



LABOUR FORCE PROFILE OF YOUTH

The labour force profile of youth refers to the nature and extent of youth involvement in the paid labour market.

KEY INDICATORS:

- Youth participation rates
- Youth employment rates
- Youth unemployment rates

YOUNG PEOPLE IN THE LABOUR FORCE

Many factors affect how youth today participate in the labour force.

More young people are delaying their careers or vocations by staying in school longer. They understand that post-secondary education is an important pathway to a good job. It is by no means guaranteed, however. When they do seek work – often part-time during the school year and full-time over the summer – the jobs help pay for their student tuition and living expenses.

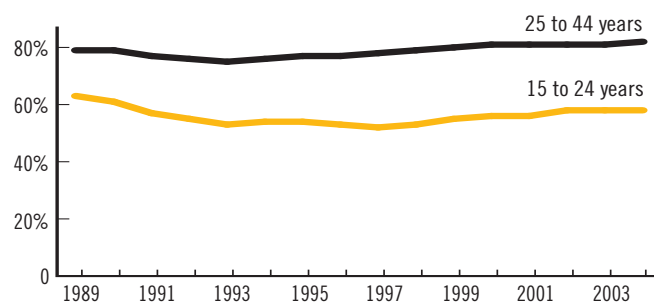
When young people finish their schooling and seek work, they enter a tough labour market that offers mainly part-time, temporary or contract positions. With limited options available, many youth work at part-time jobs. Of the 1.1 million young people aged 15 to 24 working part-time in 2004, 20% said they did so because of business conditions or because they could not find full-time jobs.

Over the last decade, a higher proportion of young people aged 15 to 24 have been participating in the labour force, either by working or looking for work: 68% in 2004, compared to 64% in 1994. Young men were slightly more likely than women to be in the labour force in 2004. However, participation rates are lower than the pre-recession rates of 1989.

In 2004, 58% of young people were employed. The rate was virtually the same for men and women. It was higher than in 1993 (53%), but still below the 1989 rate (63%). By comparison, the employment rate for adults aged 25 to 44 rose over that same period, from 79% in 1989 to 82% by 2004.

One of every three unemployed workers in Canada today is a young person. The unemployment rate – that is, the proportion of young people 15 to 24 who want to work but cannot find jobs – declined from 18% in 1994 to 13% in 2004. But it is still higher than in 1989 (11%). This youth unemployment rate is more than double that of adults aged 25 to 44 (6.5%).

EMPLOYMENT RATES BY AGE GROUP



Source: Calculations by the Canadian Council on Social Development using data from Statistics Canada's Labour Force Historical Review, 2005.

Young people with post-secondary education are much less likely to be unemployed. About 8% of youth (15 to 24 years) with a university degree were unemployed in 2004. By contrast, 25% of youth with less than high school, 21% of those with some high school, and 12% of high school graduates were unemployed.

What does student employment look like today? In September 2004, 39% of full-time and 72% of part-time students aged 15 to 24 were employed, up slightly from 2000 (38% and 71% respectively). In July 2004, 59% of those who intended to return to full-time studies were working, compared with 57% in 2000.

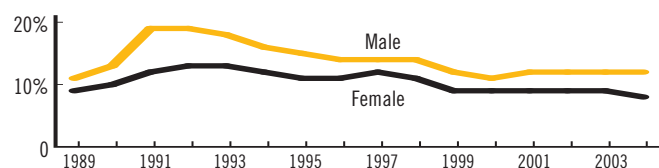
YOUNG ADULTS AT WORK

The unemployment rate for young adults aged 20 to 24 is 58% higher than the rate for adults aged 25 to 44 – despite the fact that young people today are more highly educated than at any other point in Canadian history. And while young adults have fared somewhat better than teens in terms of unemployment, they still had an unemployment rate of 10.3% in 2004, virtually unchanged since 2000.

In 2004, 40% of young adults were students. Their unemployment rate in August of that year was 8.5%; the corresponding rate for non-students was 11.3%. The unemployment rate for young men not in school was 13.1% and for women, 8.9%.

UNEMPLOYMENT RATES BY GENDER

ADULTS AGED 20 TO 24



Source: Calculations by the Canadian Council on Social Development using data from Statistics Canada's Labour Force Historical Review, 2005.

