



Literacy:  
Learning for Life.

L'alphabétisation,  
Une leçon pour la vie.

## Written Submission for the Pre-Budget Consultations in Advance of the 2019 Budget

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## **List of Recommendations**

### **Recommendation 1:**

**That the federal government invest \$5M annually to create a National Literacy Secretariat to complement the efforts of the Office of Literacy and Essential Skills (OLES). This new body would play a leadership role in setting national standards for child, youth, and adult literacy - and coordinating inter-jurisdictional efforts to meet those standards - in order to promote and incubate a more flexible, competitive, and prosperous labour market in Canada.**

### **Recommendation 2:**

**That the Government of Canada invest in workplace literacy and essential skills programs to maximize Canada's competitive advantage by increasing on-the-job learning for lower-skilled workers.**

## Introduction

Frontier College is a national literacy organization, established in 1899 on the belief that literacy is a right. We work collaboratively with almost 500 community-based agencies across Canada to provide targeted, innovative literacy and numeracy support for the most vulnerable Canadians. Last year 32,000 children, youth, and adults participated in our programs in more than 150 communities throughout the country.

Literacy is measured on a scale of 0 to 5, with 5 being the highest level. While many Canadians achieve high levels of literacy and educational attainment, a 2013 study of OECD countries revealed that about half of Canadians (49%) have literacy scores below Level 3, and nearly 1 in 5 Canadians (17%) have literacy scores of Level 1 and below.<sup>1</sup> Canada also scores below the OECD average in numeracy skills, and at the lowest end, a full 23% of Canadians score at Level 1 or lower in numeracy skills, with 6% scoring below Level 1.<sup>2</sup> Among youth aged 16-24, about 2 in 5 (40%) underperform in literacy. Among Indigenous people — the youngest and fastest growing demographic in Canada — 60% lack the literacy skills needed for the labour market.<sup>3</sup>

There are multiple benefits to investing in community-based literacy and numeracy promotion for Canadian children, youth, and adults. While K-12 education meets the mandated requirements for basic education in Canada, there are many reasons that individuals may not complete school having mastered the basic skills (e.g. interrupted education, learning disabilities, early school leaving, and lack of learning supports).

Higher national levels of literacy enable a more productive workforce that is more flexible in the face of changing economic conditions, while helping more people to join a strong and growing middle class. Establishing and achieving higher literacy standards would increase the flexibility of Canada's workforce—making it easier to train, retrain, and shift skilled labour from one sector to another, and easier for workers to adapt to changes in technology—which would significantly increase Canada's economic competitiveness internationally.

Higher levels of literacy would also fuel domestic cost savings. According to some estimates, raising every Canadian adult to a minimum of Level 3 literacy would result in annual savings of \$542M on social assistance spending, and every dollar invested in literacy education would pay off by a multiple of 5 in increased annual worker earnings.<sup>4</sup>

There is also broad public support for increased investment in literacy: a 2017 Environics/Frontier College survey found that 90% of Canadians believe that improving literacy

rates in Canada will improve everyone's quality of life, and 87% of Canadians agree that more should be done to improve literacy rates.

*“Higher literacy can boost the economic and financial success of individuals and the economy as a whole. It can reduce poverty, improve health, lift community engagement and lead to a higher standard of living. In fact, it is hard to identify any other single issue that can have such a large payoff to individuals, the economy and society.”<sup>5</sup> – TD Economics*

Not all Canadians are equally well-served by formal education and training systems. Individuals with weaker skills need flexible, individualized community-based literacy and numeracy support. Frontier College and other literacy organizations offer programming that takes into account social and economic barriers, stigma, low level of ability and confidence, limited connection to community, failure to meet pre-requisites, inability to meet scheduling requirements, and need for coordinated or wrap-around supports among low literacy learners.

Our experience since 1899 has demonstrated that, when delivered through existing community hubs and networks, literacy and essential skills interventions are high impact, low cost, and can be adapted to diverse geographies and populations.

