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Better Educated, Badly Paid  
and Underemployed:  
A Statistical Picture of Young  
Workers in Canada

by  
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# **Better Educated, Badly Paid and Underemployed: A Statistical Picture of Young Workers in Canada**

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## **Introduction and summary**

The job market is not working well for young workers aged 15 to 24.

This paper provides a factual overview of the situation of young workers. It documents the worsening fortunes of younger compared to older workers, especially over the 1990s, and charts trends in employment and unemployment rates of teens and young adults. Youth, as a whole, experience continuing high unemployment. Teens have fared somewhat worse than young adults age 20 to 24. Young men, as a group, have fared somewhat worse than young women.

A very major change in the way youth relate to the job market flows from dramatically higher rates of participation in post-secondary education. This has risen from one in five to one in three persons aged 20 to 24 since the mid-1980s. This reflects both the difficulty of finding good jobs and the need for higher education to obtain good jobs.

The real wages of young workers have fallen to just 75 to 80% of the real wages earned by young workers a generation ago, even though today's young workers are much more highly

educated. Jobs held by young workers are disproportionately part-time, insecure and low paid.

In the period from 1997 to 2004, the gap between youth wages and adult wages has continued to widen. In 2004, the median youth hourly wage (half earn more and half earn less) was \$9 per hour, and the average hourly wage of young workers was 56.7% of the average hourly wage for all workers.

Almost half (45%) of all young workers who are not students and are working full-time are low paid. This means that they do not earn enough to meet the poverty line for a single person. Low wages contribute to a high risk of poverty for young workers who do not live at home, and young working families with children.

Unionization of young workers has been increasing since 1997, from 11.7% to 13.9% of all youth employees. Unionized young workers earn \$2.78 per hour or 28.1% more than non-union young workers, and the union advantage is even greater for young women.

One in six young people are persons of colour, 41% of whom were born and educated in Canada. Despite higher than average levels of education, this growing group experiences lower rates of employment and higher rates of unemployment than the non-visible minority youth.

Aboriginal youth face much higher than average rates of unemployment.

It is clear that young workers continue to face major problems in the job market, including high rates of unemployment, insecure work, low wages, and racial discrimination. While still at very low levels, the unionization rate for young workers has been increasing and is making a positive difference.

Governments and policymakers tend to assume that most young workers are students in transition to better jobs. But, this is not true of most young adult workers, a sizeable proportion of whom will remain trapped in insecure and low paid jobs. Much more attention needs to be paid to the plight of younger workers, including more successful transitions from school to work.

## **The declining fortunes of young workers**

Research by labour market economists has documented a major decline in the fortunes of young workers (usually defined as those aged 15 to 24) as compared to other workers over the past thirty years (Beaudry *et al.* 2000; Gunderson *et al.* 2000; Picot *et al.* 2001). Much of that decline was concentrated in the period of recession and slow recovery from 1989 to the mid-1990s.

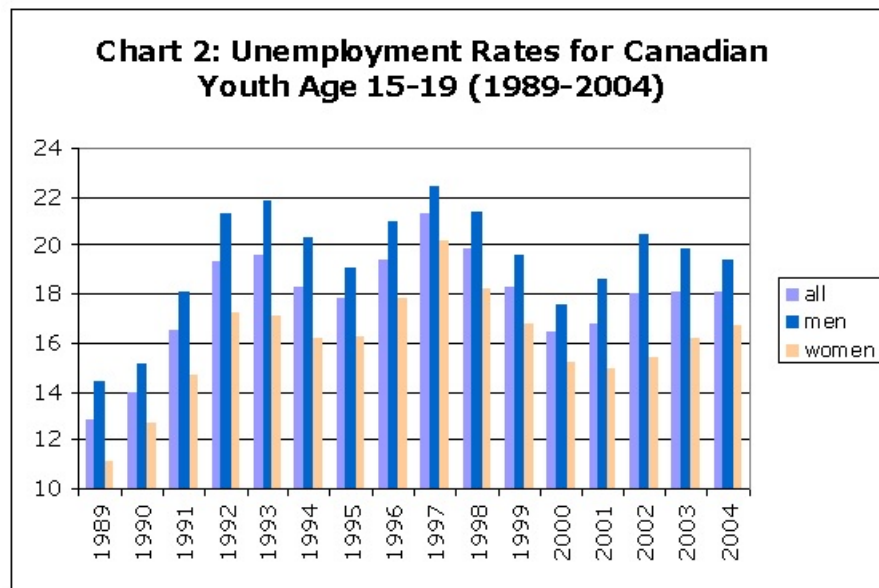
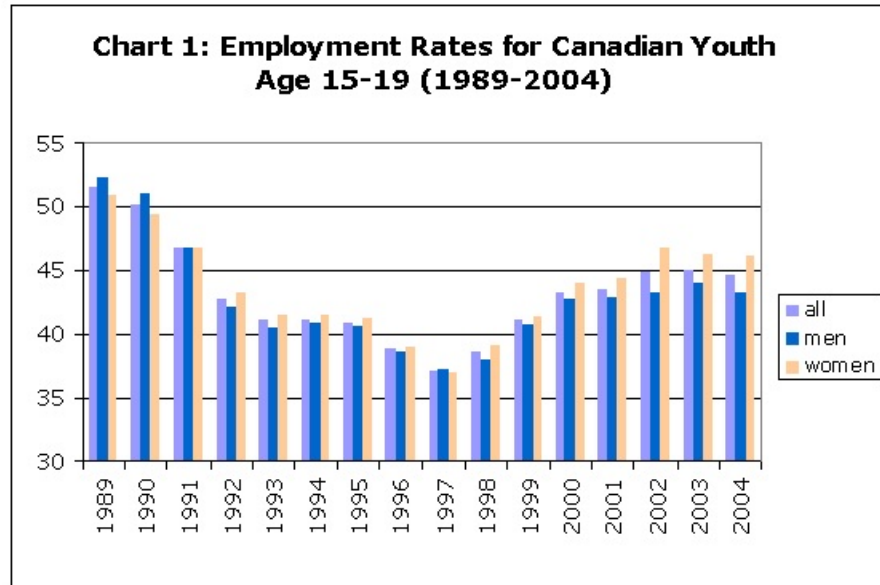
The proportion of all young workers with jobs fell sharply, from 63.3% in 1989, to a low of 53.3% in 1993, before partly recovering to 58.1% in 2004. In June 2005, the youth employment rate had again slipped back, to 57.5%. By contrast,