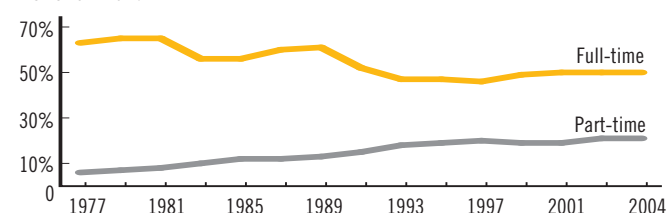
In 2004, 71% of young adults (aged 20 to 24) were employed, compared to 74% in 1989. During the 1990s, the lowest employment rate for this group was in 1993, when it fell to 65%.

Fortunately, the gender gap has all but disappeared. In 2004, 72% of young adult men and 70% of women were employed. By comparison, 76% of men and only 63% of women in this age group were employed in 1976.

Among employed young adults, 30% have part-time jobs. Their rate of part-time work has increased steadily since 1976 – as a result of the economic recession in the 1990s, but primarily due to increased post-secondary enrollment.

EMPLOYMENT RATES

ADULTS AGED 20 TO 24

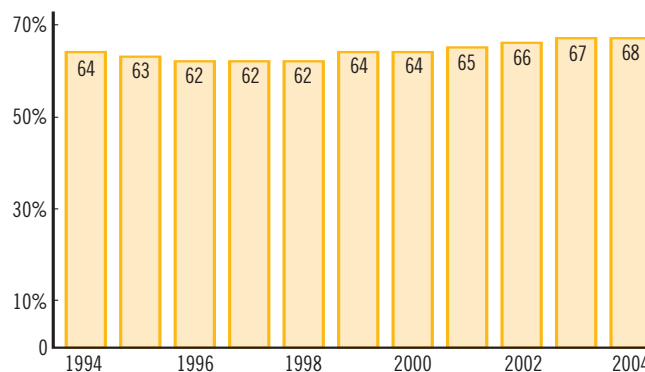


Source: Calculations by the Canadian Council on Social Development using data from Statistics Canada's Labour Force Historical Review, 2005.

KEY INDICATORS

LABOUR FORCE PARTICIPATION RATES

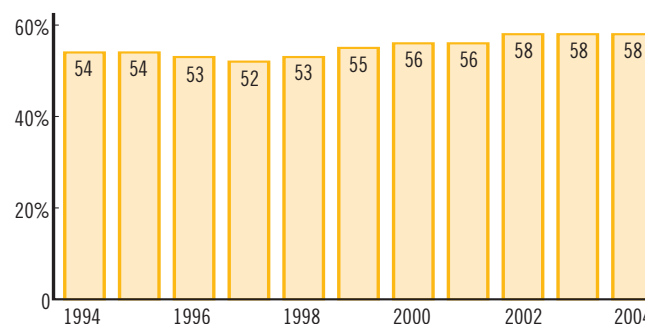
YOUTH AGED 15 TO 24



Source: Statistics Canada's Labour Force Historical Review, 2005, Cat # 71F0004XCB.

EMPLOYMENT RATES

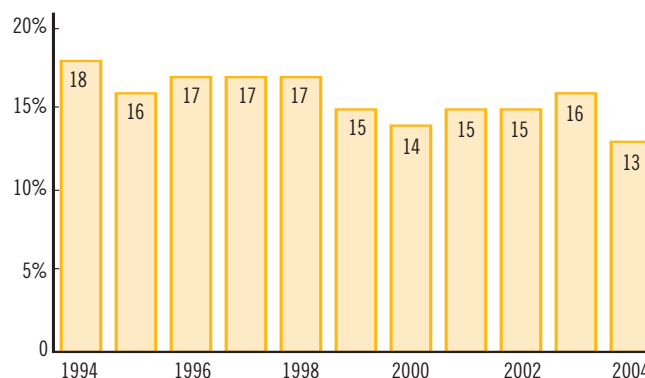
YOUTH AGED 15 TO 24



Source: Statistics Canada's Labour Force Historical Review, 2005, Cat # 71F0004XCB.

