



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

## **Standing Committee on Finance**

---

FINA • NUMBER 023 • 2nd SESSION • 41st PARLIAMENT

---

**EVIDENCE**

**Thursday, March 6, 2014**

—  
**Chair**

**Mr. James Rajotte**



## Standing Committee on Finance

Thursday, March 6, 2014

• (1530)

[English]

**The Vice-Chair (Ms. Peggy Nash (Parkdale—High Park, NDP)):** Good afternoon. I call this meeting to order. This is the 23rd meeting of the Standing Committee on Finance. Our orders of the day are pursuant to Standing Order 108(2) and the motion adopted on October 29 for a study of youth unemployment. This meeting begins a series of meetings on this topic.

I'd like to welcome all of our guests this afternoon. We thank you for joining us here and for your testimony this afternoon.

We're going to first hear from the Department of Employment and Social Development, and then from Statistics Canada. Each department will have between 10 and 15 minutes in total for presentations. I'd encourage you to stay within that timeframe.

Then we'll hear from the Canadian Labour Congress and the Canadian Youth Business Foundation. You will each have five minutes to make your presentation.

As usual, there then will be a question and answer session with members.

David McGovern, from the Department of Employment and Social Development, I invite you to begin, please.

**Mr. David McGovern (Senior Assistant Deputy Minister, Strategic Policy and Research Branch, Department of Employment and Social Development):** Thank you very much.

I'd like to thank the committee for inviting Employment and Social Development Canada to appear before you today on the topic of youth employment.

I'd also like to introduce my colleagues around the table, but we have too many of them, so I won't. They're here to help me if you have questions regarding programs that support youth participation in the labour market.

[Translation]

As the committee is aware, the government announced in Budget 2014 its intention to better align employment programs with the realities of the labour market, and in that context, the committee's study is timely and welcome.

[English]

Over the coming decade, approximately 6.2 million people will enter the labour market, three-quarters of whom will come from the school system. Young labour market entrants will therefore

contribute the most to labour force growth, well above the contribution of new immigrants.

We also know that over the next 10 years the shift in employment towards occupations requiring higher levels of skills and education will continue, as approximately two-thirds of new jobs will require some form of post-secondary education. A large proportion of these will be in health, engineering, and technology occupations, as well as in certain skilled trades.

The recent recession highlighted the importance of skills and education for youth, as those with higher education levels fared better, while those with lower levels of education were most severely affected.

Canadian youth are investing in their education, and educational attainment is among the highest in the world and growing. At the same time, there is some evidence that qualifications are not optimally aligned with demand. In particular, employers express concerns that too few students are choosing in-demand fields such as science, technology, engineering, and math, and many do not consider skilled trades as a first career choice.

Given growing skills requirements of jobs and pressures of an aging labour force, it is essential that youth have the right skills to make successful transitions in the labour market and to improve their ability to adjust when economic circumstances change.

• (1535)

[Translation]

Addressing skills challenges facing youth has been a long-standing objective of the Government of Canada's policies and programs. Recent efforts, however, have focused on ensuring interventions are better aligned with the needs of employers and the labour market.

More specifically, that has meant enhancing opportunities for Canadian youth to access post-secondary education and supporting careers in the skilled trades; assisting youth transition to the world of work by providing tangible work opportunities in areas of high demand; and ensuring youth have the information they need to make informed career and training choices aligned with the needs of the labour market.

[English]

Allow me to highlight some of the Employment and Social Development Canada key initiatives dedicated to supporting these objectives.

The government supports access to education through a number of programs and initiatives. These include, for example, the Canada student loans program. This provides student financial assistance to post-secondary students with demonstrated financial need, through the provision of loans and grants. The education savings program encourages families to save for their children's post-secondary education, using registered education savings plans, RESPs, which allow savings to grow tax free. The Canada education savings grant and the Canada learning bond provide additional incentives, particularly for low- and middle-income families, to save in RESPs.

The government also provides support to Pathways to Education Canada, an organization with an established record of reducing high school dropout rates and increasing post-secondary enrolment among disadvantaged youth. Budget 2013 confirmed that the government will extend support for this initiative.

[Translation]

Apprenticeship training is also an important part of the post-secondary education system.

To further encourage Canadians to consider a career in the skilled trades, Budget 2014 proposed the creation of the Canada apprentice loan by expanding the Canada student loans program. The objective is to provide apprentices registered in red seal trades with access to an estimated \$100 million in interest-free loans each year.

This action builds on the existing government incentives for apprentices and employers to encourage apprenticeship training and stimulate employment in the skilled trades.

The apprenticeship grants are designed to encourage more Canadians to pursue and complete apprenticeship programs in the red seal trades.

[English]

To support youth transitions in the labour market, the youth employment strategy is the government's flagship program to help youth aged 15 to 30 gain skills and real work experience to transition in the labour market. This program, which invests approximately \$330 million annually, is led by Employment and Social Development Canada and delivered by 11 federal departments and agencies.

It has three main streams. Skills Link provides funding for employers and organizations to help youth facing barriers to employment acquire skills and work experience. Summer Work Experience provides wage subsidies to employers to create summer employment for secondary and post-secondary students. This program includes Canada Summer Jobs, which provides funding for not-for-profit organizations as well as public sector and private sector employers to create summer job opportunities for students. All told, approximately 35,000 summer jobs were created in 2013. Finally, Career Focus provides youth with work experience in their field of study to enable more informed career decisions and to develop their skills.

Moving forward, the government is committed to enhancing its supports for the labour market transition of youth. In particular, through budget 2013, the government provided an additional \$70 million over three years for the Career Focus stream of the youth

employment strategy to support internships for recent graduates, so they get an opportunity to apply their newly acquired skills.

Through budget 2014, the government announced that it would take further steps to align youth employment programs with the evolving realities of the job market, more specifically to promote internships in high-demand fields such as skilled trades, and in science, technology, engineering, and math, so that youth can find work experience and the skills necessary to find and retain jobs.

The Government of Canada also provides support for unemployed and underemployed youth through income support from the employment insurance program and through significant transfers to the provinces and territories. More specifically, the government transfers \$1.95 billion annually through the labour market development agreements to support the unemployed who are eligible for employment insurance. Similarly, the government provides \$500 million annually through the labour market agreements for training and unemployment supports for those not eligible for EI. Youth represent about 20% and 35% of the clients receiving support under each of these transfers respectively.

● (1540)

Finally, the labour market agreements for persons with disabilities allow provinces to provide targeted programming to improve the employability of persons with disabilities, including youth.

The new Canada job grant to be introduced by July 1, 2014, aims to directly connect skills training with employers, helping to ensure that Canadians, including youth, are developing the skills for available jobs.

[Translation]

Finally, the government plays an important role in providing learning and labour market information to ensure youth have timely and reliable information to make the right choices about learning and work.

For example, through the Working in Canada website and CanLearn.ca the government provides information on available jobs, labour market outcomes, and educational and training requirements.

In Budget 2013, the government reaffirmed its commitment to improving these tools and announced a reallocation of \$19 million over 2 years to provide young Canadians with more information on job prospects and to undertake outreach efforts to promote careers in high-demand fields.

[English]

Through its funding of the Red Seal program, the government supports promotional activities to inform industry and tradespeople, as well as high school students and the public at large, about apprenticeships and the benefits of working in the skilled trades. The government also provides significant support to Skills Canada to actively promote careers in the skilled trades to Canadian youth by working with local organizations, educators, and governments.

In conclusion, I would again like to thank the committee for undertaking this timely study. We look forward to seeing its recommendations.

[Translation]

My colleagues and I welcome the opportunity to respond to any questions you may have.

[English]

**The Vice-Chair (Ms. Peggy Nash):** Thank you very much, Mr. McGovern, for your presentation.

There is about a minute left. Shall we wait before questions for the other panellists from your organization?

• (1545)

**Mr. David McGovern:** We're happy to proceed however you wish.

**The Vice-Chair (Ms. Peggy Nash):** All right. We'll go to Statistics Canada, then.

We welcome Alison Hale and René Morissette.

You have 10 to 15 minutes for your presentation.

**Ms. Alison Hale (Director, Labour Statistics, Statistics Canada):** Good afternoon. We would like to thank the committee for the opportunity to speak with you today on subjects relevant to your study on youth employment.

In today's presentation, we will be presenting a few highlights focusing on the labour market experiences of Canadian youth. For the purpose of this discussion, youth have been defined quite broadly, from ages 15 to 34, to allow information to be presented on education and transitions into the labour market.

Most of the data being presented today is from the monthly labour force survey or LFS, though in a few instances we'll introduce data from other sources to provide a historical context. As I am sure you're all aware, the labour force survey is a household survey carried out monthly by Statistics Canada and provides high quality estimates of employment and unemployment that are among the most timely and important measures of performance of the Canadian economy. One thing that the committee may not be aware of is that the labour force survey is one of the largest labour force surveys in the world surveying over 100,000 people each month, 15 years of age and over. This makes it similar in size to the equivalent survey that's run in the United States.

To start off, we would like to provide a bit of information on the unemployment situation of Canadian youth in the international context. In 2012, Canada's unemployment rates for youth aged 15 to 24 and 25 to 34 were lower than the OECD averages and the rates

observed in many European countries and the United States. Canada's unemployment rate for those aged 15 to 24 was 14.3% in 2012, below the OECD average of 16.3%. For those aged 25 to 34, Canada's unemployment rate was 6.9%, compared to 9.1% for the OECD average.

One thing one has to do when comparing data is to control for conceptual differences between the sources. I have in my speaking notes some information comparing the U.S. and Canadian labour force surveys that are not shown on this graph, but have been adjusted for the difference in concepts between the two surveys. For example, when you adjust for concepts the U.S. unemployment rate for youth under 25 has remained above the Canadian rate since early 2008. In 2013, the U.S. rate was 15.5%, compared to 13.7% in Canada, again still for youth under 25, a 1.8 percentage point difference. Similarly for those aged 25 to 34 the U.S. rate was 7.4% compared to 6% in Canada.