the proportion of so-called “core-age” workers aged between 25 and 54 with jobs has increased over the long-term, from 73.9% in 1989, to 81.4% in 2004, and 81.3% in June 2005.

The youth unemployment rate has been persistently very high since the mid-1970s, never falling below 11%, and reaching a recent high of 17.3% in 1992. In the first half of 2005, the youth unemployment rate averaged 12.5%, down a bit from 2004, but more than double the rate for workers aged over 25. Strikingly, one in three of all unemployed workers in Canada today are young workers. In June 2005, the youth unemployment rate was 12.8%, and there were 360,000 unemployed young persons, making up 31% of the total number of unemployed.

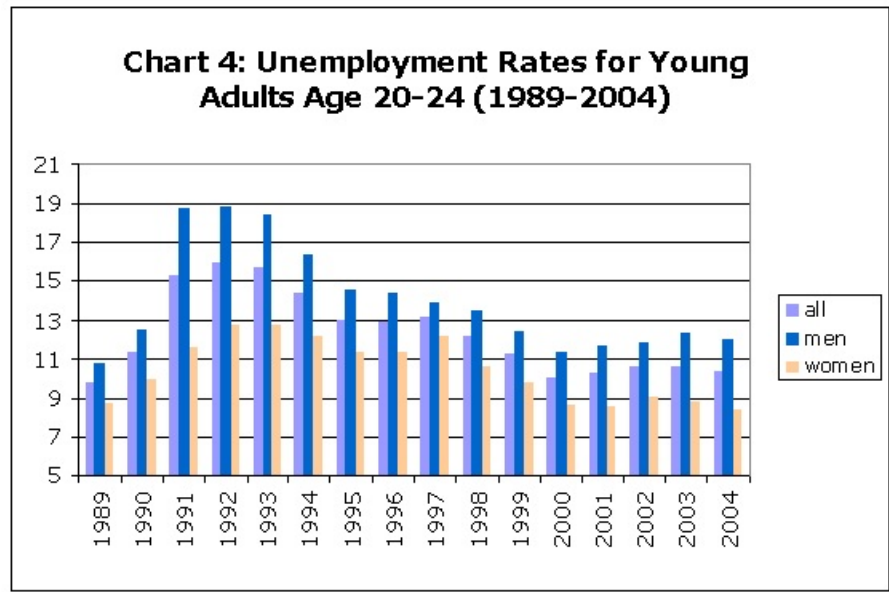
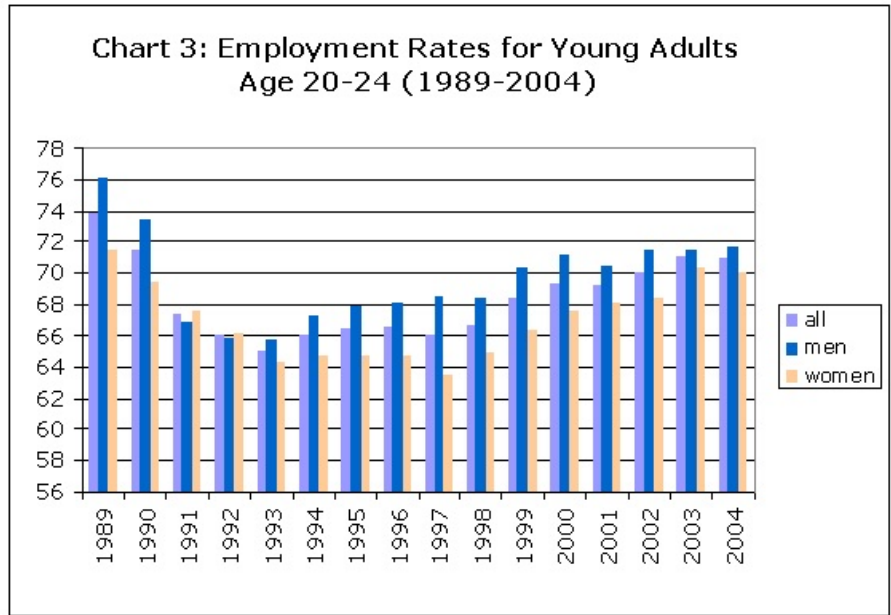
The charts below show the employment rate and the unemployment rate since 1989 for young men and young women, divided into the age groups 15 to 19 and 20 to 24. Unemployment is particularly high among teens, and among young men. In 2004, the teen unemployment rate was 18.1% compared to 10.3% for those aged 20 to 24. The unemployment rate for young men aged 15 to 24 in 2004 was 14.9% compared to 11.8% for young women in the same age group.

