

Canada's less-educated youth need job opportunities, too

By Gordon Betcherman

January 5, 2016 – *The Globe and Mail*

Youth unemployment is never far from the headlines in Canada. And understandably so. Getting a good start in the labour market is critical for a young person's future prospects. And from a collective point of view, especially in an aging society, creating good job opportunities for young people is necessary for our future economic outlook – to say nothing of social inclusion, as events elsewhere have shown.

Most Canadians recognize all of this, but the discussion and the policy debate are dominated by what is happening to our postsecondary graduates. Without minimizing the difficulties those young people face in getting good jobs, the really bleak situation concerns those who don't go on to postsecondary education or don't even finish high school. They are often overlooked, but they are being effectively shut out of the 21st-century labour market. This group needs to be a priority for the new federal government and for the provincial governments that hold many of the relevant policy levers.

It is true that going on to college or university is now the norm in Canada. But we are still talking about sizable numbers who don't: Roughly 20 per cent of today's young people do not go beyond secondary school after graduating and another 10 per cent drop out before finishing. These figures are much higher among certain segments of the population, notably aboriginal youth, a rapidly growing group.

The evidence shows that education matters a lot. In 2013, the unemployment rate for 15-to-29-year-old males no longer in school with less than a high school education was nearly 20 per cent – and 13 per cent for those who had completed high school but had not gotten a higher diploma or degree. For young men with university degrees, the unemployment rate was

much lower: between 6 per cent and 9 per cent, depending on the degree. The story for young women was essentially the same. Only one in two women and two in three men between 15 and 29 without a high school education are working.

Despite a certain skepticism that prevails about the economic value of schooling, a Canadian Imperial Bank of Commerce analysis shows that there are still substantial earnings advantages for those young people who go on to postsecondary education, and that these advantages only widen with time out of school. According to the Organization for Economic Co-operation and Development, among 25-to-34-year-old Canadians, relative earnings of postsecondary graduates are 37 per cent higher than they are for high school graduates and 60 per cent higher than for those without high school completion.

To put all of these numbers in perspective, a minimum of high school completion and, increasingly, some college or university education is required for admission into our increasingly knowledge-based economy. Although we are already among the leading countries in terms of postsecondary education attainment, we could always do better. Colleges, and especially universities, need to be more responsive to what all young people really want and need from higher education. But there will always be some who are not interested in formal schooling after high school.

Prioritizing less-educated youth also puts the onus on second-chance education opportunities for those who have not completed high school. The good news is that Canada does fairly well in keeping learning options open for these young adults.

Where Canada performs less well is in offering active labour market programs, such as training and job search assistance, to young people who are no longer in school and need help in making the transition to work, often because of a lack of skills. These employment programs cannot fully overcome deficits owing to a lack of education, especially in a sluggish labour market. But there is plenty of evidence from Germany and other northern European countries that, if they are well designed and implemented, they can benefit young workers who need help.

Relative to these countries, Canada does not place much emphasis on training and other active labour market programs outside the formal education system. Spending is low and activation strategies are not well developed. While the federal government and most of the provinces have youth employment strategies,

they have mostly not demonstrated that these offer adequate support to vulnerable young people. It does not help that rigorous evaluations are relatively scarce. This kind of evidence is critical so that policy-makers can allocate resources on the basis of what works.

Youth employment deserves a lot of attention. Certainly, we should not dismiss the concerns about our postsecondary graduates and their uncertain prospects. But policy-makers must not forget the other young people who, without postsecondary education, face prospects that unfortunately may be more certain. Countries that are successful in creating opportunities for all young people, including the less advantaged, reap the benefits of more dynamic economies and more inclusive societies.

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