While the previous slide provides how Canada's youth unemployment compares to that of other OECD countries, I'm sure the committee is interested in seeing how Canada's youth unemployment compares to that of other age groups in Canada over the last three decades.

Three points are worth noting. First, regardless of economic conditions, youth aged 15 to 24—and to a lesser extent those aged 25 to 34—are more at risk of being unemployed than individuals aged 35 to 54. For instance, the unemployment rate of youth aged 15 to 24 was 15.2% in 2009, compared with 7.9% and 6.7% for individuals aged 25 to 34 and those aged 35 to 54, respectively.

Second, the recent peak of 15.2% observed in 2009 for youth aged 15 to 24 was slightly lower than the peaks observed during the two previous recessions of the early 1980s and early 1990s.

Third, while the unemployment rate of individuals aged 35 to 54 is now, and by now I mean in 2013, close to what it was in 2007, prior to the onset of the last recession, the unemployment rate of youth aged 15 to 24 is still 2.5 percentage points higher than its 2007 value of 11.6%.

• (1550)

Likewise, the unemployment rate of youth 25 to 34 is still 1.1 percentage point higher than its 2007 value of 5.7%.

If you look at this in an accounting sense, the relatively high unemployment rates observed in a given year among youth—as compared to those for workers aged 35 to 54—could be due to two factors.

First, it could be that youth more often move into unemployment—i.e., more often become unemployed—than do their older counterparts, for example, because they are more at risk of being laid off than are older workers.

Second, it could be that youth have longer durations of unemployment than older individuals do once they start being unemployed.

The next slide provides information related to the latter factor. This shows that differences in duration of unemployment cannot explain the higher unemployment rate of youth since youth unemployment spells tend to be shorter—not longer—than those for working-aged people between 35 and 54 years of age. For example, according to the data in the chart for 2007, unemployed youth aged 15 to 24 had, on average, eight weeks of unemployment compared to 14 and 20 weeks of unemployment for those individuals aged 25 to 34 and 35 to 54. A similar pattern existed in 2013.

Since higher durations of unemployment cannot explain why youth experience higher unemployment rates than do older individuals in a given year, the implication is that youth higher unemployment is—again looking at it from an accounting point of view—essentially due to the fact they become unemployed more often than do older individuals.

Recent research conducted at Statistics Canada shows that one reason youth become unemployed more often than older individuals do is that youth are more at risk of being laid off than are older workers. The higher layoff rate for youth is, in turn, related primarily to their relatively low levels of seniority as many firms lay off workers on a last-in, first-out basis. We'll be more than happy to provide this report to the committee after today.

Being from Statistics Canada, we do love our numbers, but I'll probably shorten some of the discussion on each slide just so you can get through everything. This graph looks at unemployment by highest level of educational attainment. On the left is the information for men aged 25 to 34, and on the right, for women.

We can see that virtually every year young men and women with relatively high levels of education experience lower unemployment rates than do their less educated counterparts. For instance, men aged 25 to 34—which is the green line on the left chart—with a bachelor's degree had an unemployment rate of 5.5% in 2013, compared with 8.2% for their counterparts with a high school diploma. For women, we see something quite similar. It was 4.9% and 8.5%.

Following the onset of the last recession, less-educated young men experienced a sharp increase in unemployment. From 2007 to 2009, the unemployment rate of young male high school graduates increased by roughly five percentage points, much more than the 1.3 percentage point increase experienced by male bachelor's degree holders.

By 2013, differences in unemployment between young bachelor's degree holders and young individuals with trades certificates were much less pronounced than they were 20 years earlier after the 1990 to 1992 recession.

Now I'll pass the baton over to my colleague René Morissette, who will provide you with information on the employment situation of Canada's youth.

[Translation]

**The Vice-Chair (Ms. Peggy Nash):** You have about five-and-a-half minutes left for your presentation.

[English]

**Mr. René Morissette (Assistant Director, Research, Social Analysis Division, Statistics Canada):** Apart from unemployment, the extent to which youth are employed full time is another indicator of their success or lack thereof on the labour market. This slide answers the following question: of all young individuals who are not full-time students, what percentage had a full-time job from 1976 to 2013? The slide shows that over the last three decades the percentage of youth employed full time fell for young men, both those under 25 and those aged 25 to 34, as well as for women aged 15 to 24. From 1976 to 2013 young men and women under 25 who were not full-time students saw their full-time employment rate drop by 16 and 9 percentage points respectively.

The story is different for women aged 25 to 34. Thanks to a secular growth in their labour market participation, they experienced a substantial increase in full-time employment since the mid-1970s, as we can see on the blue line looking at the right chart.

The national level trends in full-time employment shown in the previous slide mask important regional differences. Since the early 2000s the oil-producing provinces of Alberta, Saskatchewan, as well as Newfoundland and Labrador experienced stronger growth in young men's full-time employment rates than other provinces. For instance from 2000 to 2013, men aged 25 to 34 in oil-producing provinces saw their full-time employment rate rise by two percentage points from roughly 87 to 89 percentage points, which is the red line on the right chart. In contrast their counterparts in other provinces experienced a four percentage point decline in their full-time employment rate during that period. So really when we talk about the youth employment situation in Canada, we have to make a regional distinction.

Moving on to the next slide we also see for young women 15 to 24 that those living in oil-producing provinces, the red line, experience a greater growth in full-time employment rates than their counterparts living in the remaining provinces of Canada. For women 25 to 34, the right chart, we see an increase in full-time employment rates both in oil-producing provinces and in other provinces.

[Translation]

So far, we've given you an overview of the unemployment rate and the full-time employment rate for youth. We will spend the remainder of the presentation on two other key factors affecting youth employment: wages and the tendency to hold temporary jobs.

Since the early 1980s, the wages of young men in full-time jobs have not followed a linear trajectory. As these two tables show, the hourly wages of men under 25 years of age and those between 24 and 34 years of age decreased between 1981 and 2000, after accounting for inflation. And that decline was observed in both oil-producing provinces and the other provinces.

The reverse trend has emerged during the 2000s. In both groups of provinces, the hourly wages of young men rose between 2000 and 2013, with the increase being especially notable in the oil-producing provinces. In the final analysis, men between the ages of 25 and 34 working in oil-producing provinces in 2013 were found to have hourly wages about 10% higher than they had in 1981. But men under the age of 25 working in non-oil-producing provinces received, in 2013, hourly wages that were about 12% lower than what they received in 1981.

Since we are short on time, I will skip right to the summary.

• (1555)

[English]

In summary, while youth unemployment has remained high since the recent downturn, it is not exceptionally high by historical or international standards. Compared with the mid-1970s, the percentage of youth employed full time is now generally lower for youth aged 15 to 24, with one exception noted at the bottom of the slide, and lower for men aged 25 to 34 in non-oil-producing provinces. It is similar for men aged 25 to 34 in oil-producing provinces, and it is higher for women.

Following declines during the 1980s and the 1990s, youth wages grew during the 2000s after accounting for inflation. While wage growth during the 2000s was relatively strong among less educated workers, especially those in oil-producing provinces, higher education generally remains associated with higher wages.

In a nutshell, I will conclude by saying that, when looking at the youth employment situation in Canada, one has to make a key distinction, first by region and second by gender.

Thank you.

• (1600)

**The Vice-Chair (Ms. Peggy Nash):** Thank you very much, Mr. Morissette and Ms. Hale.

We'll go now to the Canadian Labour Congress and Amy Huziak for five minutes, please.

**Ms. Amy Huziak (National Representative, Young Workers, Canadian Labour Congress):** Thank you.

Good afternoon, everyone.

As introduced, I'm Amy Huziak, and I'm the national representative of young workers for the Canadian Labour Congress. With me is my colleague, Angella MacEwen, who is a senior economist with the CLC. On behalf of the 3.3 million members of the Canadian Labour Congress, we thank you for the opportunity to present our views.

The CLC brings together workers from virtually all sectors of the Canadian economy, in all occupations, and in all parts of Canada. As a young worker myself, I'm one of more than 876,000 young union members in Canada today. I regularly hear from my peers, both unionized and non-unionized, about the many barriers we're facing in the current labour market. Recessions are always harder on young workers, but we are nearly five years past the end of the last recession and there's still no recovery in sight for young workers.

Comparing the unemployment rate of 15-to-24-year-old young workers to that of 25-to-54-year-old workers gives us some indication of how young workers are faring. In 2012, the unemployment rate for young workers was 2.4 times that of core age workers, its highest value since comparable data became available in 1976.

The unemployment rate for aboriginal young workers was 21.1% in 2010, which is the most recent data we could find. That is 6.5 percentage points higher than the non-aboriginal population. Racialized workers and newcomers also face greater barriers to labour force participation, but it's difficult to know exactly what is going on with this group, as data is scarce and unreliable.

Between October 2008 and January 2014, there was an increase of 100,000 unemployed young workers aged 15 to 29, so that there are now 540,000 unemployed young Canadians. Even more startling, though, is that over 350,000 young workers left the labour force over that period, for reasons such as returning to school or skills training, discouragement, or taking unpaid work to fill that gap. It has been estimated that there are between 150,000 and 300,000 unpaid interns each year in Canada, which is a labour market challenge that no previous generation of workers has had to face.

But unemployment isn't the only issue that needs to be addressed. One third of young workers are employed part time, and many are in low-wage, temporary, and otherwise insecure employment, with a large contingent located in the retail and service sector, which is notoriously insecure. Too many young workers are underemployed: either unable to secure enough hours of work or lost on the margins of the workforce. We calculate the underemployment rate for young workers aged 15 to 24 to be 27.7% for 2013. This is a significant number, meaning that more than a quarter of young workers are being affected by the situation right now, and it's a significantly higher number than just the straight unemployment rate shows.

This is a big problem for the upcoming generation of workers, as persistent or extended unemployment and underemployment leads to what we call "scarring", which basically means that it's very difficult to recover the level of wages and labour market outcomes that we would have had otherwise. The IMF says that high levels of youth underemployment contribute to growing income inequality in developed nations such as Canada. They estimate that the wage penalty for unemployed young workers can be as high as 20% compared to peers who are lucky enough to find employment and can be felt for up to 20 years. Scarring effects also extend beyond wages into social exclusion and health outcomes.

