



Policy paper presented by

Student (Un)Employment in Canada

 **CASA | ACAE**
Canadian Alliance of Student Associations
Alliance canadienne des associations étudiantes

Prepared By

Carley Casebeer

Vice President External
Students' Association of MacEwan University

Sondra Eger

External Affairs Officer
Graduate Student Association of the University of Waterloo

Rosanne Waters

Policy and Research Analyst
Canadian Alliance of Student Associations

Published by the Canadian Alliance of Student Associations in April 2017.

A version of this document was submitted to the Expert Panel on Youth Employment in March 2017.

Table of Contents

4	CASA Principles
4	CASA's Vision for Student Employment
5	Context and Background Information
5	The Value of Post-Secondary Education (PSE)
6	Unemployment and Underemployment
8	In-Study Work Opportunities: Access and Experience
12	Overview of CASA Policies and Arguments
12	Investing in Transitioning Post-Secondary Students into the Workforce
14	Improved Labour Market Indicators for Youth and Student Employment
15	Supporting In-Study Student Employment Programs
16	Expanding the Apprenticeship Grant and Increasing the Tradesperson's Tool Deduction
17	Summary of Suggested Changes

CASA Principles

CASA advocates for a post-secondary system in Canada that is accessible, affordable, innovative, and of the highest quality. A key aspect of these principles is ensuring that Canadian post-secondary students across programs and disciplines have the supports they need to translate their academic experiences into meaningful employment opportunities.

Students have long worked hard, whether part-time or during breaks in study periods, to help cover the costs of their education. Fairly compensated opportunities are therefore directly connected to the goal of ensuring that higher education is accessible and affordable. Facilitating opportunities for students to develop workforce skills and to transition from their studies into meaningful careers, is a key component of ensuring that post-secondary education in Canada is innovative and of the highest quality, both for students and for our country as a whole.

CASA's Vision for Student Employment

CASA envisions a post-secondary system where students have opportunities to pursue meaningful career-relevant experiences while studying, and are able to draw on the considerable knowledge and expertise they develop in their studies as they embark on their careers. CASA envisions a country where all youth, students and recent graduates who want to work have opportunities to do so, where they can make the most of their skills and abilities, and where they earn a living that allows them to live comfortably while contributing to the broader economy and society.

In particular, CASA supports the following visions and goals:

- » Students and recent graduates from all program types, whether college, undergraduate or graduate, should have support in order to access employment opportunities that are relevant to their studies and through which they develop useful skills, experiences and connections.
- » Employment opportunities should be fairly compensated.
- » Fairly compensated employment opportunities are a means of ensuring access to post-secondary education.
- » Opportunities should be available through post-secondary programs that help students connect the knowledge and proficiencies they develop during their studies with the workplace skills required to participate in today's economy.
- » The federal government has an integral role to play in ensuring that all students and youth across Canada have the resources and supports needed to reach their full employment potential.
- » It benefits students, the economy and Canadian society as a whole for youth and students to have fulfilling and fairly remunerated employment opportunities, both throughout and following the completion of their post-secondary education.

Context and Background Information

The Value of Post-Secondary Education (PSE)

The evidence is clear that post-secondary education leads to improved employment opportunities and career outcomes. Over the course of their lives, graduates with credentials from across the spectrum of post-secondary programs, including apprenticeships, trade certificates, colleges diplomas, and undergraduate and graduate degrees, have enjoyed significantly higher rates of employment compared with high school graduates. Median annual and career earnings, meanwhile, rise consistently in relation to post-secondary credentials.¹

“[i]ndividuals with a higher level of education are generally happier, healthier and wealthier compared to those with a high school education.”

Recent research shows steady increases in average annual earnings for graduates with college diplomas, apprenticeships and Bachelor’s degrees in the years following the completion of their programs. For college diplomas, annual income rose steadily from a mean of \$33,900 after graduation to \$54,000 eight years later. For undergraduate degree holders, the same timeframe saw a rise in average earnings from \$45,200 to \$74,900.² A recent Statistics Canada study found higher income and employment rates amongst those who completed an apprenticeship program compared with those who started but did not complete a program.³ The numbers similarly demonstrate that graduates of Master’s and doctoral programs have higher than average

“At its core, a post-secondary education continues to represent the single best career investment Canadians can make.”

incomes and lower than average unemployment rates. The median earnings in 2005 for Canadians with a Master’s or doctoral degree was \$10,000 above those with a Bachelor’s degree (\$66,535 compared with \$56,048), and the lifetime earnings premium of a graduate degree has been estimated at \$1.1 million more than a high school graduate would make over 40 years.⁴ As the Higher Education Quality Council of Ontario (HEQCO) has stated in their research on the value of post-secondary credentials, “[i]ndividuals with a higher level of education are generally happier, healthier and wealthier compared to those with a high school education.”⁵

The evidence suggests that the importance of a post-secondary education, whether through an apprenticeship, college or university credential, will only continue to rise. Across Canadian society there is a growing demand for an educated and skilled workforce, particularly as the baby boomer generation retires. Meeting the growing demand for skilled workers, meanwhile, is an ongoing concern.⁶ One study in Ontario highlighted the need for more post-secondary graduates in the coming years, projecting that by 2032, Ontario “will need 77% of our workforce to have post-secondary credentials (apprenticeship, university, college, industry, professional).”⁷ Between the demand for a highly educated population and strong employment and income outcomes, the value of post-secondary education remains clear. At its core, a post-secondary education continues to represent the single best career investment Canadians can make.

