

# YOUTH UNEMPLOYMENT AND UNDEREMPLOYMENT IN CANADA

A Canadian Teachers' Federation Brief to the  
House of Commons Standing Committee on Finance

**April 3, 2014**



Canadian Teachers' Federation  
Fédération canadienne des enseignantes et des enseignants

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The Canadian Teachers Federation (CTF) welcomes the opportunity to provide input to the Standing Committee on Finance study on Youth Employment in Canada. As educators, we realize the importance of our role in preparing youth to be active participants in society. This includes their participation in the labour force.

## Defining the Problem

According to Statistics Canada,<sup>1</sup> the average youth unemployment rate (15-24) was 13.7% in 2013. This was 2.3 times that of workers aged 25-54 (5.9%), the second largest gap recorded since 1977. But this is only a part of the issue. Underemployment, or the unmet employment needs of individuals, is a problem that is not revealed in this statistic. The Canadian Labour Congress<sup>2</sup> calculates the underemployment rate for youth aged 15 to 24 at 27.7% - more than double the reported unemployment rate for the same period. This means that almost one in four youth are either unemployed, working less than they desire or has given up looking for work.

Even employed youth do not appear to be faring well. According to Statistics Canada,<sup>3</sup> “[i]n 2012, the median hourly wages (in real terms) of men and women age 17-24 were 13% and 8% lower, respectively, than their counterparts in 1981. This indicates that either inflation is severely outpacing wages, or unemployment is affecting earning power by putting downward pressure on wages and quality jobs or some combination of both.

It is important to note that the problem of youth unemployment is even more serious in marginalized communities. People living in poverty, aboriginal youth, and immigrant youth are being affected to a greater degree by the youth unemployment dilemma.

Unfortunately, data provided by Statistics Canada does not give a complete picture of the problem. To begin to seriously address youth employment issues in Canada, there must be changes to the access and distribution of data that more accurately reflects the Canadian reality. More information needs to be known about the availability of good jobs. Indexes need to show more than part-time vs. full-time or permanent vs. casual employment. Indexes need to be developed that illustrate the quality of employment.

## Role of Education

Education has an obvious role in the alleviation of the youth employment problem. In an analysis of data on educational attainment conducted by the CTF in 2011, the positive impact of educational attainment on employment opportunities was confirmed. The analysis demonstrated that as educational attainment increases the unemployment rate decreases.

The Canadian public education system has been successful in turning out a better educated generation of Canadians. The CTF study found that between 1990 and 2009, there was a 10% decrease in the number of Canadians who identify as being without a high school certificate, and there was a 6.4 % increase in the number identifying as having a university degree.

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<sup>1</sup> Statistics Canada. Table 282-0087 - Labour force survey estimates (LFS), by sex and age group, seasonally adjusted and unadjusted, annual (persons unless otherwise noted), CANSIM (database). (accessed: 2014-03-27)

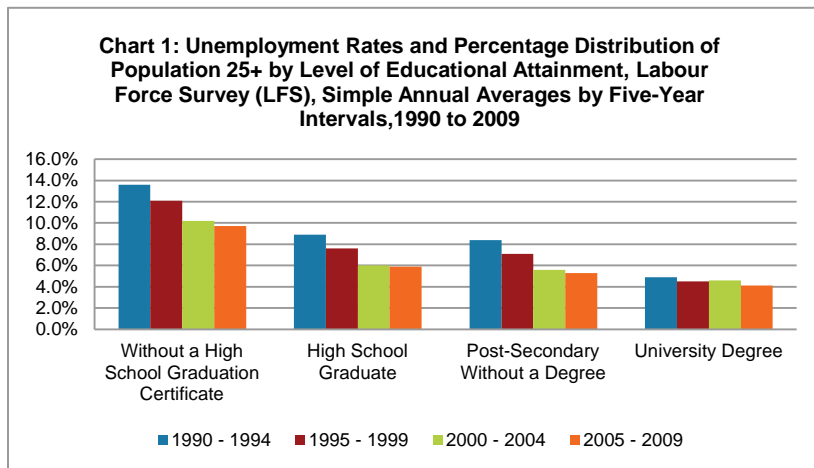
<sup>2</sup> Canadian Labour Congress, Underemployment is Canada’s Labour Market Challenge: A Profile of Canada’s Labour Market. Research Note, March 2014

<sup>3</sup> “Statistics Canada, What has changed for young people in Canada, Insights on Canadian Society, Cat#. 75-0006-X, July 2013

As illustrated in Chart 1, increased education has translated into increased employability over time.

However, despite the evident successes in educating more Canadians, recent data indicates that increasingly worrisome employment opportunities for our youth are a growing concern in our country and more must be done to address it.

