

UNIVERSITY OF LATVIA
FACULTY OF BUSINESS, MANAGEMENT AND ECONOMICS
PRODUCTIVITY RESEARCH INSTITUTE
"UNIVERSITY OF LATVIA THINK TANK LV PEAK"



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FACULTY OF BUSINESS,
MANAGEMENT
AND ECONOMICS

ANNEX. ECONOMIC BAROMETER

No. 2 (4) December 2023

YOUTH SENTIMENT SURVEY

In September and October 2023, the Research Centre SKDS conducted second youth survey with the aim of finding out:

- general mood of confidence among young people regarding economic processes in the country;
- factors and risks affecting economic development from the point of view of young people;
- conformity assessment of the acquired knowledge (skills) with labour market demand;
- assessment of the current financial situation and the possibilities and ways of improving it.

Target group: Latvian residents aged 16 to 29

Survey method: CATI (telephone interviews)

Sampling method: Random sampling

Geographic coverage: Latvia

Sample size achieved: 281 respondents

Survey period: 18.09.2023. – 09.10.2023

SUMMARY

The survey results show that young people expect Latvia's economic situation to worsen in the next 12 months, but the future development of the economy is significantly better. Most respondents believe that the knowledge and skills they have acquired ensure a competitive position in the labor market. Convincingly, most young people surveyed are confident about their future. Comparing the opinion of young people in 2022 and 2023, it can be observed that young people in 2023 are slightly more positive than in 2022 on most issues, while young people are more pessimistic about the medium-term challenges of the national economy.

ECONOMIC DEVELOPMENT TRENDS

Most respondents (47%; 2022: 68%) generally believe that the economic situation in the country will worsen over the next 12 months. 24% (2022: 15%) of respondents believe that the unemployment rate will decrease, while 26% (2022: 50%) of respondents expect the unemployment rate to increase. The overwhelming majority of respondents (83%; 2022: 91%) indicate that consumer prices will rise in the next 12 months (including 12% (2022: 33%) of respondents predicting a sharp rise in prices). On the other hand, when thinking about salary dynamics in the next year, half or 50% (2022: 45%) of the respondents believe that salaries will increase, while 46% (2022: 43%) expect them to remain the same. Assessments of the dynamics of consumer prices and wages for the next 12 months indicate the predicted worsening of the financial situation of young people. Regarding emigration flows, young people mostly (55%; 2022: 69%) believe that emigration will increase and only 6% (2022: 4%) believe that it will decrease; more than a third or 37% (2022: 26%) believe it will remain unchanged.

The assessment of Latvia's economic situation in the medium term is generally positive. Half or 50% (2022: 39%) of young people believe that the economic situation in Latvia will improve in the next five years. 32% (2022: 35%) of respondents predict the worsening of the economic situation.

The most significant risks that can affect the growth of Latvia's economy in the short term are the increase in the prices of energy resources, food products and raw materials - these risks are also mentioned most often in the 2022 survey. On the other hand, young people indicate unfavorable demographic trends (this challenge is indicated much more often than in 2022), the reduction of the shadow economy and corruption, the limited possibilities of the state budget, the reduction of the social inequality of the population, as well as the adaptation of the education system to the rapidly changing conditions, as the more significant medium-term challenges of the Latvian national economy.

COMPETITIVENESS IN THE LABOUR MARKET AND BUSINESS (ENTREPRENEURIAL ACTIVITIES)

Almost all respondents believe that it is necessary to learn new knowledge and skills throughout life, only insignificant changes are observed compared to the data of 2022. In general, young people believe that the acquired knowledge and skills ensure a stable position in the labor market today and in the future, correspond to the prospects of working a highly paid job and provide the opportunity to start their own business. Thinking about the monthly salary "on hand", which the young students would like to receive after graduating from the educational institution for a full-time job, the average arithmetic value calculated from the answers of the young people is 1582 EUR. In 2023, young people believe more often than in 2022 that the acquired skills will ensure a stable position in the labor market, as well as correspond to the prospects of working a highly paid job in Latvia. The main obstacles that prevent acquiring additional knowledge and improving skills to increase personal competitiveness are difficulties in combining work with studies (a significant increase can be observed here compared to 2022), lack of financial resources, and difficulties in combining studies with family life. 17% stated that there are no obstacles, which is about half less than in 2022.

PERSONAL WELFARE AND SAFETY

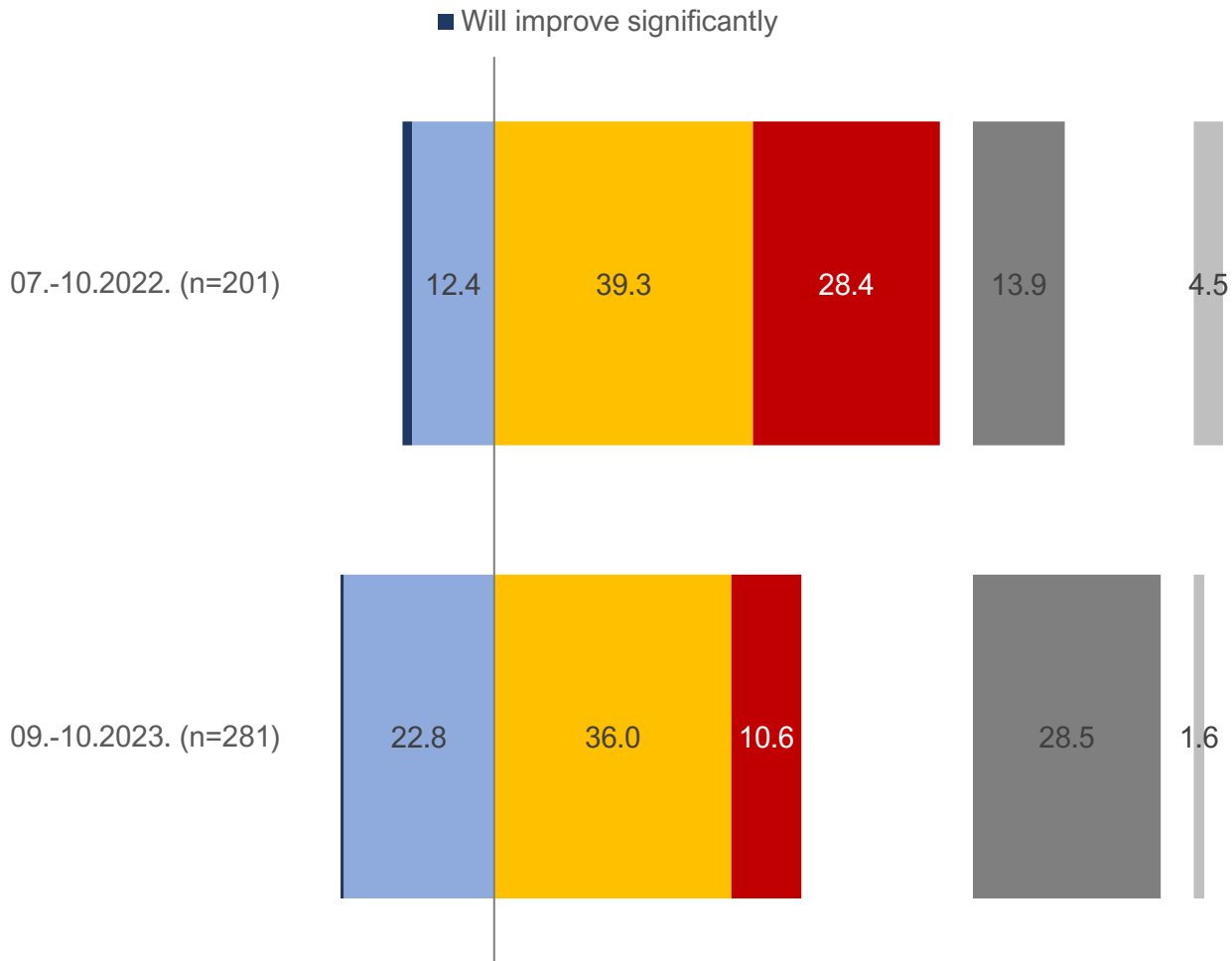
The majority (68%; 2022: 69%) of respondents are generally satisfied with their current financial situation, but almost a third or 32% (2022: 30%) answered that they are not satisfied with it. In the next 12 months, 59% (2022: 49%) of young people expect an improvement in their financial situation, including 11% (2022: 12%) believe that these improvements will be significant. On the other hand, 33% (2022: 31%) of respondents indicate that the financial

situation will remain unchanged. Almost half or 48% (2022: 39%) of respondents believe that their chances of getting a better paid job will improve, while slightly more (49%; 2022: 46%) believe that their chances will remain unchanged; only 1% (2022: 7%) believe they will worsen. In order to improve their financial situation in the near future, young people relatively more often plan to look for a higher-paid job in Latvia in their profession (30%, 2022: 27%) and start a business in Latvia (15%, 2022: 17%); 33% (2022: 32%) do not plan anything, they are satisfied with the current situation.