Over time, the employment gap between teens and young adults has grown, as has the gap in unemployment rates between young men and young women. However, young women continue to earn less than young men and are disproportionately employed in part-time jobs. We remain far from equality even among youth.





Better Educated, Badly Paid and Underemployed:  
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As shown in Charts 1 to 4, the employment rate for teens bottomed out in 1997, and then rose to 2003, before falling last year. The unemployment rate for teens has been steady for the past three years, but has been rising among women in this age group. In the first half of 2005, the unemployment rate among teen men was 18.9%, and for teen women it was 15.4%.

The employment rate for young adults age 20 to 24 has recently steadied, and unemployment for this age group has continued to fall while remaining just above 10% (13.2% for men 20 to 24, and 7.6% for women 20 to 24 in the first half of 2005).

The other major dimension of the declining fortunes of young workers has been in terms of real wages, and the wages of young workers compared to older workers. Today, young men aged 15 to 24 earn only about 75% as much as did the young men in the same age group in the mid-1970s in terms of “real” or inflation-adjusted hourly earnings (Picot *et al.* 2001). Young women have done slightly better, but they still earn only about 80% as much as did the young women of the mid-1970s. The pay gap between young women and young men has narrowed slightly, but the gap between youth and adults has greatly increased. This is a perverse path towards equality.

A lot of this decline in the relative wages of young workers took place between 1989 and the mid-1990s.

In 2004 — as detailed below — the median wage of young workers aged 15 to 24 was just \$9 per hour, meaning that half of all young workers earned more, and half earned less. The

average youth hourly wage of \$10.49 was just 56.7% the hourly wage for all workers.<sup>1</sup>

## **Work, school and economic independence**

One of the key factors behind the declining position of youth in the job market has been the very soft job market through much of the 1980s and 1990s. Young workers are hard-hit by recessions, since new hiring tends to come to a halt, and only slowly picks up in periods of recovery. Another factor at play has been demographic changes. The proportion of youth in Canada's workforce was falling for much of our recent history, but this has begun to change with the entry of the "echo baby boom" into the job market.

Perhaps the most dramatic change of the past twenty years has been the greatly increased rate of young adult participation in full-time education. Between the mid-1980s and today, the proportion of teens who are full-time students rose from 75% to 80% as high school dropout rates fell. More dramatically, the proportion of young adults aged 20 to 24 studying full-time (and usually attending college or university) rose from one in five, to one in three over this period (see Gunderson *et al.* 2000). Increased post-secondary enrollment rates reflect several factors. Good jobs not requiring such qualifications have become increasingly difficult to find. The fact that young women now have career aspirations at least equal to those of men underpins even higher enrollment rates than for young men.

The transition from full-time school to full-time work and economic independence has been pushed back for a significant proportion of youth. About half of all young people now enter some form of post-secondary education immediately after high school, and many do not seek a full-time job until their mid-20s or even later. Many young people move back and forth between work and education for an extended period. At the same time, more and more young adults bear a heavy burden of student debt. While increased educational attainment is a good thing and strengthens eventual prospects for stable employment at decent wages — and young Canadians are probably the best educated in the world — the transition to work is taking longer and longer, and has been becoming more difficult.

The transition from school to work is becoming more complex. Statistics Canada's *Youth in Transition Survey* has found that many people who were high school dropouts in their late teens eventually complete their studies, and that many young adults move back and forth between work and post-secondary studies.

