

Connecting Supply and Demand in Canada's Youth Labour Market

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Executive Summary

Pathways to the Labour Market Series – No|8

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Executive Summary

Canadians are concerned about the paths taken from school to the labour market. Canadian Policy Research Networks (CPRN) has had clear feedback from young people, in particular, that they are concerned about the relative values placed on those paths and about the supports in place for them to pursue their chosen path. In our consultations with young Canadians, CPRN has learned that young people want more and better information on their career and educational options.

Against this background, CPRN began a project that attempts to shed more light on the paths young people take through school to the labour market and on the institutional and policy arrangements and values that support or hinder successful pathways. The *Pathways* project set out to develop policy options that would improve young people's ability to identify, select and navigate pathways that lead to rewarding and productive lives. This is the eighth study that has been published in the series; it will be followed by a synthesis paper that will identify the key findings of the project and make policy recommendations.

The papers published to date have dealt largely with the "supply" side of the labour market. As such, they have examined issues related to providing young people with skills and knowledge for their future careers. This paper focuses on "demand"-side issues in the youth labour market, how employer demand is conveyed to students and those who support them, and how well the skills that young people gain are utilized on the job.

Canada has one of the most highly educated workforces in the world. That workforce should be ready to contribute to a "knowledge-based economy" that depends on workers' talents. However, are we certain that young people are able to fully contribute their skills and abilities?

This report is based on a literature review, analyses of survey data and key informant interviews. The survey data used comes primarily from the *Workplace and Employee Survey* (WES) and *Rethinking Work* (RW) report. The WES has been undertaken by Statistics Canada since 1999 to explore issues relating to employers and their employees. The WES is a particularly rich data source because the survey links employers and employees. For our purposes, this means information from both the supply and demand sides of the labour market is available. RW was a collaborative effort between EKOS Research Associates Inc. and The Graham Lowe Group Ltd. to document emerging workplace and workforce trends.

On November 30, 2007, a draft of this paper was presented to a national roundtable with participants from governments, the education sector, employers, labour organizations, and the research community. This report owes a good deal to the feedback provided by the participants in the roundtable.

The Use and Limitations of Occupational Projections

Canada has an outstanding Labour Market Information system of which the Canadian Occupational Projection System (COPS) is an important component. Canada is one of very few countries that have a national system for making occupational projections. COPS has received favorable reviews for the quality of its projections.

What is not so clear is whether and how the projections are being used. Descriptions of how the system is used are available, but there are no hard data that makes it possible to assess its use. At the very least, we encourage the use of the one mechanism that appears to be in place to collect data.

Helping People Find Paths to Use Their Skills Fully

Canada has a relatively high percentage of well-educated young adults who see themselves as over-qualified for their jobs. It does not follow that fewer young Canadians should pursue post-secondary education. Instead, the research suggests that other actions need to be taken. Vocational options need greater support at all levels of the education system. More bridges need to be developed between educational options so that young people are able to move between vocational and academic programs. We need to move away from the idea that a person has to be all “schooled up” in youth and make it easier for people to enter and leave the educational system at different stages of their lives. We need to continue to develop ways to assess and accept the skills acquired outside the formal educational system.

We also need to consider whether any over-qualification in Canada’s labour market is related to the large low-wage sector of our economy. That sector has persisted despite economic growth and a more educated workforce. More action may be needed to foster an innovative, high-value-added economy, so that as Canadians continue to increase their level of educational attainment, they are able to fully utilize their skills and knowledge.

Connecting Schools and Employers

School-employer partnerships can play an important role in helping young people make informed choices in making the transition from school to work. These partnerships could be strengthened through:

- more resources for school-work programs;
- greater involvement of employers in their design and delivery;
- up-to-date training for teachers; and
- greater communication about these programs to students, parents, teachers and business.

Further Research

This study is just a beginning, and just one contribution to an important issue facing Canada. Further study is needed on the gap between employees' perception of their qualifications and the educational requirements of their job. There could be many reasons for the reported gap: frustrations with their job; lack of awareness of job requirements; requirements that are higher than needed. Research in these areas could involve an examination of the distribution of earnings by age group and level of educational attainment.



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