

# State of Income and Expenditure within the Youth in Tehran, Iran: A Socio-Financial Survey

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**Abstract** - *The article investigates the income-expenditure relationship as reflected among the youth who are very sensitive in kind and demographic group. Due to the imbalance between population and economic growth, a large number of youth at working age in Iran are out of job and financially dependent on their parents. The research explores how the youth are facing controversies due to disequilibrium between their income and expenditure, while their lifestyles are rapidly changing and new expectations and needs emerging. The article concludes how adequate source of income and social inclusion will meet the youth's aspirations and their self-confidence. Similarly, bridging the gap between youth's income and expenditure will provide them with more dynamism, satisfaction and socio-economic development as a whole. To conduct the survey, some 555 youth samples of both genders were randomly chosen from among different districts of Tehran City, and with whom the pre-designed questionnaires were completed. The present research is based on the main hypothesis that: "reasonable permanent income determines the propensity to consume". Similarly, the research has used various relevant theoretical perspectives to prove that income factor must be ahead of expenditure, and that contributes to a well-maintaining consumption function.*

**Keywords:** Income and expenditure. Youth. Social inclusion. Propensity to consume. Lifestyle.

## INTRODUCTION

The survey intends to investigate the financial status of the youth, i.e. age groups 18-29 of both genders mainly in Tehran City which could represent the wider society of Iran. The survey aims to serve for the socio-financial empowerment of youth, and will eventually contribute to the implementation and realization of the youth who need effective and influencing policies to improve their quality of life.

Based on Iran's national census in 2011, approximately youth include 33% or 25 million of the total population of the country [1]. The demographic profile of the increasing youth at the age of employability and income indicates that a large number of the educated and skilled youth do not enjoy adequate financial and intellectual opportunities available to their counterparts in developed and newly-emerging economies. However, social and economic hazards and disparities have their effects on the quality of life of the young men and women of Iran. Such a situation makes the youth of both genders very vulnerable. High and rising figures of

unemployment especially within the youth have contributed to serious concerns. Sociologically speaking such issues will cause long-term challenges if not addressed in time and in place.

The shortage of socio-financial conditions faced by the youth is mainly due to the inadequate knowledge of budgeting and financial challenges. To secure a financial future, the youth need to balance their income and expenditure, but it rarely occurs. Generally speaking, many young men and women in Iran who are at working age, but do not earn any monthly income depend on their parents' income. Currently, the youth are facing newly-emerging controversies stemming from rapid social change, new lifestyles and modes of life. While all of them need more income resources, many youth cannot afford it, and as a result, remain destitute and disappointed. Such youth being deprived of jobs and income, cannot easily start their marital life which has led to various socio-cultural problems within the youth all over the country. Delay in marriage has widely contributed to low fertility rate, and for many, it has resulted in

infertility. Apart from, such social impacts, the scenario creates various vulnerabilities in the economy. As agreed, for a more sustainable in the economy, the personal saving rates must increase. However, it is worth mentioning that low personal savings by the youth would be detrimental to a country's economy. On the other hand, making sound personal investment decisions by the youth would have a positive impact on the Iranian economy, and would lead to economic prosperity as a whole.

However, investing in children and youth would transform their lives and their healthy development. It will also lead to their economic and social progress. Similarly, planning for the youth income would dynamize the mainstream of the economy, and the vicious circle will continue. Creation of an enabling environment in which young men and women get their rights, gives them access to constructive information and educational services, which would eventually pay the youth and the society. While that would empower social and economic processes, the youth will also realize their potential as agents for social change and development. Therefore, raising the profile of the young men and women in Iran by providing them with income and occupations, would lead to positive returns for the youth as well as the society. Such a motivation will increase the social responsibility of the youth, followed by their improved quality of life.

However, promoting the financial capabilities of young men and women in Iran will first of all prevent them from vulnerabilities and many other deprivations. Decentralization of planning and investment will highly help the youth get occupations and access to regular income to meet their expanding needs. Notwithstanding, creation of balance between the income and expenditure of the youth will result in their improved health status, social networks, their jobs and earnings, their subjective well-being, the environment quality, their housing and their quality of life as a whole. Though the young generation under the age of 30 prefers to have paid jobs, but very few succeed, many remain unsuccessful, and some are engaged in self-employed jobs, or so to say free jobs.