### **Recommendations**

In considering how to *ensure Canada’s competitiveness and what steps the federal government can take to support and/or encourage Canadians and their businesses to grow the economy in the face of a changing economic landscape*, Frontier College recommends:

**Recommendation 1: That the federal government invest \$5M annually to create a National Literacy Secretariat to complement the efforts of the Office of Literacy and Essential Skills (OLES). This new body would play a leadership role in setting national standards for child, youth, and adult literacy - and coordinating inter-jurisdictional efforts to meet those standards - in order to promote and incubate a more flexible, competitive, and prosperous labour market in Canada.**

### Background / Rationale

- Low literacy is linked to a number of public policy outcomes that correlate directly with workforce productivity:
  - Household income for those with literacy level 4 or 5 is 70% higher than for

- those at level 1 or below - and 33% higher than those with literacy level 2.<sup>6</sup>
- 65% of people entering correctional facilities have less than a Grade 8 education or level of literacy skills.
  - Every dollar allocated to vocational and basic education programs for offenders yields a 200-300% return on investment.<sup>7</sup>
  - People with lower literacy are generally 1.5 to 3 times more likely to have an adverse health outcome as people with higher levels of literacy, while people with higher literacy skills are more likely to participate in disease screening and prevention practices, and are less likely to be hospitalized.<sup>8</sup>
- Low skill levels pose a barrier to accessing formal education and training opportunities, and because low literacy is correlated with multiple other challenges—i.e., poverty, housing instability, poor health, justice involvement and isolation—Canadians who need to improve their literacy levels are less likely to access formal skills and training programs than higher-skilled learners. In this way, a sizeable portion of the population is being left out of existing support programs.

#### Model for support

- Establish a national body with relevant federal departments, and representatives from provincial/territorial and non-governmental organizations, building on current federal, provincial, and territorial arrangements for health, education and labour market development.
  - The mandate of this national body should be to provide guidance and accountability for a horizontal approach to improving literacy and numeracy levels in Canada.
  - This would include identification and/or development, as needed, of targets and tools to achieve results.
  - This performance framework should be aligned to international literacy and skills assessment exercises such as the OECD's Programme for the International Assessment of Adult Competencies (PIAAC) and Programme for International Student Assessment (PISA).
- Build the costs of basic literacy and numeracy support into high profile federal initiatives, including the national Poverty Reduction Strategy being developed by the Minister of Children, Families and Social Development, and the Future Skills Centre and Future Skills Council being spearheaded by the Minister of Employment and Social Development Canada.
- In developing a national, horizontal approach, consult with community stakeholders that represent groups more likely to experience poverty and low literacy; these include

recent immigrants, Indigenous people, people with disabilities, single parents, seniors and people in prison.<sup>9, 10</sup>

- Consider the needs and assets of rural/remote, on-reserve and under-served communities, where unique conditions and challenges impact effective program design.

## **Recommendation 2: That the Government of Canada invest in workplace literacy and essential skills programs to maximize Canada’s competitive advantage by increasing on-the-job learning for lower-skilled workers.**

### **Background / Rationale:**

- The Government of Canada’s 2016 *Towards a Poverty Reduction Strategy: Discussion Paper on Poverty in Canada* acknowledges that: “Lifelong training and skills upgrading is increasingly important to help Canadians adjust to changing market conditions. However, adult participation in education and training in Canada is near average among peer countries. Further, adult education and training rates are significantly lower for those with poor literacy scores.”<sup>11</sup>
- Many of those with lower skills in reading, writing and math are in the workforce but have limited opportunities for advancement. They may also be among the “last hired, first fired” during a downturn.
- Some individuals with lower skills also have post-secondary credentials. Among adults with a college diploma, average earnings are \$37,000 for adults with literacy Level 2, compared to \$50,000 for adults with literacy Level 4 or 5.<sup>12</sup>
- Research confirms the benefits of adult learning and education programs for economic competitiveness.<sup>13, 14</sup>
  - UNESCO argues that adult learning and education programs mean “Economic activity rates are higher. More people are in the labour market who are willing and able to work later in life. Tax revenues are higher. The labour market functions better, as more workers are able to change occupations. Entrepreneurship levels are higher.”<sup>15</sup>
  - Research into the ROI for literacy and essential skills training in the workplace confirms multiple benefits of implementing such training programs: “Governments experience gains in terms of increased income, corporate, and sales taxes, as well as a small reduction in transfers for EI benefits. These gains more than offset the costs of sector-level activities to support the launch of the training.”<sup>16</sup>