An overwhelming majority (74%; 2022: 76%) are confident about their future. The recommendations of the surveyed young people to the government, so that young people are secure about their future, are relatively more often related to more budget places/free, cheaper, more accessible education (17%), securing jobs, easing recruitment requirements (11%) and the education system (incl. School 2025 programs) change, improvement (10%).

ECONOMIC DEVELOPMENT TRENDS

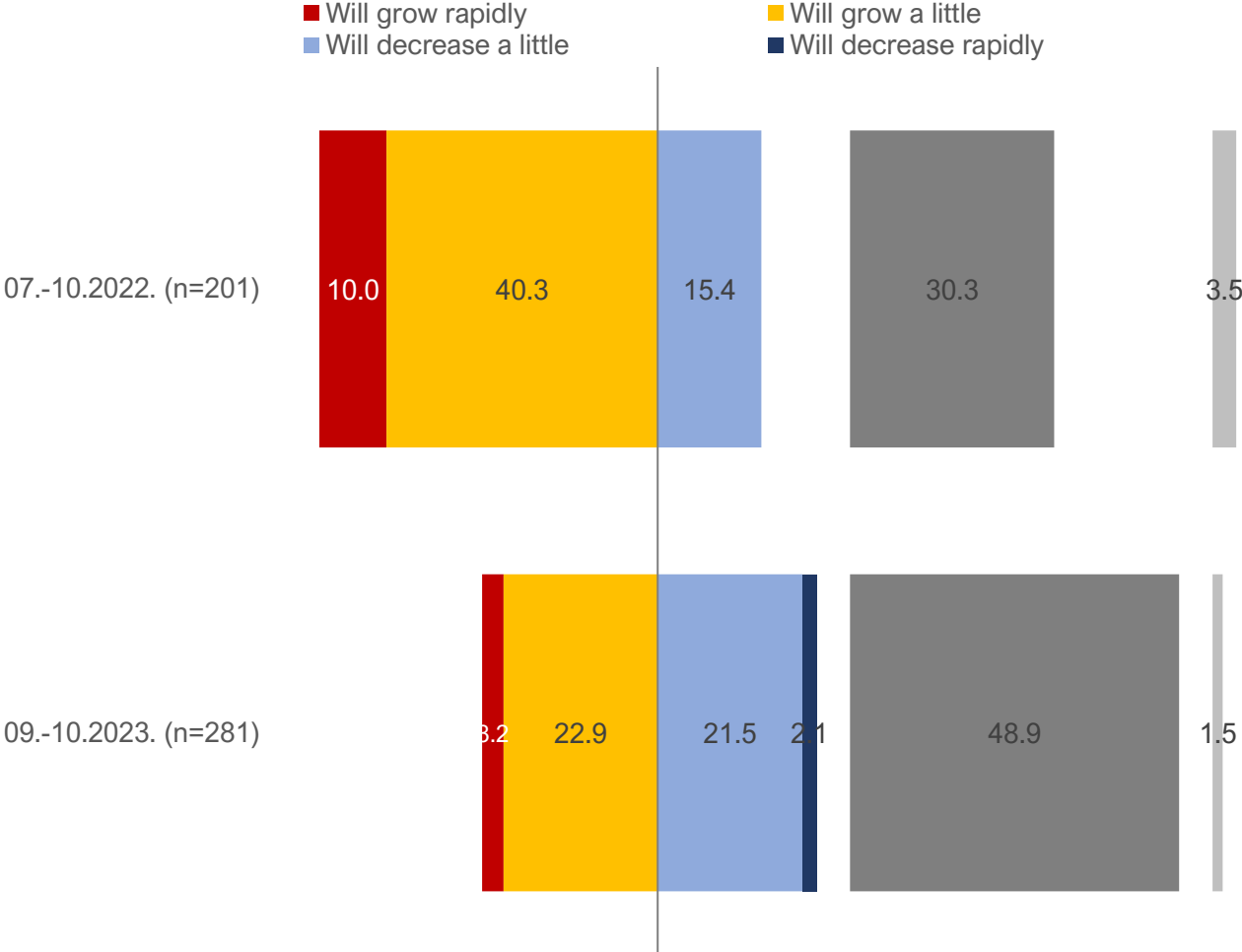
1. "HOW DO YOU THINK THE GENERAL ECONOMIC SITUATION WILL CHANGE IN LATVIA IN THE NEXT 12 MONTHS? OR DO YOU THINK THAT...?"



Base=all respondents

ECONOMIC DEVELOPMENT TRENDS

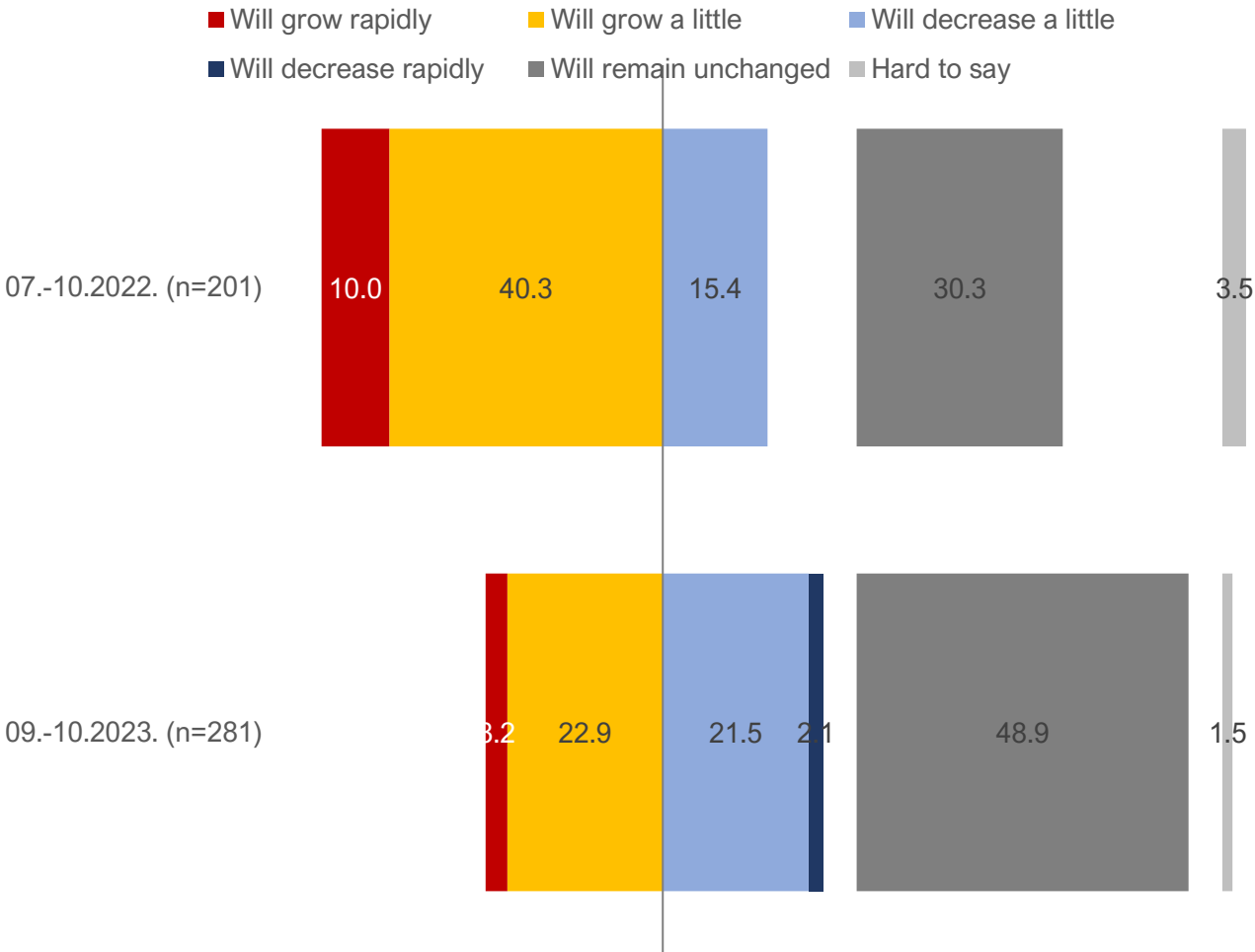
2."HOW DO YOU THINK THE UNEMPLOYMENT LEVEL WILL CHANGE IN LATVIA IN THE NEXT 12 MONTHS? DO YOU BELIEVE THAT IT...?"