In Canada, Professor Philip Oreopoulos from the University of Toronto has estimated that entry level wages are 10% to 15% lower for those who graduate during a recession. The longer the economic recovery, the longer it takes for these wages to catch up. TD Economics estimates this to cost at least 1.3% of the GDP for Canada.

The paid internships announced in the last federal budget will only reach a maximum of 2,500 individuals per year, less than 0.5% of unemployed young workers. This only addresses a fraction of the need and, more importantly, does not address the need for long-term permanent work for young people.

To top off the dismal labour market, our social safety net is failing young workers too. In 2013 only 18% of unemployed young men and 8% of unemployed young women were able to qualify for EI. High entrance requirements for new labour market entrants shut young workers out of employment insurance. Given that a large number of training supports are available only to EI-eligible workers, shutting young workers out of EI also cuts access to valuable training supports.

• (1605)

Recent cuts to LMA funding, which provides training assistance to workers not eligible for EI, further exacerbate this problem.

As we see it, the problem of youth unemployment needs to be addressed from three angles. First, we need an employment strategy that is linked with a training strategy to put young workers on a career path to good jobs, meaning that the work is decently paid, is permanent, and has such benefits as access to a pension.

Second, we need good labour market information to flow between the government, employers, and educational institutions to ensure that young people can make informed decisions about the fields in which they are educated and that institutions can properly advise students.

Finally, we need to strengthen social protections to ensure that young workers have equal access to EI and health care, as well as to a strong Canada pension plan and old age security system when they retire.

There are many phrases that we've been hearing about young workers lately: that young workers are being left behind, that this is the last generation. But the truth is that young workers have a lot to contribute in this economy, and we have to make sure they have the opportunities.

Thank you.

**The Vice-Chair (Ms. Peggy Nash):** Thank you, Ms. Huziak.

Now we'll go to the Canadian Youth Business Foundation.

Ms. Josephs, you have five minutes, please.

**Ms. Marsha Josephs (Director, Government Relations, Canadian Youth Business Foundation):** Thank you.

Good afternoon, everyone. Thank you for the opportunity to appear before the finance committee today to discuss youth employment in Canada. CYBF is a national, non-profit organization established in 1996 to help young Canadian entrepreneurs launch successful businesses.

We have a proven track record of advancing economic growth by supporting and encouraging Canada's emerging entrepreneurs as they create, build, and sustain their own businesses and as they develop entrepreneurial skills that will help them in whatever career path they may choose. We provide pre-launch coaching, business

resources, start-up financing, and mentoring to young entrepreneurs between the ages of 18 and 39 to help them launch and sustain successful businesses. CYBF has seven regional offices located in Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, and the Atlantic, and we work with young entrepreneurs and more than 200 community partners in more than 1,400 communities across Canada.

Since CYBF's inception, we've invested in 6,300 Canadian entrepreneurs and engaged more than 3,000 volunteer mentors to assist them. The businesses the young entrepreneurs have launched have created 25,991 jobs and over \$184 million in tax revenue. The federal government has been a key partner in investing in these entrepreneurs, and we are pleased that the 2013 budget committed \$18 million over two years to help CYBF continue to help more young entrepreneurs achieve their dream of launching their own business, through access to funds, mentoring, and business resources.

We are also actively working with our corporate partners to do their part in helping to assist in the growth and support of young entrepreneurs across Canada. While we're seeing growth in the number of entrepreneurs we serve, we are currently helping about 2% to 3% of the potential youth entrepreneur market. CYBF recently extended our offering to non-profits and students in their last year of study.

Youth unemployment is a big challenge. It sits at about 15% to 16%, which is twice the national average. A recent TD Economics report told us to expect \$10.7 billion in earnings loss due to youth unemployment. Canada is also facing a huge challenge in the expected retirement of 66% of our small business owners by 2016, according to the Canadian Federation of Independent Business.

Youth entrepreneurship is helping young people find meaningful work and is also helping young people to realize their dreams. Doing so helps them create jobs for themselves and others, and they create the healthy government revenues we need to deal with other social needs.

CYBF has held 10 round tables across Canada since January 22 of this year. Action Entrepreneurship: Growing Young Enterprise is an entrepreneurship-led initiative that connects young entrepreneurs with government, not-for-profits, academia, business leaders, policy-makers, and other stakeholders. About half of those in attendance are young entrepreneurs who gather to discuss promising opportunities and collective actions to better support youth entrepreneurship in Canada.

Some of the challenges we've heard about include not being aware early enough that entrepreneurship is a viable career option, weak financial literacy skills, and difficulty in accessing start-up financing.



Some of the opportunities we heard about include the following. Educators should utilize experiential approaches such as entrepreneurial-based co-ops; financial literacy skills should be taught earlier as part of life skills in kindergarten to grade 12; and the federal government should create and promote a national one-stop shop or other centralized, user-friendly resource for the entrepreneurial community.

This is just a snapshot of what we've been hearing. We are also planning to host a round table in Yellowknife in April. Findings from each round table will be used to draft an action plan that prioritizes issues and incorporates tangible steps for each stakeholder group to collectively strengthen youth entrepreneurship. The action plan will be presented and agreed upon at a national summit in Toronto on May 13 and 14 of this year.

CYBF is a founding member of the global G-20 Young Entrepreneurs' Alliance and the Canadian Host of Global Entrepreneurship Week. The goal of the G-20 YEA summit this year is to create a global strategy to reduce youth unemployment below 10% by 2020, and instill youth entrepreneurship as a global solution to youth unemployment.

• (1610)

Small businesses represent 98% of Canada's economy, and young entrepreneurs are job creators and key contributors to strengthening our economy. There is reason to be hopeful, as reports show that millennials are now twice as likely to start their own business.

We are pleased that the government has recognized the positive impact CYBF makes in helping young entrepreneurs, and we are committed to building on this momentum.

Thank you.

**The Vice-Chair (Ms. Peggy Nash):** Thank you, Ms. Josephs.

Thank you to all the witnesses.

We go now to our questions and answers.

Mr. Rankin, you have the first five minutes.

**Mr. Murray Rankin (Victoria, NDP):** Thank you, Madam Chair.

Welcome to all the witnesses.

This is the first session that we have with the finance committee to address the issue of youth unemployment in Canada. You've put us on a very good track going forward. Thank you.

I've only got five minutes and so I apologize in advance if I cut you off. I've only got a limited amount of time to ask questions on this important topic.

My first questions are to Mr. McGovern of the Department of Employment and Social Development.

According to the OECD report entitled *OECD Skills Outlook 2013*, in 2012 more than 25% of Canadian workers were in a position that required skills below their level of qualification. That places Canada among the top countries when it comes to this overqualification issue. That is, workers are working in areas where they are grossly overqualified. In particular it says that young workers are far more likely to be overqualified for the positions they

occupy. The report stated that Canada is one of the OECD countries in which we see "...the largest 'waste' of human capital resulting from over-qualification...."

In light of the programs that you've discussed, can we say they are working if we are still performing this poorly by OECD standards?

**Mr. David McGovern:** It's important to recognize that there's a certain degree of underemployment that takes place, especially after a recession. We'll always have underemployment apparent in the labour market. It often takes time, for youth in particular, to find a job that matches their education level. For personal reasons, youth may choose to work in occupations that are not commensurate with their education level. Youth may be able to immediately earn more in a job that requires less education.

It's also important to note that occupational projections show that the majority of job growth occurs in high-skill occupations that typically require some form of post-secondary education, meaning that youth should still be encouraged to attend college and university.

I also want to quote some other OECD figures, though. By most labour market indicators, Canadian youth perform very well compared to other OECD countries. When you look at unemployment rates, and our colleagues from StatsCan noted some of that information, in 2012 14.3% of Canadian youth aged 15-24 were unemployed, compared to the OECD average of 16.3%. In 2012, 6.9% of Canadian youth aged 25-34 were unemployed, compared to the OECD average of 9.1%.

• (1615)

**Mr. Murray Rankin:** No, I accept that. But I can't square the circle in my own mind that if the quote is accurate and we're the largest waste of human capital resulting from overqualification among OECD countries, I don't understand how you can square that circle in light of what you've just repeated.

**Mr. David McGovern:** I think it's also important to note that the OECD in the past year has released a series of significant documents, a survey called PIAAC, the *Outlook* document, and others, so to take just a single piece of information out of these major reports...I don't have all of the context for that point.

**Mr. Murray Rankin:** Well, it certainly doesn't suggest to me that Canada's performing very well, but I haven't got time to continue.

Can I go to Statistics Canada? Do I have time?

**The Vice-Chair (Ms. Peggy Nash):** You have one minute.

**Mr. Murray Rankin:** All right.

Does Statistics Canada regularly publish data on the match between workers' skills levels and the required skills level of their jobs? I'm going to the issue that was referred to about over-qualification of workers and individuals who are working in jobs for which they're grossly over-skilled or over-educated. I wonder if you could elaborate.

**Ms. Alison Hale:** Actually, because of the time limit—and we do love to talk about our numbers too much—I didn't get a chance to mention that in April we are producing a study on overqualification among recent university graduates in Canada, and we'll be sure to pass that to the committee once it's published. It's something we do periodically as part of our analysis.

**Mr. Murray Rankin:** Am I out of time?

**The Vice-Chair (Ms. Peggy Nash):** You have about 25 seconds.

**Mr. Murray Rankin:** I want to go to a couple of Stats Canada pages that really disturbed me, and I may be misunderstanding, so I'd like your clarification. On pages 9 and 10 of your report, you show a gross disparity between the wage rates of women and men, and I can't quite understand how it could be so dramatic.

Is that accurate, the five-dollar difference in wage, on average? Or am I misreading it?