UNEMPLOYMENT RATES

YOUTH AGED 15 TO 24



Source: Statistics Canada's Labour Force Historical Review, 2005, Cat # 71F0004XCB.

TEENAGERS AT WORK

Entering the labour market is a key transition from adolescence to adulthood. Working during the teenage years can help smooth that transition. Summer jobs and part-time work during the school year provide teens with valuable work experience and independent income.

Employment trends for teens aged 15 to 19 are similar to those of young people aged 15 to 24: their employment rate has improved, but not fully recovered from the early 1990s recession. Employed teens as a proportion of their peers remained virtually unchanged from 2002 to 2004, at 45%. That was an improvement over 1997 (37%), but well below the 1989 rate (52%).

Teens have different employment experiences, depending on where they live. In 2004, the highest teen employment rate was in Alberta; the lowest was in Newfoundland.



EMPLOYMENT RATES (%), BY PROVINCE

TEENS AGED 15 TO 19

	1989	1997	2004
Newfoundland & Labrador	25	17	31
Prince Edward Island	48	43	47
Nova Scotia	43	33	44
New Brunswick	39	33	44
Quebec	44	29	42
Ontario	59	39	45
Manitoba	54	38	52
Saskatchewan	49	48	49
Alberta	55	48	54
British Columbia	55	39	41
Canada	52	37	45

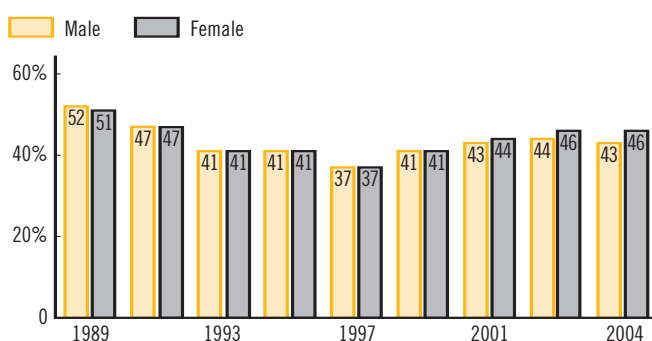
Source: Calculations by the Canadian Council on Social Development using data from Statistics Canada's Labour Force Historical Review, 2005.

Gender gap reversed

The employment market has improved more for teenaged girls than for boys. In 2004, girls had a higher employment rate than boys, a reversal of the situation in 1989. In 1997, the employment rate for both genders dipped to 37%, but girls have now rebounded to 46% and boys to only 43%. Neither group has rebounded to their 1989 employment rates.

EMPLOYMENT RATES, BY GENDER

TEENS AGED 15 TO 19



Source: Calculations by the Canadian Council on Social Development using data from Statistics Canada's Labour Force Historical Review, 2005, A2.

High teen unemployment

In 2004, the unemployment rate for teens aged 15 to 19 was 18%, well above the 1989 rate (13%) and higher than in 2000 (16%).

The difference in unemployment rates between teens and adults aged 25 to 44 has grown over time. At the end of the 1980s, the teen unemployment rate was 1.8 times the adult rate; by 2004, it was almost three times the adult rate (2.8).

Part-time work common

Most working teens have part-time jobs. In 2004, 70% of all employed youth aged 15 to 19 worked part-time. Young women were more likely than men to work part-time (76% compared to 63%), but that has changed over time. In the early 1980s, the rate of part-time work was equal between young women and men.

Since 1989, the rate of part-time employment has increased for both genders, and the rate of full-time employment has decreased. Teens who stay in school are more likely to seek part-time rather than full-time work, but many young people who are not in school may be working part-time because it is the only work they can find.

Many teens who drop out of school return later to complete their studies. There is a risk, however, that some will be marginalized and excluded from the mainstream job market if they are out of school and unemployed for long periods of time.

JOBS AT 14 & 15

Young teens – those aged 14 and 15 – are also engaged in the labour market. The National Longitudinal Survey of Children and Youth (NLSCY) helps us understand their experiences.

Work during the school year

More than one in five (22%) young teens aged 14 and 15 in 2000 said they had worked for an employer in the previous week, up from 16% in 1998. Forty-eight per cent said they had worked for pay at odd jobs (up from 36% in 1998), 14% had worked at a family business, and 18% had worked without pay.