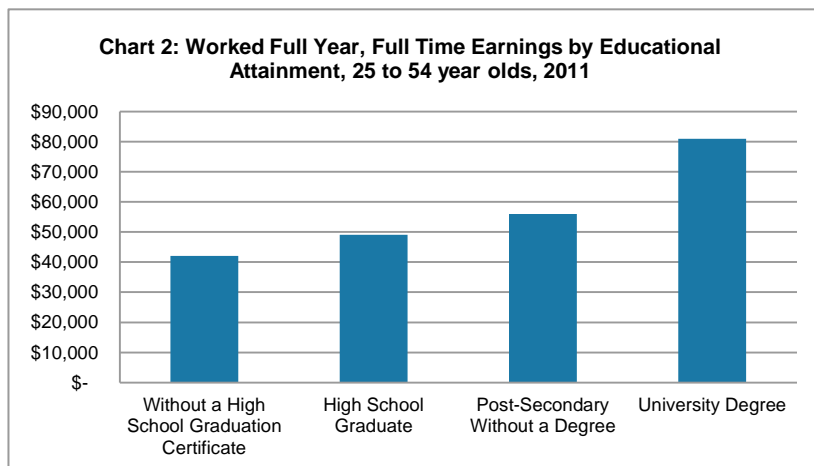
According to the OECD report entitled *OECD Skills Outlook 2013*, in 2012 more than 25% of Canadian workers were in a position that required skills below their level of qualification. This means that Canadian workers are well positioned for involvement in an evolving workplace that, according to the OECD, will increasingly require highly skilled workers.



One of the purposes of the education system is to provide a fundamental set of skills that, combined with specific employer training, permits successful engagement and participation in a successful, on-going career path. Schools cannot and should not be participating in job training. They should, and do, provide opportunities for students to experience various career paths and explore various subject areas. To that end, school curricula across the country cover traditional topics such as mathematics, the arts and languages, but also subjects like engineering, entrepreneurship, and design. These are paired with programs such as cooperative education aimed at providing direct links to possible career pathways – not job training, but preparation for employment. Unfortunately, in recent years, narrowed curriculum priorities have reduced opportunities for students to participate in these programs.

It has been said that the education system is preparing students for jobs that do not yet exist using technology yet to be invented to solve problems not yet envisioned. Skills such as critical thinking, problem solving, and research are transferable in any career path. Among the ranks of sitting MPs, for example, are people educated as teachers, lawyers, entrepreneurs and sociologists. All, we posit, would affirm that they are better at their work because of their education, even though it may not be directly related.

Students develop a fundamental flexible skill set while in school which creates a better qualified work force. Employers appear to agree as employment and wage data clearly indicate.



## Looking Deeper for Solutions

A holistic approach is essential when examining the issue of youth employment. Poor mobility, over qualification, a training-job mismatch and similar factors are not the sole reasons for the high unemployment and underemployment rate. A solution to the youth employment problem requires consideration of a broader set of social programs.

### ***Training***

The federal government continues to provide significant funding for numerous training programs. This diversity can create a complex and confusing environment for youth looking for assistance. Ironically, in many cases youth are excluded from these programs – especially those linked to Employment Insurance – as they cannot earn sufficient hours to qualify.

The JK-12 education system prepares students to be active participants in all aspects of society. Responsibility for job training rests with employers. Investments in public education provide individuals with a foundation that may be built upon through on-the-job training. To meet their responsibility, employers must provide paid training for the individuals that they choose to hire.

Even with increased funding to employer programs, the number of unpaid internships is on the rise. By some estimates, 300,000 youth are currently working for free in Canada.<sup>4</sup> Youth have a right to be trained by their employer and a corresponding right to be paid for their work time and effort spent on the employers behalf.

### ***Mobility***

There exists a common myth that if only youth would move to where the jobs are, they would be fine. Even if there were enough good jobs in Canada to meet the need, a lack of social programs may act as a barrier to mobility. For example, provincial/territorial differences in pharmacare may restrict an individual's ability to change location. The lack of available child care might prevent a single parent from leaving familial supports in her/his province or territory.

## Conclusion

An entire generation of Canadian youth is being left behind. Perhaps the greatest urgency comes from the potential “scarring” of a generation. Recent research and surveys comment on the recognition of the dilemma faced by young Canadians. Results published by the Broadbent Institute (Time for a New Deal for Young People, March 2014), based on a survey of what 20-30 year olds are telling us about Millennials and optimism regarding career success, indicate:

“Fifty two percent of millennials think their generation will work on contract - either mixed with permanent jobs, or contracts alone”. And further: “and while more than half of boomers are certain they’ll own their home at retirement, only a third of millennials are as confident”.

Canadian youth should have greater confidence in their economic and social future. In order to foster that heightened sense of optimism, the CTF recommends the following.

<sup>4</sup> Unpaid internships focus of growing backlash. Pressure mounting to crackdown on unpaid internships. The Canadian Press Posted: Mar 02, 2014 12:43 PM ET Last Updated: Mar 02, 2014 12:46 PM ET

### Recommendations

1. That the Canadian Government develop a national job creation strategy with an emphasis on addressing the unemployment and underemployment of youth. This strategy must be developed in partnership with employers and labour organizations and consider a broad range of social programs including the elimination of unpaid internships as part of the solution to youth unemployment and underemployment.
2. That existing and newly developed statistics from Statistics Canada be utilized to depict more accurately the true nature of unemployment and underemployment, based on internationally recognized standards of measure.
3. That changes be made to the Employment Insurance program and other government job related programs to increase access and availability to youth including explicitly connecting youth to industries seeking workers and enhancing funding for apprenticeships and other paid job training.

### About the Canadian Teachers' Federation

The CTF is an alliance of 17 organizations (15 Members, one Affiliate Member and one Associate Member) representing nearly 200,000 teachers across the country. CTF's mission is to serve as a unified voice of teacher organizations in Canada on education and related social issues by promoting high quality public education, the status of the teaching profession and the freedom to learn.