to-counsellor ratios (18%) as their main challenges. The two studies use different samples and measures and should not be combined into one figure.

Public information infrastructure exists but is large relative to its use. The National Career Service has 5.9 crore registered job seekers and 53 lakh job providers, about 11 job seekers for each provider, and about 8 crore vacancies have been mobilised through it (Ministry of Finance, 2026). In schools, the PARAKH Rashtriya Sarvekshan 2024 found that 47% of schools offer skill-based courses at Grade IX and above, but only 29% of students take part. Availability of guidance and skill options is therefore not the same as use of them.

Table 5: Influence on Career Choice, Access to Guidance and Information Infrastructure

Indicator	Value	Source
Family members as the most influential figures in career decisions	30%	UNICEF YuWaah & iDreamCareer (2024)
School teachers as the most influential figures	13%	UNICEF YuWaah & iDreamCareer (2024)
Students who had received career guidance and knew such services existed	9.36%	UNICEF YuWaah & iDreamCareer (2024)
Indian students with some counselling support; none; no formal or structured support	68%; 25%; 7%	IC3 Institute & FLAME (2024)
Students who begin career discussions with parents between ages 10 and 14	73%	IC3 Institute & FLAME (2024)
Counsellors naming parental expectations; student lack of planning; high student-to-counsellor ratios as a challenge	26%; 24%; 18%	IC3 Institute & FLAME (2024)
Counsellors who also handle teaching or administrative duties	67%	IC3 Institute & FLAME (2024)
National Career Service: registered job seekers; job providers; vacancies mobilised	5.9 crore; 53 lakh; about 8 crore	Ministry of Finance (2026)
Schools offering skill-based courses at Grade IX and above; student participation	47%; 29%	Ministry of Finance (2026), citing PARAKH 2024

Source: as listed. The first three rows describe 4,968 low-income students in 25 states (August to December 2023); rows four to seven are from a 2024 survey of students and counsellors in 56 countries with India-specific results.

The weight of family expectation and security is not new. The Assocham (2007) survey of 300 young Indian executives found that over 70% cited job security as the deciding factor over private-sector pay, which suggests that the dominance of security and family in Indian youth career choices has persisted for nearly two decades. This is the pattern that Gottfredson (1981) would predict: young people narrow the range of occupations they consider to those that seem acceptable for their gender and social standing and then compromise on interest when access is limited, which makes the quality of early information more important than later correction.

4.4 Measured employability by programme and gender

Table 6 gives measured employability by programme in the India Skills Report 2026. It is highest for computer science (80%) and IT (78%) engineers and lowest for polytechnic diploma holders (32.92%) and ITI holders (45.95%). MBA employability fell from 78% in 2025 to 72.76%, while Commerce rose from 55% to 62.81%. Arts, at 55.55%, is the weakest of the four main degree streams. Table 7 shows that women's measured employability was not persistently lower than men's: women were ahead in 2022 and 2023, behind in 2024 and 2025, and ahead again in 2026 (54% against 51.5%).

Table 6: Measured Employability by Programme, India Skills Report 2026

Programme	Employability, 2026
Computer Science engineers	80%
IT engineers	78%
MBA	72.76% (78% in 2025)
BE/BTech (all)	70.15% (71.5% in 2025)

Programme	Employability, 2026
Commerce	62.81% (55% in 2025)
Science	61%
Arts	55.55%
ITI	45.95% (41% in 2025)
Polytechnic diploma	32.92%

Source: India Skills Report 2026 (ETS, CII, AICTE, AIU and Taggd) as reported by Careers360 (2025). Based on over 1 lakh test-takers.

Table 7: Measured Employability of Women and Men, India Skills Report (percent)

Year	Women	Men	Difference (women minus men)
2022	53.28	47.28	+6.00
2023	52.80	47.20	+5.60
2024	50.86	51.80	-0.94
2025	47.53	53.46	-5.93
2026	54	51.5	+2.50

Source: India Skills Report editions as reported by Careers360 (2025). Differences are computed.