Base=all respondents

ECONOMIC DEVELOPMENT TRENDS

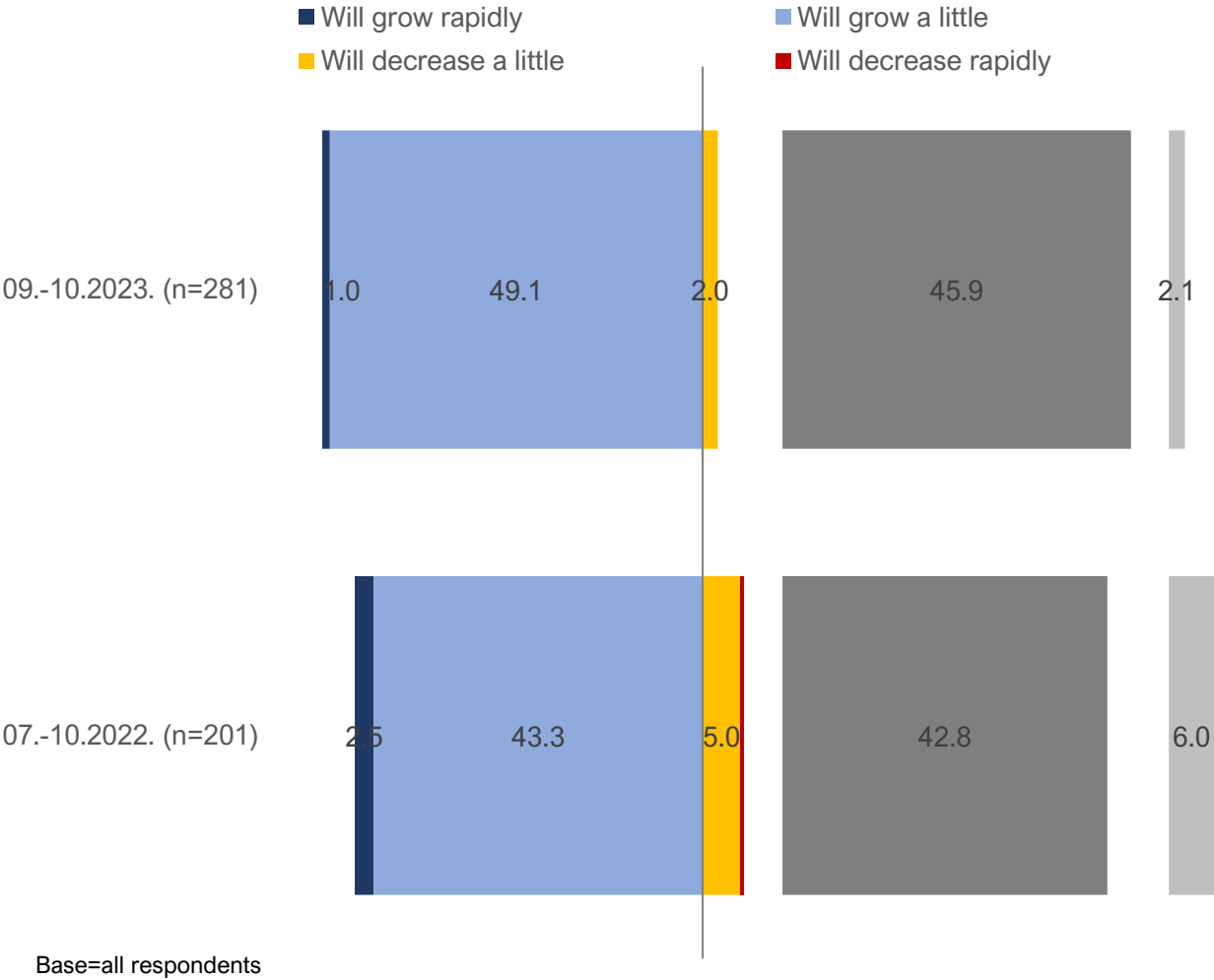
3. "COMPARED TO THE LAST 12 MONTHS, HOW DO YOU THINK CONSUMER PRICES WILL CHANGE IN THE NEXT 12 MONTHS? OR DO YOU THINK...?"



Base=all respondents

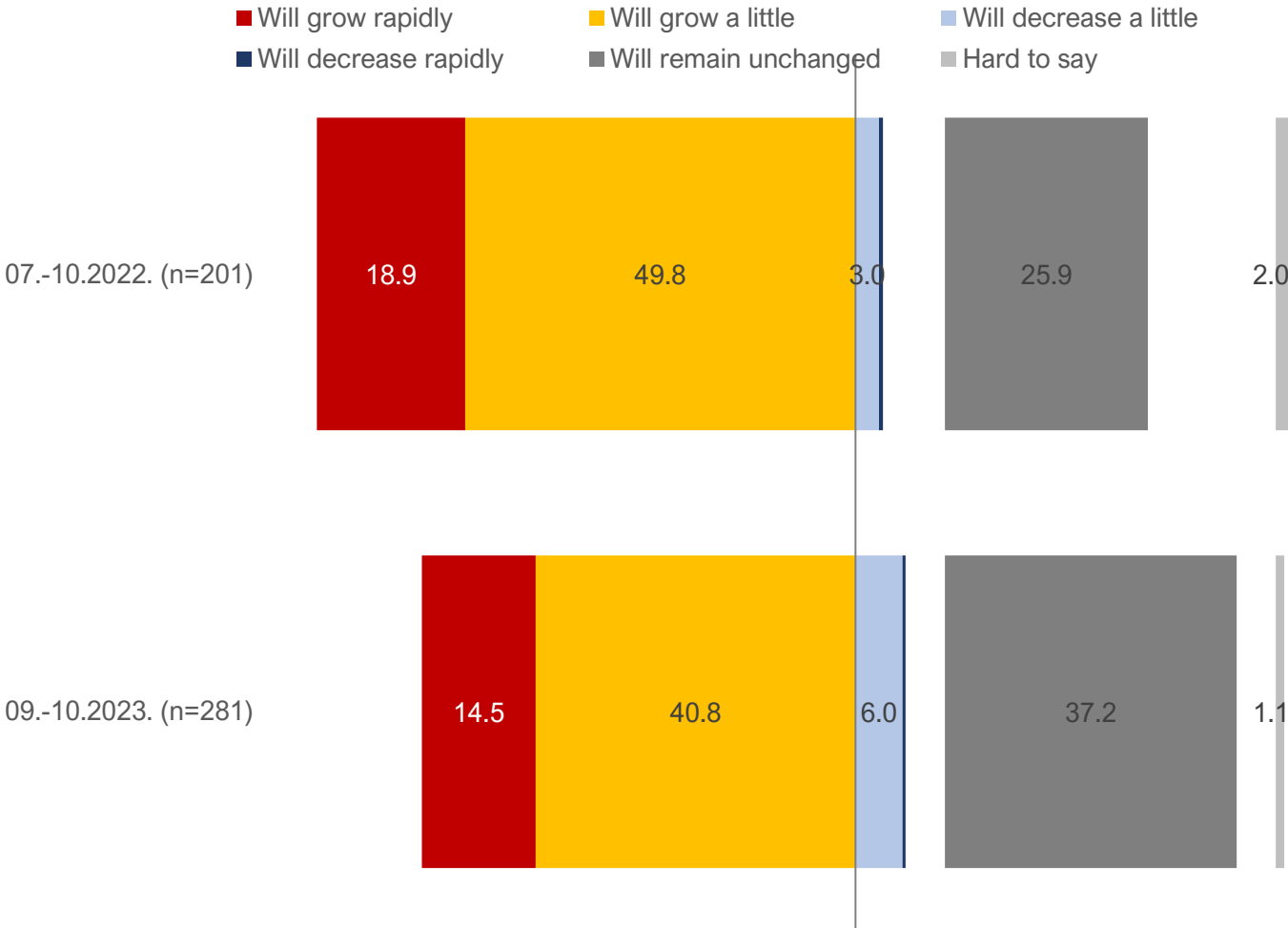
ECONOMIC DEVELOPMENT TRENDS

4. "HOW DO YOU THINK THE AVERAGE GROSS PAY (I.E., AVERAGE WAGES) WILL CHANGE IN LATVIA IN THE NEXT 12 MONTHS? OR DO YOU THINK THEY WILL...?"