A survey of 22-year-olds at the end of 2001 found that just 11% of the group (14% of men and 8% of women) had not completed high school, and about one-third of these dropouts had nonetheless participated in some form of post-secondary education. At age 22, 76% of young people had participated in some kind of post-secondary education at some time. Almost half of the age group (40% of men and 48% of women) were still in school at age 22. At this age, just 34% of young people were out of school and working full-time (about the same proportion of women and men) and another 7% were not in school and

working part-time. Thus, at age 22, about the same proportion of young people are in school as are in work and not studying. About one in seven 22-year-olds (14% of women and 15% of men) were not working and not studying (Statistics Canada. *The Daily*. June 16, 2004).

Increasingly, young people are delaying marriage and cohabitation, opting to live with their parents through their twenties. Census figures show that 58% of young people between the ages of 20 to 24 years were living in their parental home in 2001, up from 42% in 1981. Even among young people aged 25 to 29 years, almost one-quarter (24%), were still living in their parental home in 2001. Following in lockstep, young people are also delaying having children, and choosing to have fewer children when they do start families.

Most students seek work of some kind. Many full-time students want part-time work during the school year, and full-time summer jobs. The financial need to combine work and studies has become greater with increased tuition fees, and paid work is needed to gain experience and access to better jobs. At the same time, post-secondary education has become more and more important as a means to access reasonably well-paid and secure jobs which provide ladders to opportunities. Young workers who are high school dropouts or who have only a high school education are at increasing risk of being unemployed, or being able to find only very low-pay, no-future jobs.

**Table 1: Youth, Students and Unemployment**

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**Age 15-19:** (82% students; 18% non-students)  
(19.2% of men and 16.3% of women non-students)

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Unemployment Rate of Students During School Months	Unemployment Rate
All	17.6%
Men	19.2%
Women	16.3%

Unemployment Rate of Non-Students	Unemployment Rate
All	19.3%
Men	20.7%
Women	17.3%

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**Age 20-24:** (39.6% students; 60.3% non-students)  
(64.0% of men and 56.5% of women non-students)

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Unemployment Rate of Students During School Months	Unemployment Rate
All	7.7%
Men	9.4%
Women	6.3%

Unemployment Rate of Students	Unemployment Rate
August 2002	8.7%
August 2003	9.0%
August 2004	8.5%

Unemployment Rate of Non-Students	Unemployment Rate
All	11.3%
Men	13.1%
Women	8.9%

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Source: Statistics Canada Catalogue 71F0004XCB, *Labour Force Historical Review*, 2004.

Table 1 shows unemployment rates in 2004 for students and non-students, by gender, and by age group. Looking at teens aged 15 to 19, unemployment rates are close to 20% for both students in the school year and the relatively small group of non-students, and are slightly higher among male teens. Clearly, access to work is difficult for this group, who are usually seeking only part-time, entry-level jobs.

The unemployment rate of students age 20 to 24, both during the school months and in the summer, is significantly lower, but still much higher than for older workers. In June 2005, the unemployment rate for students aged 20 to 24 was 11.1%, up from 9.3% a year earlier (though many students do manage to find jobs later in the summer).

It is notable that unemployment rates are very high — 13.1% for men and 8.9% for women — for the majority of both young men and women aged 20 to 24 who are not students. Many young adults are clearly experiencing serious difficulties finding work.

## **Job quality**

The dark side of the post-industrial economy has been the expansion of low-wage, low-skilled jobs in private services. These are the jobs that now typically provide “ports of entry” to the labour market for young adults. But, rather than moving quickly to the bottom rungs of what turn out to be “career jobs,” many youth, including well-educated youth, spend several years

in a series of low-wage, low-skill jobs in sectors like fast food and retail.

Most young people are working in parts of the job market which typically provide low wages, limited of any pension or health benefits, and part-time or unstable hours. The majority of young women (51.0%) age 15 to 24 work in trade or accommodation and food services (i.e. in stores, restaurants and hotels), as do 39.3% of young men. One in four young men work in construction or manufacturing jobs — which are more likely to provide full-time hours at decent wages — while one in ten young women work in health and social services.

## **Hours and job security**

In looking at unemployment rates for youth, it has to be borne in mind that to be unemployed means that a person has been unable to find any kind of job, even a low-paid, temporary or part-time job. The majority of youth work part-time (56% in June 2005). Most teens and young adults who are studying full-time want only a part-time job, at least during the school year, but the fact that almost one-third (29.6%) of young adults aged 20 to 24 are working part-time is of concern. More than one-third of women aged 20 to 24 (37.2%) work part-time compared to just one in five (22.3%) young adult men.

It is often assumed that part-time jobs provide a “flexible” way to balance work and school. But, part-time jobs also often offer only highly variable and unpredictable schedules,



especially when employers can pick and choose among a roster of part-timers who all want more hours than are available. Control of hours is a tool which employers use to maintain low wages and to resist unionization.

One big change in the job market in recent decades has been the rise of temporary or contract jobs, that is, jobs with a defined end-date. As employers have restructured work to make jobs more precarious and contingent, and less secure, they have often done so by making changes which principally affect new hires. In other words, much of the impact falls on young workers entering the job market (as well as on recent immigrants). More than one in five (21%) of new hires are now into temporary jobs, double the proportion of 1989<sup>2</sup> (Morrissette and Picot 2005).