4.5 Education, gender and productive engagement

Table 8 sets the PLFS 2025 picture of young people with secondary and higher education. The share of youth with at least secondary education rose from 56.5% in 2022 to 62.6% in 2025, yet graduates remain exposed: unemployment is 19.2% for male graduates and 29.4% for female graduates, a ratio of 1.53. The participation gap is larger still. The labour-force participation of young women with secondary education is 18.9% against 51.4% for young men (a gap of 32.5 points), and for graduates it is 43.9% against 85.9% (a gap of 42.0 points). About 93.4% of NEET young women are not looking for work, and 49.4% of women with a graduate-level qualification are NEET. A well-aligned choice therefore appears necessary but not sufficient for women, for whom constraints beyond choice operate; Section 4.7 examines them.

Table 8: Education, Gender and Engagement of Young People, PLFS 2025

Indicator	Value
Youth with secondary or higher education	56.5% (2022); 62.6% (2025)
Unemployment among graduates: male; female	19.2%; 29.4%
Labour-force participation, secondary-educated: women; men	18.9%; 51.4%
Labour-force participation, graduates: women; men	43.9%; 85.9%
NEET share, ages 20 to 29	31.75%
NEET young women who are not seeking work	93.4%
Women with graduate-level education who are NEET	49.4%
Unemployment, secondary and above; all persons	6.5%; 3.1%

Source: JustJobs Network (n.d.), analysis of PLFS 2025; MoSPI (2026) for the last row. The JustJobs figures should be checked against the PLFS 2025 unit-level tables.

4.6 Skilling and the bridges into work

Table 9 looks at skilling. The PLFS 2025 press note puts formal vocational training at 5.0% of those aged 15 to 29 (4.2% for ages 15 to 59), and the Economic Survey 2025-26 gives 4.9% for youth, with a further 21.2% having informal training. The Survey also reports that the share of those aged 15 to 59 with some vocational or technical training rose from 8.1% in 2017-18 to 34.7% in 2023-24, so most skilling is informal and unrecognised. Among those with vocational training, workforce participation is 83.3% for men and 51.4% for women, a gap of 31.9 points, so training does not close the gender gap on its own. For men, participation is similar across diploma or certificate holders (82.7%), graduates (79.1%) and postgraduates (83.1%).

Table 9: Vocational Training and Workforce Participation

Indicator	Value
Formal vocational or technical training, ages 15 to 59; ages 15 to 29 (PLFS 2025)	4.2%; 5.0%
Youth (15 to 29) with formal; informal vocational training (Economic Survey)	4.9%; 21.2%
Ages 15 to 59 with some vocational or technical training	8.1% in 2017-18; 34.7% in 2023-24
Workforce participation of those with vocational training, ages 15 to 59: men; women	83.3%; 51.4%
Male workforce participation by highest education: diploma or certificate; graduation; postgraduate and above	82.7%; 79.1%; 83.1%

Source: MoSPI (2026); Ministry of Finance (2026).

Three bridges into work are visible in the data. Apprenticeships are reached by only about 25,000 of roughly 120,000 establishments, about one in five (ILO and IHD, 2024), although the National Apprenticeship Training Scheme 2.0 has made over 12 lakh stipend transfers by direct benefit transfer. The PM Internship Scheme, launched in October 2024 with a long-term goal of one crore internship opportunities over five years, shows how hard it is to convert offers into placements: across the first two pilot rounds 52,600 candidates accepted offers but only 16,060 joined, about 31%, and more than half of those in round 1 left midway. For round 3 the stipend was raised from Rs 5,000 to Rs 9,000, the age range widened to 18 to 25 and the duration cut to 6 to 9 months, with preliminary attrition under 10% and over 10,000 joined by July 2026 (ThePrint, 2026). The National Career Service reports about 8 crore vacancies mobilised, but vacancies are not placements. A young person's entry into work therefore depends on bridges that exist on paper in large numbers but are used by few.