ECONOMIC DEVELOPMENT TRENDS

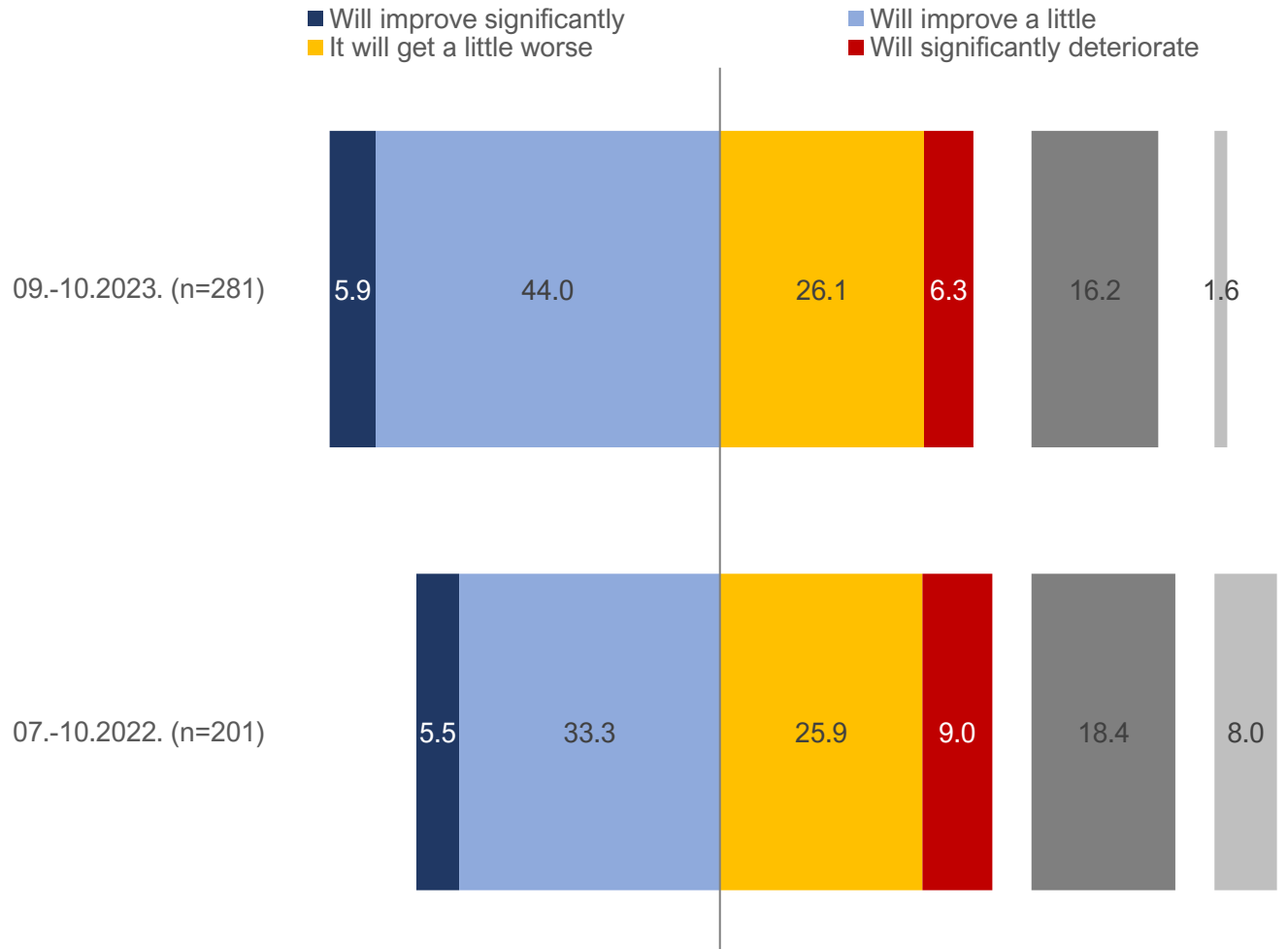
5. "HOW DO YOU THINK THE EMIGRATION FLOWS FROM LATVIA WILL CHANGE IN THE NEXT 12 MONTHS? DO YOU THINK THAT IT WILL...?"



Base=all respondents

ECONOMIC DEVELOPMENT TRENDS

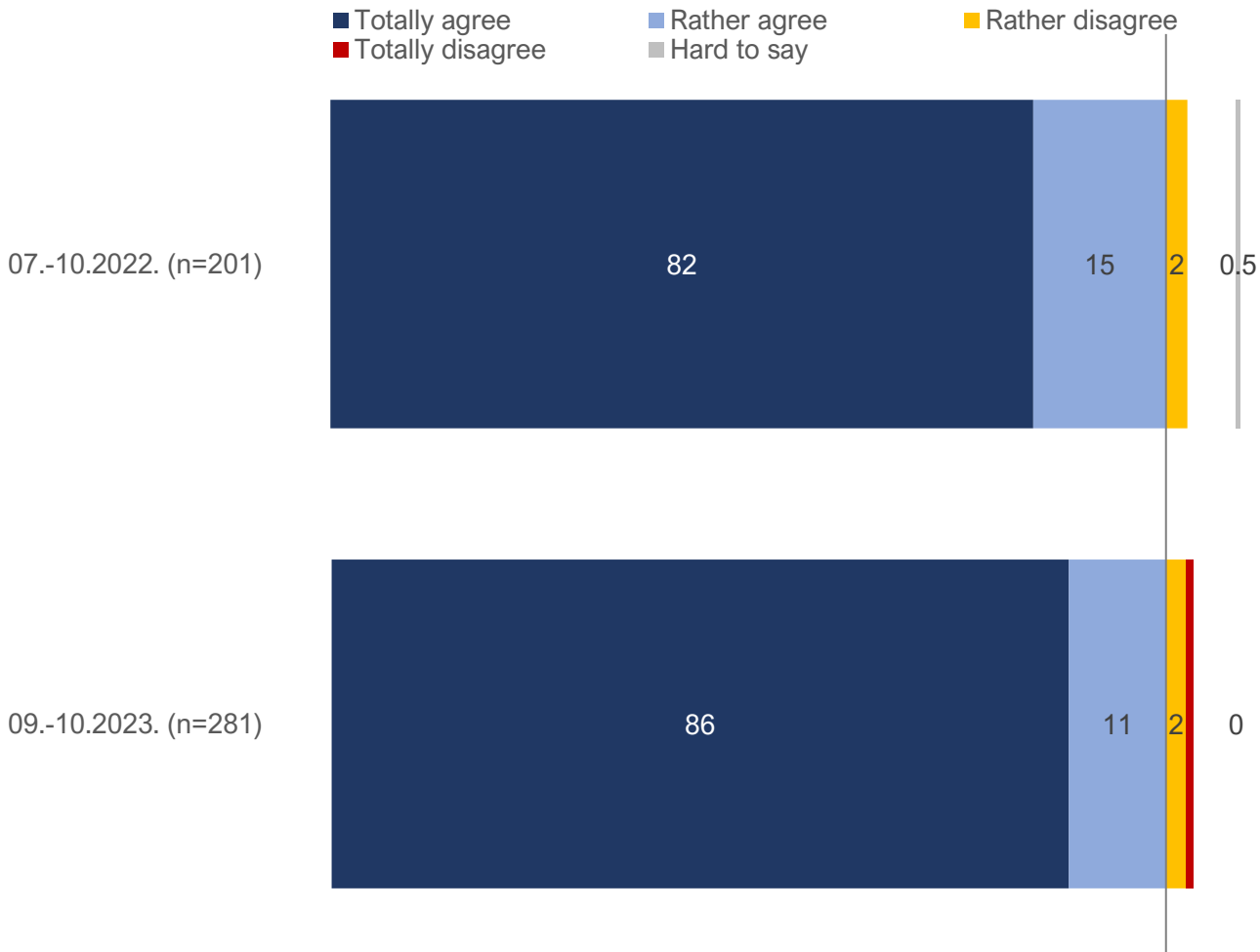
6. "LOOKING TO THE FUTURE, HOW DO YOU THINK THE GENERAL ECONOMIC SITUATION WILL CHANGE IN LATVIA IN THE NEXT FIVE YEARS? OR DO YOU THINK THAT...?"