**The Vice-Chair (Ms. Peggy Nash):** Go ahead, very briefly, please.

**Mr. René Morissette:** First of all, it is accurate. However, usually when we look at the wage differences between genders, we standardize for the type of occupation, among other things, that men and women hold. In these charts, we haven't done that exercise. Part of the gender difference is still related to the fact that young women are in high-paying occupations to a lesser extent than men, and that plays a part. If you were to standardize for that, the gender differences would certainly narrow. That's one factor.

**The Vice-Chair (Ms. Peggy Nash):** Thank you, Mr. Rankin.

Mr. Saxton, you have five minutes.

**Mr. Andrew Saxton (North Vancouver, CPC):** Thank you, Chair.

My thanks to our witness for being here today for the beginning of this very important study.

I want to say from the outset that our government takes the issue of youth employment very seriously, which is why we've taken significant steps to help young Canadians get proper training and find meaningful employment. In fact, over two million young Canadians have been assisted by our government's programs since 2006 and thanks to these programs, we now have one of the lowest youth unemployment rates in the G-7.

However, we also recognize that as long as young people are looking for work, there's still more work to be done. That's why our recent budget, budget 2014, dedicated over \$55 million to internships and over \$40 million to help young entrepreneurs get the mentorship, financial support, business advice, and development space that they need to grow their ideas and their start-ups.

My first question is for the Canadian Youth Business Foundation. Ms. Josephs, your organization does great work in empowering young entrepreneurs. How important is our government support for young entrepreneurs?

• (1620)

**Ms. Marsha Josephs:** Government support is absolutely important. We know that young entrepreneurs contribute to strengthening our economy. They create jobs for themselves and

others. Without the government's support, we would struggle to help more young entrepreneurs to achieve their dreams of opening their own businesses. We're very appreciative of the foresight of the government to commit to continue to help CYBF in helping more young entrepreneurs across Canada.

**Mr. Andrew Saxton:** How can we encourage more young Canadians to become entrepreneurs and job creators?

**Ms. Marsha Josephs:** What we've heard in our round table discussions, loud and clear, is that young people do not know about entrepreneurship until very late in their education. They'd like to see entrepreneurial thinking and opportunity for co-ops included in the K-to-12 curriculum.

One thing for us all to consider is how we can help to introduce the virtues of entrepreneurship very early on to help our young people to have the right skills such as financial literacy, an issue that has been raised as lacking in our young people. There are lots of areas there that all of us can work on collaboratively to help young people see entrepreneurship as a viable career option.

**Mr. Andrew Saxton:** Thank you very much.

My next questions are for Employment and Social Development Canada.

Most recently, our government reached an agreement with the provinces and territories for the Canada job grant. What impacts will the new Canada job grant have on youths seeking employment?

**Mr. John Atherton (Director General, Employment Programs and Partnerships, Department of Employment and Social Development):** I think the job grant is going to be fundamentally important for young people. I think it helps address some of the issues that were raised by the previous member about the match between skills and talent in the economy and employers' needs. The grant itself will provide a transformative opportunity for employers to reach into the employment system with some of their own funds to choose a person and choose the training that they need.

For young people, my sense is that this will be a tremendous opportunity for them because they'll have a direct link to an employer and an opportunity that, without the Canada job grant, they may not have had and quite likely would not have had. I think it's part of what our minister hopes is a transformative change in the labour market and something that connects not just young people but all Canadians to real jobs and provides them with the training that they need.

**Mr. Andrew Saxton:** Thank you.

Also, to the Department of Employment and Social Development, we've heard a lot about the growing importance of apprenticeship programs. We've heard about countries in Europe like Germany that have very well-founded apprenticeship programs. In fact, we recognize this here in Canada as an important initiative as well, and that's why we've invested heavily in apprenticeship programs this year alone. In economic action plan 2014, we proposed the Canada apprentice loan for Red Seal trades with access to over \$100 million in interest-free loans each year. What is your opinion as to the impact this will have on addressing both the skills gap as well as youth unemployment in Canada?

**The Vice-Chair (Ms. Peggy Nash):** Mr. Saxton, you're out of time, so a very, very brief answer, please.

**Mr. David McGovern:** That's a big question.

**The Vice-Chair (Ms. Peggy Nash):** Just very briefly address it, and then we'll come back to it in another round.

**Mr. David McGovern:** I guess the government has signalled support for the apprenticeship system by announcing a number of new initiatives in recent budgets.

I can't really do justice to—

•(1625)

**The Vice-Chair (Ms. Peggy Nash):** We'll come back to it.

Thank you, Mr. Saxton.

[Translation]

Mr. Dubourg, go ahead for five minutes.

**Mr. Emmanuel Dubourg (Bourassa, Lib.):** Thank you, Madam Chair.

I want to start by welcoming our witnesses to the committee. Thank you for being here to help us with our study.

My first question is for Mr. McGovern.

I looked at all of the programs offered by the Department of Employment and Social Development. There are a lot. You have the apprenticeship incentive grant, the apprenticeship completion grant, the interest-free loan program for apprentices, flexibility and innovation in apprenticeship technical training, which is a pilot project, loans and grants, the youth employment strategy, skills link and Canada summer jobs, just to name a few.

This is what I'm wondering. Is there not some degree of redundancy in those programs, and above all, is there not some confusion among youth and employers, who have to make sense of them all?

**Mr. David McGovern:** Thank you for the question. I am going to answer in English.

**Mr. Emmanuel Dubourg:** Very well.

[English]

**Mr. David McGovern:** The government understands that its supports for youth in their transition to employment are critical to Canada's economic growth and long-term prosperity. I guess, as I noted in my opening remarks, the youth employment strategy is the main federal initiative aimed at helping young people transition from school to work, and to enhance their employability. Through the

YES program, the government invests over \$330 million annually to help youth between the ages of 15 and 30 to get the information and to gain the skills and job experience they need to make a successful transition to the workplace.

Yes, there's also a horizontal initiative with our department in the lead, but it cuts across 10 other federal departments and agencies where we work in partnership.

Then the YES program offers three fundamental initiatives: Skills Links, which helps young people with additional barriers to employment develop basic employability skills and to gain job experience to assist them in making a successful transition to the labour market or to return to school. We also have Career Focus, which helps increase the supply of highly qualified youth by providing them with the information, skills, and experience they need to make informed career decisions. Then we have Summer Work Experience, which provides wage subsidies to employers to create summer employment.

**Mr. Emmanuel Dubourg:** Thank you, Mr. McGovern.

I have only five minutes and I have other questions.

**The Vice-Chair (Ms. Peggy Nash):** You have actually two minutes.

**Mr. Emmanuel Dubourg:** I have two minutes. I don't have 25 minutes? Okay.

[Translation]

I represent a very multicultural riding in Montreal, Bourassa. I'd like to know what your department is doing to help immigrants, the disabled and visible minorities find jobs. As we all know, the unemployment rate is extremely high for these groups, who have a much smaller presence in the labour market.

**Mr. David McGovern:** Thank you for the question.

I will answer in two parts.

[English]

We know that the employment rate for youth varies greatly between provinces. You heard from Statistics Canada. We also know that we have differences between youth in rural areas versus youth in urban areas, or highly urban areas like the one you described in Montreal. We also have differences that are based on different cohorts for aboriginal peoples, new immigrants to Canada, wards of the state, and so we have programs with which we try to actually target the specific requirements of those populations.

John, perhaps you could just add a little bit on Skills Link.

**Mr. John Atherton:** Sure. In communities like you're speaking of in the inner city of Montreal, the Skills Link programming is fundamentally important with its project base, a full continuum of supports, a menu, if you like. When it was designed and put in place some years ago, it was a world-leading design and today, as I travel the world in my work at the OECD, I still find countries that are looking to adopt a project-based approach. In fact, while Skills Link is a name, it is actually hundreds of different small programs that are specifically designed for communities and I'm sure that, as a member in that area, you can see the tiny programs at play.

Every year we help more than 11,000 disadvantaged kids through that program, kids who have not completed high school, and our results are pretty good. We had 5,700 of them in our evaluation of that 11,000 who found jobs, and another 1,700 returned to school.

• (1630)

**The Vice-Chair (Ms. Peggy Nash):** Thank you, Mr. Atherton.

[*Translation*]

Thank you, Mr. Dubourg. Five minutes goes by quickly.

[*English*]

Mr. Keddy, to you for five minutes, please.

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** Thank you, Madam Chairman.

Welcome to our witnesses. It is a very interesting, timely, and important discussion here.

First, I have a couple of questions for Statistics Canada. When you look at the numbers, the unemployment rate is maybe not quite as bad as sometimes we hear it is. At the same time, we are all in agreement that any level of unemployment is probably higher than we would want to have, so the questions remain what do we do to combat that, as legislators and as parliamentarians, and how do we work with you folks, whether that is the Canadian Labour Congress or the bureaucracies in the country, to combat that.

I have a point of clarification. Your chart on page 4 says that, on average, unemployed youth have shorter unemployment periods, but I would expect youth would have shorter unemployment periods because I would expect they would be in school most of the time. Is this part of that consideration by Statistics Canada?

**Mr. René Morissette:** This is true even if you look at those who are no longer in school. What you said is right, but if you focus your attention on non-full-time students, you will still find the same pattern.

**Mr. Gerald Keddy:** Thank you.

Ms. Josephs, you made a comment about entrepreneurship and the fact that entrepreneurship should be in the K-to-12 curriculum. That's the smartest thing I've heard here today. Good for you for saying it.

It's not that everybody else's comments weren't important; let's clarify that comment.

I have a huge level of frustration when I hear the talk of youth unemployment and underemployment because I grew up in rural Nova Scotia where everybody was simply expected to work, and everyone could work and did work. Even when unemployment was 15% and 18% everywhere else in the world, somehow everybody found a job because they had to in order to survive.

In Nova Scotia, we have a new program between the community college system and the universities where they've taken your point on entrepreneurship and they have allowed people who want to enter the skilled trades to take their two years of a skilled trade to start an apprenticeship, or to work in the skilled trades, and that two years counts as two years toward an undergraduate degree if they decide to go back to university. I suspect other provinces have similar

programs. That's been in place for a while now, and that has been a fantastic program for students. They come out, they have built up skills in the community college system that allow them to work for a good living wage and to continue in that trade if they care to. However, if they want to go back to university for an undergraduate degree, their first two years are already covered.