- 1 Joseph Berger, Anne Motte and Andrew Parkin, *The Price of Knowledge: Access and Student Finance in Canada*, 4th ed. (Montreal: Canada Millennium Scholarship Foundation, 2009), 9. Accessed online: <http://www.yorku.ca/pathways/literature/Access/The%20Price%20of%20Knowledge%202009.pdf>
- 2 Ross Finnie, Kaveh Afshar, Eda Bozkurt, Masashi Miyairi and Dejan Pavlic, *Barista or Better? New Evidence on the Earnings of Post-Secondary Education Graduates: A Tax Linkage Approach* (Ottawa: Education Policy Research Institute, 2016), vi-vii. Accessed online: https://static1.squarespace.com/static/5557eaf0e4b0384b6c9b0172/t/57a3595eb8a79b06bc686cbf/1470323048183/EPRI-ESDC+Tax+linkage_Report.pdf
- 3 *Completing an apprenticeship in Canada yields benefits, 2015* (Ottawa: Statistics Canada, 2017). Accessed online: <http://www.statcan.gc.ca/daily-quotidien/170329/dq170329b-eng.pdf>
- 4 Berger, Motte and Parkin, *The Price of Knowledge: Access and Student Finance in Canada*. <http://www.yorku.ca/pathways/literature/Access/The%20Price%20of%20Knowledge%202009.pdf>
- 5 Linda Jonker, *Ontario’s PhD Graduates from 2009: Where are they now?* (Toronto: Higher Education Quality Council of Ontario, April 26, 2016), 7. Accessed online: <http://www.heqco.ca/SiteCollectionDocuments/Ontario’s-PhD-Graduates-from-2009-ENG.pdf>
- 6 *The Challenge Ahead: Averting a Skills Crisis in Ontario* (College Student Alliance, October 2011), 4. Accessed online: http://collegestudentalliance.ca/wp-content/uploads/2014/12/The-Challenge-Ahead_Averting-a-Skills-Crisis-in-Ontario1.pdf
- 7 Rick Miner, *People Without Jobs, Jobs Without People: Ontario’s Labour Market Future* (Miner Management Consultants, 2010), 9. Accessed online: http://www.collegesontario.org/research/research_reports/people-without-jobs-jobs-without-people-final.pdf

Unemployment and Underemployment

While the data shows the clear importance of post-secondary credentials in terms of overall career potential, there are also some troubling signs. Over the past decade, and especially during and following the recent economic recession, students and recent graduates have encountered significant obstacles to entering the workforce. Too many recent graduates struggle to find careers that allow them to draw on their wide-ranging skillset and knowledge while receiving the compensation needed to provide financial security. The evidence suggests that for students and recent graduates, employment and income levels have not recovered in the years following the recession, and the numbers continue to point towards worrying trends.

“Between 2008 and 2014, the youth labour force participation rate dropped from 67.3% to 64.2%.”

In recent years, concerning numbers have emerged around youth unemployment from coast to coast to coast. Between 2008 and 2014, the youth labour force participation rate dropped from 67.3% to 64.2%. Statistics Canada reports that this represented the most sustained decline in youth employment in over a decade.⁸ While 57% of this change was accounted for by more youth enrolling in studies, Statistics Canada reports that “[t]he remainder was the result of a decline in the participation rate of those not enrolled.”⁹ As of January 2017, the unemployment rate of youth in Canada between the ages of 15 and 24 stood at 13.3%, or nearly double the unemployment rate of the general population.¹⁰ Across several decades, the youth unemployment rate has remained steadily higher than the general unemployment rate.¹¹ That this is the status quo should be no comfort; rather, it suggests that

“Youth today more often find themselves in part-time and temporary positions than youth in previous decades.”

change is long overdue.

While these numbers show that obtaining employment continues to be a challenge for too many youth in Canada, disadvantaged youth face additional barriers. For example, Indigenous students, students with disabilities, immigrants and visible minorities face higher unemployment rates than other youth. These groups may encounter additional challenges in obtaining a post-secondary education and thereby gaining access to the job market. In 2011, amongst youth aged 20-24, the unemployment rate was 22.6% for Indigenous youth, 16.9% for immigrants, 17.7% for visible minorities, and 14.1% for youth who were not a visible minority. The unemployment rate for youth with a disability was 25.9%.¹²

Beyond the unemployment numbers, underemployment is another concern for youth, students and recent graduates. Underemployment measures individuals who are working, but whose earnings and job description do not reflect their credentials, skills and experience. Individuals who are underemployed, moreover, often work in part time, contract, or casual employment situations with limited hours. Underemployment not only robs youth, recent graduates, young professionals and highly qualified personnel of gainful work opportunities and the benefits of full-time employment (including pensions and benefits), but also prevents new entrants to the workforce from obtaining the experience and skills necessary to advance in their chosen profession.

In an increasingly competitive domestic and international market, too many students and recent graduates continue to struggle to secure employment that reflects their level of skill. Statistics Canada found that in 2011, 17.7% of men and 18.3% of women with a university-level education were employed in positions that required a high school education or less.¹³

8 André Bernard, *Youth Labour Force Participation: 2008 to 2014* (Ottawa: Statistics Canada, 2015). Accessed online: <http://www.statcan.gc.ca/pub/11-626-x/11-626-x2015052-eng.htm>

9 Bernard, *Youth Labour Force Participation: 2008 to 2014*. Accessed online: <http://www.statcan.gc.ca/pub/11-626-x/11-626-x2015052-eng.htm>

10 *Labour Force Survey, January 2017* (Ottawa: Statistics Canada, February 2017). Accessed online: <http://www.statcan.gc.ca/daily-quotidien/170210/dq170210a-eng.htm>