Base=all respondents

COMPETITIVENESS IN THE LABOUR MARKET AND BUSINESS (ENTREPRENEURIAL ACTIVITIES)

7. "HOW MUCH DO YOU AGREE WITH THE STATEMENT THAT NEW KNOWLEDGE AND SKILLS ARE NECESSARY TO ACQUIRE THROUGHOUT THE LIFETIME? DO YOU..."

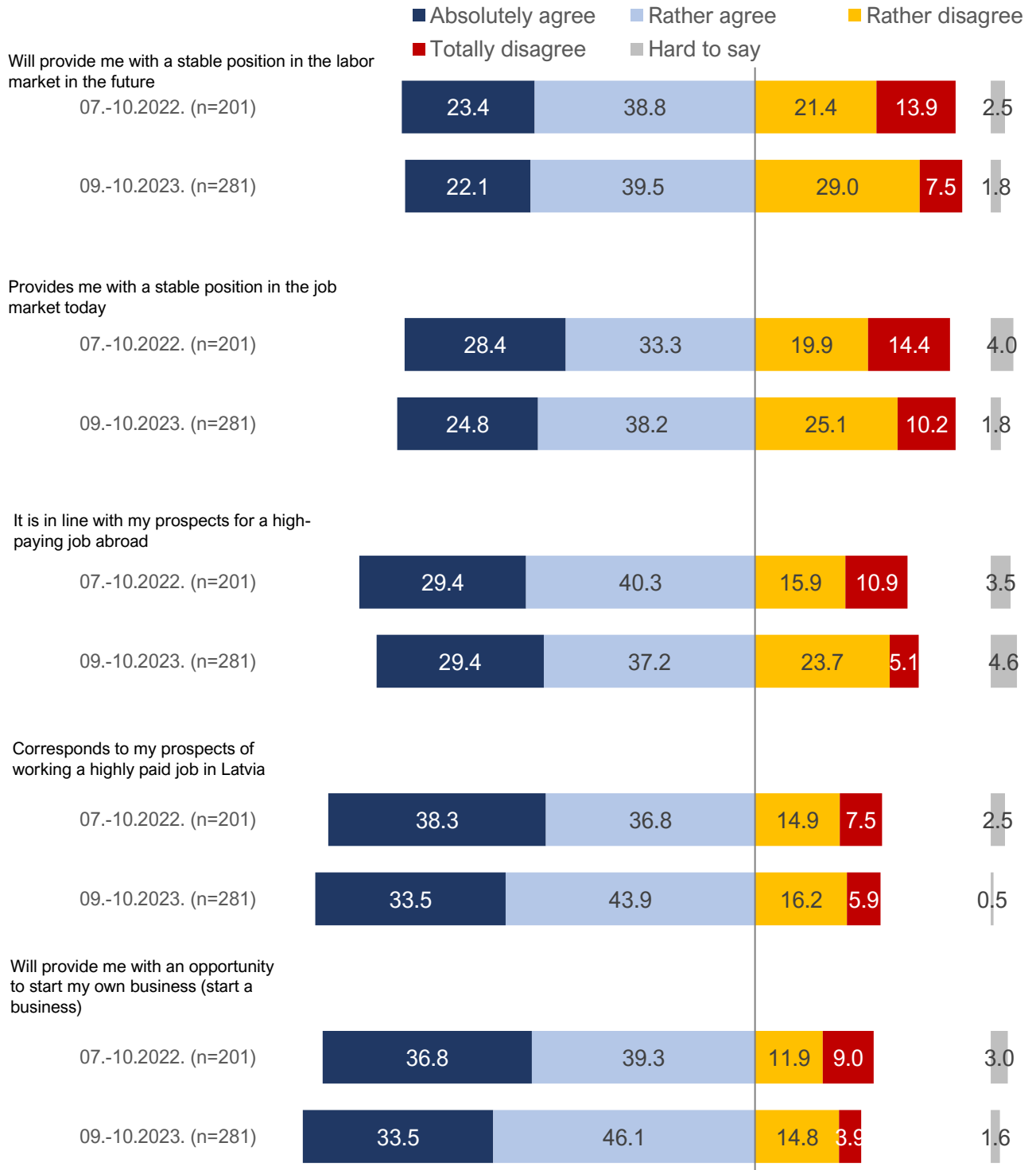


Base=all respondents

COMPETITIVENESS IN THE LABOUR MARKET AND BUSINESS (ENTREPRENEURIAL ACTIVITIES)

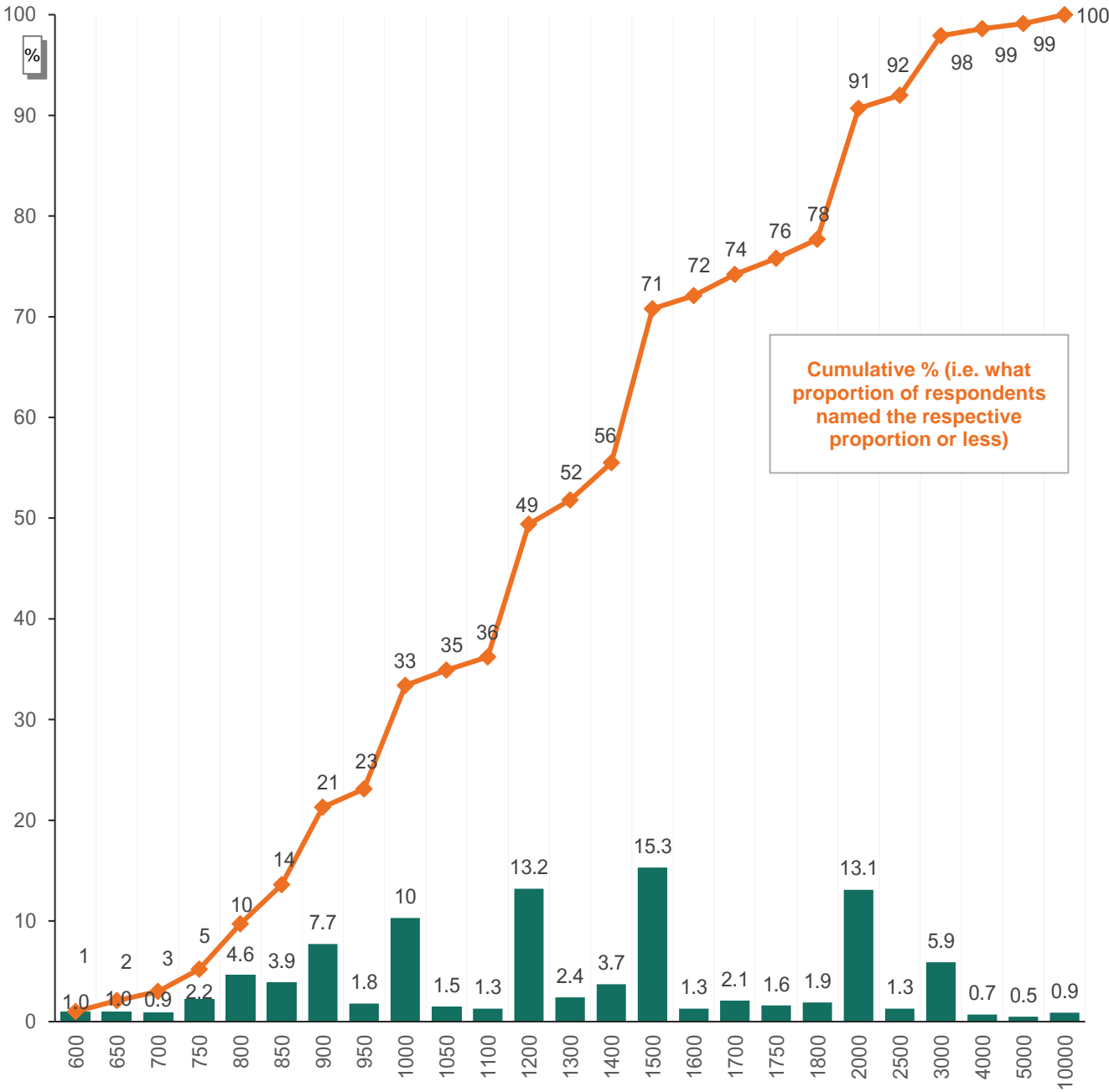
8. "NOW I AM GOING TO READ YOU SEVERAL STATEMENTS DESCRIBING THE ADEQUACY OF YOUR KNOWLEDGE AND SKILLS TO THE DEMAND OF THE LABOR MARKET . PLEASE INDICATE, DO YOU COMPLETELY AGREE WITH THE STATEMENT, RATHER AGREE, SOMETIMES DISAGREE OR COMPLETELY DISAGREE. SKILLS..."