Table 10: Bridges into Work: Apprenticeships, Internships and Job-matching

Indicator	Value
Establishments offering apprenticeships	About 25,000 of roughly 120,000 (computed share: 20.8%)
NATS 2.0 stipend transfers by direct benefit transfer	Over 12 lakh
PM Internship Scheme, pilot rounds 1 and 2: offers accepted; joined	52,600; 16,060 (computed share joined: 30.5%)
PM Internship Scheme, round 1	More than half left midway
PM Internship Scheme, round 3 (preliminary)	Attrition under 10%; over 10,000 joined by July 2026; stipend Rs 9,000
National Career Service: job seekers per job provider	About 11 (computed from 5.9 crore and 53 lakh)

Source: ILO & IHD (2024); Ministry of Finance (2026); ThePrint (2026). The PM Internship Scheme figures are press-reported and are for pilot rounds.

4.7 Structural barriers to women's engagement

Table 11 draws on the Economic Survey 2025-26 and the Time Use Survey 2024 to show why a good choice may not turn into work for women. Employment participation among those aged 15 to 59 is 75% for men and 25% for women (21.8% in 2019 for women), and caregiving participation is

41% for women against 21.4% for men. Women spend 363 minutes a day on unpaid work against 123 for men, and 302 minutes on paid work against 414, so that women's total daily work (665 minutes, computed) is longer than men's (537 minutes) even though more of it is unpaid. In a World Bank (2021) assessment cited by the Survey, commuting (31%), domestic duties (19%) and childcare (13%) were the main mobility barriers for women. These figures are for the working-age population as a whole and not for graduates alone, but they indicate the kind of constraint that careful choice of stream or course cannot remove.

Table 11: Time Use and Mobility Barriers for Women and Men

Indicator	Value
Employment participation, ages 15 to 59 (Time Use Survey 2024): men; women	75%; 25% (women 21.8% in 2019)
Caregiving participation, ages 15 to 59: women; men	41%; 21.4%
Average daily caregiving time: women; men	About 140 minutes; 74 minutes
Unpaid work per day: women; men	363 minutes; 123 minutes
Paid work per day: men; women	414 minutes; 302 minutes
Mobility barriers for women (World Bank, 2021): commuting; domestic duties; childcare	31%; 19%; 13%
Female labour-force participation, 15 and above	23.3% (2017-18); 41.7% (2023-24)

Source: Ministry of Finance (2026), Economic Survey 2025-26, Chapter 12. Total daily work is computed as paid plus unpaid minutes.

4.8 Testing of propositions

(a) **P1 is supported with a qualification.** Arts holds 34.2% of undergraduate enrolment and 55.7% of Std XI and above learners in ASER 2023, yet it shows the lowest measured employability of the four main streams (55.55%), 14.6 points below Engineering and Technology, which holds 11.8% of enrolment. The employability scores describe test-takers and not demand directly, so they indicate rather than prove a mismatch. The AICTE recovery in engineering enrolment (75.07% in 2024-25) suggests that some demand signals are being followed.

(b) **P2 is supported.** Only 9.36% of the low-income students surveyed had received career guidance, family members (30%) were cited as an influence more than twice as often as teachers (13%), and 25% of Indian students in the student survey report no counselling support. Existing services are used by few: only 29% of students take part where schools offer skill courses. The studies use different samples, so the figures show direction and not a single national rate.

(c) **P3 is supported.** Unemployment among those with secondary or higher education was 6.5% in 2025 against 3.1% overall, graduates faced 29.1% against 3.4% for the illiterate in 2022, 25.0% of those aged 15 to 29 are NEET and only 5.0% have formal vocational training. The PLFS 2025 and ILO figures use different years and designs and are not strictly comparable.

(d) **P4 is supported.** Women's measured employability (54%) was above men's (51.5%) in 2026, yet the labour-force participation of women graduates is 43.9% against 85.9%, their unemployment is 29.4% against 19.2%, and 93.4% of NEET young women are not seeking work. Time-use data show that women carry a longer total working day with 363 minutes of unpaid work against 123 for men.

