



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

***Maximizing Contributions to Economic  
Growth and Development: Literacy is  
the Foundation***

**August, 2016**

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## Executive Summary

Literacy is a fundamental skill on which other essential skills build. Literacy rates in the North, particularly among Indigenous people, are considerably lower than elsewhere in Canada. Improving literacy rates is integral to personal well-being, improved educational outcomes, improved labour market outcomes, and ultimately economic growth. The three territories urgently need increased investment to improve literacy, particularly among those with the lowest literacy levels.

The three territorial literacy organizations have considerable experience and expertise in building community- and employer-capacity to develop and deliver innovative, hands-on, non-formal, community-based projects that re-engage youth and adults in learning. This approach has proven successful in the North, particularly among unemployed Indigenous adults and youth in smaller communities. Increased support for alternative and effective approaches to learning would benefit families, communities, workplaces, and society greatly.

The unique challenges that the North faces in developing and delivering community-based programs require special consideration by the Government of Canada in its support for literacy development.

## Northern Alliance for Literacy and Essential Skills (NALES)

NALES is a formal collaboration of Ilitaqsiniq-the Nunavut Literacy Council, the NWT Literacy Council, and the Yukon Literacy Coalition. The three coalitions work for the same cause, for the same peoples, using similar approaches. As small organizations, working more collaboratively maximizes our efficiency and increases our scale of impact. We support each other, and share resources and ideas.

Each coalition remains independent, but has signed a Collaborative Agreement to work together on specific projects. NALES' reach extends across one third of Canada's land mass and serves those with the highest needs in terms of literacy and essential skills (LES) development and labour market outcomes. This includes Indigenous peoples, youth and adults with low LES, those who are unemployed, and people living in small, rural and remote communities.



## **Federal Measures to Maximize Individual and Business Contributions to Economic Growth**

*1. What federal measures would help Canadians generally – and such specific groups as the unemployed, Indigenous peoples, those with a disability and seniors – maximize, in the manner of their choosing, their contributions to the country's economic growth?*

### **Context**

**Youth:** Young people (aged 16-25) make up a large percentage of the northern population: in Nunavut, over 50% is 24 years of age or under, yet youth disengagement in learning and employment is significant in all three territories. Attendance and graduation rates are lower than elsewhere in Canada: for example, the NWT graduation rate is approximately 50% for Indigenous youth; Nunavut's is lower. Thus many young people lack the skills they need for further education or employment, or to be able to contribute positively to their communities.

Despite their low skill levels, few young people (less than 10% in the NWT) enroll in formal learning programs. Increasing the skills of Indigenous youth, particularly in small communities, improves their transferable skills, and maximizes their opportunities: for employment, for business development, or for increased labour mobility.

**Literacy levels:** The skill levels of Indigenous people in the three territories are significantly lower than those required in today's society. According to the International Adult Literacy and Skills Survey (2003), 80% is below level 3 in Nunavut; 69% in the NWT; 50% in the Yukon. The findings from the Program for the International Assessment of Adult Competences (PIAAC) (2013) are equally dismal.

**Labour market:** All three territories show similar statistics for labour market outcomes: non-Indigenous people have considerably higher rates of employment than Indigenous people. In the NWT, for example, the employment rate for non-Indigenous people is 82.6% compared to 57.1% for Indigenous people.

The huge gaps between Indigenous and non-Indigenous skill levels and employment rates are a concern for individual and societal well-being, and for the lost wealth of knowledge and understanding of northern culture and context that Indigenous people could bring to the workplace.

## Rationale

Literacy rates act as an indicator of economic growth, at local and national levels; the proportion of people at the lowest literacy levels drags down economic growth. A one per cent increase in average literacy rates raises the Gross Domestic Product (GDP) of a country permanently by 1.5%. This amounts to approximately \$18 billion in economic growth annually for Canada.<sup>1</sup> The rise in literacy rates also creates a 2.5% increase in productivity.

Having a competent northern workforce is key to northern development. While the skill development needs of all northerners must be addressed, the future of the North demands that all stakeholders focus urgently on those areas of greatest need. This has the greatest potential to improve labour market outcomes significantly, through the development of transferable skills among those with low skill levels.

Investing in literacy programs has been shown to yield a 241% return.<sup>2</sup> Yet, governments often consider financial support for adult literacy a cost, when, in fact, it is an investment for the future with considerable cost benefits. Improved literacy positively impacts families, communities, workplaces, and society as a whole. According to a TD Bank Press Release, "Raising literacy skills could also create thousands of new jobs, lower unemployment and significantly raise personal income."<sup>3</sup> Higher literacy levels increase government revenue through payroll and income taxes; lower expenditures on programs like health and justice; and lower social transfer costs, like income support and employment insurance.

## Federal Measures

*1: The Government of Canada considers financial support for literacy to be an investment in the future, with a high rate of return, and considerable cost benefits.*

*2: The Government of Canada recognizes the importance and urgency of improving literacy rates in northern Canada, and invests accordingly, particularly for those with the lowest literacy levels.*

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<sup>1</sup> Murray, T.S. (2008). *Measuring and monitoring literacy in the NWT: Sharing the investment, sharing the rewards*. Presentation at Literacy Matters Workshop, Yellowknife, NT, January 29, 2008.

<sup>2</sup> <http://www.literacy.ca/literacy/literacy-sub/>

<sup>3</sup> TD Bank Press Release, Sept. 5, 2013.