While money is not expected to purchase happiness, it is an important means to achieve higher standard living, a decent life, and thus greater well-being, and the absence or shortage of which will result in socio-economic challenges. Youth net-adjusted disposable income is the amount of money that a

young man or woman earns each month/year after taxes and transfers. In the present article, it refers to the money available to a young man or woman for spending on goods and services. Holding an occupation includes many important benefits such as: providing a source of income, sustaining social inclusion, reaching one's own aspirations and improving skills and competencies, with special reference to the youth.

## **METHODS**

The research techniques used in the present research to yield the intended social data is based on a mixed-method strategy of investigation. While the main technique of study in the present research is administering questionnaires, the researcher also used interview method as per need. In addition, documents and books were also used as major sources of inquiries. In the theoretical section, the author has referred to relevant theories, approaches and literature reviews. In completing the research, 555 samples of both genders were consulted to produce a reliable and valid work. The research is based on the main hypothesis that: "reasonable permanent income determines the propensity to consume". However, the researcher used both the quantitative and qualitative methods to reflect the financial conditions of the youth in terms of income and expenditure in a changing urban society.

## **Theoretical Perspectives**

Youth unemployment that leads to income problems, is often seen in terms of moral crisis. It is in practice, when jobs are extremely hard to obtain. However, more than 40 percent of the world's unemployed are youth [2]. In most parts of the world, youth unemployment exceeds that among older people [3]. However, many young people are underemployed, meaning that they have insufficient work to keep them fully occupied which means that they earn inadequate income to be able to meet their basic needs. They may also usually have poor-quality employment in informal sector. There are many views why unemployment is high within the youth. Some stem from population, but in addition, there are many more reasons responsible for the problem [3]. Youth unemployment rates are much in conjunction with adult unemployment as well as the conditions of economic growth. However, youth labor force cannot compete for occupations that require skills at high

levels and maturity as far as experience is concerned. Therefore, such criteria are valued and counted for in employment occasions.

Similarly, youth unemployment/income issue is much subject to economic decline. For example, labor market has structurally declined in Central Asia, and there are uncertain prospects to school leavers [4]. If we go back to Soviet era, in a country like Kazakhstan, there were a lot of opportunities available to youth who left schools and universities, especially for those with parents of high social standing [5].

As far as the developing countries are concerned, unemployment is concentrated among selected social groups of the youth; especially the poor. However, the gender distribution of unemployment is not very clear among the youth. In this regard, women usually have lower chances as compared with men. For example, in Jamaica and Iran where educational attainment is higher among females than males, women are more subject to unemployment [3]. In societies where education gives self-respect to the youth such as India, they are not willing to work as laborers [6]. As a result, youth unemployment can lead to marginalization, exclusion, frustration, low self-esteem and sometimes to acts that create burdens on society [2]. However socio-economic change has contributed to a fresh occasions/opportunities that enable youth of both genders to be selective in choosing their employment [7].

The state of having sufficient independent income to live on, is an important indicator of youth independent lives, and without which challenges will emerge [8]. However, if the youth can generate income that is greater than their expenditures, then they would feel comfortable and happy. To harmonize income with expenditure, and to prevent bankruptcy, simple living is advised, or other strategies to reduce expenses. Based on passive source of income or unearned income such as rentals, or interest from a bank account etc., if stopped, income and expenditure do not cope with each other, and thus challenges will emerge.

Strain theories also predict a link between economic deprivation and youth violence [9]. By that is meant; absence of income, or an unbalanced income- expenditure relationship is very likely to lead to rebellion and other social vulnerabilities. Similarly, based on economic theories of crime, poverty lay the ground, while inequality servers to further exacerbate the situation [10], [11], [12].

Income and employment theory represents the level of expenditure by the people in the course of time. Keynes also offered new thinking on income and employment theory with the publication of *General Theory of Employment, Interest and Money* (1936). Based on this theory, transactions are two-sided, and that is: one person's income is another person's expenditure. Therefore, fall in incomes further reduces consumer demand, and it eventually reduces the rate of savings [13].

Consumption function as a response to income creates economic transactions, economic prosperity, and a state of tranquility for the youth. Consumption is based on current income, and ignores potential future income [14]. Consumption is also relative to production. Therefore, consumption or somehow expenditure has to be analyzed in the context of a person's production/income [15]. As developing countries are copying the consumption patterns and modes of the developed economies, that will create shortage that earth could not fulfill. Therefore, affordable policies and strategies need to be adopted and practiced.