KNOWLEDGE AND SKILLS GAINED..."



PERSONAL WELFARE AND SAFETY

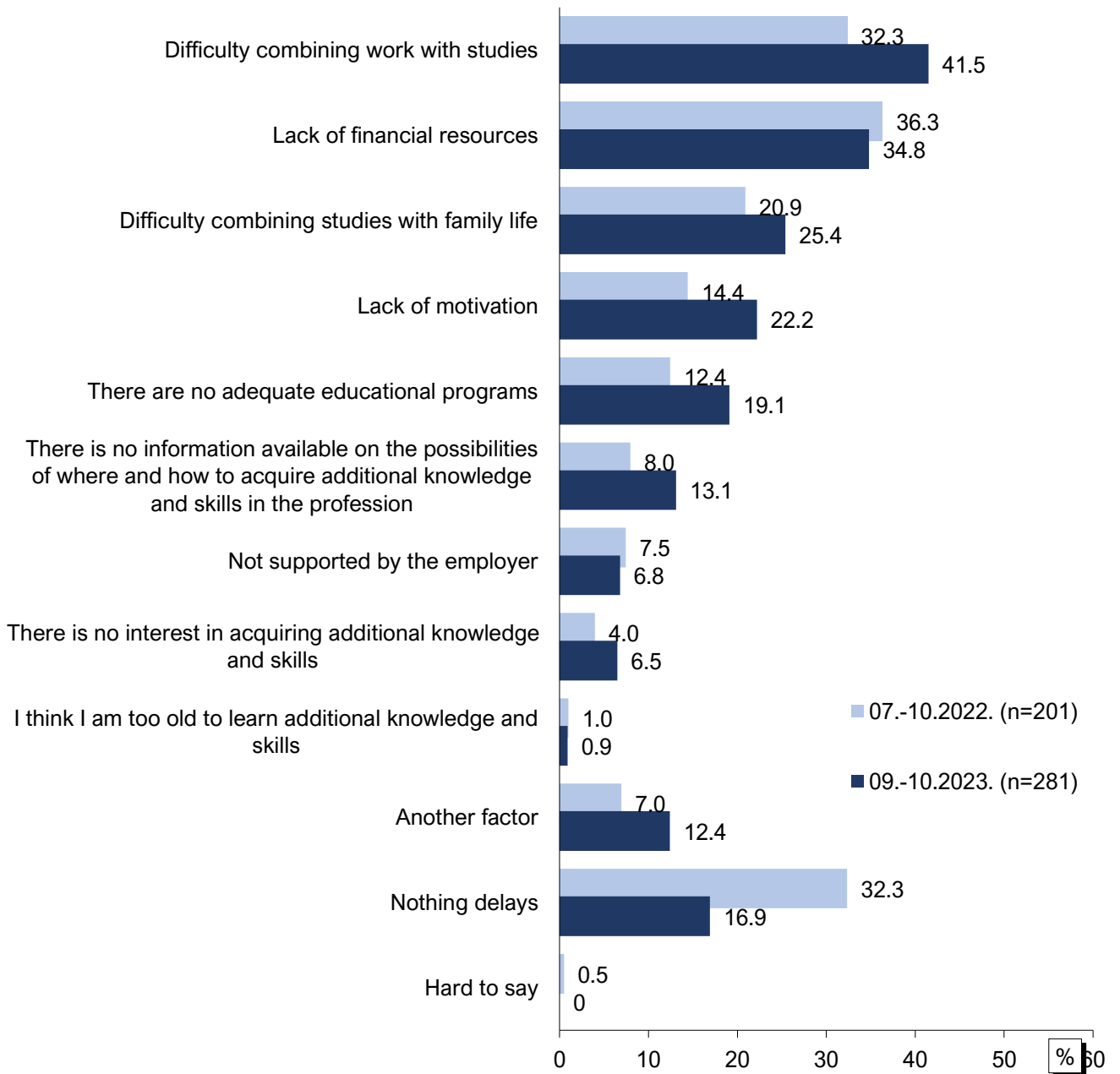
9. "HOW MUCH MONTHLY WORKING PAYMENT IN EURO "ON HAND" (I.E. AFTER TAX PAYMENT) WOULD YOU LIKE TO RECEIVE AFTER GRADUATING FROM AN EDUCATIONAL INSTITUTION FOR A FULL-TIME JOB?"



Average value	1582.46
Standard deviation	1054.93
Mode	2000.00
Median	1400.00

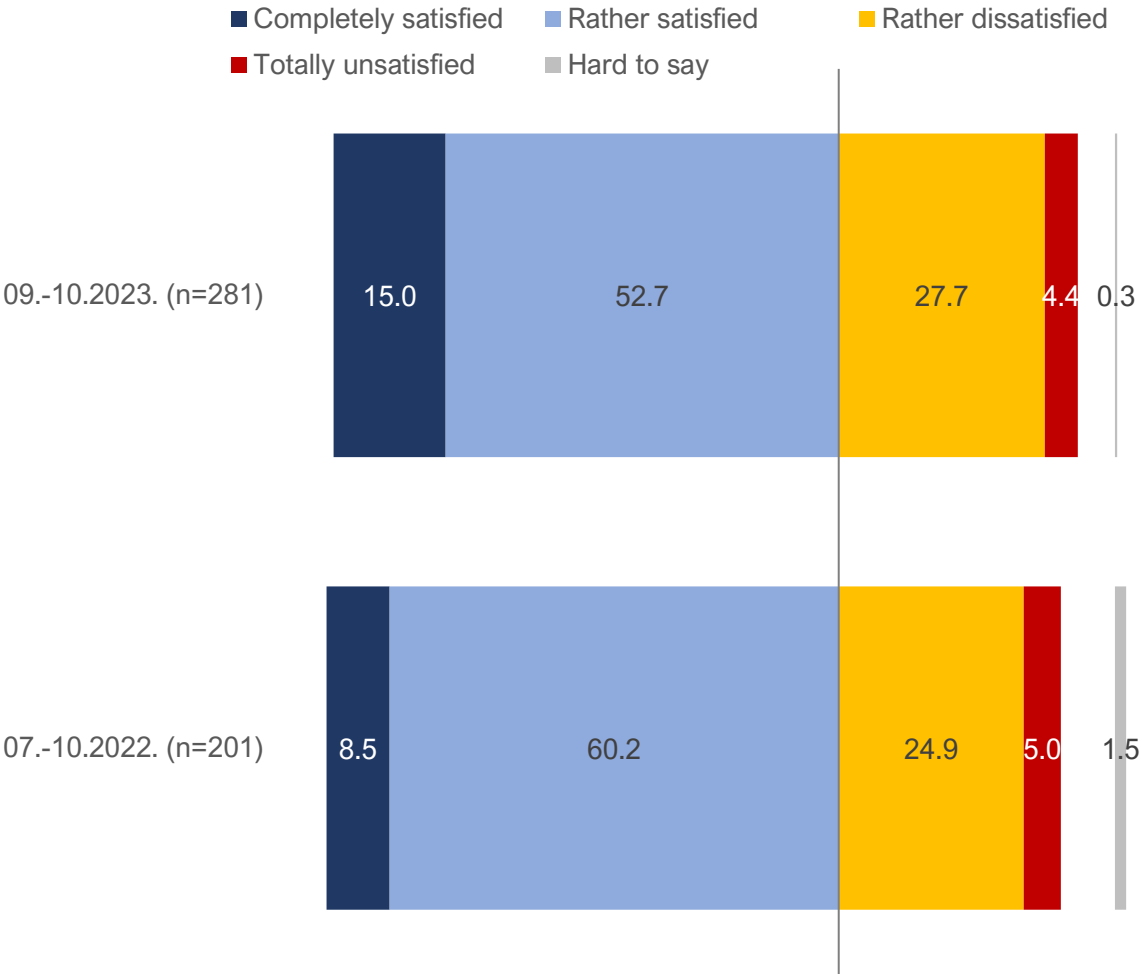
PERSONAL WELFARE AND SAFETY

10. "ARE THERE ANY FACTORS PREVENTING YOU FROM LEARNING ADDITIONAL KNOWLEDGE AND IMPROVING YOUR SKILLS TO INCREASE YOUR PERSONAL COMPETITIVENESS?"