11 René Morissette, *Perspectives on the Youth Labour Market in Canada* (Ottawa: Statistics Canada, April 2016). Accessed online: <http://www.statcan.gc.ca/pub/11-631-x/11-631-x2016002-eng.htm>

12 *Youth Employment in Canada: Challenges and Potential Solutions* (Ottawa: Standing Committee on Finance, June 2014). Accessed online: <http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=6658485&Language=E&Mode=1&Parl=41&Ses=2&File=225>

13 Sharanjit Uppal and Sébastien LaRochelle-Côté, *Overqualification among recent university graduates in Canada* (Ottawa: Statistics Can-

Underemployment is particularly challenging for certain minority groups, and especially for immigrant youth.¹⁴ A 2014 report by the Standing Committee on Finance observed recent increases in the numbers of overqualified graduates whose skills may be mismatched with the needs of employers.¹⁵ Statistics Canada has highlighted the decline in quality of the jobs youth are working in today, noting that they more often find themselves in part-time and temporary positions than youth in previous decades.¹⁶ These issues are of high impor-

ference Board of Canada rates Canada's PhD graduation rate as a "D," or last among peer competitor countries.²⁰ This is a significant concern for the current focus on the need for more innovation in the Canadian economy, particularly with the federal government's "Innovation Agenda." As one report on the accessibility of Canadian higher education puts it, "[i]nnovation requires innovators."²¹

"The average debt of students graduating from an undergraduate program in 2015 was over \$26,000."

tance to millennial Canadians (aged 21 to 36), who in a recent survey emphasized the priority they place on "full-time steady work," financial stability and success in their careers.¹⁷

Facing an ever-more competitive job market, more post-secondary students and recent graduates are seeking further qualifications to help them stand out. While a growing number are pursuing graduate studies, for example, concerns about the affordability and accessibility of these programs are significant. Average debt levels for Master's and doctoral students have grown in recent years, and four in ten students completing undergraduate degrees in 2015 cited financial concerns as impacting their decision whether or not to attend graduate school.¹⁸ Indeed, the average debt of students graduating from an undergraduate program in 2015 was over \$26,000.¹⁹ The challenge of affording the costs of graduate school and of mounting debt loads also relates to lower completion rates. The Con-

ada, 2014). Accessed online: <http://www.statcan.gc.ca/pub/75-006-x/2014001/article/11916-eng.pdf>

14 Uppal and LaRochelle-Côté, *Overqualification among recent university graduates in Canada*. Accessed online: <http://www.statcan.gc.ca/pub/75-006-x/2014001/article/11916-eng.pdf>

15 *Youth Employment in Canada: Challenges and Potential Solutions*. Accessed online: <http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=6658485&Language=E&Mode=1&Parl=41&Ses=2&File=225>

16 Morissette, *Perspectives on the Youth Labour Market in Canada*. Accessed online: <http://www.statcan.gc.ca/pub/11-631-x/11-631-x2016002-eng.htm>

17 *Canadian Millennials: Social Values Study* (The Environics Institute, February 2017), 11, 20. Accessed online: <https://static1.squarespace.com/static/5398fdd7e4b00253b84d7b20/t/58b83583893fc0d348deb8de/1488467449313/canadian+millennial+social+values+study+-+final+report.pdf>

18 *Canada Student Loans Program Statistical Review 2013-2014* (Ottawa: Employment and Social Development Canada, April 2016). Accessed Online: [http://www.cusc-ccreu.ca/CUSC_2015_Graduating_Master%20Report_English.pdf](http://www.esdc.gc.ca/en/reports/student_loans/statistical_review_2014.page?#TOC5-3; 2015 Graduating University Student Survey Master Report (Canada University Survey Consortium, July 2015), iv. Accessed online: <a href=)

19 *2015 Graduating University Student Survey Master Report*. Accessed online: http://www.cusc-ccreu.ca/CUSC_2015_Graduating_Master%20Report_English.pdf

20 *International Rankings: PhD Graduates* (Ottawa: Conference Board of Canada, March 2013). Accessed Online: <http://www.conferenceboard.ca/hcp/details/education/phd-graduates.aspx>

21 Berger, Motte and Parkin, *The Price of Knowledge: Access and Student Finance in Canada*, 1. Accessed online: <http://www.yorku.ca/pathways/literature/Access/The%20Price%20of%20Knowledge%202009.pdf>

In-Study Work Opportunities: Access and Experience

Students across post-secondary programs have long looked to part-time and summer employment opportunities to help them afford the costs of their education. This appears to be a growing reality, as full-time students are more likely than in past decades to also be working part-time.²² In addition to earning money towards tuition and living costs, working during their studies can also help students develop workplace skills, build their resumes and establish professional connections. While these can be important experiences, the pressure to cover basic expenses through work can have negative consequences for students. A majority of students surveyed in one study reported working, and among them over 40% said “their work has at least somewhat of a negative impact on their academic performance.”²³

“Over 40% of students who also work said ‘their work has at least somewhat of a negative impact on their academic performance.’”

Similarly, some graduate students may have the opportunity to hold teaching and research assistantships during their studies. While these can be important experiences, too much time spent on these responsibilities can also take needed time away from meeting research requirements, which in turn can have a negative impact on graduation rates and completion times.²⁴ For students across program types, a common concern is that insufficient funding options, whether non-repayable grants or specific research funding through the Tri-Council Agencies, leads to a disproportio-

“Employers have expressed a strong preference for hiring new staff with at least some practical experience, even for ‘entry-level’ roles.”

tionate need to focus on part-time work.