Modernization theory has multi-dimensionally affected the youth with special reference to those of the developing world through education, industrialization, urbanization etc [16]. This process is rapidly continuing in new dimensions such as the electronics and communications. Mass education is assessed as both a requirement for, and an indicator of modernity [17]. Education as a platform has largely transformed the value system of the youth, their socio-economic expectations, and their lifestyles. Such circumstances motivate the youth to have access to adequate incomes leading to new expenditures in terms of goods and services. Human capital theory which is known as a drive for economic growth originates from modernization theory. On the country, lack of skills and education among the young labor force in the Third World countries is believed to hold back productivity. Therefore, children are a resource to be invested in [18]. As a result, both education and technologies such as schools and immunization contribute and improve the health of the future workforce.

Policies inspired from modernization have large impacts on youth apart from schooling and immunization. For example, investment in industrialization led to rapid urbanization which is gradually followed by new expectations and new ways

of life. In modern times, the youth expect formal employment that is not always fulfilled. Under such circumstances the youths' income and expenditures do not remain balanced.

### **Socialism and dependency theory**

Some of the countries that got independence from 1950 onwards, partly rejected the Western-style of development, and instead chose the policies/ideologies based on Marxist thoughts and institutions. These countries are ranked as China, Chile, Cuba and Ethiopia. Though it was implemented differently from nation to nation, in this process, land, mineral resources and industries were nationalized, and foreign trade and investment brought under state control, followed by rigid price controls [19]. The purpose of such development was to benefit the lower classes, and not just the owners of capital. In that, youth employment and income were assured and fulfilled according to the governing standards. Based on Marxian thought and dependency theory, social investment on children and youth is highly emphasized and desirable. In that, children are more considered legitimate subjects of government intervention. They are considered as a nation's future.

### **Youth and Housing**

In Iran and especially in Tehran City, housing costs absorb the largest part of household budget, and thus, it represents the heaviest expenditure for a large number of individuals and families especially the youth. Therefore, it is currently a challenging issue for the youth; even preventing them from marrying and starting a married life. Similarly, as the joint family system is not there anymore, and generally nuclear family system is prevalent, the new norms and values are not compatible with the youth income-expenditure relationship. In the past three decades Iran's youth number has been increasing beyond the socio-economic carrying capacity of the country, and beyond the necessary infrastructures. This emerging gap has created numerous challenges and issues for the youth. However, low-income youth are pulled towards illegal activities and other socio-economic vulnerabilities. Under the slow economic growth in Iran in the past three decades, a large number of young men and women of age groups 18-29 are unemployed. They are the persons who are not currently working, but are willing to do so.

Generally, females have low labor force participation chance, and that contributes to shortage of income within them — leading to eventually delay in marriage. Therefore, the scenario makes young females vulnerable in different respects. Nonetheless there are high hopes and prospects for more female participation and employment in urban areas with special reference to university-educated females under the recent landmark deal with world powers and the socio-political developments in Iran.

Humans as social creatures are highly dependent on social network, and if stronger, they can have better access to jobs, services and various opportunities. On the contrary, lack of poor social network may lead to limited economic opportunities, and ultimately the appearance of isolation. Similarly, the emerging conditions could result in failure of personal aspirations. Similarly, education and training are two elements necessary for the youth development and economic well-being. The above-mentioned factors have a direct impact on the quality of youth housing.

The importance of housing needs no emphasis; it is one of our primary needs of life. Housing issues in Iran are associated much to social and economic conditions of the country. Poverty being a multi-dimensional problem, and a major challenge all over the globe, its solutions are country specific [20]. Therefore, an effective strategy is needed to tackle the problems of development and poverty — beginning with economic conditions of the youth, their resources and productivity. To reach the objective, youth employment and income-generating programs need to be put on the agenda.

### **Youth and Change**

Youth are described as agents of change, or so to say, the "barometer of social change". They are subject to any changes at world level, and respond most effectively to them. However, the generational divide should not become a social divide. The new society must seek to prevent exclusion, integrate the young and the old, and the rich and the poor. Therefore, young people are expected to establish themselves in a new social context, and deal with any vulnerability, the new world provides new possibilities as well as threats. However, one of the challenges as recognized, being faced by the youth in modern times is the income of the youth in countries like Iran with very young population structure with

the median age of 28.3 in 2015 (Consus:2011). Iran's human development index (HDI) has largely changed in the past recent decades. In that, greater number of youth have obtained university degrees at graduate and post graduate levels, but income and employment opportunities have not developed as such. The gap create, has resulted in income and expenditure problems within the youth.

