

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Boys and Girls Clubs of Canada

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

CHALLENGE: POVERTY Canada's economic recovery and growth depends in part on its workforce and on young Canadians' ability to do their part. Boys and Girls Clubs of Canada know young people have great potential, but some of them struggle to achieve that potential because they lack the supports and services they need. Clubs across the country are helping young people do well in school, make successful transitions to employment, and feel confident about their ability to achieve throughout their life. We are leading providers of quality after school programs that support the healthy physical, mental, educational and social development of children. Our association of over 100 Clubs reach some 200,000 children, youth and their families in 650 community service locations across Canada. Boys and Girls Clubs share responsibility for preparing Canada's youth for the jobs of tomorrow. Clubs are located in neighbourhoods where we are most needed, including large city centres, suburbs, remote rural communities and First Nations Reserves. Low income families represent 57% of those served by Boys and Girls Clubs, and single parent families represent 43%. Disproportionately represented among those living in poverty, Aboriginal youth (19%), immigrant youth (11%) and young people with disabilities (14%) are also engaged in Club activities. Living in poverty is an important barrier to academic and employment success. Young people from modest socio-economic backgrounds tend to experience earlier life transitions such as leaving home or having a child, which may lead them to abandon high school before graduation. Youth from low income families are also less likely to enroll in post-secondary education. Low levels of education attainment limits young people's job prospects and earning potential. It is also a barrier to Canada's sustained economic recovery and enhanced economic growth.

FEDERAL ACTION Many measures have been put in place by the Government to help young people reach their educational goals and enter the workforce. Boys and Girls Clubs of Canada asks the Government to develop a federal poverty reduction plan that would complement provincial strategies and ensure a more complete and measurable approach to supporting young Canadians who face the greatest barriers.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

CHALLENGE: JOB READINESS -Some youth are missing on job opportunities either because they lack basic skills or the specialized knowledge to fill available positions. Employers are finding young people ill-prepared for today's workforce – lacking oral and written communication skills, critical thinking, professionalism, problem solving, and even creativity. 37.8% of Canadian youth aged 16 to 25 lack the literacy and essential skills they need to be successful in today's knowledge-based economy. "This is especially problematic when we consider that basic skills such as reading, writing, computer use and oral communication are integral in employing effective job search strategies, such as completing a job

application (in person or online) or excelling in an interview.” -Youth unemployment rates increased in 2008 and remain high – even those who have completed post-secondary education are finding it difficult to secure employment that matches their skill level. This has profound impacts including earning losses that take years to recuperate, de-skilling, and lifelong risk of poor attachment to the labour market. - Young people are over represented in low-paying, temporary, contract and seasonal jobs. Often working at minimum wage, they must complete 16 weeks of full time work to cover the cost of tuition alone (an average of 6,704\$ per year). This creates an additional barrier to post-secondary education. FEDERAL ACTIONS NEEDED “Affirmative work experiences during early career development are positively correlated with long-term career prospects. This is true for both low- and high-skilled youth who often need applied experience to integrate into the labour market.” Boys and Girls Clubs of Canada want to underline the importance of Canada’s Youth Employment Strategy and programs such as Career Focus, Skills Link, and Canada Summer Jobs. Clubs employ over 4,000 staff, the majority of whom are 18-30 years old. Programs such as Career Focus, Skills Link, and Canada Summer Jobs enable Clubs to provide youth with valuable work experience. We help them develop a strong work ethic and guide them in pursuing post-secondary education and/or making career choices. The Skills Link program is especially relevant to Clubs as it promotes the human capital and employability of a population that faces many barriers to employment. We would see great benefit in enhancing this program.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