Given the dual importance of in-study employment as a means of accessing post-secondary and as a tool for developing workplace skills to compliment classroom learning, it makes sense to interpret in-study employment opportunities as relevant to both affordability and quality in post-secondary. Experiential learning opportunities, wherein students or recent graduates have opportunities to gain career-relevant skills, offer great promise for students seeking to balance workforce experience with their academic demands.

Fairly compensated experiential learning opportunities, including paid internships, co-ops and work-integrated programs for course credit, offer exciting avenues for helping to address unemployment and underemployment. Paid internships, for example, have been shown to lead to higher rates of employment following graduation.²⁵ Experiential learning opportunities in general can help students link the knowledge and skills they develop in school to the working world, through avenues that generally facilitate more of a time balance between school and work demands. This is true of experiential learning opportunities across program and credential types. Many college programs offer co-op options, and 40,000 Ontario employers offer co-op opportunities for college students and recent graduates.²⁶ Undergraduate students in a “work and learning program” have reported achieving a better academic performance than those who did not participate in experiential learning opportunities.²⁷ Students who participated in co-ops as part of either college diploma or Bachelor’s degree programs have been found to go on to earn comparatively higher incomes than those who didn’t.²⁸ The

22 Morissette, *Perspectives on the Youth Labour Market in Canada*. Accessed online: <http://www.statcan.gc.ca/pub/11-631-x/11-631-x2016002-eng.htm>

23 *2015 Graduating University Student Survey Master Report*. Accessed online: http://www.cusc-ccreu.ca/CUSC_2015_Graduating_Master%20Report_English.pdf

24 *Survey on Doctoral Completion Time: Final Report* (Kingston: Queen’s University School of Graduate Studies, 2013). Accessed Online: <http://www.queensu.ca/sgs/sites/webpublish.queensu.ca.sgswww/files/files/Faculty-degree%20completion/TTC%20Survey%20Final%20report.pdf>

25 *Class of 2013 Student Survey* (National Association of Colleges and Employers, May 2013). Accessed Online: <http://www.nacweb.org/s05292013/paid-unpaid-interns-job-offer.aspx>

26 *Environmental Scan: An analysis of trends and issues affecting Ontario* (Toronto: Colleges Ontario, 2009), 22. Accessed online: http://www.collegesontario.org/research/2009-environmental-study/CO_EnvScan_09_complete.pdf

27 *2015 Graduating Student Survey: Master Report* (Canadian University Survey Consortium, July 2015), 13. Accessed online: http://www.cusc-ccreu.ca/CUSC_2015_Graduating_Master%20Report_English.pdf

28 Carlos Rodriguez, John Zhao and Sarah Jane Ferguson, *Co-op participation of college and bachelor’s graduates* (Ottawa: Statistics Canada, December 2016). Accessed online: <http://www.statcan.gc.ca/pub/75-006-x/2016001/article/14692-eng.htm>

positive correlations between experiential learning opportunities and employment outcomes makes sense given that employers have expressed a strong preference for hiring new staff with at least some practical experience, even for “entry-level” roles.²⁹

“Given the importance of in-study employment as a means of affording post-secondary, it is of paramount importance that experiential learning opportunities be compensated.”

Experiential learning opportunities specifically geared towards graduate students across disciplines, not only those related to science, technology, engineering and math (STEM fields), also offer significant potential benefits. This is all the more important today, as the academic job market grows increasingly tight.³⁰ Indeed, one study has observed the “increasing use of part-time, contingent labour within the university sector,”³¹ or what another study describes as the growth of “precarious work” on Canadian campuses.³² Given this context, many graduate students are looking to apply their skills to other employment opportunities. Research shows, however, that graduate students have found gaps in the professional development aspects of their graduate programs.³³ As a HECQO study notes, “we need to equip all students – those in both professional and research-based programs – with core transferable skills enabling them to succeed inside or outside academia.”³⁴ Beyond job opportunities and skills development, experiential learning can also benefit research outcomes and implementation if students partner and collaborate with non-academic

groups during their research.

Employers have also identified experiential learning opportunities as valuable. A private sector employer survey found recent increases in the hiring of students who had participated in experiential learning opportunities at their business. Survey respondents identified these types of programs as “among the most important sources of relevant work experience.”³⁵ Similarly, linking graduate students with employment opportunities beyond academia can benefit the economy. Businesses that employ PhD students, for example, were found in one study to develop more intellectual property than those that do not.³⁶ Recognizing their potential, the federal government announced new investments in 2016 for co-op placement opportunities in business and STEM fields. While an extremely important step, similar investments are needed to help students transition from their studies to the workforce across diverse subject matters and program types. In an encouraging move, the 2017 federal budget included expanded funding for Mitacs, a non-profit organization focused on facilitating experiential learning partnerships between employers and graduate students.

Given the importance of in-study employment as a means of affording post-secondary, it is of paramount importance that experiential learning opportunities be fairly compensated. While paid internships offer promising returns, the prevalence of unpaid internships is a concerning issue. There are an estimated 100,000 unpaid interns in Ontario alone each year.³⁷ Many of these positions have replaced entry-level jobs and are often exploitative in