**Literature Review**

As a result of population explosion, the urban areas such as Tehran in Iran are facing income and employment within the increasing youth. Like many other developing countries, Iran is also a victim of rapid increase in its urban population resulting in employment chaos. The scenario has contributed to income and expenditure challenges with special reference to the young population age group of both genders. However, the emerging phenomenon has brought about various vulnerabilities. Factors responsible for the emerging situation include numbers, density and heterogeneity of population [21]. Though in the past only young men expected

occupations and income, Now-a-days young women also expect the same, and the shortage of which is a matter of concerns for them too. Therefore, this is where the challenges and complications of income and expenditure start from within the youth in Iran. Thus, if the fundamental features of urban environment are not in place, a range of urban social behavior would emerge — leading to social problems caused by the shortage and imbalance of income and expenditure within the youth.

According to social mobility theory [22], though stability of modern industrial society is maintained, yet controversies emerge due to increasing job seekers with special reference to the youth in urban areas. Another perspective denotes that technology is responsible for the nature of social relations including income, employment and housing conditions [23]. However, the social interactions of the individuals are influenced by their economic ability. Likewise, economic sociology identifies the relationship between economic conditions of the youth and their income-expenditure proportion [24].

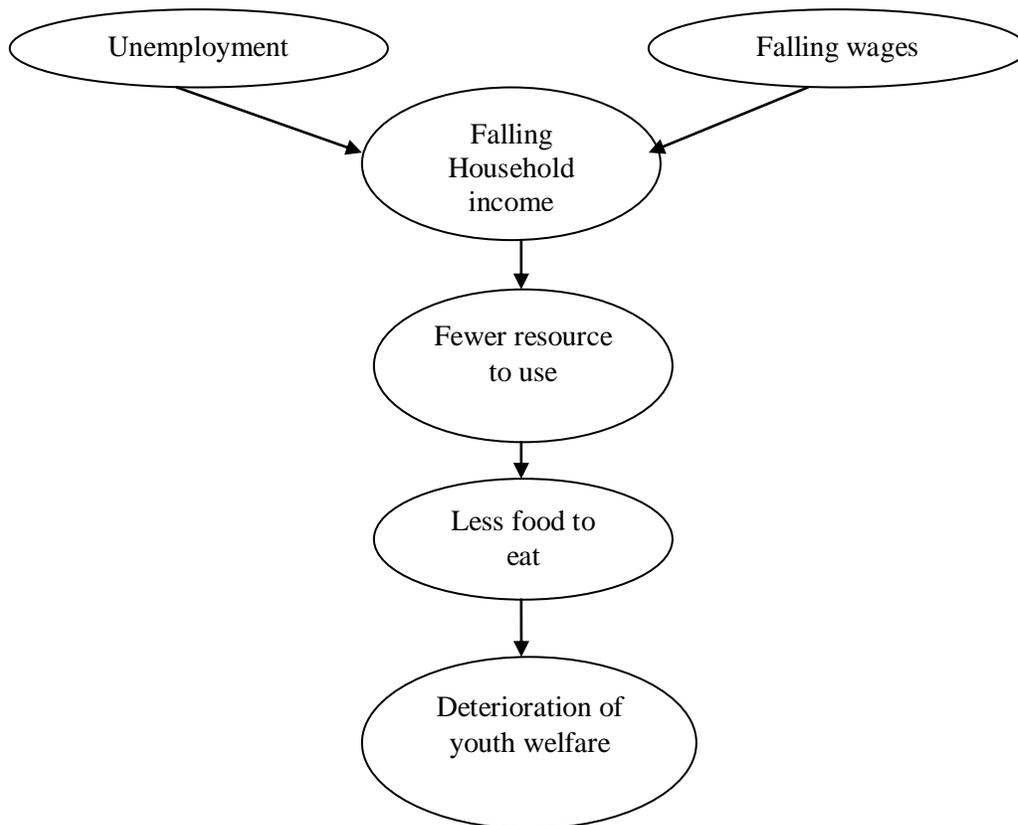


Figure 1. *The impacts of structural adjustment policies on youth*

Table 1. Classification of Youth by Age and Gender in Tehran City

Age	Total		Total		Females	
	f	%	f	%	f	%
Total	555	100	211	38	344	62
Age 15-17	32	5.8	19	3.4	13	2.3
Age 18-20	121	21.8	26	4.7	95	17.1
Age 21-23	160	28.8	53	9.5	107	19.3
Age 24-26	121	21.8	49	8.8	72	13
Age 27-29	121	21.8	64	11.5	57	10.3