## **Employment Insurance**

The fact that young workers are likely to be in part-time and temporary jobs means that they are less likely than adults to qualify for EI benefits when they do become unemployed, even though they pay premiums for every hour worked. To qualify for benefits, new entrants to the workforce must meet an initial threshold of working more than 910 hours in a year (or about six months in a steady, full-time job), and even after that, it is hard for part-time and seasonal workers to qualify.

As noted above, one in three unemployed workers are young workers. But, young people aged under 25 make up just

12.4% of new claims for regular EI benefits, and receive an average benefit of \$268 per week compared to \$312 for all workers.<sup>3</sup>

Lack of access to EI helps create a very competitive market even for low-wage and insecure jobs.

## **Wages of young men and young women**

Table 2 shows youth wages in 2004 for men and for women. The average youth hourly wage in 2004 was \$10.49, and the median wage (half earn more, half earn less) was just \$9.00 per hour. In terms of the average hourly wage, young women earned 90.5% as much as did men (\$9.96 compared to \$11.01 per hour). The wage gap between women and men has widened very slightly since 1997.<sup>4</sup>

The gap between average weekly earnings of young men and young women is greater than for hourly wages, since women are more likely to work in part-time jobs. In 2004, young women averaged \$276.46 per week, or 76.8% of men's weekly average earnings of \$359.78. This gap has narrowed a bit since 1997.

2001 Census data show that the annual earnings of young workers averaged \$10,127, with women earning an average of \$8,824, or just 78% as much as the average annual earnings of \$11,342 for young men.

**Table 2: Youth Wages in 2004**

Age 15-24:	Average Hourly Wage	Median Hourly Wage	Average Weekly Wage
All	\$10.49	\$9.00	\$318.53
Men	\$11.01	\$10.00	\$359.78
Women	\$9.96	\$8.50	\$276.46
Women as % Men in 2004	90.5%		76.8%
Women as % Men in 1997	91.1%		74.5%

**Falling Further Behind:**

**Average Youth Wage Compared to Average Wage for All Workers**

		Average Hourly Wage
All	2004	56.7%
	1997	57.4%
Men	2004	54.6%
	1997	54.6%
Women	2004	59.3%
	1997	61.2%

Source: Statistics Canada Catalogue 71F0004XCB, *Labour Force Historical Review*, 2004.

As shown in the second part of the table, the gap between youth wages and average wages for all workers has continued to widen somewhat since 1997. This is true for both young men and young women, and it is true for both hourly wages and weekly wages.

## More educated but earning less

There is some evidence that the wage gap between young and older workers may have begun to narrow a bit since the mid- to late 1990s for university-educated youth (Picot *et al.* 2001, and Boudarbat *et al.* 2003). Nonetheless, it is striking that young workers continue to lose ground compared to older workers at the same time that average education levels among young people have been rising. By some measures, Canada now has the most highly-educated generation of young workers in the world, but finding good jobs remains very difficult.

A very high and rising proportion of young workers who are mainly working full-time and are not students are earning low wages. A low-wage worker can be defined as someone earning less than \$375 per week, or less than \$10 per hour for a 37.5 hour week (in inflation-adjusted dollars for the year 2000). This is approximately the low income threshold or poverty line for a single person living in a larger city.

In 2000, almost half or 45.0% of all young workers aged 15 to 24 working mainly full-time and who were not students were low-paid (39.9% of men and 52.4% of women), up from 40.7% in 1990, and up from less than one-third or 31.2% of young workers in 1980 (Morissette and Picot 2005). While most are protected by family incomes, one in four young low-wage workers live in households falling below the poverty line.

## **Rising risks of poverty**

Low youth wages translate into a very high risk of poverty for young workers who form their own households and live away from home, particularly young families with children. The sharp rise of child poverty in Canada and persistently high child poverty even in the recent period of economic recovery is driven, in part, by low wages for many young adults.

Some full-time, young, low-wage workers are in entry-level jobs which eventually lead to ladders to better jobs, but many others — especially those without completed post-secondary education — face a high risk of being trapped in low-pay jobs for life. Too many of today's young workers will become tomorrow's working-poor adults.

Research shows that the probability of young women workers moving up the wage ladder over time is relatively low compared to men, and that the chances of young male workers moving up the ladder have been falling compared to previous generations (Beach and Finnie 2004). The ongoing polarization of the job market between reasonably secure and well-paid jobs and insecure, poorly paid jobs puts more and more entry-age workers at risk, facing much more unequal futures than did their parents.