-
- 29 Sophie Borwein, *Bridging the Divide, Part I: What Canadian Job Ads Said* (Toronto: Higher Education Quality Council of Ontario, 2014). Accessed online: <http://www.heqco.ca/SiteCollectionDocuments/Skills%20Part%202.pdf>
- 30 Linda Jonker, *Ontario's PhD Graduates from 2009: Where are they now?* (Toronto: Higher Education Quality Council of Ontario, April 26, 2016), 14. Accessed online: <http://www.heqco.ca/SiteCollectionDocuments/Ontario's-PhD-Graduates-from-2009-ENG.pdf>
- 31 Cynthia C. Field, Glen A. Jones, Grace Karram Stephenson, Artur Khojetsyan, *The “Other” University Teachers: Non-Full-Time Instructors at Ontario Universities* (Toronto: Higher Education Quality Council of Ontario, 2014), 10. Accessed online: <http://www.heqco.ca/SiteCollectionDocuments/Non-full-time%20instructors%20ENG.pdf>
- 32 Karen Foster, *Precarious U: Contract Faculty in Nova Scotia Universities* (Association of Nova Scotia University Teachers, 2016). Accessed online: <http://ansut.caut.ca/wp-content/uploads/2016/09/ANSUT-Precarious-U-Final-Report.pdf>
- 33 Allison B. Sekuler, Barbara Crow and Robert B. Annan, *Beyond Labs and Libraries: Career Pathways for Doctoral Students* (Toronto: Higher Education Quality Council of Ontario, 2013), 4. Accessed online: <http://www.heqco.ca/SiteCollectionDocuments/Beyond%20Labs%20and%20Libraries.pdf>; “Where Are Canada’s PhDs employed?” Conference Board of Canada, November 24, 2015. Accessed online: http://www.conferenceboard.ca/press/newsrelease/15-11-24/where_are_canada_s_phds_employed.aspx
- 34 Allison B. Sekuler, Barbara Crow and Robert B. Annan, *Beyond Labs and Libraries: Career Pathways for Doctoral Students* (Toronto: Higher Education Quality Council of Ontario, 2013), 4. Accessed online: <http://www.heqco.ca/SiteCollectionDocuments/Beyond%20Labs%20and%20Libraries.pdf>
- 35 *Developing Canada's Future Workforce: A Survey of Large Private-Sector Employers* (Business Council of Canada, March 2016), 6. Accessed online: <http://thebusinesscouncil.ca/wp-content/uploads/2016/03/Developing-Canadas-Future-Workforce.pdf>
- 36 Daniel Munro, *Skills and Higher Education in Canada: Towards Excellence and Equity* (Canada 2020: May 2014), 9. Accessed online: http://canada2020.ca/wp-content/uploads/2014/05/2014_Canada2020_Paper-Series_Education_FINAL.pdf
- 37 *Submission to the Special Advisors for the Changing Workplaces Review* (Canadian Intern Association, September 2015), 4. Accessed online: <http://internassociation.ca/tempcia/wp-content/uploads/2015/05/Canadian-Intern-Association-Submissions-to-the-Changing-Workplaces-Review.pdf>

nature, resulting in higher youth unemployment and lower wages. An American study found that just 37% of unpaid interns received a job offer upon graduation, compared with 35.2% of those who did not do an internship. By contrast, 63.1% of graduates who participated in a paid internship received a job offer.³⁸ A Canadian study found that “[o]nly 12% of underpaid internships led to full-time employment.”³⁹

Unpaid internships are also inherently unequal in who can access them. Those who can afford to take an unpaid position often come from more affluent backgrounds and are less indebted. Sectors in which these internships tend to be popular are often fields dominated by women, such as social work and nutrition, resulting in women being more likely to take unpaid internships.⁴⁰

“Just 37% of unpaid interns received a job offer upon graduation, compared with 35.2% of those who did not do an internship. By contrast, 63.1% of graduates who participated in a paid internship received a job offer.”

With up to 300,000 unpaid internships in Canada, there is a severe lack of regulation and enforcement, as well as inconsistencies across jurisdictions. The lack of data on unpaid internships makes it difficult to assess the impacts the positions are having on students and the market. Adverse consequences of unpaid internships include a lack of protection in workplace health and safety, an inability to raise concerns to superiors for fear of dismissal or other consequences and no participation in Employment Insurance or the Canada Pension Plan. The value of properly compensated experiential learning opportunities, by contrast, is clear. Investments in these programs can help students cover the costs of their education, find balance between the demands of their studies and work, all the

while improving their future career prospects.

Up until now, there has been a lack of clarity on the status of interns in federal jurisdictions, with a gap in Canada Labour Code provisions. The 2017 federal budget makes an encouraging commitment to end unpaid internships in federally regulated sectors, while also protecting students in internships as part of their studies with appropriate labour protections. CASA will monitor the progress of these changes closely and with great interest, to ensure that they help balance the value of experiential learning with the importance of fair working conditions, while also establishing a standard for other jurisdictions to follow.

Another promising program that seeks to improve youth employment prospects is the federal government’s Youth Employment Strategy (YES). YES consists of several programs aimed at supporting youth who face barriers to employment, funding for employers to support youth in their career development, and the Canada Summer Jobs program (CSJ). CSJ provides support to non-profit, public and private sector employers to help cover the cost of summer student salaries. In 2016, over 65,000 jobs were created through CSJ.⁴¹ This program not only provides students with the summer income they need to help fund their education, it also provides them with practical training, workplace skills, and networking opportunities. CSJ is an example of success, and it is a positive step that both the 2016 and 2017 federal budgets committed substantial new investments in YES.