Table 2: Classification of Youth by Gender and Occupational Status in Tehran City

Gender/Age	Total		Employed		Unemployed		Part Time Employed	
	f	%	f	%	f	%	f	%
Total	555	100	267	48.1	244	44	44	7.9
Males 15-29	211	38	102	18.3	93	16.7	17	3
Females 15-29	344	62	165	29.8	151	27.2	27	4.9

Table 3: Classification of Youth by Gender, Age and Marital Status in Tehran City

Gender/Age	Total		Married		Single	
	f	%	f	%	f	%
Total	555	100	178	32.1	377	67.9
Males 15-29	211	38	68	12.2	143	25.8
Females 15-29	344	62	110	19.9	234	42.1

Table 4: Classification of Youth by Gender, Age and Educational Level in Tehran City

Gender/Age	Total		Below High School Graduation		High School Graduation		Associate's Degree		BA./ BBs		Mr./Ms.		Ph.D.	
	f	%	f	%	f	%	f	%	f	%	f	%	f	%
Total	555	100	60	10.8	236	42.5	85	15.3	151	27.2	19	3.4	4	0.7
Males 15-29	211	38	23	4.1	90	16.2	32	5.8	57	10.3	7	1.3	2	0.3
Females 15-29	344	62	37	6.7	146	26.4	53	9.5	94	16.9	12	2.1	2	0.4

Table 5: Classification of Youth by Gender , Age and Educational Status in Tehran City

Gender/Age	Total		Married		Single	
	f	%	f	%	f	%
Total	555	100	272	49	283	51
Males 15-29	211	38	103	18.6	108	19.4
Females 15-29	344	62	169	30.4	175	31.6

Table 6: Classification of Youth by Gender, Age and their Accommodation Status in Tehran City

Gender/Age	Total		Living with Family		Living Alone		Living in Hostel	
	f	%	f	%	f	%	f	%
Total	555	100	389	70.1	138	24.9	28	5
Males 15-29	211	38	148	26.6	52	9.5	11	1.9
Females 15-29	344	62	241	43.4	86	15.4	17	3.1

Table 7: Classification of Youth by Gender, Age and How They are Financially Supported in Tehran City

Gender/Age	Total		Self		Family		Other	
	f	%	f	%	f	%	f	%
Total	555	100	193	34.8	331	59.6	31	5.6
Males 15-29	211	38	73	13.2	126	22.7	12	2.1
Females 15-29	344	62	120	21.6	205	37	19	3.5

Table 8: Classification of Youth by Gender, Age and Their Entry Years to Work in Tehran City

Gender/Age	Total		Less than 1 Year		1 to 2 Years		3 to 5 Years		More than 5 Years	
	f	%	f	%	f	%	f	%	f	%
Total	555	100	246	44.3	98	17.7	126	22.7	85	15.3
Males 15-29	211	38	94	16.4	37	6.7	48	8.6	32	5.8
Females 15-29	344	62	152	27.5	61	10.9	78	14.1	53	9.5

Table 9: Classification of Youth by Gender, Age and the Year of Unemployment from the Time They were Entitled to Work in Tehran City

Gender/Age	Total		Less than 1 Year		1 to 2 Years		3 to 5 Years		More than 5 Years	
	f	%	f	%	f	%	f	%	f	%
Total	555	100	333	60	121	21.3	58	10.5	43	7.7
Males 15-29	211	38	127	22.8	46	8.3	22	4	16	2.9
Females 15-29	344	62	206	37.2	75	13.5	36	6.5	27	4.8

Table 10: Classification of Youth by Gender, Age and the Number of Siblings in Tehran City

Gender/Age	Total		1 Sibling		2 Siblings		3 Siblings		4 and more Siblings	
	f	%	f	%	f	%	f	%	f	%
Total	555	100	118	21.3	158	28.5	117	21.1	162	29.2
Males 15-29	211	38	45	8.1	60	10.5	44	8	62	11.1
Females 15-29	344	62	73	13.2	98	17.6	73	13.1	100	18.1

