

**Written submission for the Pre-Budget Consultations
in advance of the upcoming federal budget**

By:

[Canadian Council for Youth Prosperity](#)

Recommendations:

1. **Safety net for youth to pursue education and re/up-skilling:** We ask the federal government to comprehensively amend Labour Market Development Agreements (LMDAs), and Workforce Development Agreements (WDAs) with each province and territory in order to integrate a Labour Market Agreement (LMA) targeting youth.
2. **Investment in the sector's digital capacity and infrastructure to improve essential support and employability skills of NEET youth:** We ask that the government fund a "Technology Endowment" for employment service providers, for these organizations to prepare young people and themselves for this new paradigm. This technology fund will allow employment service providers to provide youth with the hardware needed to thrive in this digital world, and the training to use it.
3. **Mentorship:** We call for an additional stimulus package to maintain youth-serving nonprofit mentorship operations, expand scope to address increasing demands, and stabilize losses from closures throughout the country in order to meet the expressed needs of youth to access mentors and mentoring relationships.

The Canadian Council for Youth Prosperity, the Canadian Mentoring Partnership, Frayme and Opportunity for All Youth call on the government to prioritize the role of youth to **jumpstart the Canadian economy's Covid-19 recovery.**

Even when the economy is in expansion, it is difficult for youth (ages 15-29) to obtain gainful employment, begin accumulating work experience, and start building the crucial soft and hard skills that employers look for, the youth unemployment rate is regularly double that of the general population. This can be especially true for those who are facing adverse conditions (mental health issues, marginalization, socio-economic barriers, and inter-generational poverty).

These effects have been recently amplified, as youth are amongst the most heavily impacted by the economic contraction that has occurred from COVID-19. A new calculation of Labour Force Underutilization rate was created to capture the effects COVID-19 has had on the market. For 15-24 year olds, that rate is **51.8%**, compared to **31.3%** for those aged 25-54.

Though most job losses are expected to be temporary, past economic downturns show that youth who enter the workforce during a downturn see the negative effects on their careers and earnings compound over time.

Canada's Youth Policy states that "Young Canadians are one of Canada's most important resources. Youth represent one third of the Canadian population and reflect Canada's entire diversity. They are a group of dynamic, vibrant and innovative individuals who are finding new ways to have their voices heard and effect the change they wish to see in the world."

Canada finds itself at a turning point, and an opportunity to define our future goals and aspirations as a country. The question is, what can we do to ensure that youth most impacted today, can move through the economic recovery and achieve gainful employment, and a secure place in our society?

The suite of recommendations presented above, and expanded on below provide key interventions that are most immediately needed as we move to support youth in a variety of different circumstances across Canada.

Recommendation 1: A safety net for youth to pursue education and re-skilling

Background

- Recognizing that youth workers are often the first out and last in during an economic downturn, recognizing that the nature of work is changing and moving towards contract/gig work and that Canada's current welfare structure is not equipped to support those workers during a downturn.
- Acknowledging that private sector job losses in the retail trade, recreation, and hospitality sectors will not be quickly recovered.
- Accepting the well-known fact that people tend to pursue skills and training during recession to encourage the youth to do the same during these unprecedented times.
- Being mindful that EI eligibility amongst youth is lower than the overall working population and that the eligibility rate can be expected to decrease following the COVID-19 contraction.

Ask

We ask the government to comprehensively amend **Labour Market Development Agreements (LMDAs), and Workforce Development Agreements (WDAs) with each province and territory in order to integrate a Labour Market Agreement (LMA) targeting youth**. This would be youth who have lost jobs and hours due to COVID-19 but would have otherwise been employed.

Rationale

LMAs specifically target individuals who were not covered by EI. According to Statistics Canada, EI eligibility for 15-25 year olds ranged from 41%-63% between 2003-2018 compared to a 90% eligibility for the 25-44-year-old population. We can expect this eligibility rate to decrease for youth as their hours and wages have been cut. It is therefore imperative to provide retraining and employability programming that is not tied to EI eligibility for youth, potentially supplementing the income support of the EI benefit to be rolled out in the fall and which details are not currently known.

The use of LMAs during the 2008 financial crisis allowed for funding allocations to return to pre-2008 numbers around 2011-2012 in response to lowered unemployment rates. This approach allows for adaptability.

Using the LMA model focused on 'skills development and upgrading, which made up 52% of programming according to a Maytree report, would allow youth to look into upgrading their skills, but also receive supplementary employment programming like 'workplace-based skills

development, employment services, skills development and work experience' tied to their regional needs. This training support would provide a regionalized supplement to the EI benefit being rolled out in the fall.

As cited in the same Maytree report, 87% of program participants were satisfied or very satisfied with the programming and support they received according to the Pan-Canadian LMA evaluation. The report also stated that the program served a total of 2,187,768 people over its run from 2008-2014, or around 408,364 a year. It's Pan-Canadian annual budget was \$49.85 million in an average year.

Using existing federal-provincial agreements and delivery structures to provide targeted retraining programming, youth can be supported to obtain skills that are more relevant to regional needs of the post-COVID economy and not be limited by their lack of EI eligibility.