When asked what kind of job they had worked at most in the previous week, odd jobs came out on top, at 52%. Nine per cent had worked in a restaurant, 8% in a store, and 6% in other service-related jobs such as construction or hospital work.

The majority of young working teens (70%) work less than 10 hours per week, down from 73% in 1998. Young men and women worked virtually the same number of hours per week, but youth in low-income families worked more – 33% of teens aged 14 and 15 in low-income families (under \$40,000) worked more than 10 hours a week, compared with 28% of those in higher-income families.

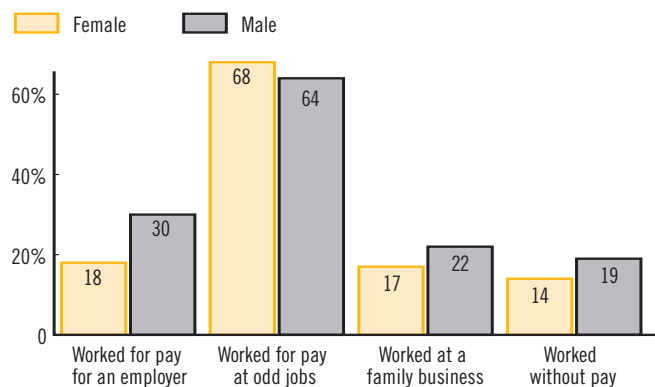
The majority (84%) of young teens said that work did not cause them to study less. This was the case for both young women and men.

Summer employment

More than three-quarters (78%) of young teens said they had worked during the summer, up from 62% in 1998. One-quarter had worked for pay for an employer, and almost two-thirds had done odd jobs. There were differences between the experiences of young men and women.

SUMMER EMPLOYMENT, BY GENDER, 2000

TEENS AGED 14 & 15



Source: Calculations by the Canadian Council on Social Development using microdata from the NLSCY.

Young teens in low-income families were as likely as other youth to work over the summer. They were just as likely to work for pay for an employer, but less likely to work at odd jobs (65% for those in low-income families and 69% for other youth), or in a family business (18% and 25% respectively).

Just under half (44%) of young working teens had a summer job which lasted less than six weeks. Another 46% worked for six to 10 weeks over the summer, and 10% worked for more than 10 weeks. More than half (55%) worked for less than 10 hours in a typical work week during their summer job, and 15% worked over 30 hours.

Again, there were differences by gender. Young women were more likely than men to have jobs that lasted less than six weeks. That was true for 50% of young women and for 39% of men. However, more young women worked longer hours: 17% worked more than 30 hours per week over the summer, compared to 12% of young men.

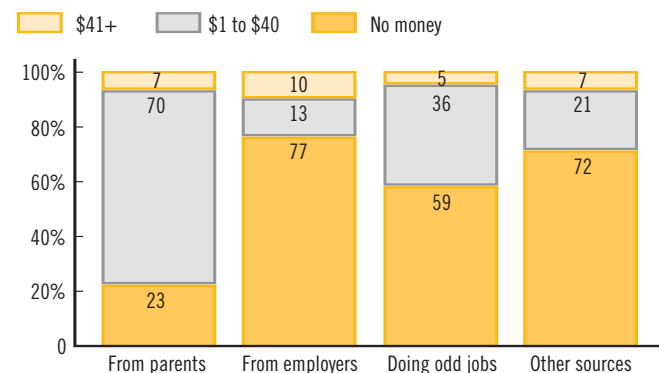
Youth & money

In 2000, more than three-quarters (77%) of teens aged 14 and 15 received money from their parents in the previous week, virtually unchanged from 1998. Twenty-three per cent said they were paid by an employer, 41% received money from doing odd jobs, and 28% received money from other sources such as gifts. Young teens in low-income families were just as likely as those in higher-income families to receive money from their parents, but they were less likely to receive money from an employer (20% compared to 24%) or from odd jobs (36% and 43% respectively).

How much money did they get? Almost three-quarters (70%) received \$40 or less a week from their parents.

MONEY RECEIVED IN THE PREVIOUS WEEK, 2000

TEENS AGED 14 & 15



Source: Calculations by the Canadian Council on Social Development using microdata from the NLSCY.



