

NWT Literacy Council

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?

Literacy and other essential skills are the basis of a strong workforce, a factor that underpins sustained economic recovery and economic growth, at the local, regional and national levels. Low levels of basic skills come at an economic and a social cost: targeting the improvement of these skills will help support recovery and growth. The 2003 International Adult Literacy and Skills Survey (IALSS) described several levels of skills: • Levels 1 and 2: people do not have the skills needed in today's knowledge-based society • Level 3 skills: adequate for today's society • Level 4 and 5 skills: higher levels of skills. The IALSS results suggest that approximately 42% of Canadians lack the skills they need to function in today's world i.e. they have less than Level 3 skills. In the NWT, the overall percentage of people with inadequate literacy skills reflects the national numbers, but changes when broken down to Aboriginal and non-Aboriginal. The economic impact of investing in literacy has been documented: • 1% improvement in literacy levels boosts the national economy by \$32 billion • 1% improvement in literacy levels produces a 2.5% increase in productivity. (TD Bank Financial Group: Literacy Matters: A Call for Action) The financing of literacy and other skill development should be considered not a cost, but an investment in Canada's future. We therefore recommend that the Government of Canada: 1) Continue to invest in provincial and territorial centres of excellence that support the development of literacy and essential skills (i.e. the Literacy Coalitions). 2) Renew the Labour Market and Labour Market Development Agreements with the provinces and territories in 2014, and strengthen them by ensuring literacy and essentials skills are integrated into these agreements. 3) Do the same with the Aboriginal Skills and Employment Training Strategy (ASETS) agreements. 4) Focus on areas that yield high returns, such as early childhood and youth literacy. Both groups are the future of the economy. If almost half our youth lack the skills they need for today's world, it affects us all and the economy.

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?

Job creation depends on the presence of a strong workforce. Raising the literacy levels of those with the weakest skills to the next two levels would increase employment by as much as 800,000 positions (roughly 3.5 years' worth of job creation, according to Craig Alexander, Chief Economist at TD Bank Financial Group). While this is probably the most optimistic assessment of the current situation, there is no doubt that higher literacy levels impact the quantity and quality of labour market outcomes, including economic growth. (TD Bank Financial Group: Literacy Matters: A Call for Action) Higher skill levels are necessary for all positions today, including for entry level positions, and for all sectors of the economy. We therefore recommend that the Government of Canada: 1) Support adult learning that enables adults to increase their literacy levels through a pan-Canadian literacy strategy.

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?

The Aboriginal population is the fastest growing segment of Canada's population -- growing at twice the rate of other segments. In the NWT, the Aboriginal population constitutes almost 50% of the population. However, there are huge gaps between the literacy levels of the Aboriginal and non-Aboriginal populations. Almost 69% of the non-Aboriginal population has literacy levels at Level 3 (IALSS) and above, the level necessary in today's economy. The Aboriginal population, on the other hand, has 69% below Level 3. The Government of Canada, in partnership with the provinces and territories, needs to increase its focus on the education of Aboriginal people. This segment of the population is a large potential source of labour, and if their skill levels increase that could help alleviate skill shortages. According to IALSS, many people who are employed actually have low levels of skills. In the NWT, almost 40% of those employed have skill levels below Level 3. Lack of basic literacy skills is a barrier to employment, but it is also a barrier to job training. In all provinces and territories, those with the highest literacy levels receive the most training, much more than people with the lowest literacy levels. According to the findings from IALSS, about 70% of those at Levels 4/5 take part in training, compared to about 20% of those at Level 1. This means that, in Canada, people who need training the most are the least likely to take part in training. Increasing the literacy levels of employees with low levels of skills through workplace learning would go a long way to addressing skill shortages. We therefore recommend that the Government of Canada: 1) Focus more on education for Aboriginal people. 2) Support the development of workplace learning through incentives for employers and employees.

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?

As was seen in Question 1, productivity can be closely linked to literacy and skill development. A 1% increase in literacy levels improves productivity by 2.5%. We therefore recommend that the Government of Canada: 1) Invest more money in improving basic skill levels in Canada.

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?

In the NWT, those who face the largest challenges are Aboriginal youth and adults who drop out of school and later need to attend upgrading programs to be able to continue their education and/or be employable. (Our graduation rate still hovers around 50% overall, so many people in the NWT fall into this category.) They have the lowest skill levels and are often the most marginalized in the population, but face multiple systemic barriers, such as being unable to access funding to support their upgrading, such as student financial assistance. Youth and adults who left school early form a huge untapped source of labour and potential, particularly in regions like the NWT with a large Aboriginal population. In addition, special attention needs to be paid to northern Canada, with its unique needs and its excessively high costs, and its legacy of residential schooling. The new funding for adult literacy and basic education through the Canadian North Development Agency is an excellent start to improving the situation, but it is only a start, and while the investment would appear to be substantial, given northern needs and costs, it is still not adequate for the task at hand. Improving basic skill levels is a long-term enterprise. We therefore recommend that the Government of Canada: 1) Develop a pan-Canadian

strategy for adult learning and work in partnership with the provinces and territories to implement it. 2) Increase the focus on supporting Aboriginal youth and adults to improve their skill levels. 3) Consider increasing the current support for adult literacy and basic skill development in northern Canada through CanNor, and extending the agreement to be a ten-year agreement to recognize the enormity of the task the north faces.