(e) **P5 is supported.** Apprenticeships reach about one in five establishments, and only about 31% of those who accepted PM Internship offers in the first two pilot rounds joined. Bridges into work exist in large numbers on paper but are used by few, although the third pilot round suggests that stipend, age range and duration matter.

V. From Career Choice to Dividend: A Four-Decision Pathway Framework

The national and published survey evidence suggests that a young person's route to productive work is shaped by four successive decisions. At each of them the quality of the choice depends on the information and guidance available, and at each of them there is a specific, practical response available to schools, institutions, employers, families and policymakers.

Table 12: The Four Career Decisions and the Response Needed to Realise the Dividend

Decision Point	Evidence	Response by Schools, Institutions and Policy	Response by Youth and Families
1. Stream choice (after Class 10 and Class 12)	Family members (30%) and school teachers (13%) are the main influences, and only 9.36% of low-income students had received career guidance (Table 5). 55.7% of Std XI and above learners are in Arts or Humanities against 31.7% in STEM, and women are 31.1% of undergraduate engineering students against 53.4% in Science (Tables 3 and 4)	Introduce aptitude assessment and labour-market information from Class 8 onward, so that the stream is chosen on evidence rather than on its label	Ask what the demand and the aptitude evidence say before choosing, and treat the stream as a means, not a status marker
2. Course and skill route	Only 4% to 5% of youth have had formal vocational training (ILO & IHD, 2024; Table 9); 34.2% of UG students are in Arts against 11.8% in Engineering and Technology, with measured employability of 55.55% against 70.15% (Table 2); ITI 45.95% and polytechnic diploma 32.92% (Table 6)	Pair academic courses with assessed, employer-recognised skill certification, and work towards the NEP 2020 aim of vocational exposure for half of all learners	Choose certified programmes linked to visible demand, and combine a general degree with a practical skill
3. Entry into work	Graduate unemployment of 29.1% against 3.4% for the illiterate (ILO & IHD, 2024); unemployment among the educated of 6.5% against 3.1% overall (Table 1); only about 25,000 of roughly 120,000 establishments offer apprenticeships, and only about 31% of PM Internship offer-acceptors joined in the first two rounds (Table 10)	Expand apprenticeships and internships, publish regional demand data, and encourage skills-based hiring by employers	Use internships, apprenticeships and job portals actively, and accept a staged entry into the preferred field
4. Transitions and re-entry	Young women's NEET share of 48.4% against 9.8% for men (ILO & IHD, 2024); women graduates' participation of 43.9% against 85.9%, with measured employability of women (54%) not below men's (51.5%) in 2026 (Tables 7 and 8); women's 363 minutes of unpaid work a day against 123 for men (Table 11)	Provide re-entry routes, flexible and remote work, safe transport and childcare support, and track gender-disaggregated outcomes	Support daughters' and wives' choices of work and training as part of the family's own investment strategy

The framework connects individual choices to the demographic dividend through three channels. The first is productivity: a choice that fits both the person and the market produces more output per worker, and Table 2 shows that the streams with the largest enrolment are not those with the highest measured employability. The second is absorption: when the supply of skills is matched to demand, the larger working-age population finds work rather than joining the ranks of the educated unemployed, whose share among the unemployed has nearly doubled since 2000, and the bridges that connect training to jobs (Table 10) are the mechanism. The third is participation: the dividend cannot be realised while nearly half of young women are outside work, education and training, and the fact that women's participation stays low even where their measured employability is not lower than men's, and where their daily unpaid work is far longer (Table 11), shows that guidance, while necessary, is not enough without removing structural barriers.

Two features of the evidence deserve emphasis. First, the factors that appear to matter most for alignment, information and guidance, are inexpensive and changeable, in contrast with a young person's gender, state or family background: only 9.36% of the students in one national study had received guidance, and the most influential voices were family members. This means that the dividend does not depend on every young person entering a particular high-demand stream; it depends on every young person choosing with evidence. Second, the gender pattern shows that better choices are not enough: women's measured employability matched men's in 2026, yet only 43.9% of women graduates participate in the labour force, and the gap between disciplines (31.1% women in undergraduate engineering) shows that gender shapes choice well before the labour market. The published data do not allow the link between alignment and engagement to be tested for individuals, which is why primary data are the natural next step.