COMMENTARY

by Andrew Jackson

Work, school and economic independence

A number of factors have contributed to a declining position of youth in the job market over the past couple of decades. Key has been the very soft job market through much of the 1980s and 1990s. Young workers are hard hit by recessions, since new hiring tends to come to a halt, and only slowly picks up in periods of recovery.

But perhaps the most dramatic change of the past decades has been the greatly increased rate of young adult participation in full-time education. Good jobs not requiring such qualifications have become increasingly difficult to find. The fact that young women now have career aspirations at least equal to those of men underpins even higher enrollment rates for young women than for young men.

The transition from full-time school to full-time work and economic independence has been pushed back for a significant proportion of youth. About half of all young people now enter some form of post-secondary education immediately after high school, and many do not seek a full-time job until their mid-20s or even later. Many young people move back and forth between work and education for an extended period. At the same time, more and more young adults bear a heavy burden of student debt. While increased educational attainment is a good thing and strengthens the eventual prospects for stable employment at decent wages – and young Canadians are probably the best educated in the world – the transition to work is taking longer and longer, and is becoming more difficult.

Most students seek work of some kind. Many full-time students want part-time work during the school year and full-time summer jobs. The financial need to combine work and studies has become greater with increased tuition fees, and paid work is needed to gain experience and access to better jobs. At the same time, post-secondary education has become more and more important as a means to access reasonably well-paid and secure jobs which provide ladders to other opportunities. Young workers who are high school dropouts or who have only a high school education are at increasing risk of being unemployed, or being able to find only very low-paying jobs with no future.



Job quality

The post-industrial economy has witnessed the expansion of low-wage, low-skilled jobs in private services. These are the jobs that now typically provide “ports of entry” to the labour market for young adults. But, rather than moving quickly to the bottom rungs of what turn out to be “career jobs,” many youth, including well-educated youth, spend several years in a series of low-wage, low-skill jobs in sectors like fast food and retail. Most young people are working in parts of the job market which typically provide low wages, limited – if any – pension or health benefits, and part-time or unstable hours. The majority (51%) of young women aged 15 to 24 work in trade or accommodation and in food services, as do 39% of young men.

Thirty per cent of young adults aged 20 to 24 work part-time. Most young adults who are studying full-time want only a part-time job, at least during the school year, but this number is still of concern. It is often assumed that part-time jobs provide a “flexible” way to balance work and school. But part-time jobs also usually offer only highly variable and unpredictable schedules, especially when employers can pick and choose among a roster of part-timers who all want more hours than are available.

One big change in the job market in recent decades has been the rise of temporary or contract jobs, that is, jobs with a defined end-date. As employers have restructured work to make jobs more precarious and contingent, and less secure, they have often done so by making changes which principally affect new hires. In other words, much of the impact falls on young workers entering the job market. More than one in five (21%) new hires is now in temporary jobs – double the proportion of 1989.

The fact that young workers are likely to be in part-time and temporary jobs means that they are less likely than adults to qualify for EI benefits when they do become unemployed, even though they pay premiums for every hour worked. While one in three unemployed workers is a young worker, they make up just 12% of new claims for regular EI benefits.

This excerpt is from *Better Educated, Badly Paid and Underemployed: A Statistical Picture of Young Workers in Canada*, by Andrew Jackson, published by the Canadian Labour Congress. Research Paper #33, July 2005.



ABORIGINAL & YOUNG WORKERS OF COLOUR

According to a recent study by Andrew Jackson of the Canadian Labour Congress, Aboriginal and visible minority youth have higher unemployment rates.

In 2001, the unemployment rate for Aboriginal youth aged 15 to 24 was 23%, compared to 14% for all youth. Unemployment varied considerably, depending on the city in which they lived.

UNEMPLOYMENT RATES FOR ABORIGINAL YOUTH AND ALL YOUTH, CANADA & 9 CITIES, 2001

	ALL YOUNG WORKERS (%)	YOUNG ABORIGINAL WORKERS (%)
Vancouver	13.8	17.9
Edmonton	10.9	16.6
Calgary	10.0	13.7
Regina	12.3	23.1
Saskatoon	12.5	22.5
Winnipeg	10.7	19.5
Ottawa	12.3	14.1
Toronto	12.0	13.8
Montreal	11.8	14.6
CANADA	13.7	22.8

Source: Andrew Jackson. Better Educated, Badly Paid and Underemployed: A Statistical Picture of Young Workers in Canada. Research Paper #33. Canadian Labour Congress, July 2005.