Specific gaps in the program, however, also need to be addressed. While CSJ is useful for those students who obtain employment through it, an Ontario Undergraduate Student Alliance study found that only about one-third of the students they surveyed had worked in summer jobs relevant to their post-secondary studies.⁴² Youth, and particularly students, work in retail and service jobs more common-

38 *Class of 2013 Student Survey* (National Association of Colleges and Employers, May 2013). Accessed Online: <http://www.naceweb.org/s05292013/paid-unpaid-interns-job-offer.aspx>

39 James Attfield and Isabelle Couture, *An Investigation into the Status and Implications of Unpaid Internships in Ontario* (Canadian Intern Association and School of Public Administration, University of Victoria, 2014), 37. Accessed online: http://internassociation.ca/tempcia/wp-content/uploads/2015/09/Attfield_James_and_Couture_Isabelle_MPA_2014.pdf;

40 Attfield and Couture, *An Investigation into the Status and Implications of Unpaid Internships in Ontario*. Accessed online: http://internassociation.ca/tempcia/wp-content/uploads/2015/09/Attfield_James_and_Couture_Isabelle_MPA_2014.pdf; Lee-Anne Goodman, “Interns are mostly female, underpaid or unpaid, says upcoming study,” *Globe and Mail*, May 21, 2014. Accessed online: <http://www.theglobeandmail.com/globe-investor/personal-finance/household-finances/interns-are-mostly-female-underpaid-or-unpaid-says-upcoming-study/article18784637/>

41 *Organizations Funded by Canada Summer Jobs* (Ottawa: Employment and Social Development Canada, December 2016). Accessed online: <https://www.canada.ca/en/employment-social-development/services/funding/youth-summer-job/amounts-paid-2016.html>

42 A. Bristow and S. Nestico-Semiani, *We Work Hard for our Money: Student Employment and the University Experience in Ontario* (Toronto:

ly than other cohorts.⁴³ The changing demographic on university campuses also has fewer students following the traditional school schedule of classes from September through April and full-time employment during summer. More students are pursuing part-time studies during the fall, winter and summer semesters, leaving less opportunity for them to engage in previously more typical full-time summer employment. As discussed below, adjustments to this program could help expand its reach and impact.

Overall, it is clear that while post-secondary education is essential to the future prospects of Canadians and to the strength of Canada's economy, too many youth, students and recent graduates are also encountering obstacles to entering the workforce. CASA has developed a number of concrete policy recommendations to address these challenges. While the statistics sometimes point in troubling directions, CASA is confident that evidence-based policy solutions will help ensure that youth, students, recent graduates and the Canadian economy as a whole fully benefit from the diverse and wide-ranging knowledge and skills developed over the course of a post-secondary education.

Ontario Undergraduate Student Alliance, 2014), 11. Accessed online: https://d3n8a8pro7vhm.cloudfront.net/ousa/pages/101/attachments/original/1473428240/2014-06_-_We_Work_Hard_for_our_Money_document.pdf?1473428240

43 *Understanding the Realities: Youth Employment in Canada - Interim report on the Expert Panel on Youth Employment, 2016* (Expert Panel on Youth Employment, 2016). Accessed online: <https://www.canada.ca/en/employment-social-development/corporate/youth-expert-panel/interim-report.html>

Overview of CASA

Policies and Arguments

CASA has identified a variety of specific policies and tools that the federal government can implement to improve the career prospects of youth, students and recent graduates in Canada. While no program offers a singular solution to this issue, taken collectively the following suite of policy proposals offer exciting opportunities to help ensure that more Canadians can fully participate in the workforce, to everyone's benefit.

Investing in Transitioning Post-Secondary Students into the Workforce

Canada's youth, post-secondary students, and recent graduates face significant obstacles in their efforts to transition into the workplace. As noted above, unemployment and underemployment among these groups remain stubbornly high. This is particularly problematic for underrepresented and marginalized youth. Student debt has also risen steadily in recent years, putting more pressure on students to find work that draws on their skills and experiences, while also allowing them to meet pressing financial responsibilities.

“Canadian employers spend about 64 cents on the dollar on training compared to employers in the United States, and in recent years their spending on employee development has declined by about 40%.”

Youth who are educated and have relevant qualifications, but who have difficulties integrating into the labour force, are sometimes called Poorly Integrated New Entrants (PINEs). PINEs find themselves moving frequently between temporary jobs or unemployment, even when the economy is growing. The Canadian Career Development Foundation has made several recommendations for addressing this issue. Key recommendations include a well-advertised national strategy to help youth transition from school to work, better access for youth to work experience and ca-

reer training, research on PINEs and employer consultation efforts.⁴⁴

For those youth and recent graduates who do manage to enter the workforce, a growing concern is a general decline in training opportunities offered by Canadian employers. Canadian employers spend about 64 cents on the dollar on training compared to employers in the United States, and in recent years their spending on employee development has declined by about 40%.⁴⁵ For new entrants into the working world, this means fewer opportunities for those at the outset of their career, as well as less money for programs and training opportunities specifically targeted at students and recent graduates, including paid internships.

Based on these concerns and challenges, CASA recommends the following strategies and policies to facilitate the successful transition of Canada's youth into meaningful and remunerative employment:

- » A provincial roundtable to discuss best practices on the issues of youth unemployment, underemployment and unpaid internships. Provincial and federal cooperation should be encouraged on these issues.
- » The federal government adopt the Canadian Career Development Foundation's 8 recommendations to support “Poorly

⁴⁴ Donnalee Bell and Krista Benes, *Transitioning Graduates to Work: Improving the Labour Market Success of Poorly Integrated New Entrants (PINEs) in Canada* (Ottawa: Canadian Career Development Foundation, May 2012), vi-vii. Accessed online: <http://www.ccdf.ca/ccdf/wp-content/uploads/2012/05/Report-and-Inventory-on-Canadian-PINEs.pdf>

⁴⁵ Daniel Munro, *Developing Skills: Where are Canada's Employers?* (Ottawa: Conference Board of Canada, March 20, 2014). Accessed online: http://www.conferenceboard.ca/topics/education/commentaries/14-03-20/developing_skills_where_are_canada_s_employers.aspx