Table 11: Classification of Youth by Gender, Age & Rate of Satisfaction with Life in Tehran City

Gender/Age	Total		Very much		Much		Little	
	f	%	f	%	f	%	f	%
Total	555	100	94	16.9	292	52.6	169	30.3
Males 15-29	211	38	36	6.4	10	1.8	64	11.6
Females 15-29	344	62	58	10	181	32.6	105	18.9

Table 12: Classification of Youth by Gender, Age and Passage of Life Marginally in Tehran City

Gender/Age	Total		Yes		No		To Some extent	
	f	%	f	%	f	%	f	%
Total	555	100	95	17.1	283	51	177	31.9
Males 15-29	211	38	36	6.5	108	19.4	67	12.1
Females 15-29	344	62	59	10.6	175	31.6	110	19.8

Table 13: Classification of Youth by Gender, Age and State of Health of the Respondents in Tehran City

Gender/Age	Total		Healthy		To Some extent Healthy		Sick	
	f	%	f	%	f	%	f	%
Total	555	100	503	90.6	42	7.6	10	1.8
Males 15-29	211	38	191	34.5	16	2.9	4	0.7
Females 15-29	344	62	312	56.2	26	4.7	6	1.1

Table 14: Classification of Youth by Gender, Age and State of Health Insurance in Tehran City

Gender/Age	Total		Holding Insurance		Without Insurance	
	f	%	f	%	f	%
Total	555	100	450	81.1	105	18.9
Males 15-29	211	38	171	30.8	40	7.2
Females 15-29	344	62	279	50.3	65	11.7

Table 15: Classification of Youth by Gender, Age & Average Transportation Expenditures in Tehran City

Gender/Age	Total		Less than \$100		\$ 100-149		\$ 150 and More	
	f	%	f	%	f	%	f	%
Total	555	100	442	79.6	82	14.8	21	5.6
Males 15-29	211	38	168	30.3	31	5.6	12	2.1
Females 15-29	344	62	274	49.4	51	9.2	19	3.5

Table 16: Classification of Youth by Gender, Age and Financial Dependency on Family in Tehran City

Gender/Age	Total		Not at all		To Some extent		Much		Entirely	
	f	%	f	%	f	%	f	%	f	%
Total	555	100	132	23.8	172	31	91	16.4	160	28.8
Males 15-29	211	38	73	13.2	81	14.6	19	3.4	38	6.8
Females 15-29	344	62	59	10.6	91	16.4	72	13	122	22

Table 17: Classification of Youth by Gender, Age and Regular Income Generation in Tehran City

Gender/Age	Total		Sufficiently		To Some extent		Not at all	
	f	%	f	%	f	%	F	%
Total	555	100	116	20.9	191	34.4	248	44.7
Males 15-29	211	38	44	7.9	73	13.1	94	17
Females 15-29	344	62	72	13	118	21.3	154	27.7

### Income-Expenditure Equilibrium

Income ladder of female respondents respectively indicates 137 (24.7%) as having no monthly income, 38 (6.9%) having monthly income equivalent to less than US \$ 150, some 29 (5.2%) drawing monthly income equivalent to US \$ 150 and 199. Another group of female respondents 27 (4.8%) people asserted to draw monthly income equivalent to US \$ 200-249, followed by another group of respondents 20 (3.6%) drawing monthly income equivalent to US \$ 250 and 299. The sixth column of the young respondents 16 (2.9%) people indicate drawing monthly income equivalent to US \$ 300 and 349, followed by another group of female respondents 19 (3.5%) declaring their monthly income equivalent to US \$ 350 and 399. The ninth income group 27 (4.9%) indicates monthly income equivalent to US \$ 400 and 449, followed by 30 (5.5%) of female respondents drawing monthly income equivalent to US \$ 450 and above.

Out of 211 (38%) males, 69(12.5%) asserted to bear monthly expenditure of equivalent to less than US \$ 150, followed by 54 (9.8%) bearing monthly

expenditures of US \$ 150 and 199. Similarly, 30 (5.4%) of the respondents reported to spend equivalent to US \$ 200 and 249 as their monthly expenditure, followed by 22 (4%) respondents who asserted to spend equivalent to US \$ 250 and 299. Another group of young respondents 10 (1.8%) expressed to spend equivalent to US \$300 and 349 as their monthly expenses. The sixth group of youth comprising of 12 (2.1%) declared to spend equivalent to US \$ 350 and 399 as their monthly expenditure, followed by another group of 5 (0.8%) of respondents who declared to spend US \$ between 400 and 449 as their monthly expenditure. The last group of 8 (1.5%) of respondents declared to spend equivalent to US \$ 450 and above as their monthly expenditure.