PERSONAL WELFARE AND SAFETY

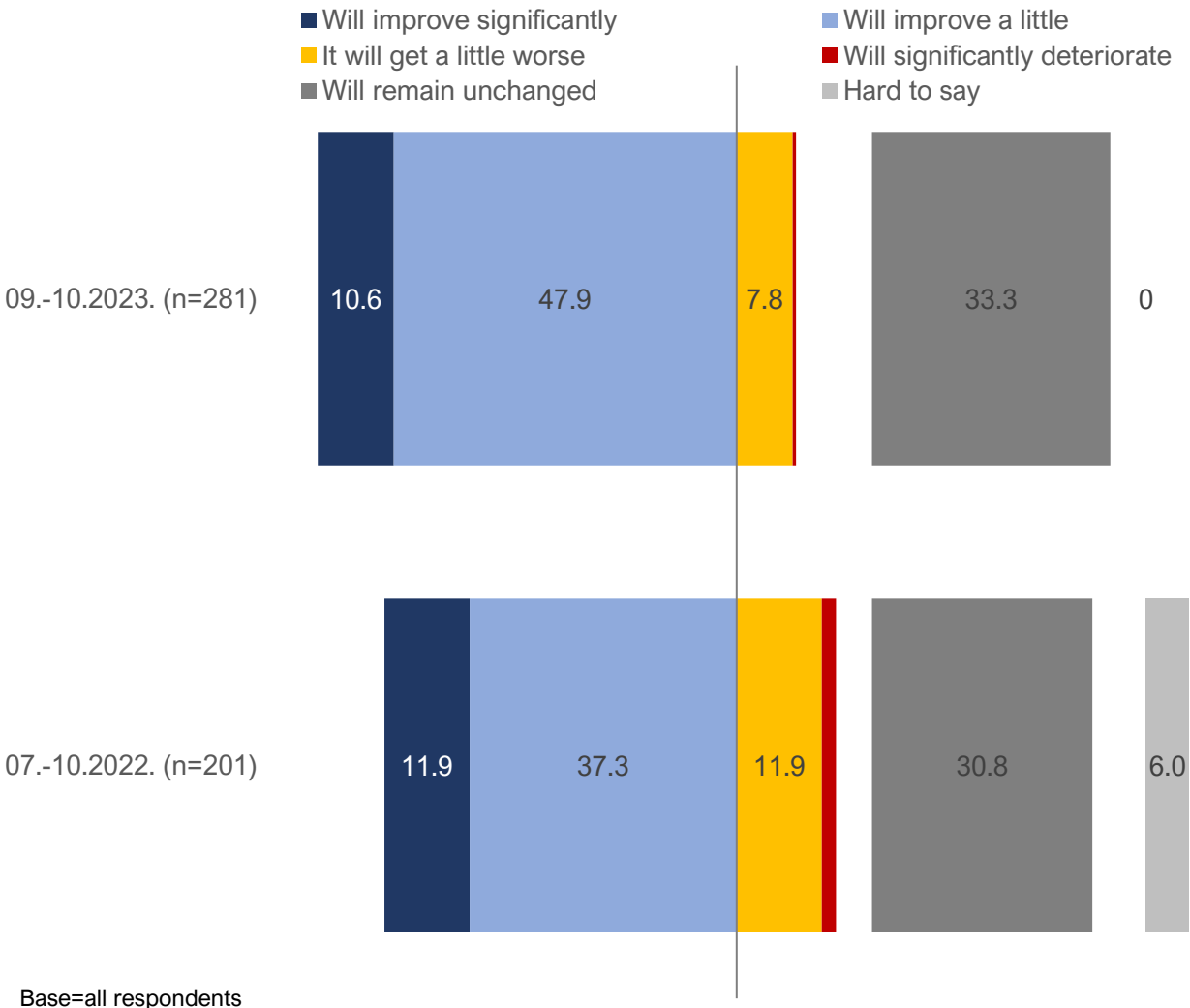
11. "OVERALL, HOW SATISFIED ARE YOU WITH YOUR CURRENT FINANCIAL SITUATION? ARE YOU OK WITH...?"



Base=all respondents

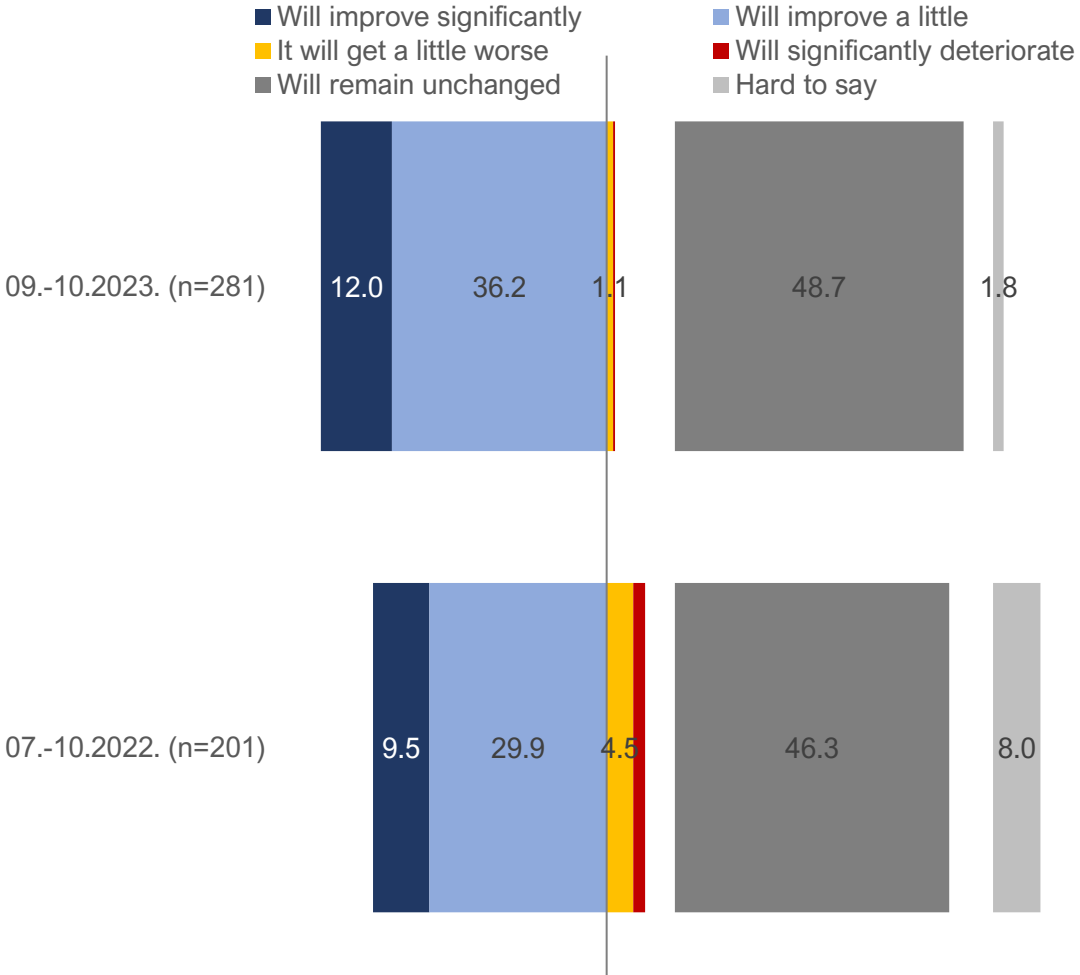
PERSONAL WELFARE AND SAFETY

12. "HOW DO YOU THINK YOUR FINANCIAL SITUATION WILL CHANGE IN THE NEXT 12 MONTHS? DO YOU THINK THAT...?"