Integrated New Entrants” (PINEs).⁴⁶

- » The federal government invest in programs and implement strategies that connect disadvantaged and marginalized youth with employers and the labour market. Among other programs and strategies, this could include youth employment outreach efforts, linking youth with career training services, establishing grants and incentives for employers to hire marginalized youth and adapt the workplace to accommodate youth with special needs, educating businesses and employers on diversity and accommodation and surveying employers on how to retain marginalized and disadvantaged youth.
- » A comprehensive study by the Senate of Canada on the issue of unpaid internships in Canada.
- » Expanded investment in the Post-Secondary Industry Partnership and Co-operative Placement Initiative. This program was announced in 2016 with the goal of supporting experiential learning opportunities, such as co-ops, for students in STEM and business fields. While a positive step, expanding this program across disciplines and programs is essential to supporting all post-secondary students.
- » A federal Canada Training Incentive, modeled after Quebec’s training requirement program, to address the ‘employer training gap’ issue by incentivizing large employers to commit a minimum percentage of resources to training initiative and opportunities. Training opportunities covered by this program should include those designed specifically to support students and recent graduates, including co-ops, paid internships and research collaborations.
- » Creation and support of more partnership programs between graduate students and private or public sector groups to engage in collaborative research across fields of study.

Improved Labour Market Indicators for Youth and Student Employment

Increasingly, Canadian students are facing difficult decisions regarding their career paths and finding gainful employment after graduation. Proper data is needed for students to make informed career decisions, and it is also essential to facilitate evidence-based employment policy at all levels of government. Despite the difficulties youth and students have continued to face in securing high quality employment, there is no consistent nation-wide data to address the issue. There is also a lack of data on the local, regional, and provincial contexts for youth employment issues.

“Proper data is needed for students to make informed career decisions, and it is also essential to facilitate evidence-based employment policy at all levels of government.”

These information gaps hinder the development of policies, programs and initiatives that address the underlying causes of prolonged unemployment, the perceived drawbacks some employers may hold about hiring students and the reasons youth and recent graduates may face difficulties connecting to employment networks. There have been some relevant labour market information surveys over the years, including the National Graduates Survey (NGS) and Follow-up of Graduates (FOG), Access and Support to Education and Training Survey (ASETS), Survey of Earned Doctorates (SED) and the National Apprenticeship Survey (NAS). One of the more useful tools to examine youth employment transitions, the Youth in Transition Survey (YITS) was discontinued in 2009. Likewise, the ASETS and SED are currently inactive. The Canadian Labour Force Survey is only partially useful because it excludes those who live on reserves or in rural areas. The NGS has undergone recent changes in terms of the frequency of data collection and inconsistencies in the intervals at which the survey is conducted makes the data less reliable and harder to

interpret.⁴⁷

The Advisory Panel on Labour Market Information's 2009 report recommended that the federal government improve the national statistical system to provide more reliable labour market data for all provinces and territories. Recommendations related to students included creating an education section in the main Labour Market Information portal for specific types of users, making considerable efforts to link educational training and opportunities to career outcomes, working with provincial governments to collect educational Labour Market Information and collecting and disseminating educational outcomes routinely.⁴⁸

To provide students with the information they need to make informed decisions about their education and employment opportunities and to ensure that government programs aimed at improving student and recent graduate employment are grounded in evidence, CASA recommends:

- » The federal government implement the Advisory Panel on Labour Market Information's recommendations pertaining to data collection, in order to better capture the complexities of youth, student and new entrant employment, unemployment and underemployment.
- » The federal government review how it collects Labour Market Information and how it establishes high-demand fields, in an attempt to help students make informed decisions about their post-secondary education course of study.

47 Alex Usher, "Restore the NGS!" (Higher Education Strategy Associates Blog, January 13, 2016). Accessed online: <http://higherstrategy.com/restore-the-ngs/>

48 *Working Together to Build a Better Labour Market Information System for Canada, Final Report* (Advisory Panel on Labour Market Information, May 2009). Accessed online: http://publications.gc.ca/collections/collection_2011/rhdcc-hrsdc/HS18-24-2009-eng.pdf

Supporting In-Study Student Employment Programs

Human capital is increasingly becoming the cornerstone of the global economy, yet there are too few supports in place to help students develop their human capital through in-study workforce experiences. Unemployment rates among youth, meanwhile, have created a bottle-neck of students in lower paying service-industry jobs, precarious part-time work and low-quality employment.

“CASA urges the government to continue to expand on the successes of the Canada Summer Jobs program (CSJ) to create year-round, part-time employment opportunities.”

The Canada Summer Jobs program (CSJ) has helped to combat youth unemployment and underemployment by providing funding to cover up to 100% of the minimum wage for summer student hires by non-profit organizations and up to 50% of wages for summer student hires in the public and private sectors. Recent investments in the CSJ through the 2016 and 2017 federal budgets have strengthened this invaluable program. In order to continue to battle youth and student unemployment, CASA urges the government to continue to expand on the successes of this program to create year-round, part-time employment opportunities. These positions would be 15-20 hours per week, offer working hours outside of in-class time, include experience in relevant areas of study and meet the other criteria of the CSJ. They would also help meet the employment and career development needs of the growing number of students who do not follow the traditional path of studying from September to April and working during the summer. Given its successes to date, CASA also recommends expanding the CSJ, with more focus given to linking students with employment opportunities relevant to their post-secondary studies.