### DISCUSSION

The chain of unemployment, falling wages, falling income, and as a result, fewer resources to use, less food to eat, would lead to deterioration of youth welfare. Income-expenditure approach has a direct relationship with the quality of life of all the people; especially with that of the youth. Any change in price

levels affect expenditure, and as a result, the economy as a whole. Any increase in income results in consumption behavior. Therefore, the positive income-expenditure improvement leading to the created process, may continue. Sociologically speaking, the demographic and economic trends need to be set in such a way that the youth of both genders when reaching the working age, could get the chance of having access to income. If it happens so, then many possible challenges could be avoided, followed by downward trend of vulnerability within the youth in a given society.

It is the inequality in income and expenditure or so to say, the gap between saving and investment that contributes to changes in the price levels leading to the youth poverty. The present research explores how income-expenditure relationship is influenced by genders, age, cultural differences and class. However, deprivation stemmed from unattended needs may lead the youth to committing crimes. Hence, income-expenditure relationship needs to be carefully and positively considered. Similarly, social disorganization caused by factors such a poverty, ethnic heterogeneity, and residential mobility somehow or the other affects income-expenditure relationship — leading to dissatisfaction within the youth not only in Iran, but in other societies as well. It may be so discussed that the economic deprivation of the youth may result in youth violence, the family health, the community movement and the like. On the contrary, some social researchers such as Allen [25] and Messner [26] have found negative relationship between poverty and crime; i.e., high levels of poverty are associated with lower crime levels.

As a whole, to avoid economic deprivation and bring about a reasonable relationship between income and expenditure of the youth, direct creation of jobs is a pressing point — an attempt to raise ways and lessen earning disparities, especially those related to gender and race [27]. However, if consumption function is to maintain well, income factor must be ahead of that. Iran, with a young age structure needs to invest much on entrepreneurship so as to create income for its youth of (15-29) that is about 32% of the entire population [1].

## CONCLUSION

Income-expenditure equilibrium creates what is known as a circular flow of income, and if the flow is not there, many needs cannot be met. Therefore,

welfare policies must be so designed leading; to adequate income to meet the increasing expenditure with special reference to the youth not only in Iran, but in other countries as well. Reasonable and adequate income need to be earned by the youth in order to meet the increasing expenditures on food, clothing, housing, education, health, leisure etc. Welfare and earning needs of the youth need to be prioritized. That would lead the youth to be more productive and reliant, and if not, they would be deprived and vulnerable. However, if the process continues, the entire social health will be adversely affected. Since income- expenditure equilibrium is highly subject to state policies, or so to say, socio-economic policies, thus reasonable and applied policies need to be designed and put into practice.

As far as the youth in Iran are concerned, creation of a balance between their income and expenditure would result in their improved health status, social network, their subjective well-being and their quality of life as a whole. Similarly, access to an adequate source of income will enhance the youths' self-esteem and improve their skills and competencies. Though the main reason for the youth unemployment is supposed to be population increase, yet other reasons are responsible for the problem. Similarly, youths' low-income and unemployment can lead to their marginalization, exclusion, frustration and their low self-esteem. To prevent bankruptcy, harmonization of income with expenditure is suggested, and likewise simple living is advised in addition to other strategies to reduce expenses. In modern age, the youth expect formal employment that is not always fulfilled, and that is where the youths' income and expenditures do not remain balanced. It is worth-mentioning that due to demographic change, and as a result increase of young population beyond the socio-economic carrying capacity, and the adequate infrastructures, emerging disequilibrium between income and expenditure is inevitable. Income-expenditure cleavage has also contributed to marriage delay in Iran in the past two decades with a focus on women — leading to emerging problems. Similarly, as a result of modernity and new lifestyles within young women, they too expect occupations and independent income earnings as men, and the shortage of which is a matter of concerns for the educated female youth at the time being. At the end, if the consumption function is to maintain in good order, income factor, or so to say,

income generation need to function ahead of expenditure.

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