

Youth underemployment, not unemployment, is the bigger problem in Canada: Report

By Rachel Mendleson

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There's plenty of hand-wringing over high youth unemployment in the wake of the recession, but according to a new study, the plight of the young and jobless is not as alarming as another, more pressing concern: underemployment.

Released on Tuesday by the Certified General Association of Canada (CGA), the paper drills into Statistics Canada data to challenge conventional thinking about youth unemployment and to draw attention to what the association sees as a larger issue of the underuse of skills by young and mature workers alike.

"Unemployment is important, but underemployment is where the opportunity is for the future," Rock Lefebvre, vice-president of research and standards, told *The Huffington Post*. "We've got to find a way to put these highly skilled individuals in the optimal jobs, where they are the most satisfied and actualized while truly contributing to the productivity and competitiveness of Canada on a global stage."

The youth unemployment rate — which at more than 14 per cent in 2011, was more than double the overall rate — remains a concern, Lefebvre said. But when considered in the context of previous recessions, joblessness among those aged 15 to 24 is "not as terrible as we might think," he said.

Although youth unemployment peaked at 15.2 per cent during the recent recession, the study notes that it was "noticeably below" the highs experienced in the downturns of the early 1980s and early 1990s, when the jobless rate among youth climbed to 19.2 per cent and 17.2 per cent respectively. It also found that the quality of youth employment has improved during the recovery and that periods of joblessness are

short-lived. The average duration of joblessness was 11 weeks for those aged 15 to 24 — half as long as for more mature workers, who were three times as likely to experience long-term unemployment (defined as lasting for one year or more) in 2011.

"The assumption that youth [are] disadvantaged in the labour market may not be always correct," the study concludes.

Some observers have expressed worry about the potential erosion of skills among highly educated youth who cannot find jobs upon graduation from post-secondary studies. The CGA study, however, interprets as a positive development the fact that "unemployment is a transitory state between school and the labour market" for more than two-thirds of jobless youth, rather than being the result of involuntary layoffs. By contrast, 30 years ago, only 55.5 per cent of jobless youth were between school and the labour force.

The more serious issue is defined as either the under-use of skills (when a job is below a worker's skill level) or the under-use of labour (when a worker has a part-time job but wants full-time hours), according to the study.

As the level of educational achievement among youth has outpaced improvement in job quality, the gap between unemployment rates among those with different levels of schooling has narrowed, "significantly reducing the labour market premium on higher education," the study notes. Meanwhile, the number of youth who can find only part-time work and the proportion of those who have stopped looking for a job because "they believed that suitable employment was not available" has increased substantially in recent years, the paper states.

While youth may experience some aspects of underemployment more acutely than more mature workers, those from across the age spectrum suffer the effects of the growing disconnect between educational achievement and job quality, which can have wide-reaching implications.

Workers who are underemployed may suffer “erosion or loss of skills, knowledge and abilities, diminished current and life-long income, job dissatisfaction and emotional distress which ... may lead to deteriorating

health,” the study observes. There can also be consequences for the economy on the whole, as underemployment “diminishes the potential level of the nation’s well-being.”

To address these concerns, the CGA report recommends more research into the causes of underemployment, “improving the mix of jobs supported by the Canadian economy” and helping youth to make more informed choices.

“The real issue is in the matching of aspirations of our young people with the jobs that are actually available,” Lefebvre said.