- Surveys of employers offering a Frontier College workplace literacy and essential skills program confirmed that 80 to 100 percent of supervisors saw improvements in the following areas as a result of workers receiving individualized and small group support:
  - Communication skills, giving/receiving instructions
  - On-the-job training effectiveness
  - Reporting and solving problems
  - Team work and morale
  - Workplace safety

### **Models for support**

- Ensure that existing and future Grants and Contributions programs support ongoing delivery of workplace programs with proven results and cost effectiveness. This should be a key priority for the Future Skills Centre led by ESDC.
- Increase availability and access to funding for lower skilled workers and employers wishing to offer literacy and basic skills upgrading in the workplace through a third party organization.

### **Citations**

<sup>1</sup> Statistics Canada. (2013) *Skills in Canada: First Results from the Programme for the International Assessment of Adult Competencies (PIAAC)* Page 17.

<sup>2</sup> Statistics Canada. (2013) Page 19.

<sup>3</sup> Alexander, Craig. (2007) *Literacy matters: a call for action*. TD Bank Financial Group. Retrieved from: <http://www.brantskillscentre.org/wp-content/uploads/2012/05/Literacy-Matters-TD.pdf>

<sup>4</sup> Murray, Scott and Richard Shillington. (2011) *From poverty to prosperity: Literacy's impact on Canada's economic success*. Kanata, ON: Canadian Literacy and Learning Network. Pages 5, 24, 35.

<sup>5</sup> Alexander, Craig. (2007)

<sup>6</sup> Statistics Canada. (2016) *Insights on Canadian Society: The association between skills and low income*. Retrieved from: <http://www.statcan.gc.ca/pub/75-006-x/2016001/article/14322-eng.htm>

<sup>7</sup> Canadian Literacy and Learning Network. (2012) *Fact Sheet: Justice, Literacy & Essential Skills*.

<sup>8</sup> DeWalt, Darren A. et al. (2004) "Literacy and Health Outcomes: A Systematic Review of the Literature." *Journal of General Internal Medicine*. Retrieved from: <https://doi.org/10.1111/j.1525-1497.2004.40153.x>

<sup>9</sup> Statistics Canada. (2016)

<sup>10</sup> Canada Without Poverty. (2017) *Just the Facts*. Retrieved from: <http://www.cwp-csp.ca/poverty/just-the-facts/>

<sup>11</sup> Government of Canada. (2016) *Towards a Poverty Reduction Strategy: Discussion Paper on Poverty in Canada*. Page 10. Retrieved from: <https://www.canada.ca/en/employment-social-development/programs/poverty-reduction/discussion-paper.html>

<sup>12</sup> Murray & Shillington. (2011) Page 17.

<sup>13</sup> Alexander, Craig. (2007)

<sup>14</sup> UNESCO Institute for Lifelong Learning. (2016) *3rd GLOBAL REPORT ON ADULT LEARNING AND EDUCATION: The Impact of Adult Learning and Education on Health and Well-Being; Employment and the Labour Market; and Social, Civic and Community Life*. Page 89.

<sup>15</sup> UNESCO Institute for Lifelong Learning. (2016) Page 90.

<sup>16</sup> SRDC. (2014) *UPSKILL: A Credible Test of Workplace Literacy and Essential Skills Training*. Page 24.