VI. Findings and Discussion

1. India's demographic window is real but time-bound: the working-age share is expected to reach about 68.9% by 2030 with a dependency ratio of 31.2%, while the youth share of the population is already past its peak (27% in 2021, projected 23% in 2036). The dividend is not automatic: graduates face an unemployment rate of 29.1% and about one in three young people is NEET (Table 1).

2. Career choices are shaped mainly by family and are made with little formal guidance. Family members (30%) are the most influential figures, school teachers follow (13%), and only 9.36% of the low-income students surveyed had received career guidance; boys have better access to career information than girls (Table 5). Public services exist but are little used: only 29% of students take part where schools offer skill courses.

3. Enrolment is concentrated in streams that show lower measured employability, and gender shapes the stream. Arts holds 34.2% of undergraduate enrolment and 55.7% of Std XI and above learners but shows 55.55% employability, against 70.15% for BE/BTech, which holds 11.8% of enrolment; women are 31.1% of undergraduate engineering students but 53.4% of Science students (Tables 2 to 4). The employability scores describe test-takers and not demand directly.

4. Programme matters, and the vocational route is weak. Measured employability ranges from 80% for computer science engineers to 32.92% for polytechnic diploma holders, only 5.0% of youth have formal vocational training, and most skilling is informal (21.2% of youth) and unrecognised (Tables 6 and 9).

5. Education does not by itself secure engagement. Unemployment among those with secondary or higher education was 6.5% in 2025 against 3.1% overall, 25.0% of youth are NEET, and graduates faced 29.1% unemployment in the ILO's 2022 data against 3.4% for the illiterate (Tables 1 and 8).

6. A significant gender gap in engagement persists independently of measured employability. Women's employability (54%) was above men's (51.5%) in 2026, yet women graduates' labour-force participation is 43.9% against 85.9%, their unemployment is 29.4% against 19.2%, and 93.4% of NEET young women are not looking for work (Tables 7 and 8). Career guidance alone cannot close it, and measures that address mobility, safety, flexible work and family expectations are needed alongside it.

7. Training does not close the gender gap on its own. Among those with vocational training, workforce participation is 83.3% for men and 51.4% for women (Table 9), and women's daily unpaid work (363 minutes) is nearly three times men's (123 minutes) (Table 11).

8. The bridges into work are narrow. Apprenticeships reach about one in five establishments, only about 31% of those who accepted PM Internship offers in the first two pilot rounds joined, and the National Career Service has about 11 registered job seekers for each registered provider (Table 10). The improved third round suggests that design changes can raise take-up.

9. The school-to-higher-education pipeline loses young people early. About one in four who complete Class 10 do not move on to Class 11, 32.6% of 18-year-olds are not enrolled in any institution, and girls move on to Class 11 at a higher rate (77.9%) than boys (72.4%) (Tables 3 and 4), which suggests that the gender gap in engagement opens after, not before, education.

Limitations.

The study uses secondary data only and is descriptive, so the relationships reported are associations and not proofs of cause, and the published sources do not allow the link between an individual's career alignment and engagement to be tested. Measured employability comes from a test taken by over 1 lakh candidates and does not represent all graduates or demand directly. The guidance and influence figures come from a study of low-income students in 25 states and from a student and counsellor survey in 56 countries, so they cannot be read as national rates. The secondary indicators come from different years and sources (ILO and IHD 2022 data, PLFS 2023-24, PLFS 2025, AISHE 2021-22 and 2023-24, ASER 2023, UDISE+ 2024-25, the Economic Survey 2025-26 and the India Skills Report 2026), and the PLFS 2025 estimates use a revised sampling design from January 2025 and may not be strictly comparable with earlier rounds. Several figures were taken from press summaries, from the JustJobs Network analysis of PLFS 2025 or from an analysis of UDISE+ whose text and tables disagree in places, and were not checked against the original reports; ASER covers rural areas only; the PM Internship Scheme figures are press-reported and cover pilot rounds; and the time-use and mobility figures describe the working-age population and not graduates. Primary, longitudinal data that follow students from the stream decision into early work, together with a measure of alignment between aptitude and market demand, would allow the propositions to be tested directly.