## **Benefits**

Young workers are very unlikely to be covered by non-wage benefits. In 2001, just 6.4% of young workers aged under 25 were covered by an employer pension plan compared to 31.7% of all workers, and only about one in four were covered by dental, drug, and life and disability insurance plans, about half the rate for all workers.<sup>5</sup>

## **Unions reach out to young workers**

It is notable that, while overall union density in Canada has been quite stable since 1997, the proportion of young workers covered by a collective agreement has been slowly rising. As shown in Table 3, the unionization rate among young workers (union-covered workers as a percentage of employees in this age group) has risen from 12.9% in 1997, to 14.9% in 2004, peaking in 2003, before slipping a bit in 2004. The number of young workers belonging to unions has also increased significantly, from 242,000 to 351,000.<sup>6</sup>

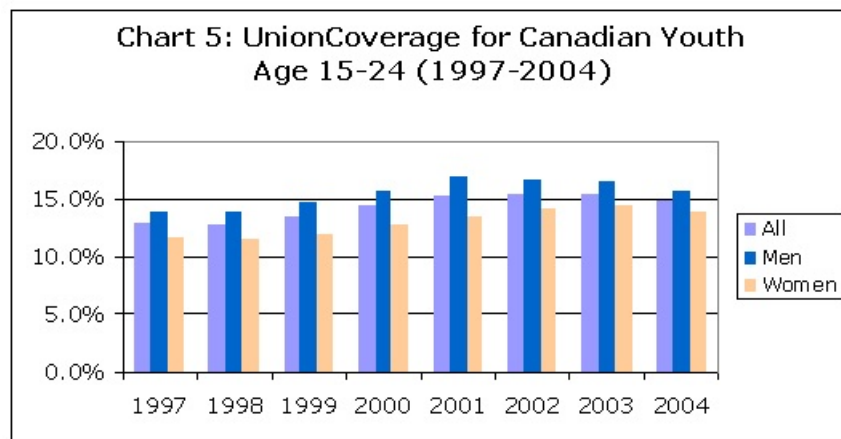
The unionization rate has been consistently higher among young men than young women, in contrast to the overall unionization rate in Canada which is now almost exactly the same for men and for women at just over 30%. This gender gap reflects the fact that young people are less likely than older workers to be employed in the highly unionized and disproportionately female public sector. While lower than for

young men, the unionization rate among young women has risen at about the same rate.

**Table 3: Union Coverage for Canadian Youth**

Age 15-24:	1997	1998	1999	2000	2001	2002	2003	2004
All	12.9%	12.7%	13.4%	14.3%	15.2%	15.5%	15.4%	14.9%
Men	13.9%	13.9%	14.7%	15.8%	16.9%	16.7%	16.5%	15.8%
Women	11.7%	11.5%	12.0%	12.7%	13.5%	14.2%	14.3%	13.9%

Source: Statistics Canada Catalogue 71F0004XCB, *Labour Force Historical Review*, 2004.



As shown in Table 4, the rate of union coverage of young workers is much higher in the public sector (47.6%) than in the private sector (12.1%), though almost three in four (72%) of unionized youth work in the private sector compared to about half of all union members. The unionization rate among youth is higher than average in health care and social assistance, manufacturing and construction, and very low in accommodation and food services. In 2001, 12.8% of visible minority youth belonged to unions.<sup>7</sup>

**Table 4: Union Coverage of Youth by Sector in 2003**

Age 15-24:

All	15.3%
Public Sector	47.6%
Private Sector	12.1%
Construction	20.3%
Manufacturing	24.4%
Trade	14.6%
Health Care/Social Assistance	38.8%
Accommodation/Food Services	4.4%

Source: *Labour Force Survey* data from the Gender and Work Database  
(www.genderwork.ca)

**Union Impacts on Youth Wages in 2003**

Age 15-24:	Average Hourly Wage		Union Advantage	
	Union	Non-Union	\$	%
All	\$12.66	\$9.88	\$2.78	28.1%
Men	\$12.86	\$10.42	\$2.44	23.4%
Women	\$12.43	\$9.34	\$3.09	33.1%
Private Sector	\$11.62	\$9.81	\$1.81	18.5%
Construction	\$16.59	\$12.19	\$4.40	36.1%
Manufacturing	\$13.71	\$12.09	\$1.62	13.4%
Trade	\$8.88	\$8.64	\$0.24	2.8%
Health Care/Social Assistance	\$13.03	\$11.00	\$2.03	18.5%
Accommodation/Food Services	\$9.26	\$8.33	\$0.93	11.2%

Source: *Labour Force Survey* data from the Gender and Work Database  
(www.genderwork.ca)

The union advantage is the union wage minus the non-union wage, as a percentage of the non-union wage.

It is impossible from current data to say how much of this recent increase represents the effects of new organizing of young workers. We do know that many young people are attracted to unions. The Vector public opinion poll



commissioned by the CLC in 2003 found that a majority (52%) of young workers would join a union if there was no fear of reprisal, significantly higher than the 43% of all workers registering similar potential support for joining a union. Some unions have launched major campaigns to organize young workers in low-wage, private service industries, as in the UFCW campaign to organize Wal-Mart, and as in successful efforts to organize low-wage workers in health care and social services. Unions have also gained a presence on university campuses by organizing teaching and research assistants. The Canadian Labour Congress and a number of unions have hired young workers as organizers and staff members, and have established youth positions on executive boards.