According to the CLC study, visible minority youth – and black youth, in particular – have lower employment rates than average. Forty-one per cent of visible minority youth were born in Canada, which means they were almost certainly educated in the Canadian system and speak English or French well. Yet in 2001, only 44% of all visible minority youth aged 15 to 24 and 48% of those born in Canada were employed, compared to 58% of all youth. And among black youth born in Canada, only 33% were employed.

EARNINGS

In 2004, young people aged 15 to 24 earned, on average, \$10.49 per hour. In constant dollars, that was up only slightly (1.7%) from 1997. In 1997, young women's hourly wages were 91% that of men's; by 2004, the proportion dropped slightly, to 90%. Young women's hourly wages grew by only 1.4% between 1997 and 2004, while men's rose by 2.1%.

Hourly wages differ considerably among the provinces, with B.C. and Alberta having the highest. Youth in Alberta had an increase of 10.6% in hourly wages between 1997 and 2004, while rates in B.C., Newfoundland & Labrador, and Ontario declined.

AVERAGE HOURLY WAGE RATES BY PROVINCE, 2004

YOUTH AGED 15 TO 24

	AVERAGE HOURLY WAGE	% CHANGE, 1997 TO 2004
Newfoundland & Labrador	\$ 7.96	-3.3%
Prince Edward Island	\$ 8.61	2.1%
Nova Scotia	\$ 9.07	8.5%
New Brunswick	\$ 9.19	5.8%
Quebec	\$10.57	3.1%
Ontario	\$10.42	-0.9%
Manitoba	\$ 9.65	5.2%
Saskatchewan	\$ 9.99	6.4%
Alberta	\$11.08	10.6%
British Columbia	\$11.24	-4.7%
CANADA	\$10.49	1.7%

Source: Calculations by the Council on Social Development using data from Statistics Canada's Labour Force Historical Review, 2005.

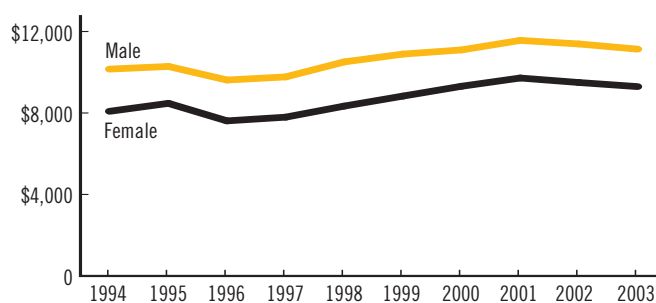
The average hourly wage of youth is 56.7% that of all workers. This gap has grown by less than 1% since 1997.

On average, youth aged 15 to 24 earned \$8,900 in 2003. Taking income from all sources into account, their average income that year was \$10,200. Teenagers (aged 15-19) earned much less. Their average earnings in 2003 were \$4,200, compared to \$12,700 for young adults (aged 20-24). Teens' average income was only \$4,800; for young adults, it was \$14,600.

Between 1994 and 2003, average incomes for young people aged 15 to 24 rose by 12%, but young women's income was still only 83% that of young men's. In fact, the income gender gap has declined among teens and grown among young adults. The income of teenaged women was 90% that of men's, while the figure for young adult women was 81%.

AVERAGE INCOME* BY GENDER

YOUTH AGED 15 TO 24



* In constant 2003\$

Source: Calculations by the Council on Social Development using data from Statistics Canada's Labour Force Historical Review, 2005.

SOURCES:

- Calculations by the Canadian Council on Social Development using microdata from the *National Longitudinal Survey of Children and Youth*.
- Jackson, Andrew. *Better Educated, Badly Paid and Underemployed: A Statistical Picture of Young Workers in Canada*. Research Paper #33. Ottawa: Canadian Labour Congress, 2005.
- Statistics Canada. Labour Force Historical Review, 2005.