VII. Research Recommendations

For schools and colleges

1. Introduce structured career guidance, including an aptitude and interest assessment and counselling, from Class 8 onward, and repeat it at each transition, since only 9.36% of the low-income students surveyed had received career guidance.

2. Provide students and parents with simple, regularly updated labour-market information (demand by region and field, typical entry pay, and skills required), since family members (30%) are the most influential figures in career decisions and 73% of students begin career discussions with their parents between the ages of 10 and 14.

3. Train teachers as career guides and reduce the load on counsellors, since school teachers influence 13% of choices and 67% of counsellors also handle teaching or administrative duties.

4. Pair general degrees with assessed skill certification and internships, in line with the NEP 2020 aim of vocational exposure for at least half of learners.

For employers

5. Expand apprenticeships, given that only about 25,000 of roughly 120,000 establishments offer them, and use skills-based assessment in hiring so that young people from general streams are not screened out by the stream label. Build on the design changes that raised take-up in the third round of the PM Internship Scheme (a higher stipend, a wider age range and a shorter duration), since only about 31% of those who accepted offers in the first two rounds joined.

6. Share demand forecasts and skill requirements with schools and colleges through advisory boards so that career guidance reflects actual hiring.

For governments and policymakers

7. Build a national and state-level labour-market information service that is accessible to young people and families, in regional languages, and link it to schools and training providers. The National Career Service already has about 11 registered job seekers for each registered provider, so the priority is to bring it to students at the point of stream choice and to publish placements and not only vacancies.

8. Treat career guidance as part of the infrastructure of the demographic dividend, and track alignment, engagement and gender-disaggregated outcomes in the AISHE and PLFS reporting.

9. Prioritise the window to 2030 for these investments, since the youth share of the population is already declining.

For families and young people

10. Use evidence on aptitude and demand alongside family expectation and job security when choosing a stream or course, and revisit the choice at each transition rather than treating it as final.

11. Treat internships, apprenticeships and certified short programmes as steps towards the preferred field and not as second-best options.

For women's participation

12. Combine career guidance for girls with measures that address the structural barriers evident in the data, such as safe transport, flexible and remote work, childcare support and re-entry programmes, since women graduates' labour-force participation is 43.9% against 85.9% for men, 93.4% of NEET young women are not seeking work, and women's unpaid work averages 363 minutes a day against 123 for men.

VIII. Conclusion

India's demographic dividend will not be delivered by the size of its young population alone. National data show that the educated are the most exposed to unemployment, that about a quarter to a third of young people, and nearly half of young women, are outside work, education and training, and that very few have had formal vocational training. This paper has argued that the quality of the career choices that young people make is an important and under-used lever. The published evidence shows that choices are shaped mainly by family and made with little formal guidance, with only 9.36% of the low-income students in one national study having received career guidance. It also shows that enrolment is concentrated in streams with lower measured employability, with Arts at 34.2% of undergraduate enrolment and 55.55% employability, against 11.8% and 70.15% for engineering. A persistent gender gap in engagement, present even where women's measured employability is not lower than men's, shows that better choices must be accompanied by removing the barriers that keep women out of work. The four-decision pathway framework proposed here, covering stream choice, skill route, entry into work and transitions, translates the evidence into practical responses at each stage. Because the necessary inputs, information and guidance, are inexpensive relative to the scale of the opportunity, better career choices may be among the most cost-effective ways of ensuring that the window that is open to India until about 2030 is used. The evidence on bridges into work, with apprenticeships reaching about one in five establishments and only about 31% of those who accepted early PM Internship offers joining, and on structural barriers, with women's unpaid work nearly three times men's, shows that guidance has to be accompanied by well-designed routes into work and by support for women's participation. Primary data that measure alignment at the level of the individual are the natural next step.

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