Have you been an advocate of that? Do you follow that? How extensive is that across the country?

**Ms. Marsha Josephs:** Yes, we are aware of that. In fact, CYBF has introduced an entrepreneurship in the skilled trades initiative that we launched in Manitoba and Saskatchewan. What we're doing there is helping those journeypersons who are in the skilled trades to learn entrepreneurial skills. They learn the fundamentals of opening their own business, as well as entrepreneurial skills to help them be better employees.

• (1635)

**Mr. Gerald Keddy:** Thank you. I only have a minute and I apologize because I'm cutting it short out there, but I'd like you to take the first stab at it.

My next question is on overqualified workers, especially in education. I think we've made a serious mistake by not using your example of putting entrepreneurship and skills training in the K-to-12 curriculum, and convincing young men and women that when they get out of school, they have to enter the workforce and they need skills to do that. We have a number of people—we all know them—who are perennial students, who have master's degrees, and of course, they're underqualified, but they should never have taken that master's degree in an area that they couldn't find work. How do we combat that?

I know I'm practically out of time, but it's a huge issue.

**The Vice-Chair (Ms. Peggy Nash):** In fact, you're out of time, so a very brief answer, please.

**Ms. Marsha Josephs:** Entrepreneurial training and skills development needs to start earlier on. It needs to be integrated in the early years and right on through. Many of our entrepreneurs are telling us that it has been a disservice to them that the concept of entrepreneurship was not introduced to them until much later, after they've already been in the workforce, realized they didn't like the job they were doing, had a brilliant idea, and didn't know what to do from there.

**The Vice-Chair (Ms. Peggy Nash):** Thank you.

Thank you, Mr. Keddy.

[*Translation*]

Mr. Dubé, you have the floor for five minutes.

**Mr. Matthew Dubé (Chambly—Borduas, NDP):** Thank you, Madam Chair.

I'm going to go quickly, then.

[English]

I want to say right off the bat, with respect to Stats Canada, I think something needs to be said about the fact that when we compare to the OECD average, that also includes huge outliers like Greece, Spain, and Italy. We should be setting the bar perhaps a bit higher for ourselves in Canada.

In that spirit, I want to quickly read a quote from the TD study that was referenced by one of our witnesses—I apologize, I don't remember which one. It says:

It has been estimated that a 1 percentage point increase in the unemployment rate equates to an initial wage loss of 6-7% and that it can take anywhere from 10 to more than 15 years to close that gap.

When you're in your twenties—and I know because these people are my friends and peers—that's a huge amount of time. Those are people who are not buying homes and who aren't having families, then schools aren't being built and stores aren't opening up in those communities.

In that spirit, my question would be for my friends from the CLC. You mentioned the fact that there's more to this issue than just the numbers. I'm wondering if you can maybe elaborate on that.

**Ms. Angella MacEwen (Senior Economist, Social and Economic Policy, Canadian Labour Congress):** What we're talking about are numbers that have already been collected by Statistics Canada, but they're not routinely published. They collect the number of people who are working part time but want more work. They are called involuntary part-time workers or underemployed part-time workers. There are over 900,000 Canadians who are working part time but need more work. That's a big issue. It's a big issue for young workers; it's a big issue for women.

The other issue is workers at the margin of the labour force. They're not actively looking for work, but if they found a job they would enter the labour force. If we're looking at people who are getting lost, people who want to engage but can't, then it's a much larger percentage of the population, and it becomes clear that it's an urgent issue.

**Mr. Matthew Dubé:** Thanks for that.

[Translation]

The other issue I find a bit troubling is the discussion around the role of young people in community growth. That sort of picks up on the question my colleague asked. We've heard a lot about choosing the right fields. And one of the presentations even distinguishes between oil- and non-oil-producing provinces. I find that a bit worrisome. Shouldn't we focus on creating conditions where youth can not only find training but also have some choice as far as jobs go? What I mean by that is, when it comes to labour mobility, isn't there some concern about an outflow of people from the regions, people having to go elsewhere? That would have an impact on the rest of the community and not just young people.

[English]

**Mr. John Atherton:** I want to address one part of this, and that's the kids who leave home to go to school. Many kids in this country do that. The communities would like to have them back, at least for the summers, to get employment there. In that vein, with the Canada summer jobs program that we run, we help about 35,000 kids get

jobs in their communities, and most of these jobs are providing what I would call vital community services.

As one part of our suite—

• (1640)

**Mr. Matthew Dubé:** I'm sorry, I don't mean to interrupt you. It's just that my time is limited.

I'm looking less at summer jobs and more at the long-term impact. If you're talking about a program like the Canada job grant, for example, and you're training that labour force, the long-term impact—and not just of a student summer job—is that those folks are going to stay in those communities. They're going to buy homes, have kids, and help the economy prosper. It's more in that sense.

**Mr. John Atherton:** On the job grant itself, it's going to be extraordinarily interesting to see how the provinces and territories innovate around the design of it, with employers working with local service providers and connecting them with youth in those communities to get the jobs.

I can see your train of thought. I think that program, providing this new or enhanced connection between employers and the skills they need with young people and unemployed people, is a route to help folks find more permanent jobs in their communities. I can see it as being part of a solution, for sure.

[Translation]

**Mr. Matthew Dubé:** I've only got 30 seconds left. I would have liked to hear what all the witnesses had to say, but we've got a limited amount of time.

My last question is for the Canada Labour Congress representative.

A TD Bank Group study as well as others found that the manufacturing sector was especially hard hit with respect to youth employment. Do you have any thoughts on that?

**The Vice-Chair (Ms. Peggy Nash):** Please keep your answer brief.

[English]

**Ms. Angella MacEwen:** Our answer is that we need a strategy to invest in infrastructure. We need a manufacturing strategy. We need a green infrastructure strategy. We also need a child care strategy.

[Translation]

**Mr. Matthew Dubé:** Thank you.

[English]

**The Vice-Chair (Ms. Peggy Nash):** Thank you very much.

[Translation]

Thank you, Mr. Dubé.

[English]

Mr. Allen, you have five minutes please.

**Mr. Mike Allen (Tobique—Mactaquac, CPC):** Thank you very much, Madam Chair.

Thank you to all our folks for being here today.

If this line of questioning goes well, we'll start with Employment and Social Development, then I want to move to Stats Canada, and then I'd like to go to CLC to wrap up.

On my first couple of questions, Mr. McGovern, when you made the comment that about 6.2 million people will enter the labour market in the next decade, can you tell me how many are going to leave? As we saw in our report on the state of the Canadian labour market, the labour force participation rate is going to go down, and that's because of people leaving the market. Can you tell me how many are going to leave?

The second question is on the comment with respect to some evidence that qualifications are not optimally aligned with demand. I think we can intuitively agree with that.

What are we doing in our programs with the provinces to ensure matching and that we have the right matching? In last year's budget, we talked about preference for apprentices, for example, in our affordable housing projects, which should help some of this as well. What are we doing with the provinces on those types of things?

**Mr. David McGovern:** Let me answer your first question.

The easy part is I don't actually have at my fingertips the number of people leaving the labour market, but with the aging of the Canadian population we know that the growth of the labour market is slowing and that the percentage of the Canadian population of working age is projected to decline to 60.7% in 2031 from 69.5% in 2008.

We also know that three-quarters of the new labour market entrants over the next decade will be school leavers, i.e., youth. As well, two out of the three new job openings will be in high-skilled areas, usually areas requiring post-secondary education. We can follow up and get the number of the school leavers.

With respect to your second question—

**Mr. Mike Allen:** Thank you.

If you could be as quick as you can be on this one, that would be great. I have two and a half minutes left.

**Mr. David McGovern:** One of the things I'd like to talk about is labour market information.

The government has made a number of commitments in recent budgets and they're actually important in how you influence decision-making by youth. We know that the research suggests there are a number of ways in which youth make decisions. We know that information plays a critical role in how they make decisions as to what they're going to do beyond high school, whether they'll go into PSE, or whether they'll go into careers or trades.

We know that parents are an important source of information, and they have a significant influence on youth decisions.

Then we know that different youth subgroups also have very different approaches to making decisions with respect to career choices, whether they go into apprenticeships, or whether they go into PSE.

How much time do I have?

• (1645)

**Mr. Mike Allen:** I have about a minute and a half, I'd say.

**The Vice-Chair (Ms. Peggy Nash):** You have almost two minutes.

**Mr. Mike Allen:** Could you be quick? I might have to skip over to CLC.

**Mr. David McGovern:** I wanted to make reference to the various initiatives that the federal government has with respect to providing information to youth.

We have a Working in Canada website where we provide customized reports that combine job postings, occupational profiles, labour market information, and forecasts. The website is continually updated with the latest available information. We know it's widely used by students, by parents, and by guidance counsellors to obtain information about occupations.

We also have another website, Job Bank, where we provide a platform on which employers can post job opportunities, and job seekers and workers can find out about available positions.

We have a website for youth, targeted with information that's focused on youth.

We have a relatively new thing called Job Alerts, where we send out job ads directly to users.

As announced in the most recent budget, economic action plan 2014, we're working to develop a job-matching service that, when fully established, will ensure job seekers are matched with available jobs in their local area.

**Mr. Mike Allen:** Okay, thank you.

To the CLC, just really quickly, I've had a real challenge with the CEO of the community college in New Brunswick, and I sort of lectured them a little bit with respect to setting the right expectations for young people going into the trades. Some think they don't have to be mobile in the trades, and they do.

May I ask what the CLC is doing specifically to educate young people on the expectation of the trades and their mobility across Canada to take work where the projects are?

**Ms. Amy Huziak:** The issue of job mobility is a really critical one, because we also have to recognize that job mobility to a large extent is a privilege. If you have to leave or go very far from your community, go far away from your family, or if you have small children, that is a very big and an almost impossible decision to make in some cases.