At the same time, recent years have seen some hiring of young workers into already unionized workplaces as the leading edge of the baby boom generation begins to retire. This generational shift within the unionized sector of the workforce will accelerate sharply in the years ahead, including in public services and in blue-collar industrial and construction jobs.

## **Unions make a difference**

Young workers join unions for many reasons, including their desire for a voice in the workplace, healthy working conditions, fair access to training and career ladders, and benefits coverage. The most quantifiable dimension of the union advantage is, however, wages.

As shown in Table 4, unionized young workers earn an average of \$12.66 per hour, \$2.78 or 28.1% more per hour than non-union young workers. The union advantage is greater for young women than for young men, so union membership helps close the wage gap between women and men.

The union advantage is smaller, but still significant, in low-wage sectors like accommodation and food services, and trade, where the level of union representation is very low.

## **Young workers of colour**

As Canada has become more racially and ethnically diverse, the youth population has become even more diverse. Of all young people age 15 to 24 in Canada in 2001, one in six or 15.9% belonged to visible minority groups (i.e. non-white/non-Aboriginal). This is higher than the 13.4% proportion of persons of colour in the entire population, mainly because the immigrant population is younger than average. However, a high proportion of visible minority youth (41%) are not immigrants, but were born and educated in Canada.<sup>8</sup> While some of this group belong to long-established communities, most are the children of persons of colour who came to Canada in the 1980s.

Visible minority youth make up a very high and rising share of the total youth population in Vancouver (45%) and Toronto (42%), and a higher than average proportion in other big cities, especially Calgary and Montreal.

**Table 5: Visible Minority Youth in the Labour Market in 2001**

<b>Age 15-24:</b>	<b>Employment Rate</b>	<b>Unemployment Rate</b>
All Persons Non-Visible Minorities/Non-Immigrants	58.4%	13.3%
Immigrant Youth	55.0%	14.8%
Visible Minority Youth	43.7%	16.1%
Visible Minority Youth Born in Canada	48.4%	15.5%
Black Youth Born in Canada	33.2%	21.4%

<b>Age 20-24:</b>	<b>Employment Rate</b>	<b>Unemployment Rate</b>
All Persons Non-Visible Minorities/Non-Immigrants	72.9%	12.5%
Visible Minority Youth	67.3%	15.4%
Visible Minority Youth Born in Canada	64.7%	14.6%
Black Youth Born in Canada	64.8%	16.5%

Source: *Census of Canada*, Catalogue 97F0012XCB200102.

Given that many immigrant youth arrived in Canada as young children and that 41% of visible minority youth were born in Canada, a clear majority of visible minority youth entering the workforce have almost certainly been educated in Canada and speak good English or French. In short, most young workers of colour do not suffer from the same disadvantages of many adult immigrant workers of colour — such as lack of recognition of foreign credentials and work experience. Furthermore, visible minority persons are much more likely than non-visible minority persons to be highly educated, and visible minority persons born in Canada have much higher rates of educational attainment than average (Tran 2004).

For all of these reasons, one would expect visible minority youth to be doing well in the job market compared to non-visible minority youth. Yet, as shown in Table 5, their

employment rates are lower than average, and their unemployment rates are higher than average. This is especially true for black youth. Racial discrimination in hiring and promotions is very much a factor at play. One in five visible minority workers reported experiencing racial discrimination in the recent *Ethnic Diversity Survey*, and many complaints are filed before human rights tribunals each year.

## **Young Aboriginal workers in Canada**

The 2001 Census<sup>1</sup> shows that there are over 1.3 million people who identify as Aboriginal people, or nearly 4.5% of the total Canadian population. Aboriginal persons are relatively younger than the general population. While youth aged 15 to 24 represent 13.5% of the general population, they make up more than 17% of the Aboriginal population.

Aboriginal youth make up 5.7% of the total Canadian youth population, but a much higher percentage of the youth population is in Prairie cities, such as Winnipeg (11.7%), Saskatoon (11.6%), and Regina (10.7%). While their share of the youth population is much smaller in other cities, there are significant numbers of Aboriginal youth in most big cities across Canada as well as in the North and in many rural areas.

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<sup>1</sup> The Census cannot account for all Aboriginal people in Canada due to the incomplete enumeration of a number of surveys on specific reserves and settlements. In the 2001 Census, "a total of 30 Indian reserves and Indian settlements were incompletely enumerated by the Census. The populations of these 30 communities are not included in the Census counts." (Statistics Canada Cat. No. 97F0011XCB2001048.)

### *Education*

Aboriginal people tend to have lower than average education levels, and the gap is still very large for youth. Census data show that 61% of Aboriginal youth have less than a high school education, and just 1.7% have university degrees compared to 43% high school completion, and 5.5% university completion rates for all young people.<sup>9</sup>

### *Unemployment rates*

This education gap between Aboriginal youth and the general Canadian population may help explain the particularly high unemployment rates of Aboriginal youth, along with factors such as racism and very high unemployment rates for all Aboriginal persons living on reserves and in many rural areas. With an unemployment rate of 22.8% for Aboriginal youth in 2001 compared to 13.7% for all youth, there was a gap of just over nine percentage points.

