

SKILLS LINK PROGRAMMING: GIVING AT-RISK YOUTH OPPORTUNITIES TO CONTRIBUTE TO BUILDING THE CANADIAN ECONOMY

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TO
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EXECUTIVE SUMMARY

Pacific Community Resources Society (PCRS) is a non-profit, charitable organization that provides social services to youth, adults and families in British Columbia. PCRS has delivered programming through the Youth Employment Strategy since 1999, and currently holds several Skills Link contracts with Service Canada.

Pacific Community Resources Society is grateful for the opportunity to present its views to the House of Commons Financial Committee Pre-Budget consultations. This brief aims to provide both an analysis and a positive recommendation that will assist the Government of Canada in its planning for the future of Skills Link programming as an integral component to an overall pan-Canadian Youth Employment Strategy. This will provide Canadian youth with the opportunity to contribute to the building of a Canadian economy.

The continuation and expansion of Skills Link programming, within the Youth Employment Strategy, is a fundamental support to an overall approach to ensure that the Government of Canada adequately supports Canadian youth in a way that supports a stronger and more vibrant Canada by achieving the following:

1. Help to reduce the drag on GDP caused by unemployed “at-risk” youth who are drawing on criminal justice, alcohol and drug counselling, alternative education, and income assistance services.
2. “At-Risk” Youth who successfully attach to the labour market, will positively contribute to the national GDP.
3. Provide employers the opportunity to tap an untapped pool of young Canadian workers in an increasingly challenging labour market.
4. Provide employers an opportunity to give back to the community creating a “triple bottom line” for participating businesses.
5. Provide the appropriate interventions to assist “at-risk” youth in developing essential skills needed for long-term attachment to the labour market.

RECOMMENDATION

Renew the Terms and Conditions for Skills Link programming in 2010 and increase the level of funding allocated to Skills Link programming to twice the present level, given the crisis of youth unemployment in the economic downturn.

OVERVIEW OF SKILLS LINK PROGRAMMING

Skills Link programming was born out of the recognized need of the Canadian Government to make the Youth Employment Strategy more responsive to an increasingly knowledge-based economy, which threatens to further prevent youth, who already facing multiple barriers to employment, from successfully participating in the labour market. The objective of the realigned Youth Employment Strategy in 2003 was to redesign it to better assist youth in enhancing their employability skills, and subsequently increase the number of skilled young Canadians available to contribute to the workforce.

The key demographic addressed by Skills Link are youth who are continually kept from participating fully in the Canadian economy due to the multiple barriers to employment that they face. These barriers to employment include:

- High school non-completion
- Disability
- Aboriginal origin
- Visible or ethnic minority
- Mental health, drug and/or alcohol related problems
- Residence in rural or remote location
- Lone (single) parent
- Low levels of literacy and numeracy
- Language barriers
- Street involvement
- Contact with justice, child welfare or social assistance systems
- Homeless or at-risk of becoming homeless
- Lack of social supports: family, friends, community
- Poor self-management and/or behaviour management abilities

The original objectives of Skills Link programming, which still stand today, were to help youth overcome these barriers to employment, and assist them to develop a broad range of life, employability skills and direct work experience in order to more effectively connect to the current and future labour market. This knowledge and experience would promote the education and skills key to life-long workforce participation and continuous learning.

RECOMMENDATION RATIONALE:

- 1. Skills Link Programs help to reduce the drain on GDP caused by unemployed “at-risk” youth who are utilizing criminal justice, alcohol and drug counselling, alternative education, and income assistance services.**

Youth with previous involvement with the justice system, substance misuse issues, health issues, disabilities, single parent youth, and those who have immigrated, face a variety of barriers and need specialized supports to make the link to long-term sustainable employment.

In the province of British Columbia, there are approximately 420,000 youth. Due to many factors, a percentage of these youth are in situations which have made stable employment difficult to obtain and maintain. According to BC Stats for September 2006, approximately 3.1% of the total population of youth between 19 to 24 rely on federal or provincial benefits to maintain their basic needs (i.e. shelter, food) representing a significant drain on the provincial GDP.¹ It is reasonable to extrapolate this trend to other regions of Canada, resulting in a compounded reduction in productivity across the country.

Contact with the criminal justice system can also negatively impact a youth’s ability to connect to the labour force in a meaningful way. According to Statistics Canada, approximately 134 youth have been incarcerated and 986 youth are on probation in British Columbia.² These youth, usually lacking connections to the labour force, create a significant cost to the economy. Successful, specialized assistance, such as Skills Link programming targeting attachment to the labour market, will vastly reduce this cost and add to the national GDP.