We have to be considering other programs to make job mobility easier for young workers. For example, as my colleague mentioned, a national child care strategy would go a long way to equalizing access to the trades for young men and young women.

I think we're out of time.

**The Vice-Chair (Ms. Peggy Nash):** Thanks.

I would encourage members not to run out the clock with their questions because then we don't have time for answers.

Thank you, Mr. Allen.

Mr. Van Kesteren, we move over to you for five minutes.

**Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC):** Thank you, Chair.

Those were wonderful testimonies. I had an old boss who used to tell me that it's in the numbers. I wish we could spend the whole time just honing the numbers.

One of the things that just shot into my own mind when Mr. Dubé was talking about the line of questioning on the OECD was that I think he's quite correct, that you take the national average but you throw in some variance.

I don't know who to direct this question to. I might just split it up a bit. It's also true with the groups within our youth employment. We've mentioned the aboriginals. We've mentioned immigrants. They're definitely there, and I think we have to hone the numbers there.

One of the questions I want to ask is why we do not have any data on immigrants. Is this consistent? Is this something that has reoccurred, or is this a new trend? Can I ask that question? Just very briefly, is there historical...?

**Ms. Alison Hale:** Actually, we do have data on immigrants in the labour force survey. They are identified—

**Mr. Dave Van Kesteren:** Is that historically?

**Mr. René Morissette:** No, that is starting in 2006.

**Mr. Dave Van Kesteren:** Back then we didn't do that?

**Mr. René Morissette:** No.

**Mr. Dave Van Kesteren:** That's too bad. That's an important ingredient. We won't be able to have that.

Maybe I'm going to direct this to Ms. Huziak. Thinking about the aboriginal people, we know we have a problem. There's high unemployment.

I had a meeting with a group from the mining community—this was back in the fall, I think—and they informed me that they're expecting to need 200,000 workers in the extraction industry. We know there are huge sections of the geography of Canada where aboriginals are present.

Would you agree that projects that promote growth in extraction would be an excellent source of job creation for our first nations people, and would you agree that's something we need to encourage?

• (1650)

**Ms. Amy Huziak:** I think that's a very loaded question in a lot of ways.

I would say that promoting good jobs, the quality we find in manufacturing and resource extraction, would be a good way to employ more young Canadians and more young aboriginal people across the country. However, that also needs to be addressed in the context of whether this resource development is being done responsibly, being done sustainably, with the consent of people on the land.

**Mr. Dave Van Kesteren:** But you would agree. I think you're right, because they tell me that the average hourly rate is in excess of

\$20, some as high as \$70 an hour. And it's good training. These are jobs like mechanics, these are jobs like...right across the whole...

So this is something you think we should probably continue to encourage.

**Ms. Amy Huziak:** I would put an emphasis on making sure that this is done through—

**Mr. Dave Van Kesteren:** Yes, that's always the case. We do that.

**Ms. Amy Huziak:** —unionized firms. We know that unionized firms provide more training for workers, both young workers and—

**Mr. Dave Van Kesteren:** But it's a good program; it's something we need to pursue. You'd agree?

**Ms. Amy Huziak:** I think it merits exploration.

**Mr. Dave Van Kesteren:** I think Mr. Rankin was talking about the poor success rate we've had in training the right students.

You know that the government has introduced a new program, the Canada job grant, which will allow employers, for the first time, to become part of that decision-making, as well as the province and the feds. What about a program like that? Is it something that is going to help this situation?

Who wants to jump in?

**Ms. Angella MacEwen:** I just want to say that employers always have the option to train their own employees as they would see fit. This is not the first time employers have that opportunity. This would be the first time that they maybe—

**Mr. Dave Van Kesteren:** The first time we've done it collectively.

**Ms. Angella MacEwen:** —have access to this type of fund.

**Mr. Dave Van Kesteren:** It's the first time we've done it collectively and we're doing something—

**Ms. Angella MacEwen:** But you would agree that it is the employers' responsibility to train their workers to meet the needs they're looking for.

**Mr. Dave Van Kesteren:** But the question is whether this is a good strategy.

**Ms. Angella MacEwen:** No.

**Mr. Dave Van Kesteren:** Where we can collectively—

**Ms. Angella MacEwen:** No. It's a terrible strategy.

**Mr. Dave Van Kesteren:** You don't think it's a good idea for employers—

**Ms. Angella MacEwen:** The way the Canada job grant is structured—

**Mr. Dave Van Kesteren:** Okay. You don't think so.

Go ahead, Mr. Atherton.

**Mr. John Atherton:** I think it's important to know that the Canada job grant is for all Canadians. It's not only for the employees of a particular business. It's designed for anybody to get either a better job or a new job.

I think that the challenge—and it's a great challenge for the country—will be having employers much more engaged with provinces and service delivery providers in connecting directly with the people who don't have jobs and training them.

Is this a good thing? Most people, I think, want to know definitively that what they're training for would result in an outcome.

Are we perfect? Can this improve it? We're one of the first countries in the world trying to really reach in. I think it's something that we're going to be working on. We've got many provincial partners with us, and they'll be all experimenting using some different approaches.

**The Vice-Chair (Ms. Peggy Nash):** Thank you, Mr. Atherton.

Thank you, Mr. Van Kesteren. I know; it goes so quickly.

Mr. Leung, you have five minutes, please.

**Mr. Chungsen Leung (Willowdale, CPC):** Thank you, Madam Chair.

I wish to follow on my colleague Mr. Van Kesteren's line of thinking. To me, job creation and job matching are somehow separated in our economy. We train a lot of people and then we say they're on their own to go look for a job or the government can put its resources into job training and job creation.

I also bring this back to other issues. We train a lot of very highly educated kids and what they end up doing is going to Japan, Korea, China to teach English. I often question the merit of this. Yes, it's broadening their experience, but when they come back they're still in the same hopper of saying, "How do I train myself for a proper job?"

Mr. Atherton or Mr. McGovern, perhaps you can shed some light on where government resources are best employed. Is it in the job matching aspect or in the job training aspect once it's matched? And what are the priorities in how we do that?

• (1655)

**Mr. David McGovern:** I want to touch on a point that I wasn't able to make earlier. Canada has one of the highest rates of post-secondary education attainment in the world. That's a good thing, that's actually a very positive thing. And we know that university graduates earn on average twice that of a high school graduate. We also know that employment rates tend to improve for youth as their level of education rises, particularly with post-secondary education attainment. We also know within our society that the full-time labour market participation of youth is peaking in 2012 at 29 years of age, compared to 23 years of age in 1976. So youth are delaying transitions that took place earlier when you go back to the last century. But that's also associated with the fact that youth are spending more time in school and they're delaying their entry into the labour market.

One of the points I was talking about before is that we're now trying to find that matching where we have youth who have skills but they don't have jobs. One of the things I talked about before is we have a number of different tools we use within our department and within the Government of Canada. We have the Working in Canada website; we have the Job Bank, where we provide a platform for employers to post job opportunities and job seekers and students to see available positions; we have another platform called youth.gc.ca that's specifically targeted at students, at a younger cohort of youth, where we give them information about planning for their post-secondary education. We also have Job Alerts where we're really trying to be more proactive in matching available jobs with

people who are looking for jobs. We also have a website called CanLearn, where we provide information to students about the best way to save, to plan, and to pay for their education. One of the things we haven't touched on today are the supports our department provides to Canadian youth and to families with respect to making education available.

**Mr. Chungsen Leung:** These are all pretty passive forms.

Can we focus a little bit more on the active side? How do we actually go out and reach out and say, "We need you for this job?"

**Mr. John Atherton:** In short, the committee and this study that you're doing are so important in today's age. As a person who runs employment programs, I am often dealing with a semi-finished product or a person who's already made many learning choices in their life. And reaching into the system and having young people make different or smarter learning choices or learning choices that are more aligned with current labour market demand is in fact one of the greatest challenges in a fast-moving economy. It's difficult. Imagine making a decision today and the product might not be available for the job for four or five years.

When we had the issue, and we still have an issue in apprenticeships and skilled trades.... So models to look at are models like Skills Canada. I encourage you to talk to Skills Canada as a model of bringing more than 100,000 Canadians together as volunteers, teachers, educators, parents, professionals in the industry, around skills competitions to introduce young people to jobs and opportunities they might not have had otherwise as a way of changing culture and opening eyes. These types of active, hands-on engagement are the some of the things that budget 2014 signalled in the government's new approach. We are realigning our spending to do more of this kind of work, this active, hands-on engagement of young people.

• (1700)

**The Vice-Chair (Ms. Peggy Nash):** Thank you, Mr. Atherton.

Thank you, Mr. Leung.

We're at the end of a round of questioning, so as chair I'm going to take a few minutes to ask a question.

My question is for both Ms. Josephs and Ms. Huziak. You both mentioned the issue of wage scarring. Can you define what wage scarring is and describe more fully how that is taking place, in your view, with young people in Canada today?

**Ms. Amy Huziak:** I'll go first. I don't know if wage scarring is an official term.... Oh, okay. I've been told: it's an official term.



Basically what it means is that when young people experience a period of unemployment or underemployment, that puts them behind their peers who had steady employment at the time. That means it's harder for young people to catch up and, in some cases, impossible. I think I said earlier that often the effects can be felt for up to 20 years or longer.

It clearly is a problem for young people, but not just for young people. I think it's a problem for everyone. The intergenerational effects of wage scarring and income inequality are being felt by parents, by older workers, and by workers who want to retire but can't because they are still putting their kids through school, for example, or still paying for their kids to live at home while they go to school, or who are unable to sell their houses. There may be a lot of older workers who have invested in their house as their retirement plan, but there are no young people to buy the houses because young workers have fallen so much farther behind.

This is not just a problem for young people. Although it directly affects young people, it affects everyone, really, and it really needs to be addressed.

**The Vice-Chair (Ms. Peggy Nash):** Anecdotally I hear that a lot, not just from young people, but from their parents and grandparents, who are concerned about them not being able to get a start.