It is interesting to note, as shown in Table 6, that unemployment rates for Aboriginal youth in the Prairie cities with large Aboriginal youth populations are higher than average for all Aboriginal youth, and that the unemployment rate gap compared to youth as a whole is greatest in these cities.

**Table 6: Unemployment Gap between Aboriginal Youth and All Youth in Nine CMAs, 2001**

CMA	Unemployment Rate of All Youth Workers (%)	Unemployment Rate of Aboriginal Youth Workers (%)	Unemployment Gap (%)
Regina	12.3	23.1	10.8
Saskatoon	12.5	22.5	10
Winnipeg	10.7	19.5	8.8
Edmonton	10.9	16.6	5.7
Vancouver	13.8	17.9	4.1
Calgary	10	13.7	3.7
Montreal	11.8	14.6	2.8
Ottawa	12.3	14.1	1.8
Toronto	12	13.8	1.8
<b>Canada</b>	<b>13.7</b>	<b>22.8</b>	<b>9.1</b>

Source: Selected Labour Force Characteristics (50); Aboriginal Origin (14); Age Groups (5A), and Sex (3) for Population 15 Years and Over, for Canada, Provinces, Territories, and Census Metropolitan Areas (CMAs), 2001 Census - 20% Sample Data. Ottawa: Statistics Canada, November 19, 2003. *2001 Census of Canada*. Catalogue 97F0011XCB2001053.

## Conclusion

It is clear that young workers continue to face major problems in the job market, including high rates of unemployment, insecure work, low wages, and racial discrimination. While still at very low levels, the unionization rate for young workers has been increasing and is making a positive difference.

Governments and policymakers tend to assume that most young workers are students in transition to better jobs. But, this is not true of most young adult workers, a sizeable proportion of whom remain trapped in insecure and low-paid jobs. Much more attention needs to be paid to the plight of

younger workers, including planning for more successful transitions from school to work.

There are a number of policies which could improve the situation of youth in the job market. Governments could even be playing field between employers and young workers by legislating for union certification on the basis of a card check of majority support, and by ensuring that the decision whether to join a union is genuinely free of coercion. In addition, increases to the minimum wage and improvements to basic employment standards would be particularly beneficial to young workers, especially those employed in part-time or temporary jobs in smaller workplaces.<sup>10</sup>

Improved access to training for already-employed younger adults is badly needed to give a "second chance" to those who left the education system relatively early and with limited credentials. The CLC strongly supports a major expansion of apprenticeship programs, school-to-apprenticeship programs, and promotion of jobs in the skilled trades which will soon be opening up due to retirements. Realistically, about one-half of future jobs will not require a college or university degree, even though these jobs do require skills training and mentoring/femtoring. The transition into the labour market for this half of the workforce is especially poorly planned.

University and college students need not only lower tuition fees and greater financial support to secure broad access, they also need the income and valuable job experience which comes from working while studying. Governments must take more responsibility for effective and meaningful summer job programs for students.

Youth is a period of transition. Young workers become older workers. But, their future in the job market will be shaped by their experiences as young workers. We owe it to today's youth to seriously address issues of unemployment, low pay, and lack of access to benefits and training.



## Endnotes

- <sup>1</sup> Except as otherwise noted, all data in this study are from Statistics Canada's *Labour Force Survey*.
- <sup>2</sup> The rate has been unchanged from 1998 to 2004.
- <sup>3</sup> Human Resources and Skills Development Canada. 2004 *Employment Insurance Monitoring and Assessment Report*. Table 2.3.
- <sup>4</sup> 1997 was the first year for which hourly wage data are available from the *Labour Force Survey*.
- <sup>5</sup> Statistics Canada Catalogue 71-585-XIE. *Workplace and Employee Survey Compendium*. 2001.
- <sup>6</sup> Union density among youth is still, however, well down from over 20% in the late 1980s.
- <sup>7</sup> Data from the *Survey of Labour and Dynamics* from the Gender and Work Database.
- <sup>8</sup> Data from the 2001 *Census of Canada*.
- <sup>9</sup> Of course, at age 24, high school and university completion rates are higher for both groups, but the gap for the 15 to 24-age group as a whole is very significant.
- <sup>10</sup> CLC proposals regarding minimum wages, hours of work, work schedules, and greater rights to leaves and training, among other issues, can be found in "Labour Standards for the 21st Century" on our Web site at:  
[http://www.canadianlabour.ca/index.php/Andrew\\_Jackson\\_Paper/Labour\\_Standards\\_in\\_](http://www.canadianlabour.ca/index.php/Andrew_Jackson_Paper/Labour_Standards_in_)

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