*2. What federal actions would assist Canada's businesses – in all regions and sectors – meet their expansion, innovation and prosperity goals, and thereby contribute to economic growth in the country?*

## **Context**

In the northern labour market, a significant challenge exists: the ability of northern employers to hire and retain skilled northern/Indigenous workers.

In a recent survey, 70.2% of employers said their top challenge overall was low literacy skills (Howard et al., 2012.) In the NWT, 40% of those employed score below level 3 in document literacy; 75% of those unemployed score below level 3 (IALSS, 2003). In territorial workplace learning assessments, employers cited a lack of positive attitudes in early school leavers as major barriers to employment and employment readiness.

Overall, people in Canada who need training the most are the least likely to take part in training, while those with the highest literacy levels receive the most training: About 70% of those at Levels 4/5 take part in training, compared to about 20% of those at Level 1.

## **Rationale**

Expansion, innovation, and prosperity depend largely on having a skilled, reliable and productive workforce, with good problem-solving skills, and a high degree of flexibility and creativity.

From the evidence we have to date, short, experiential programs that embed literacy and essential skills into community, workplace, and institutional situations have proven to be successful in the North for those with lower skills. These programs 'marry' literacy and essential skill development with technical skill development. Young adults, in particular, benefit from programs that combine traditional skills with modern, workplace skills, and offer on-the-job training and mentorship support.

By strengthening the capacity of communities and employers to develop and deliver such programs, we can increase their scale of impact. This will provide more opportunities for disadvantaged youth and adults to enhance their literacy and essential skills, as well as their work readiness/workplace skills. It will also support employers through the development of a more skilled northern workforce.

The three literacy coalitions have strong relationships with cross-sector business and industry and are able to act as a bridge between adults with low literacy levels and

innovative training programs designed and delivered in partnership with employers at a community level.

## Federal Measures

*3: The Government of Canada invests in programs that support workforce readiness and workplace skill development for those with the lowest literacy levels in the North.*

*4: The Government of Canada invests in programs that that have proven to be successful in the North and that embed literacy and essential skills with technical skill development.*

**3. What federal measures would ensure that urban, rural and remote communities throughout Canada enable residents to make their desired contributions to the country's economic growth and businesses to expand, prosper and serve domestic and international customers in order to contribute to growth?**

## Context

The north of Canada faces many challenges in developing and delivering training programs and services: diversity of languages, cultures, and politics; geographical isolation with a lack of infrastructure, such as broad band connections; logistical complexities due to extreme weather, travel, and operating costs; and, sensitive learning environments that serve populations with high LES needs and multiple barriers to participation.

To increase the complexity of the situation, educational and employment opportunities in small, rural, remote communities (where most Indigenous people live) are more limited. For a start, improved internet connections would allow more distance learning to occur.

Research shows that students are less motivated to remain in school or return to learning when employment is not readily available in their home community. In the NWT, the employment rate is 34% in some small communities; in Yellowknife, it is 80%.<sup>4</sup> Thus literacy development and economic development must go hand-in-hand.

While small communities have the poorest educational and labour market outcomes, community members may be reluctant to move to larger communities for education and training, because of factors like family responsibilities.

<sup>4</sup> NWT Bureau of Statistics, March 2013.

## Rationale

Non-formal, experiential learning opportunities are less threatening for adults who have 'failed' in, or been 'failed' by, the formal education system, especially in smaller communities. Non-formal programs complement formal learning. The three northern literacy coalitions have coordinated several successful hands-on, non-formal, community-based projects to re-engage learners in smaller communities. These projects show that learning must be meaningful for the participants; they must experience success quickly; and they must see immediate, positive, and tangible outcomes, such as employment.

*I feel a lot more confident in myself in trying new things like not to be afraid to fail.*<sup>5</sup>

Building community capacity to design and deliver innovative, non-formal training interventions will strengthen LES programming for people with lower skill levels; will engage people to increase their skills and thus their opportunities for employment; and will improve labour market outcomes across the North.

In 2013, the Government of Canada ended core-funding support for provincial/territorial literacy organizations, which they had supported since 1989. The lack of core, or non-project-based funding, constantly threatens the sustainability of the three northern coalitions. Yet their programs and services are considered effective. They are seen as crucial to successful northern development and to improving the northerners' ability to contribute to their own, their family's, their community's, and ultimately the North's economic well-being.

## Federal Measures

*5: The Government of Canada moves quickly to ensure equitable access to learning opportunities through improved internet connectivity.*

*6: The Government of Canada recognizes the value of non-formal, community-based learning opportunities and supports them as "an alternative and effective route for re-engagement in formal learning."*<sup>6</sup>

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<sup>5</sup> Ilitaqsiniq (Nunavut Literacy Council). *The Miqqut Project: Joining literacy, culture and well-being through non-formal learning in Nunavut.*

<sup>5</sup> Ibid.

<sup>6</sup> Ilitaqsiniq (Nunavut Literacy Council). *The Miqqut Project: Joining literacy, culture and well-being through non-formal learning in Nunavut.*



# NORTHERN ALLIANCE for Literacy & Essential Skills

Promoting Excellence and Innovation in Literacy and Skills Development

*7: The Government of Canada recognizes the unique needs and challenges the North faces, and finds ways to support the three northern literacy coalitions to continue to supplement the efforts of the territorial governments and colleges.*

