

## ONTARIO 360 – YOUTH UNEMPLOYMENT – TRANSITION BRIEFING

Modernizing Ontario’s post-secondary model to support youth employment  
and opportunity

### Issue

Youth unemployment (for those between ages 15 and 24) in Ontario has been persistently high in recent years. It is now nearly 12 percent which is more than double the province’s overall unemployment rate.<sup>1</sup> This joblessness gap has short-term and long-term implications. It can create financial pressures for young people now and harm their long-term earning potential. There are various factors contributing to the problem – including increasingly stratified levels of social capital. The incoming government will need to enact policies to address these causes and to help Ontario’s young people obtain work and experience.

### An overview: Youth unemployment in Ontario

Policymakers at all levels of government have been grappling with the challenges of youth unemployment for some time. The youth unemployment rate has exceeded 10 percent at the national level and in Ontario for more than a decade.

There are various factors that contribute to these elevated jobless rates. Some may be data driven to the extent that there is a case to drop 15-year olds from the calculation as the U.S. Bureau of Labor Statistics has done.<sup>2</sup> Others have to do with training and experience. There is also of course a role for public policy.

<sup>1</sup> Statistics Canada, Labour Force Survey – February 2018, March 9, 2018. Available at: <http://www.statcan.gc.ca/daily-quotidien/180309/dq180309a-eng.htm>.

<sup>2</sup> Phillip Cross, “Canada does not have a youth jobless crisis,” Financial Post, October 23, 2015. Available at: <http://business.financialpost.com/opinion/philip-cross-canada-does-not-have-a-youth-jobless-crisis>.

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The Ontario government launched a Youth Jobs Strategy in 2013. It was renewed and expanded in 2015.<sup>3</sup> The strategy includes various programs and services to subsidize youth hiring, promote youth entrepreneurship, provide for more pre-apprenticeships and apprenticeships, and “bridge the gap” between post-secondary education and job-ready skills. The government has attributed success to the strategy thus far.<sup>4</sup> But it is still too early to render judgement on these various initiatives – including what is working and what is not.

### **The need for reform**

The federal government’s Expert Panel on Youth Employment (which I chaired) sought to address the various factors contributing to high youth unemployment. It was at times a difficult and occasionally puzzling exercise given the fact that the provinces wield most of the levers that affect youth outcomes. The policy space also relies heavily on non-profit and private actors and the maintenance of inter and intra-governmental relations.

A constant question during our work as a Panel was: “What is different now”? This is a key question. Young people today are navigating a changing and bewildering bargain between employer, employee, and government. It is not just about youth unemployment. It is also about work quality, pay levels, job precariousness, and stratified opportunity.

While it is true that youth unemployment rates today are similar to that of the 1970s, job quality appears to have deteriorated for many young people. Today, young workers are less likely to be employed in full-time standard work and more likely to be working part time. When they do have full-time jobs, youth are now more likely to be in temporary jobs. The worst part is that despite rising education levels, real wages grew little during the 1980s and 1990s. Many readers will be familiar with the “Generation Squeeze” narrative.

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<sup>3</sup> Government of Ontario, Background: Youth Jobs Strategy, January 27, 2015. Available at: <https://news.ontario.ca/maesd/en/2015/01/ontario-youth-jobs-strategy.html>.

<sup>4</sup> Louise Brown, “Ontario’s Youth Jobs Strategy says it’s helped 20,000 young people so far,” Toronto Star, July 18, 2014. Available at: [https://www.thestar.com/news/queenspark/2014/07/18/ontarios\\_youth\\_jobs\\_strategy\\_claims\\_opportunities\\_for\\_20000\\_young\\_people.html](https://www.thestar.com/news/queenspark/2014/07/18/ontarios_youth_jobs_strategy_claims_opportunities_for_20000_young_people.html).

Career carving is less linear and more unpredictable than before, making it tougher to plan around the life milestones that typically follow the transition from school to work like marriage, homeownership, and starting a family.

Perhaps the most pronounced contrast in conditions that differentiates this generation of job seekers from the one before it is the digitization of the labour market. While it is worth recognizing that young people today have profoundly easy access to online job postings and can easily apply online to positions, there are negative externalities associated with this amplification. As the inboxes of potential employers overflow when they announce entry- and mid-level positions, the social capital of young potential employees becomes increasingly important for job outcomes.

“Whom do you know?” has become a core part of the job search. We continually advise young people to ask strangers for coffee and forge faux familiarity in an effort to expand their network. Is this realistic, scaleable, or even appropriate? While leveraging social capital is by no means historically new, presenting it as a core part of securing work is worrying and disproportionately benefits young people with access to connections through family.

### **How to move forward**

In considering what must be improved at the provincial level to improve the quality and tenure of youth employment outcomes, I will offer the following: we should seek to re-design our post-secondary institutions. They have remained remarkably resilient to the rapid rates of change reshaping the world and future of work, the exchange of information, and the digital economy. Put simply, institutions of post-secondary education have failed to keep pace with the rapidly changing economic and employment environment.

Our colleges and universities are a cornerstone of our province. They are ranked highly internationally and contribute to our regional economies. Perhaps this has allowed them to remain immune to the changing economic realities. While a few programmatic shifts suggest tentative responses – growth in continuing education offerings, supporting entrepreneurship through incubators and the embrace of work-integrated learning – I will venture that we have not done enough to ensure that young graduates are certified as multi-

disciplinary problem solvers. We need more part-time options, different speeds, and greater workplace integration. Why is a basic BA still a four-year process?

Maintaining the traditional post-secondary model will fail Ontario. We should work to neutralize the need for social capital, we should work to preserve the principle of equal opportunity that our renowned K-12 system is built upon, and continue to infuse fairness in a fierce system.

This could be executed by a new policy framework led by the Ministry of Advanced Education and Skills Development – including building in new flexibilities for curriculum and programmatic experimentation in the Strategic Mandate Agreements with individual institutions. Our universities, colleges, and polytechnics should be encouraged to test out new curriculum and teaching innovations, and must have the resources, capacity, and institutional scope to do so.

A final intervention that could significantly benefit young Canadians is working to increase the visibility and quantify the value of hiring young people at the firm level through policy changes. As a panel, we considered whether young workers should be an additional designated group under employment equity standards. We reasoned that young workers could benefit from proactive employment practices to increase their representation and become more of a priority. There is currently an important emphasis on hiring diverse people and women that does not extend to include career starters. If we are truly serious about young people and their access to opportunity, we need to do a better job quantifying their presence.

In sum, there is lots of work to be done amid the recognition and anticipation of the pending labour force disruptions of advances in automation and artificial intelligence. But if our colleges, universities, and polytechnics are the training vehicles for the new world of work, they too, must become as “flexible” as the young people we are cautioning and conditioning with urgent mantras of adaptability or risk irrelevance as a result of a fundamental hypocrisy.

*Vass Bednar was the chair of the Expert Panel on Youth Employment. Previously the associate director of the University of Toronto's Martin Prosperity Institute, she is now a senior policy associate with Airbnb.*