According to the Council of Ministers of Education (Canada), unemployment is higher among those with lower education, resulting in a further decrease in productivity.³ Limited education also creates a bilateral revenue loss for the government, as those who fail to complete high school experience greater difficulty finding meaningful employment, resulting in lower earnings (hence paying fewer taxes) and increased reliance on Social Assistance and Employment Insurance.⁴ Substance misuse, lone parenthood, and other risk factors, addressed by Skills Link programming, also contribute to a reduction in GDP growth.

Without the support of the programs and services offered through Skills Link funding, that are designed specifically for youth and their issues and needs, youth will cycle on and off EI and Social Assistance, and may pursue other activities that put them and our communities at risk.

2. “At-Risk” Youth who successfully attach to the labour market, will positively contribute to the national GDP.

Youth unemployment rates are, and always have been, higher than those for the total labour force. In particular, over the last decade, the gap between those aged 15-19, in particular and the rest of the labour force has been widening.⁵ More recently, Statistics Canada has estimated the youth unemployment rate to be 15.9%, the highest rate Canada has seen for this demographic in 11 years.⁶

In order to participate in the world of work, youth are having to make the transition into a rapidly changing labour market that places a premium on knowledge and skills. The 2001 Statistics Canada census information indicates that people with less than a high school graduation certificate make on average \$21,971, while university or college graduates (diploma or degree) make an average of \$44,066. Furthermore, only 9.3% of the occupations, listed in the National Occupational Classification System, require less than a high school education.⁷ A large percentage of at-risk youth do not complete high school equivalency, directly impacting their ability to contribute to the productivity and the labour force.

Radcliffe Dockery, in his article *Empower Youth*, mentions that “not empowering at-risk youth can cost the economy as much as 0.5% of GDP according to the World Bank”.⁸ With risk factors, such as those identified above, which contribute towards ongoing youth unemployment, the productivity of the Canadian economy will not reach its full potential. In the longer term, a continued decline in the participation rate due to structural factors will exert downward pressures on potential output, the employment ratio and GDP per capita.⁹ Provinces recognize that as we look to future scenarios where skills shortages may be a reality, better connections between youth and the labour market will be necessary to ensure continuous economic growth.¹⁰

The Council of Ministers of Education (Canada) stated that “business, governments, communities and individuals must work together to build a learning culture that understands and develops critical skills in all Canadians”.¹¹ Furthermore, in part of the February 2007 Debates of the Legislative Assembly it is said that, “...the B.C. economy is in desperate need of skilled workers to fill shortages in many industries and sectors, we have a vast pool of available workers right here at home who only need our help to meet their own potential and to fulfill industries' demands”.¹² These and other statements on youth employment demonstrate that youth are Canada's most important asset in terms of future economic growth. The youth of today will become tomorrow's leaders, and how this population is supported or not will dictate their potential to either help or hinder economic growth.

3. Skills Link Programs will provide employers the opportunity to tap an untapped pool of young Canadian workers in an increasingly tight labour market.

Not surprisingly, employers in many communities, both rural and urban, are confronting the issue of recruiting and retaining the skilled workers necessary to fill jobs and keep their businesses open and running. This labour and skills shortage was addressed in a recent report by the Conference Board of Canada entitled *The Future of Work: Confronting BC's Labour Shortage Challenge*, June 2008. In the report, it is cited that “British Columbia – along with the rest of Canada and much of the developed world – is already facing growing labour shortages. Between 2007 and 2017, 876,400 jobs will need to be filled in BC, including new jobs as well as openings resulting from retirements and deaths.”¹³ The report goes on to say that even after accounting for factors such as migration, the number of students projected to be in the BC education system during this period, assuming 100% of students will be able to successfully attach to the labour force, will not be sufficient to fill the number of job openings that will exist in BC. Specifically it is stated that, “The Conference Board of Canada estimates that there will be a shortage of 160,000 workers to fill these jobs [and] the labour shortage is forecast to intensify beyond 2015.”¹⁴

One of the proposed under-tapped pools of labour to manage the labour shortage outlined above, as addressed in the comprehensive Conference Board of Canada study, is the youth and “youth at-risk” population. It is said, “...youth (15-24) and young working-aged populations are important factors in determining labour supply” and that “students coming out of the education system are a primary source of new supply for the labour market... [especially given that]...the demand for highly skilled and educated workers is increasing.”¹⁵ When it comes to “at-risk” youth attaching to the labour market, many challenges arise given the nature of this population and their numerous barriers to employment. Developing employability skills, which are essential for successful long-term attachment to the labour market, is an important objective for this group.