In order to help more students gain career-relevant experience while also earning much-needed income, CASA calls on the federal government to:

- » Continue to invest in helping businesses and non-profits create paid employment opportunities for students.
- » Continue to expand the number of positions available through CSJ, with priority given to employment related to areas of study.
- » Create a student part-time job program for September to April, modeled off the CSJ and with an equal number of part-time jobs as the CSJ creates during summer months.

Expanding the Apprenticeship Grant and Increasing the Tradesperson's Tool Deduction

Skilled tradespeople are essential contributors to the economy and learning a trade offers a promising career avenue for many Canadians. Many observers have expressed concern about a shortage of skilled workers in Canada's future, and a survey of Ontario employers found that 41% expressed a need for more employees with skilled trade credentials.⁴⁹ Data from Statistics Canada, meanwhile, shows strong employment rates for apprentices who complete their programs.⁵⁰ Fortunately, more Canadians are participating in apprenticeship programs across Canada. Indeed, the number of individuals who completed an apprenticeship doubled in the last decade.⁵¹

“Despite their importance to the economy and their career opportunities, prospective apprentices face the high costs associated with learning a trade.”

Despite their importance to the economy and their career opportunities, prospective apprentices face the high costs associated with learning a trade. Costs include tuition and opportunity costs (i.e. lost wages while in the classroom). Opportunity costs are especially problematic for those with families. 35% of women apprentices and 40% of male apprentices have dependents. Travel costs between home and training centres are often substantial. In most jurisdictions, apprentices are ineligible for student loans, and though apprentices are eligible for Employment Insurance while on release, EI payments can be delayed.

To help address these costs, the federal government offers the Apprenticeship Incentive Grant, a taxable cash grant of \$1,000 per year. Those in Red Seal trade programs are eligible following successful completion of their first or second year or level.

Another significant barrier to pursuing a

skilled trade is the high cost of tools that apprentices must incur. To address this, the federal government introduced the Tradesperson's Tools Deduction (TTD), a tax deduction of up to \$500 for the cost of tools in the 2006 federal budget. The deduction covers tools purchased specifically for use in the tradesperson's job. While an important source of support, the TTD generally only covers a single piece of equipment.

While positive steps have been taken, CASA calls on the following policies to increase the accessibility and affordability of apprenticeship programs:

- » The Apprenticeship Incentive Grant be available for the first year of an apprenticeship, to improve access by addressing upfront costs.
- » The Apprenticeship Incentive Grant be extended into the Journeyman year, ensuring that it is available for all years of study.
- » The maximum amount for the TTD be increased from \$500 to \$1,000.

49 James Stuckey and Daniel Munro, *The Cost of Ontario's Skills Gap: The Need to Make Skills Work* (Ottawa: Conference Board of Canada, 2013), iii. Accessed online: http://www.conferenceboard.ca/press/newsrelease/13-06-21/skills_shortages_cost_ontario_economy_billions_of_dollars_annually.aspx

50 *Completing an apprenticeship in Canada yields benefits, 2015* (Ottawa: Statistics Canada, 2017). Accessed online: <http://www.statcan.gc.ca/daily-quotidien/170329/dq170329b-eng.pdf>

51 *Apprenticeship in Canada: Apprenticeship Data, Trends and Observations* (Canadian Apprenticeship Forum, 2016), 7. Accessed online: <http://caf-fca.org/wp-content/uploads/2016/06/Apprenticeship-in-Canada.pdf>

Summary of Suggested Changes

In summary, CASA proposes a number of specific policies geared at reversing concerning trends in youth, student and recent graduate unemployment and underemployment. CASA calls for improved information gathering and data analysis around student and youth employment issues, because effective policy is always driven by strong evidence. Beyond better information, CASA advocates for the introduction and improvement of several programs aimed squarely at supporting youth, students and recent graduates as they seek to translate their post-secondary achievements into prosperous careers.

Better Information on Youth and Student Employment Issues

- Improved collection of national data on youth and student employment
- A senate study on unpaid internships
- A provincial roundtable to discuss best practices on the issues of youth unemployment, underemployment and unpaid internships
- Research to address the issue of Poorly Integrated New Entrants (PINEs) in the workforce

Programs to Support Students

- Expanded support for the Canada Summer Jobs program, with more employment opportunities that are linked to student areas of study
- A program modeled off the Canada Summer Jobs program to provide students with part-time job opportunities during the school year that offer experiences relevant to areas of study
- Funding for experiential learning opportunities across programs and disciplines
- Specific programs to support youth from marginalized communities in entering the workforce and finding meaningful employment
- Enhancing the Apprenticeship Incentive Grant and Tradesperson Tool Deduction to improve accessibility and affordability of apprenticeship programs
- Creation of and support for partnership programs between graduate students and private or public groups to engage in collaborative research across fields of study

Programs to Support Recent Graduates

- Introduction of a Canada Training Incentive to ensure Canada's employers are offering sufficient training opportunities, especially for recent graduates
- Initiatives specifically geared at linking Poorly Integrated New Entrants with career opportunities

Through these initiatives, CASA is confident that students, youth and recent graduates will have the supports and opportunities they need to contribute to Canada's economy today and into the future.

Our Members



About CASA

Established in 1995, the Canadian Alliance of Student Associations (CASA) is a non-partisan, not-for-profit national student organization composed of 21 student associations representing 250,000 post-secondary students from coast to coast. CASA advocates for a Canadian post-secondary education system that is **accessible, affordable, innovative** and of the highest **quality**.



130 Slater Street, Suite 410, Ottawa ON, K1P 6E2



casa-acae.com



613.236.3457



info@casa.ca



@CASAACAE



/CASAACAE



@CASAACAE