CHALLENGE: EDUCATIONAL OUTCOMES Canada is facing an unprecedented demographic shift that will require its young people to be educated, skilled, and able to enter the workforce. In July 2012, just under 30 per cent of Canadian firms were reporting labour shortages that posed a challenge for their ability to meet demands. Canada benefits from relatively high levels of high school completion, but Aboriginal youth have unacceptably low educational outcomes. This is a great loss for these young people and for Canada. Inadequate educational attainment is costly, and especially concerning in the context of Canada’s aging population. The tangible costs of not completing high school are high and include costs related to social assistance, crime, health, labour and employment. For instance, the cost of providing social assistance for someone who has not completed high school is estimated at over \$4,000, or \$969 million per year. The annual cost to the criminal justice system is estimated at over \$220 per high school dropout, or \$350 million per year. On a personal level, there is a strong correlation between education and health – those who abandon high school enjoy a lower quality of life. They can also expect to lose over \$3,000 per year in income compared to those who have graduated. Lower rates of education have long term impacts including higher rates of unemployment and long-term unemployment. “In the 21st century, failure to earn a high school degree has devastating implications for a young person’s prospects.” It is a severe disadvantage in the labour market. Furthermore, young people who have low skills and education attainment are more vulnerable to economic fluctuations – they experienced the highest unemployment rates in Canada’s last three recessions. Increasing Canada’s graduation rate by a mere 1 per cent would result in aggregate estimated cost savings of \$7.7 billion (in 2008 dollars). FEDERAL ACTIONS NEEDED Many factors affect the gap in educational outcomes between Aboriginal and non-Aboriginal youth. Boys and Girls Clubs of Canada urge the Government to collaborate with First Nation, Inuit and Métis leaders to ensure access to quality education that will prepare every child and youth to take full advantage of the education and career opportunities that are readily available to other students across the country.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

CHALLENGE: ABILITY TO WORK -Young people who experience mental health problems or illnesses “are at much higher risk of experiencing them as adults, and are also more likely to have other complicating health and social problems.” Poor mental health has lasting effects on young people’s lives and generates high costs for our health care and justice systems. -Young people who are unable to access the services and supports they need to deal with a mental problem or illness are more likely to experience interruptions in their education and employment. “People living with mental health problems and illnesses have high rates of unemployment, and many are unable to develop their skills and talents. This is particularly challenging for young adults, since the rates of mental health problems and illnesses reach their peak during prime working years.” -The Conference Board of Canada estimates that mental illness costs Canada \$20.7 billion annually in lost labour force participation and that this cost will grow to \$29.1 billion by 2030. FEDERAL ACTIONS NEEDED “Barriers that keep people with mental health problems and illnesses out of work must be removed, and supports that help people to obtain competitive employment should be increased.” Boys and Girls Clubs of Canada encourages the government to initiate a program that would create opportunities for young people with mental health problems or illnesses to work in a supportive environment, thus ensuring they have a strong start in the workforce and increase their labour market participation. A program similar to Skills Link, offered to organizations and businesses that can provide a supportive workplace, would be extremely valuable.

CHALLENGE: ADDITIONAL BARRIERS It is incumbent on us as a society to ensure that few young people see crime as a viable option and that as many as possible are able to fulfill their potential in the workforce. -Changes to the criminal justice system mean that young people who make poor life choices are faced with stricter sentences and longer penalties for engaging in criminal activity. And changes to the Pardon’s Program under Bill C-10 have prolonged the waiting period for a record suspension, creating a barrier to employment in a young person’s prime earning years. FEDERAL ACTIONS NEEDED Social development programs for children and youth support them to make positive life choices, complete their education and take charge of their life through meaningful job opportunities. Boys and Girls Clubs of Canada commends the government for renewing support to the Youth Justice Fund and Youth Gang Prevention Fund. These programs have made a difference in many communities. We are concerned that \$10 million in annual funding, divided between these two funds, is simply not enough to achieve the results Canadians are seeking. We urge the government to enhance funding for these initiatives and ensure that employment opportunities are a part of gang prevention efforts. The National Crime Prevention Strategy is an equally worthwhile investment. Its \$63 million annual budget (\$45 million for grants and contributions) has helped address the root causes of crime, yet it represents less than 0.4 percent of the federal criminal justice budget. Given the demonstrated effectiveness of evidence-based crime prevention measures, Boys and Girls Clubs of Canada recommends increasing investment to 2 per cent. *References available upon request.