Furthermore, increasing youth focus and exposure to opportunities in career sectors that have high projected future demands, vastly improve the long-term employment prospects of these potential young workers. Direct exposure to in-demand employment sectors in conjunction with employability skills enhancement, are core components of all Skills Link programming. Fundamental to the programs are life and employability skills curriculum, as well as supported work experience placements, which include job coaching and mentoring opportunities with identified leaders from the businesses the youth are working with.

4. Skills Link Programs will provide employers an opportunity to give back to the community creating a “triple bottom line” for participating businesses.

Increasingly, businesses are seeking to achieve a third bottom line, which relates to the social benefit that can be derived from chosen business practices. To this end, many employers are interested in developing long-term relationships with at-risk youth, but require the support and intervention provided by Skills Link programs in order to facilitate this connection. The following are some examples of stated corporate values from companies seeking community connections in Canada:

- “Make a positive difference in our community” – *Loblaws*¹⁶
- “Create strong communities” and “Inspiring Canadians... to achieve great things” – *Hudson Bay Company Foundation*¹⁷
- “Committed to connecting with our communities and making a difference where our employees and customers live” – *Shaw Communications*¹⁸
- “Penfolds firmly believes that charitable activities are an essential aspect of our corporate citizenship” – *Penfolds Roofing*¹⁹
- “Contribute positively to our communities and our environment” – *Starbucks Coffee Company Canada (Skills Link Partner)*²⁰

Employers continuously report that they gain as much as they contribute when they partner with Skills Link programs. In addition to the opportunity to contribute positively to the communities in which these businesses operate, employers within the Skills Link model also gain access to an available labour pool upon which to draw employees.

Another point to consider is that all companies are comprised of people. When you consider the statistics from the Community Highlights of Vancouver based on the 2005 Census (2006 reporting year), it quickly becomes apparent that everybody knows somebody who is/was at-risk at some point in their lives; perhaps even themselves. In 2005, approximately 1 out of 3 people above the age of 15 had no secondary education, close to one-third were not high school graduates, and around one-fifth of the people working under the age of 18 were at or below poverty level.²¹

Skills Link programs offer a direct link to an at-risk population that requires the additional supports of both the program and the community. As structured and supported interventions, Skills Link programs mitigate the risk to employers willing to provide opportunities to youth who they may otherwise be unwilling to employ. The consideration of the social contribution makes partnerships between private business and Skills Link programs a win-win-win situation.

5. Skills Link Programs provide the appropriate interventions to assist “at-risk” youth in developing essential skills needed for long-term attachment to the labour market.

“What youth need most, if they are to contribute to the economic life of their community, is to be taught how to learn: Teach someone to learn and they will be employed for life.”

– **Laurene Clark**, CEO, Greater Victoria Chamber of Commerce, Employability Skills Forum, October 2002.²²

Skills Link programming will assist “at-risk” youth in developing basic and advanced “employability skills” essential to long-term attachment to the labour market. Skills Link programs offer a wide range of employment interventions including:

1. Group-Based Employability Skills
2. Employability Skills through Community Service
3. Employability Skills through Work Experience
4. Employability Skills through Entrepreneurship
5. Work Experience
6. Individual Skills Enhancement

During these interventions, youth learn invaluable transferable skills that can successfully transition them into the workforce and assist them in maintaining employment. Skills such as leadership, teamwork, effective communication, time management, and safety are identified by the Conference Board of Canada as the employability skills needed to enter, stay in and progress in the world of work.²³

“Training and employability skills development, by itself, is not particularly effective in helping income assistance recipients make successful, long-term labour market transitions. Training and employability skills development initiatives need to be undertaken in conjunction with job placement programs.”

– **Heather Dickson**, Assistant Deputy Minister, Employment, Government of BC, Employability Skills Forum, 2002.²⁴

Skills Link employment interventions also lead to the development of life skills and personal attributes such as self esteem and self reliance stemming from a sense of accomplishment. Whereas traditional job search programs teach youth how to look for work, Skills Link teaches youth the skills needed to overcome barriers to finding work, how to maintain employment and how to excel in the workplace. These employment and job maintenance skills coupled with the development of community supports (partnerships between programs and employers) lead to more successful long term attachment to the labour market.

Endorsement and Support

Pacific Community Resources’ recommendation for the doubling of Skills Link funding in the new Federal Budget has been endorsed by The Association of Service Providers for Employability and Career Training (ASPECT); an association of 175 community based employment training agencies throughout British Columbia; The Federation of Community Social Services of BC (FCSSBC), a federation of 120 child, youth and family serving agencies; First Work: Ontario’s Association of Youth Employment Centres; as well as over 35 youth serving agencies across Canada. These organizations are a representative sample of non-profit organizations that have a wide range of Skills Link programs, designed to address the current economic and labour market crisis. These programs are ready to implement immediately if the necessary funds are found within the National Skills Link Initiative.

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