PERSONAL WELFARE AND SAFETY

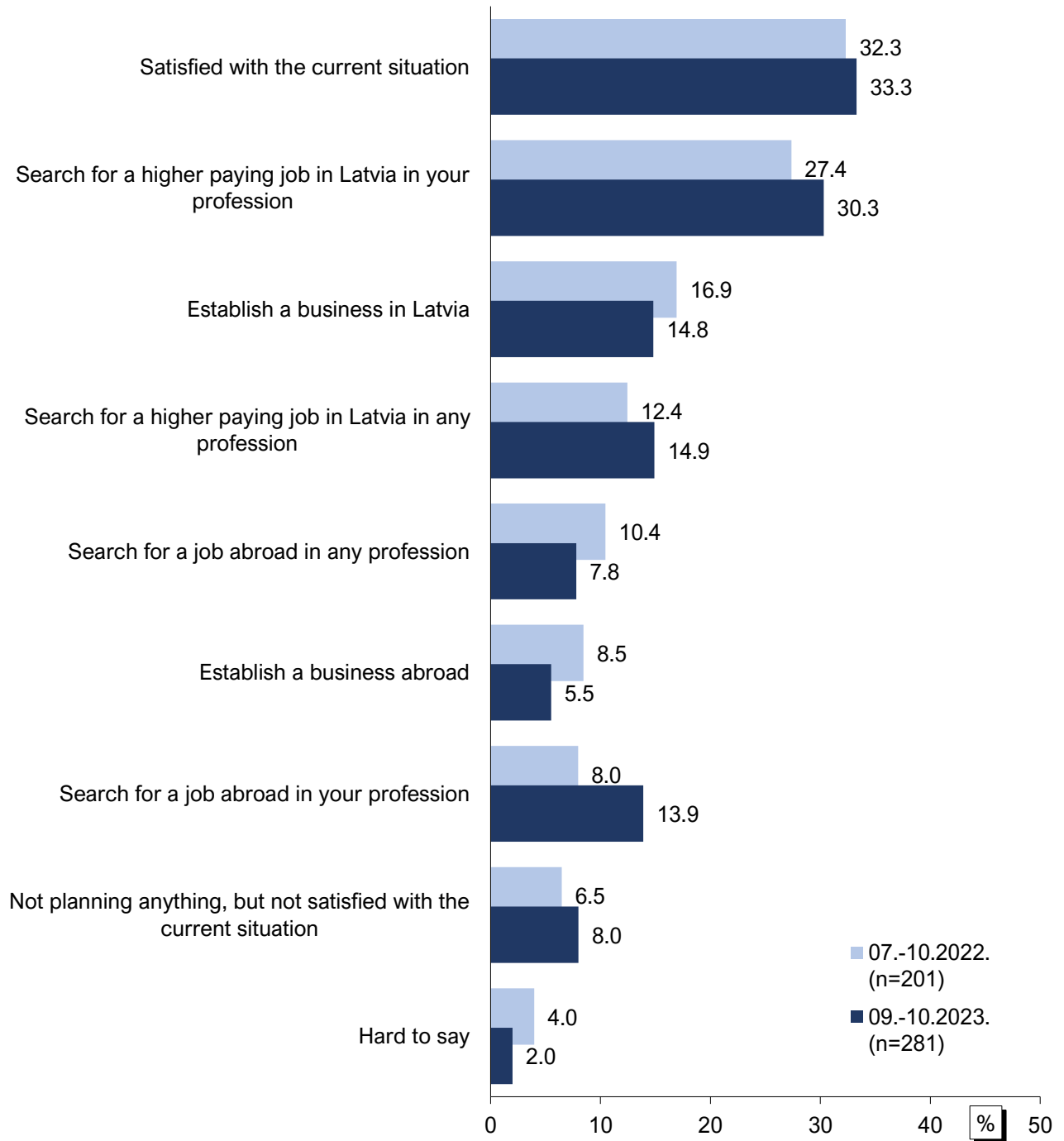
13. "HOW DO YOU RATE YOUR CHANCES OF GETTING A BETTER-PAYING JOB IN THE NEXT 12 MONTHS? DO YOU THINK THEY WILL...?"



Base=all respondents

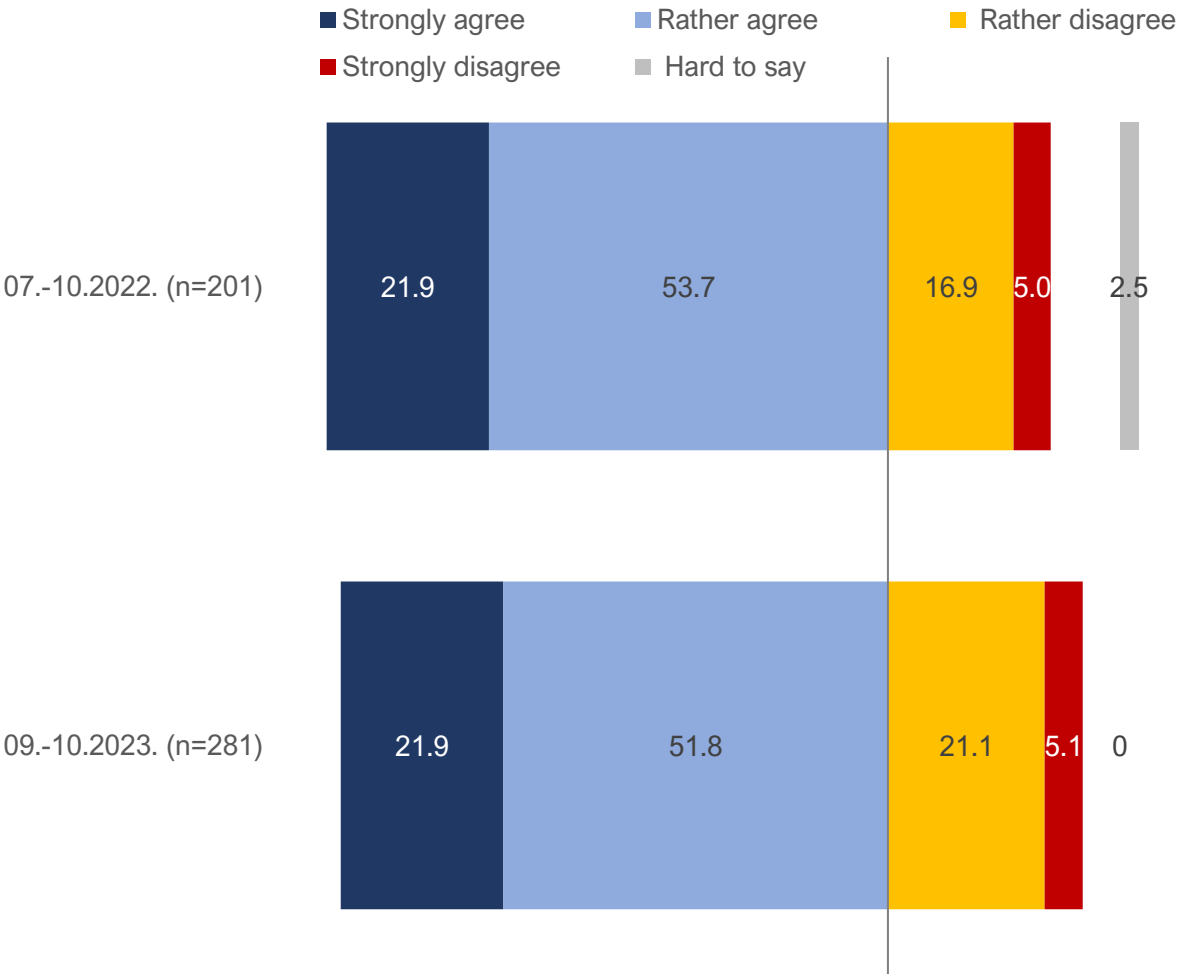
PERSONAL WELFARE AND SAFETY

14. "TO IMPROVE YOUR FINANCIAL SITUATION ARE YOU PLANNING TO DO ANY OF LISTED ACTIVITIES IN THE NEAR FUTURE?"



PERSONAL WELFARE AND SAFETY

15. "HOW MUCH DO YOU AGREE WITH THE STATEMENT: 'I AM CONFIDENT ABOUT MY FUTURE'. DO YOU...?"



Base=all respondents

PERSONAL WELFARE AND SAFETY

16. WHAT WOULD YOU RECOMMEND TO THE GOVERNMENT TO MAKE THE YOUNG PEOPLE SECURE ABOUT THEIR FUTURE?