Ms. Josephs, you mentioned this as well. Is it something that you see affecting young entrepreneurs? Do you see more people starting further behind and not being able to start businesses because of this wage scarring? What is the aspect that you see in the young people you deal with?

**Ms. Marsha Josephs:** This is a challenge for young people. The way we come at it and where we see the issue being most prevalent is around succession planning. We know that many older business owners are nearing retirement and are looking for individuals to take over their businesses. Young people are well positioned to do that.

For example, we know of a young entrepreneur named Barb. She cleans airplanes for a living. She worked for the retiring entrepreneur and was a fantastic employee. The entrepreneur approached her and asked her to take over the business, but she had no money and no collateral. No one would loan her the money. She came to CYBF. We loaned her \$10,000. This was enough for her to leverage to get more people on board and to give her some dollars to get started.

Now she is in Calgary, Edmonton, and Vancouver and is looking to expand. She has a workforce of 36 employees. This is a young entrepreneur who is achieving her dreams and has used our succession program to help her do it.

**The Vice-Chair (Ms. Peggy Nash):** Thanks very much. I heard her speak here in Ottawa last year.

We'll start a new round of questioning as we've exhausted our list.

We'll begin with Mr. Rankin.

**Mr. Murray Rankin:** Thank you, Chair.

I want to ask a couple of questions of Stats Canada.

Unpaid internships are a big issue. Does Stats Canada count full-time unpaid interns as unemployed? Probably not, because they're not looking for work, but on the other hand, they're not bringing in a

paycheque. When you do your labour market survey, how do you treat the unpaid interns?

**Ms. Alison Hale:** We follow the international definition of work, and it's basically "work for pay or profit". That was discussed recently at the International Labour Organization—what to do with those—but it's not considered to be working, so it depends on the—

• (1705)

**Mr. Murray Rankin:** Are they called unemployed?

**Ms. Alison Hale:** It depends on their other characteristics, if they are looking for work or not.

**Mr. Murray Rankin:** How many interns are there in Canada? Do you have data on that?

**Ms. Alison Hale:** We don't have that.

**Mr. Murray Rankin:** I want to ask about pages 4 and 5 of your slides, which were very helpful. Thank you for them.

Page 4 talks about the longer duration of unemployed youth. Interestingly, the duration of unemployment in 2013 is much greater than in 2007, correct? But your stats show youth unemployment has a shorter time, but I believe there's no reference to the suitability of the employment at issue.

In other words, could this not be masking people who have graduate degrees but are working as baristas in the service sector? There's no reference to the suitability of the employment here.

**Mr. René Morissette:** No, because these numbers focus on people who don't have a job, and so these numbers answer the questions for those people who don't have a job about how much time they spent being unemployed.

**Mr. Murray Rankin:** Regardless of the nature of the job they end up getting. So if they fall—

**Mr. René Morissette:** Regardless of the nature of the job they might end up getting subsequently.

**Mr. Murray Rankin:** Exactly. In other words this makes it look like people who have found work in fact are people who may well—as I keep hearing anecdotally and I'm sure other members do—be qualified for something much greater but are working in a service sector job. Now they are employed.

The next question is on page 5 of your slides. There's a strange thing I wanted to ask you about on the slide on the left. It would appear if I'm correct that those people who have a trade as opposed to simply a B.A. have a higher unemployment rate, and that again would suggest if you're a person with a B.A. you get a job in the service sector, and that's fine.

**Mr. René Morissette:** That suggests that if you have a job, with a B.A. you have greater chances of finding a job.

**Mr. Murray Rankin:** Right. Again....

**Mr. René Morissette:** Again, the issue of overqualification is a distinct one, but that's what the numbers reveal here.

**Mr. Murray Rankin:** Thank you.

My next question is for the CLC. Amy, I would ask you this.

I'd like you to expand on a report that was introduced today, and you referenced it in your remarks as well. Your organization concluded the true underemployment rate is 27.7% for those between 15 and 24 in 2013. I think you said that. Yes?

So what is the difference between the way your organization, the CLC, has calculated underemployment, and the way, if at all, Stats Canada does?

**Ms. Amy Huziak:** We do have this new report that just came out today called "Underemployment is Canada's Real Labour Market Challenge". Angella is one of the authors of the paper. Basically it breaks down to underemployment, that 27.7% number, is considered to be: those who are unemployed, so unemployed young workers; those who have dropped out of the labour force and aren't looking, that's those 350,000 young workers who are no longer looking for jobs or who have returned to school; and those who are involuntarily working part time.

One of the numbers we get through Stats Canada is they do an averaging of the number of hours part-time workers are looking for, and don't talk about the actual number of workers affected, so that's how we get to that number.

**Mr. Murray Rankin:** I appreciate that.

Again, I'm asking you this question. Mr. Saxton pointed out the Canada apprenticeship loan program in the last budget, and the fact that now young workers are going to have access to an interest-free loan.

Has your organization considered the impact of further debt on young workers in that context?

**Ms. Amy Huziak:** Absolutely. I think as part of what we would say towards gathering further debt is more debt, even if it is to get to a positive outcome, isn't the way we would like to see it going. We would like to see a grants-based program.

**Mr. Murray Rankin:** I'd like to ask a question of Ms. Josephs.

Is the record high level of student debt an obstacle to recent graduates starting their own business and growing the economy that way?

**The Vice-Chair (Ms. Peggy Nash):** We're just about out of time so very briefly, please.

**Ms. Marsha Josephs:** We have seen it has been a challenge. However, that trend is beginning to change. That is why we have changed our requirements that now those who are in their final year of study can apply to CYBF for our programs, and that's a very positive sign.

**The Vice-Chair (Ms. Peggy Nash):** Thank you, Mr. Rankin.

Mr. Van Kesteren, back to you for five minutes, please.

●(1710)

**Mr. Dave Van Kesteren:** I think Mr. Keddy is going to go first, and then I'm going to take the remaining time.

**Mr. Gerald Keddy:** A couple of questions keep coming back here.

I have to pick up a little bit on the chair's question about wage scarring. It is a term I'm not familiar with, but I'm having some difficulty with it. Either you're working or you're not working, and if you're working you can look for a better job. A number of things will control that.

I'm going to use two examples.

A good friend of mine, whom I went to high school with, went on to university and became a geologist. I don't know why he became a geologist. He wanted to become one and he enjoyed it, but he didn't want to travel. Intervention in K-to-12 might have helped him. After a couple of years of working as a geologist, mostly in Canada's north, he came back and went to community college and became a machinist. He loves that job and is happy doing it. Should he be "wage-scarred" because he left this other job and somehow went to...?

I use the example of another good friend of mine. We were neighbours; we grew up on opposite farms. He became an engineer and worked for 15 years. He was vice-president of his own company, and after 15 years as senior vice-president, he made as much money as his chief electrician. Should he be "wage-scarred?"

I don't get the term. My point is that there are obstacles facing people in employment, and at every job you're not going to get to be boss, or you're not going to be a rocket scientist, or not going to be a computer programmer, or you're not going to be the prime minister. We all find our level and we work there and try to find happiness doing that.

It's an artificial term that I don't understand, so I'd like one more shot at having it explained to me.

**Ms. Amy Huziak:** I hear what you're saying. I think it's a good question.

In talking about wage scarring, we're not talking about transitions to other fields of work; that is separate from what we're discussing. Wage scarring occurs when you experience unemployment fully or underemployment.

Say that you have been working at a minimum wage job for five years and can't find any other employment than that. That would be something we consider to be wage scarring; whereas, if you were to work in a different field and then switched, that would be different.

**Mr. Gerald Keddy:** Ms. Huziak, the example I gave you was of a young man who had seven years of education to become a civil engineer. His electricians, who had two years of post-secondary training, made more money than he did, because theirs was a job that paid more, they were in demand, and business was going well. Under your example, he should be wage-scarred, and I don't think he was; that's all.

**Mr. René Morissette:** In the study that has been referred to here, I think the authors looked at a cohort of people who graduated during one recession—probably the 1981-1982, or the 1990-1992 recession—and they tracked these people over time. They followed their earnings for the next 20 years and compared that cohort who graduated in a recession with another cohort who graduated right before a recession, and so in better economic circumstances.

They also tracked for 20 years the earnings of the lucky group who did not graduate in a recession. What they found is that about 20 years later, the cohort who had entered the labour market in a recession still had lower wages, after controlling for the same field of study—let's say comparing an engineer who had graduated in a recession with an engineer who had graduated in a good time. That's what the study did.

**Mr. Gerald Keddy:** Thank you.

Did I leave him any time, or is he going to have to take his own round?

**The Vice-Chair (Ms. Peggy Nash):** You have about 30 seconds left.

**Mr. Gerald Keddy:** No, he had better have his own round.

**The Vice-Chair (Ms. Peggy Nash):** Maybe we'll take that over to the next round.

Mr. Allen, do you want to start off this next round, and are you sharing with Mr. Van Kesteren?

**Mr. Mike Allen:** Yes, I do, and I will share with him.

I have a couple of questions for Stats Can. I want to refer you to your slides, on pages 7 and 8, where you talk about the percentage employed. You do it by regions—provinces and oil-producing provinces. Do you have other further breakdowns of this that would take us to the aboriginals within oil-producing versus non-oil-producing provinces? The aboriginal young population is a growing population, and so I'd like to understand exactly what percentage it makes up, of the groups you have here.

• (1715)

**Mr. René Morissette:** Ideally, we would like to be able to look at that, but as was mentioned a few minutes ago regarding immigrants, we only started in 2006 collecting information in the labour force survey on aboriginals and immigrants. We cannot paint the same historical trends as we have done overall. We cannot do that for aboriginals since the labour force survey data for them starts only in 2006, as it does for immigrants.

**Mr. Mike Allen:** Okay. So it will be another...

**Mr. René Morissette:** Yes, but certainly at least for recent years one could have a look at the data and see how these outcomes vary for immigrants, aboriginals, and other groups.