Budget request: \$63 million in year one, to be reviewed in subsequent years.¹

¹ *Assumes a 20% uptake rate amongst the 2,378,310 'under-utilized' youth calculated at a cost of \$132/per person.

Recommendation 2: Investment in employment service provider's digital capacity and infrastructure to improve essential support and employability skills of NEET youth

Background

Youth with difficult socio-economic circumstances have historically struggled to access employment opportunities, especially those gated by poor Internet access, hardware requirements and complex, unclear or inaccessible access points. COVID-19 has deepened this economic inequity and barrier, as jobs increasingly require technical equipment and resources in order to work from home. The employment service sector, already operating at capacity, has found it difficult to accommodate the hardware, software and digital support needs of youth who are furthest from the labour force.

According to our surveys and information gathering, employment service providers see their digital offerings, i.e. hardware access, digital support, and online delivery of programs and services, as insufficient for the current employment climate. At a meeting of the sector, participants overwhelmingly reported that funding for helping youth navigate technology as they access services in this way was sorely needed and lacking.

Creating more effective and accessible models of digital delivery that centralize youth needs and recognizes variances in internet access and sophistication of tools will allow the youth-services sector to meet the needs of youth and the market at scale. Such interventions will benefit all youth, but will create space for support for those youth who struggle most to move into sustained employment in the labour force.

This change in the nature of work may not be entirely temporary and COVID-specific; already, it is widely thought that this crisis will have an impact on the future of work, as employers seek to transition to a more work-from-home model. If government policy does not intervene to ensure that all members of society are prepared for this shift, our most vulnerable will be left behind.

Ask

We ask that the government fund a “Technology Endowment” for employment service providers, for these organizations to prepare young people and themselves for this new paradigm. This technology fund will allow employment service providers to successfully transition the full breadth of their programming online, and provide youth with the hardware and software needed to thrive in this digital world, and the training to use it.

Rationale

Specifically, this fund should be earmarked for technology purchase and training for youth and for ESP workers, where it is necessary- so that they are able to engage in training youth themselves. As such, this policy is an investment in not only technological capital, but also

human capital, paving the way for Canada to continue to lead the world in the innovation and education of its workforce.

This policy also seeks to correct an underlying cause of inequality of opportunity, which has been aggravated by the economic downturn. Particularly in these times, lack of access to technology and support to transition to remote work constitutes an important barrier to meaningful participation in an increasingly digital economy. Many job opportunities, for example, can only be found online, working on one's resume and other important documents requires a functional computer with the proper software and know-how, and online interviews need reliable internet and a new set of presentation skills.

This endowment will be flexible and require little administrative oversight. Its flexibility allows employment service providers to use it for any technological or digital purpose, allowing organizations to allocate their funds in the most efficient way relative to their local circumstances. This flexibility is important, as our information gathering has shown that many employment service providers felt limited by existing funding agreements as they seek to address their clients' unique and rapidly evolving needs.

Budget request: \$50 Million Dollars²

² Budget request: Rudimentary estimate based on 12.2% NEET rate, with 20% participation rate, average 1 month 50% employment subsidy at a \$14 minimum wage: 7,216,807
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Recommendation 3: Mentorship

Background

The COVID-19 crisis has revealed and exacerbated gaps and inequalities. We cannot allow our most vulnerable young people to be left behind yet again due to a lack of guidance as they navigate the job market and possible opportunities.

Ask

We call for an additional stimulus package to maintain youth-serving nonprofit operations, expand scope to address increasing demands, and stabilize losses from closures to meet the expressed needs of youth to access mentors and mentoring relationships.

We are also looking for the government to support investors, systems (schools and the workforce), and community members to be an integral part of the mentorship network.

Rationale

Canada's past commitment to mentorship: Canada provided catalyst funding towards mentoring in 2019 with an investment of \$6.3 million to expand access to mentoring across the country in order to better provide wrap-around supports and guidance for youth.

During Canadian Service Corps consultations, youth said that having a caring and supportive individual, whether an adult or a peer was important to them, but often, they did not have access to someone to serve in this capacity. In the *13 Ways to Modernize Youth Employment in Canada* report youth also identified navigating systems to identify the right support as being complex and often requiring a significant investment of time and expertise for all participants.

Mentoring is therefore supported by research, as a high-impact, low-cost intervention that can help youth bridge to future supports, succeed in education or progress in employment.

The proposed stimulus package would address 10 of the youth-identified recommendations outlined in both reports such as: *Programming available in schools, In-person mentorship programs, Organizations where they currently serve, Community Meet-up Program, Time-length/ Frequency, The Role of the mentor, Connecting via digital platform, Connect by telephone, Convening, Sponsoring of a multi-sectoral roundtable, and Navigating systems.*

Mentoring relationships ensure continuation of essential emotional support, connection, stability and social capital that a young person needs in a time of uncertainty and upheaval-- sometimes providing the critical lifeline and connection to hope and the future.

Budget Request:

\$25 million