



**Submission to the House of Commons  
Standing Committee on Finance**

**Study on Youth Employment**

**Association of Canadian Community Colleges**

**April 10, 2014**



ACCC is the national and international voice of Canada's publicly funded colleges and institutes. We work with industry and social sectors to train 1.5 million learners of all ages and backgrounds at campuses serving over 3,000 urban, rural and remote communities in Canada and ACCC operates in 29 countries via 13 offices around the world.

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### Study on Youth Employment

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With a youth unemployment rate that is double the national average, and little improvement since the recovery from the recession, the Government of Canada must take a leadership role in maximizing employment opportunities for youth.

The recommendations of the Association of Canadian Community Colleges (ACCC) focus on targeted measures for disadvantaged and underemployed youth, enhanced employability through essential skills, entrepreneurship skills development and increased internship opportunities for college and institute students.

#### Targeted Measures for Disadvantaged Youth

Disadvantaged youth is a diverse group and includes:

- the nearly one in ten young Canadians aged 20 to 24 who are neither employed nor in education;
- Aboriginal youth – projections indicate that 400,000 will reach working age within the next decade, however they experience a higher unemployment rate – over 20% compared to 14%;
- Youth with disabilities – the employment rate of youth with disabilities aged 16 to 24 is 46% compared to 56% for those without disabilities.

Colleges, institutes and polytechnics work with community organizations, governments and businesses to provide tailored language training, adult upgrading, career, literacy and essential skills programs to close skill gaps for disadvantaged groups and enhance their capacity to participate more fully in the economy. Colleges are the entry point to post-secondary education for the majority of the marginalized, the unemployed or employed in low-wage jobs, those who may not have completed high school or who are under-prepared for post-secondary level programs at colleges and institutes.

#### Recommendations:

ACCC recommends the following targeted measures to increase the employment opportunities of disadvantaged youth:

- Increase participation in post-secondary education and the labour market through the following federal programs:

- Increased support for the Post-secondary Student Support Program, administered through Aboriginal Affairs and Northern Development Canada, to ensure all eligible First Nations and Inuit students have access to funding;
  - Increased grants through the Canada Student Loans Program targeted for youth from low-income families, youth with disabilities and for Non-Status and Métis youth;
  - Strengthened capacity of Aboriginal organizations supported by the Aboriginal Skills and Employment Training Strategy to improve career counselling services, pre-employment and essential skills training.
- Support upgrading and science and math bridging programs for youth who have not completed high school or who lack the skills and prerequisites for post-secondary programs. Science and math are the foundation of many occupations in key sectors such as construction, IT, health and environment. Canada must do more to encourage a science culture in youth.
  - Increase the outreach capacity of colleges and institutes to engage disadvantaged youth and facilitate access and pathways into upgrading and post-secondary programs, including apprenticeship.

### **Support for Underemployed Youth**

Targeted measures are also required to improve opportunities for the nearly 450,000 youth who are poorly integrated into the labour market.

All college/institute programs are developed with input from employers to ensure graduates have the skills employers seek. Underemployed youth would benefit from knowing about the 650 post-graduate certificate and diploma programs offered by colleges and institutes – these are highly specialized, employment-oriented one-year programs. These programs require a post-secondary diploma or bachelor degree, and are increasingly attractive to university graduates. Up to 22% of college/institute students have previously attended university and 13% have a bachelor degree.

Underemployed youth would also benefit from workplace training opportunities. The Canada Job Grant could provide training for underemployed youth to upgrade their skills and move into higher-level positions. Current information about the Canada Job Grant does not specifically address youth employment. From colleges and institutes' perspective, it is important that the Canada Job Grant support credentialed learning to provide mobility options for learners, and that essential skills are embedded into training programs. This is particularly important for youth who would be supported through the Canada Job Grant.

Thirty-three national industry organizations and ACCC have come together to form the industry-college coalition to address employment and innovation challenges. Industry organizations emphasize the need for better labour market information and the importance of dispelling the myths about the value of college/institute certificate, diploma, degree and post-graduate programs. Too often, college/institute credentials are viewed as second best, which we know is not the case.

Youth and their parents need better labour market information to make informed choices about learning opportunities available and their potential for employment. The federal government

should take the lead in improving national labour market information on both the supply and demand side, so youth have information on the full range of post-secondary education options available related to the careers they lead to, salaries and where the jobs are in Canada.

**Recommendation:**

To address the needs of underemployed youth ACCC recommends:

- The federal government, provinces and territories consider targeted initiatives for youth through the Canada Job Grant.
- The federal government take the lead to improve labour market information for youth:
  - On the supply side: adequately fund the Post-secondary Student Information System so that Statistics Canada can capture data for all publicly funded colleges and institutes; and renew support for the Youth in Transition Survey as a key instrument to understand labour market pathways of youth;
  - On the demand side, improve data available on the needs of employers in key economic sectors at the national, provincial/territorial and local levels.

