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EMPLOYMENT AMONG POST-SECONDARY STUDENTS

Standing Committee on Finance Study on Youth
Employment in Canada

CREDITS

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The Fédération étudiante universitaire du Québec (FEUQ) [Quebec federation of students] is an organization that brings together student associations representing over 125,000 students at all university levels from every region of Quebec. Since the FEUQ was established in 1989, its primary mandate has been to defend the rights and interests of students by appealing to governments and education stakeholders. For 25 years, it has promoted humanistic education as a societal choice. The FEUQ is especially invested in defending its members before, during and after their university studies by fighting for accessible and high-quality education, in particular.

Employment Among Post-Secondary Students

Employment is often studied with reference to primary occupation, which means that employment among post-secondary students is rarely considered. A recent Statistics Canada study (2013) entitled *Employment Instability Among Young Workers* is a good example. It looks closely at employment among young workers but completely excludes students. Yet, among students, working while attending a post-secondary institution is increasingly becoming the norm. Their studies and their entry into the labour market are significantly affected as a result.

Working to meet a need

The FEUQ conducted two extensive surveys of undergraduate students (in 2009) and graduate students (in 2006) to determine how many students work while pursuing their studies. Among full-time undergraduate students, 58% of men and 69% of women also had a job (FEUQ, 2010). Full-time undergraduates worked an average of 18.8 hours per week. Among master's and doctoral students, these figures reached 73.7% and 71.7%, respectively (CNCS-FEUQ, 2007). On average, graduate students worked 21.2 hours per week, in addition to their studies.

The academic literature (Metcalf, 2003; Curtis and Williams, 2002) emphasizes that the decision to work while in school is strongly influenced by financial need, specifically, the need to pay for basic living expenses. A study conducted by the Quebec Department of Education, Recreation and Sports on the living conditions of Quebec's post-secondary students found that students devoted more than 70% of their budget to housing, food and tuition, all of which are difficult expenses to reduce (AFE, 2009).

Therefore, students work first and foremost because they have a financial need to do so.

Impact of work on studies

The FEUQ's research on student debt (2011a) found that employment was one of the leading alternatives to student debt: students are working more to avoid taking on debt. However, combining work and post-secondary education is not without negative consequences.

Employment intensity (the student employment rate and number of hours worked per week) among today's students has clear impacts on their academic progress. The FEUQ's research on paid work and post-secondary education (2011b) found that 43.6% of full-time undergraduate students believed that their job had a negative impact on their academic performance and 34.2% of these students said that their job was the reason it took them longer to complete their studies. Likewise, only one third of these students saw their job as being related to their program of study. Among master's and doctoral students, 37.1% and 62%, respectively, stated that it would take them longer to complete their degrees because of work. And again, less than

half of master's students and less than a quarter of doctoral students thought that their job related to their program of study.

Consequently, students who work while attending school hold jobs that do not help them develop skills related to their field of study. Moreover, because they have to meet their work obligations, they register for fewer credits and receive poorer marks than students who can afford not to work. In the end, students who work during their studies take longer to earn their degree, which delays their entry into the labour market.

Categories of students at greater risk

A number of external factors, primarily socioeconomic in nature, also affect the student employment rate. The first factor is most certainly gender: female students are 1.2 times more likely to work than male students. This is due in part to greater financial need and the fields of study that women pursue (FEUQ, 2011b). Likewise, first-generation students (students whose parents did not obtain a university degree), those from low-income households, those who live with their parents and those who live and study in large cities (in this case, Montreal and Quebec City) are also more likely to work than other students.

In addition, the further students progress in their studies, the higher their employment rate. For example, a first-year undergraduate student is less likely to work than a third-year student (FEUQ, 2011b).

Conversely, students who are also parents and students who receive government loans and grants are less likely to work during their studies (FEUQ, 2011b). This is partly because the loans and grants program reduces the benefit of working while attending school, as students with higher personal incomes are eligible for less financial aid, particularly grants. This is especially true where the amount of employment income students are allowed to earn before losing their loans and grants has not changed in a long time, as in Quebec.

Sources of income and debt

Paid work is an essential way for students to pay for their education. Employment income among full-time undergraduate students is \$10,500 per year (FEUQ, 2011b), while graduate students earn an average of \$12,557 per year (FEUQ, 2011b).

Overall, Quebec undergraduate students take on an average debt of \$14,000.

Unfortunately, students who carry debt are 1.6 times more likely to say that their job has a negative impact on their academic performance and 1.7 times more likely to report that their job is causing them to take longer to complete their studies. Similarly, undergraduate students who choose to take on debt are less likely to continue on to graduate studies (FEUQ 2011b).

Employment among graduate students

Graduate students differ from undergraduates in the way they relate to employment. Even though both groups have similar employment rates, doctoral students report significantly more often that their job requires them to prolong their studies. In addition, doctoral students are the least likely to have jobs that relate to their studies (FEUQ, 2011b).

However, while graduate students who receive government loans work more than those who do not, scholarship recipients work less. The same is true of graduate students who are members of research groups: they work substantially less than those who are not part of such groups. These two categories of students therefore do better academically and take less time to complete their studies (FEUQ, 2011b).

Recommendations

Students who work more during their studies have the most trouble reconciling work and school. Their academic results suffer, and they often have to take more time to complete their studies.

Encouraging students to work primarily in the summer when they are not taking classes would help relieve the financial pressure that negatively affects their studies. This can be achieved through programs that encourage the creation of student summer jobs, such as the Canada Summer Jobs program.

That the Government of Canada devote new funding to the Canada Summer Jobs program to reduce the number of proposed student jobs that are not created because of a lack of funding.

Many graduate students depend on scholarships awarded by granting agencies. Recipients of these scholarships do better in school and are less likely to take extra time to complete their program of study than non-recipients.

That the Government of Canada increase funding for the various granting agencies in order to fund more scholarships.

Employment after graduation and regional needs

The aging population is having a major impact on the labour market. The baby boom generation is approaching retirement, and it is unclear who will replace them. Already, a number of sectors of the economy are experiencing a negative replacement rate, and labour shortages are expected early in the next decade. Therefore, a great many jobs will need to be filled, particularly among managers, health professionals and public service professionals and in the mining, petroleum and manufacturing sectors, especially in outlying regions of the country (Government of Canada, 2013).

Post-secondary graduates are a significant potential source of labour. Since a lack of local workers is hampering the investments of many entrepreneurs, new graduates should be encouraged to move to the regions facing major demographic challenges.

The FEUQ proposes establishing a tax credit for new graduates who work in the designated regions set out in the *Regional Development Incentives Act* that have fewer than 200,000 inhabitants and face economic growth or social adjustment problems. This tax credit would be worth up to 40% of an individual's salary, or \$3,000 per year, and a cumulative maximum of \$8,000.

This measure reprises the provisions of a bill introduced in 2009 that passed third reading in the House of Commons but did not reach third reading in the Senate because of the federal election. Nonetheless, the bill was studied thoroughly and was even the subject of an Office of the Parliamentary Budget Officer cost estimate. The cost of the bill was put at between \$180 million and \$600 million depending on the assessment method used. These estimates seem to show the need for properly targeting the regions that would be eligible for the tax credit. The *Regional Development Incentives Act* was updated in this regard in June 2013.

That the Government of Canada establish a tax credit for new graduates working in economically fragile regions (as defined in Bill C-288, introduced in 2009).

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