**Mr. Mike Allen:** So it's possible the data is there, but it's just not trending data?

**Mr. René Morissette:** It's possible, yes, from 2006 to 2013.

**Mr. Mike Allen:** Thank you.

My final question is on slide 11 where you talk about the average hourly wages for men and women in full-time jobs of the oil-producing provinces. I want to try to understand this correctly. We've

seen more and more women enter the trades, which is fantastic to see.

Would some of this variation and let's use the oil-producing provinces as an example, would some of that be...? If it's trades related, do you know if some of that is because of the more recent entrance of women into the trades? There might be earlier levels of the block releases, for example, and they have not progressed as far, and that would be the difference in this wage rate.

**Mr. René Morissette:** I'm not sure I understand the question.

**Mr. Mike Allen:** The numbers between men and women are \$29.87 versus \$21.56. Women entered the trades only recently. Is the reason we see such a big difference in these oil-producing provinces because of the relatively, maybe even early, block release?

**Mr. René Morissette:** I think part of the reason is that the types of trades for young men and young women are still quite different. They are far from being homogenous. You will have more—plumbers, electricians, and so on—that are still male dominated and have high wages. Again, going back to the question on gender differences, we would really have to standardize for the different types.

**Mr. Mike Allen:** For the different trades.

Okay. Thank you.

**The Vice-Chair (Ms. Peggy Nash):** Thank you.

Mr. Van Kesteren, there are about two minutes left.

**Mr. Dave Van Kesteren:** Very quickly, going back to the numbers and it's all in the numbers, on chart 3, it's interesting to see that youth unemployment is going down somewhat and we had the periods of recession.

I should be looking at the Stats Canada people.

Also, I think there's a correlation here and maybe somebody can validate that. I'm looking at the next slide, which shows that the average number of weeks of employment for those who are 35 to 54 is greater than for youth.

Maybe I have to speak to somebody from the Department of Employment and Social Development. My take on that would be that as a younger worker you're finding yourself and you might try a job, but if it's not what you wanted, you switch to something else, whereas you become entrenched as you're older.

Am I right on that? Is it for that reason? Although there is higher unemployment, there is an advantage that we can move more quickly back into the workforce than once we become entrenched and just stick to the field that we've settled on. Is that accurate?

**Mr. Philippe Massé (Senior Director, Economic Policy Directorate, Department of Employment and Social Development):** I think that's part of the answer, but also youth are more in and out of the labour market naturally. They work while they study. As they enter the labour market they try different things. They're more willing to be in and out of the labour market in general.

As you mentioned, older workers do have perhaps less mobility once their skills get set. That is part of the explanation. René may have additional observations on that.

● (1720)

**Mr. René Morissette:** A pattern that we see sometimes is that older workers are in what we call “wait unemployment”. That is, they expect to find a job that pays as high a wage as in the previous job, but after a while they realize they can't and so there might be some time spent hoping to get as well paid a job as in the past. That may be one reason behind their longer duration of unemployment.

**The Vice-Chair (Ms. Peggy Nash):** Thank you very much.

Thank you, Mr. Van Kesteren and Mr. Allen.

[Translation]

Mr. Dubourg, you have five minutes.

**Mr. Emmanuel Dubourg:** Thank you, Madam Chair.

The subject is extremely important because we're talking about how to improve the employment landscape for young people. We know that we can and should do better.

My question is for Ms. Huziak, but

[English]

let me address it to Ms. Josephs, from the Canadian Youth Business Foundation.

[Translation]

A bit earlier, I was saying that although the Department of Employment and Social Development delivers a great many programs, young people do not necessarily know about them. And once they do learn about them, they say that all the red tape discourages them from participating. Is there anything you could suggest to improve that?

[English]

**Ms. Marsha Josephs:** One thing that we have heard across Canada in our round table consultations is that there might be a lot of programs out there that are very good programs, but many young people do not know about them. They have no idea that they exist. In one round table that we had here in Ottawa, there was a discussion around a program called BizPaL. No entrepreneur in the room knew that it existed. There was also another one, a business innovation program. No entrepreneur knew that it existed. Clearly, there is a challenge there that needs to be addressed. While there are lots of wonderful programs, they need to be out there in a very coordinated way and easily accessible so people are aware that they exist.

One thing that a few round tables had suggested is perhaps the government can take a look at more promotion to help build awareness around the types of programs that are out there.

[Translation]

**Mr. Emmanuel Dubourg:** Thank you.

My next question is for the Statistics Canada officials, Ms. Morissette and Ms. Hale.

Earlier, I talked about how the unemployment rate among young immigrants, visible minorities, cultural communities and people with

disabilities was much higher than for other groups. Many are shut out of the job market.

There is one thing I am curious about. Following the recession in 2008-09, did that gap skyrocket? What is the difference in the unemployment rates for those two groups? Did it go up?

**Mr. René Morissette:** I don't have any figures on that gap specifically. We do know that, during the recession, immigrants were more likely to lose their jobs and be laid off than non-immigrants. But one of the big reasons they were more likely to be laid off was that they had little seniority, as is the case for young people. Many companies adopt the last on, first off approach. So that's one factor. Although it isn't the only one, it does help to explain why they were hit harder than other workers.

**Mr. Emmanuel Dubourg:** It wasn't a matter of their skills. It had more to do with their low level of seniority.

**Mr. René Morissette:** I can tell you that low seniority was one of the factors at play. The question around skills was not studied.

● (1725)

**Mr. Emmanuel Dubourg:** Thank you, Madam Chair.

**The Vice-Chair (Ms. Peggy Nash):** You have a minute left if you'd like to carry on.

**Mr. Emmanuel Dubourg:** In that case, Madam Chair, I will again turn to the officials from the Department of Employment and Social Development.

How can we make people aware of all the programs that exist? I know you have offices all over the country. Do department staff travel around? Do they meet with employers and other groups to encourage them to participate or apply for program funding?

[English]

**The Vice-Chair (Ms. Peggy Nash):** Be very brief, please.

**Mr. David McGovern:** I sound like a broken record when I recite the number of websites that we use. We try to use channels of communication that actually target the audience. We know that youth in particular are looking for other channels of engagement with the government than previous generations. We have websites, we have products, we have Facebook pages, we have portals. The intent is to try to give information through as many different sources and in as many different formats as possible.

**The Vice-Chair (Ms. Peggy Nash):** Thank you.

[Translation]

Thank you, Mr. Dubourg.

Mr. Dubé, the last five minutes go to you.

**Mr. Matthew Dubé:** Great. Thank you very much, Madam Chair.

I would like as many of you as possible to answer my question, so I would ask that you leave enough time for everyone to comment. You can take turns, starting with the CLC officials.

The TD Bank Group study we were talking about earlier identifies a challenge for young workers. After a recession, older workers have to re-enter the workforce.

And no doubt that will be the reality for a few more years yet despite the economic recovery, particularly since the age of eligibility for old age security went up. Is that situation expected to create problems in the next 15 to 20 years that may not have been anticipated before these events?

We'll start with you, Ms. Huziak, and then we'll give the rest of the witnesses a chance to answer.

[*English*]

**Ms. Amy Huziak:** Your question speaks to a very important point. We have framed the discussion in terms of there being a skills gap and of our having programs to address training and retraining opportunities. But one of the things we haven't specifically emphasized yet is that there is also a really big problem of a jobs gap. The most recent number for Ontario, through the Ontario Federation of Labour, is that there are seven people looking for a job for every one job available in Ontario.

It doesn't matter how many times we train and retrain young workers or older workers coming back; if there are no jobs, they aren't going to be working. This is why we'd like to see a very broad emphasis on job creation and not just on training.

**Mr. John Atherton:** There has been quite a bit of work and study in the area—and we can certainly provide some references to the committee clerk about it—on whether or not high employment rates of older workers actually result in higher unemployment rates for young people.

There is no empirical evidence of it; in fact, the two move together. A stronger older-worker contingent means that they are consuming and buying and creating the jobs around them that allow young people to also participate. I think you can see the two things moving together, and in this committee I hope you will be able to not see it as a trade-off.

There has been quite a bit of empirical work done on it, but there is no evidence that there is some kind of trade-off whereby you pick one group over the other.

[*Translation*]

**Mr. Matthew Dubé:** Does anyone have anything to add? Perhaps the Statistics Canada officials would like to comment?

**Mr. René Morissette:** A number of studies have been done in both Canada and the U.S. on workers who have lost their jobs. And they show that workers who have a lot of seniority when they lose their jobs are hit hard by wage losses, and that is true of Canada, the U.S. and the U.K.

Often, five years after having lost their job, workers who had a lot of seniority have to deal with a 20% loss in wages. And that has very significant financial consequences for them, even in the medium term.

• (1730)

**Mr. Matthew Dubé:** I have one last question.

My apologies. Please go ahead.

[*English*]

**Ms. Marsha Josephs:** I wanted to comment.

**Mr. Matthew Dubé:** Sure; go ahead.

**Ms. Marsha Josephs:** Young entrepreneurs create jobs. We need to encourage more young entrepreneurs to see entrepreneurship as a viable career option. Entrepreneurship needs to be encouraged, celebrated, and supported.

Thank you.

[*Translation*]

**Mr. Matthew Dubé:** My question is for the officials from the Department of Employment and Social Development.

Correct me if I'm wrong, but last year, the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities did a report on the Canadian Occupational Projection System, or COPS. It's a tool that focuses on skills shortages and how they are measured.

In its report, the committee indicated that there were flaws in how the system measured data. Could that situation cause problems for your forecasts and the programs you are in the process of setting up?

**Mr. Philippe Massé:** Clearly, measuring future shortages is a challenge. The department uses a series of models to predict where things will stand in the various occupations down the road. The idea is to help people who are investing in their skills now.

As far as the flaws go, I cannot comment on them specifically. I do know that the department is constantly making investments to improve the type and quality of data available. That involves investing in data bases and methods for their use.

**Mr. Matthew Dubé:** Thank you.

**The Vice-Chair (Ms. Peggy Nash):** Thank you, Mr. Dubé.

[*English*]

I'd like to thank all the witnesses for being here today. Your testimony was very informative.

Thank you to the committee.

This meeting is adjourned.





Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>