### **Employability through Essential Skills**

Essential Skills development is key to improving access and employability. An ACCC essential skills project funded by Employment and Social Development Canada completed in 2013, demonstrated the value and impact of essential skills training. Seventeen college pilot projects assessed learners and workers across Canada and found that 40 to 60% tested below level 3 literacy. After 24 to 40 hours of essential skills training and individual coaching, additional tests 6 months later showed sustained learning gains, and increased motivation and performance in both learning and workplace environments.

**Recommendation:**

ACCC recommends further federal investments in essential skills to train and certify essential skills trainers at colleges and institutes, in particular to improve their capacity to provide targeted outreach for disadvantaged youth.

### **Entrepreneurship Education and Support**

While teamwork, communication, and problem solving remain critical as essential skills for employees and new graduates, the changing world demands new essential skills and competencies - such as innovation and entrepreneurship. Creating an entrepreneurial mindset in youth increases the employability of young people by building knowledge and skills required to start, grow and manage a small business, develop the personal skills needed for success as an entrepreneur and help drive the economy forward.

Colleges and institutes are developing and embedding innovation and entrepreneurial learning outcomes within and across programs in collaboration with community and industry partners. In 2012-13, 81% of colleges and institutes supported student entrepreneurship and 5,021 students received support to pursue an entrepreneurial idea – nearly five times more than the previous year.

The following are some examples of how colleges and institutes are supporting student entrepreneurship.

**Olds College** (Alberta) is a founding partner of a new iPad app entitled “Spirit of Entrepreneurship”. This app is a full comprehensive online course that consists of 12 learning units. As a graduation requirement, all students who intend to graduate with a certificate, diploma or degree must complete the Spirit of Entrepreneurship. Students learn to start and run their own lemonade stand empire in a social and mobile environment. This course offers students the opportunity to learn and apply entrepreneurship concepts by participating in a fun, dynamic and digital learning environment.

**Centennial College** (Ontario) has a Student Business Incubator offered through the Centre of Entrepreneurship at Centennial College that enables and fosters innovation and creativity amongst students with the objective of helping to establish a sustainable business. Students receive support and resources from industry experts and entrepreneurial advisors to turn their business idea into reality.

**Holland College** (PEI) has developed Canada’s Smartest Kitchen, an innovative Research and Development Centre that provides culinary creativity, food science and marketing services to culinary entrepreneurs. Canada’s Smartest Kitchen’s team of chefs, food scientists, food stylists and food marketing experts work with students and partners to launch products in the food industry.

**Recommendation:**

ACCC recommends the creation of a pilot project to enhance the development and delivery of innovative approaches for entrepreneurship training offered by post-secondary institutions. This would support the sharing of models and exemplary practices across Canada foster a culture of entrepreneurship and encourage more youth to become entrepreneurs.

**Internship Opportunities in Canada and Overseas**

Internships are an effective way for youth to develop employability skills and connections to employers.

Given the challenges young people are facing with unpaid internships, all levels of government should regulate these types of internships. The exception would be unpaid internships that are part of a post-secondary program. The vast majority of college and institute programs include a work placement, co-op or clinical placement in the case of health programs. Students receive credit for these work placements and are supervised throughout. In some cases employers pay students on work placements, in other cases they do not. In our view, there should be flexibility for internships attached to academic programs, in that they can be unpaid or paid.

The Budget 2014 announcement for targeted internships for small and medium-sized enterprises (SMEs) is a good approach. The Canadian Federation of Independent Business reports that finding qualified employees is one of the main challenges SMEs face and that smaller businesses have the highest average unfilled job rates. The 3,000 internships with SMEs were welcomed by colleges and institutes given that they partner with SMEs to foster innovation, applied research and business growth. With close to 30,000 college and institute students involved in applied research with industry and community partners, there is a need for more internship opportunities for our graduates.

Internships also provide students with the global experience employers seek. ACCC is disappointed that college and institute students are not currently eligible for international research internships similar to those offered through Mitacs funded by the Government of Canada. To build a culture of innovation and foster global citizenship among young Canadians, college and institute students must benefit from the same targeted opportunities that benefit university students. Given all federal funding for international internships is targeted at university students, the ACCC submission to this committee for pre-budget consultations called for the creation of a college-specific international student mobility program that would support 3,000 internships for college/institutes students.

### **Recommendations:**

To enhance internship opportunities for college/institute students and graduates we recommend:

- For unpaid internships that are not part of a post-secondary program, ensure national employment standards protect interns;
- Increase incentives for Canadian employers, in particular SMEs, to hire youth through internships;
- Open international internship opportunities for college and institute students.

### **Conclusion**

ACCC commends the Standing Committee on Finance for taking this leadership role in identifying ways to improve employment opportunities for youth. We have put forward recommendations that are reflective of the wide range of education programs colleges and institutes offer, the diversity of learners they serve, and their close partnerships with industry and community organizations. ACCC looks forward to working with the Government of Canada to increase opportunities for disadvantaged and under-employed youth, improve employability through essential skills, promote a culture of entrepreneurship, and enhance internship opportunities for youth.