

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Frontier College

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

The federal government should ensure literacy as a priority for all ages is integrated into federal policies and federally administered programs—not just Human Resources and Skills Development Canada. Community-led and volunteer-driven programs are an inexpensive and direct way to equip more citizens with the skills necessary to become contributing members of a healthy Canadian economy. A strong and sustainable Canadian economy requires a Canadian populace that is engaged, healthy, and productive. We know that education is the most important factor in allowing each citizen to realize his or her potential and contribute to society. It's estimated that each high school dropout costs Canadians over \$10,000/year in lost tax revenue and increased drain on social, health and justice systems. The aggregate cost savings for one year resulting from even a one-percentage point increase in the Canadian high school graduation rate would be over \$7.7 billion, based on 2008 data. We also know that the best predictor of high school completion is early literacy. The Canadian Education Statistics Council's 2009 report entitled Key Factors to Support Literacy Success in School-Aged Populations found that "Children who do not read well by the end of grade 3 are at risk of dropping out or failing to graduate, which tends to lead to chronic unemployment or low-income jobs in adulthood along with the associated difficulties." It would bring great savings to the government as well as strengthen the labour force to spend federal dollars on early literacy programs which help struggling students stay on track before the difficulties associated with low literacy (namely poverty, poor health, and increased likelihood of criminal involvement) set in. Equally important are programs for older learners to acquire the literacy and essential skills necessary to gain employment or improve their employment status. Literacy interventions with youth and adults in high-needs communities not only improve the prospects of individual learners, but help to build a culture of literacy that will last into the future.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

Canada can fuel economic growth and job creation as well as provide meaningful opportunities to at-risk youth by investing in the literacy and essential skills mentorships in high-needs communities. One specific federal action that would promote job creation in high-needs communities would be to provide funding for youth-serving social services and education agencies to hire at-risk youth who complete literacy and life skills programs as peer mentors. Not only would youth mentors have a meaningful employment opportunity that would strengthen their position in the labour market, but younger participants in these literacy and life-skills programs would benefit from positive role models to whom they can relate.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

Federal measures to increase the literacy and essential skills of newcomers with low language (CLB levels 1-3) and/or essential skills would help the country address skills shortages and facilitate the integration of large numbers of newcomers into mainstream Canadian society. Increasing the participation of newcomers in Canada's labour force is of vital importance to the social and economic wellbeing of the country. Labour market factors influencing the settlement choices of new immigrants include job opportunities, the ability to access training and upgrading, and the opportunity to work in a field of one's choosing. While Citizenship and Immigration Canada's LINC program is the primary language resource for newcomers to improve their official language skills in preparation for employment, many learners require additional supports, more targeted interventions, or more flexible learning arrangements. A 2007 report released by the Canadian Council on Learning identified the lack of job-specific English language and essential skills training as a barrier to employment for immigrants. It was also identified that more multi-faceted strategies are needed for delivering language and literacy training to immigrants, and that more one-on-one tutoring and face-to-face communication would help immigrants succeed in language development and ultimately obtaining a job of their choice. While supporting the language needs of job-ready immigrants is of immediate benefit to the Canadian workforce and economy, the many newcomers with low CLB levels and/or essential skills are a great untapped resource. Additional supports for low-language and/or low-skills new Canadians will help more people enter the workforce and strengthen Canada's labour pool well into the future.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

Federal initiatives supporting workplace literacy are a low-tech, cost-efficient way to increase the productivity of employees and save Canadian businesses money. By sponsoring workplace literacy and essential skills instruction and tutoring in industries that typically attract workers at a lower language and/or skill level, the federal government would be increasing safety and productivity and improving employer-employee relations. Adequate literacy and essential skills are required for an inefficient workplace and strong employer-employee communication. The 2004 study Literacy Scores, Human Capital and Growth across 14 OECD Countries found that a 1% increase in the literacy levels of workers results in a 2.5% increase in labour productivity and a 1.5% increase in GDP. Also to be considered is that without adequate literacy and essential skills, workers are not capable of upholding safety standards in the workplace. The Canadian Business Task Force on Literacy estimated the annual cost to Canadian businesses of low literacy at \$4 billion, of which nearly half was accounted for by industrial accidents. Investing in workplace literacy and essential skills programs is low-cost, requires almost no new infrastructure, reduces accidents, benefits workers and saves businesses money.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

Aboriginal youth are the fastest growing demographic in the country but have some of the lowest school completion and labour market participation rates. Federal action in support of community-led initiatives that help Aboriginal youth succeed in school and make the transition to post-secondary education would

have both economic and social benefits. According to the 2006 Census, 32 percent of Aboriginal adults 25-34 years old had not completed high school, compared with 10 percent of non-Aboriginal Canadians in the same age group. The gap is equally dramatic in terms of university attainment, with only 3 percent of Registered Indians holding a university degree, compared to 6 percent of the broader Aboriginal identity population and 18 percent of the Canadian population over all. 2007 research from the Centre for the Study of Living Standards suggests that if the gap in educational attainment between Aboriginal and non-Aboriginal Canadians were to close by 2017, an additional \$71 billion could be injected into the economy. Literacy and life skills programming for Aboriginal youth is a primary component in closing that gap.