Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Canadian Literacy and Learning Network

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?

Using the internationally recognized literacy and essential skills scale levels of 5 levels - level 3 iwas established in the 2004 StatsCan /OECD collaborative survey (Adult Literacy & Life Skills Survey) as the minimum level Canada's workforce needs to be at, to allow Canadian business to stay competitive in the national and global context. This is not only true for a new knowledge based economy, but transcends all sectors, including those that we have traditionally seen as low-skilled. In Canada, 43% of working age Canadians (9.8 million youth and adults) have Literacy Levels of 1 and 2 (imagine levels 1 to 2 as learning to read, and levels 3 and up as reading to learn) representing a pool of human capital that is currently underutilized. The economic impact of investment in literacy is as follows: 1% literacy increase = 1.5% increase in GDP 1% literacy increase = 2.5% increase in labour productivity (Coulombe, Tremblay, Literacy Scores, Human Capital and Growth across 14 OECD Countries, 89-552-MIE, 2004) Federalprovincial Labour Market Agreements and Labour Market Development Agreements (LMAs and LMDAs) have gone some way to putting in place a skills training infrastructure that reflects the needs of Canada's provincial and territorial jurisdictions. The upcoming renewal and strengthening of these agreements is important to sustaining the skills and innovation agendas underway in provinces. Going forward, these agreements should be updated to reflect the need for literacy and essential skills training and make L/ES training a major focus. Recommendation: Direct the embedding of Literacy and Essential Skills training, with dedicated funds, into training investments, such as LMAs/LMDAs, as they get renewed or are replaced.

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?

To make Canada attractive to investment in job creation, we need to supply a knowledgeable workforce. To stay competitive, 77% of our workforce will need to have post-secondary credentials by 2031. The current figure is slightly above 60%, although percentage of those in the 25 to 34 age group is higher at just over 66%. (Rick Miner "Jobs of the Future: Options and Opportunities" 2012). This scenario is not just describing a new knowledge-based economy, but transcends all sectors of the workforce. Moving into the future, the need for a cultural paradigm shift to life-long learning and continuous upskilling will be ever more evident. Recommendation: Significant long-term investment in adult education to increase labour market outcomes for individuals, which will ensure employers have access to workers with the skills they need to establish innovative and sustainable industries.

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?

Population growth in the aboriginal population is occurring at double the rate for the non- aboriginal population, yet the proportion of aboriginal people with literacy scores at or above Level 3 was consistently lower than amongst non-aboriginal people; Yukon had the highest literacy score in the three territories with 45% of aboriginal people scoring Level 3 or above (compared to 71% for the nonaboriginal population) There is also a definite need to Focus on populations where most gain can be found: i.e. younger and middle-aged workers who have more years left in the labour market where govt. investment will continue to reap rewards for decades to come. Labour mobility within Canada is key to economic recovery which requires better labour market information so Canadians can access reliable, up-to-date information to explore job options across the country based on the skills they have or acquire. Recommendations: Integrate L/ES into all Youth and Aboriginal Employment/Training initiatives such as Skillslink, Canada Summer Jobs for Youth, the Aboriginal Workforce Partnership Initiative Incentives for employers and businesses who incorporate L/ES in directly into workplace training or provide as separate PD initiative. Government to partner with other important actors such as other levels of government, educational institutions and businesses for better information on where Canadians can apply their increased skills and improve their LMO's. Longitudinal studies through Statistics Canada to track and to be able to respond to demographic change in a timely manner.

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?

Productivity increases by 2.5% with every 1% increase in Literacy and Essential Skills Levels. With 57% of adults aged 16 to 65 at Level 1 and 70% of individuals at Level 2 already in the workforce (IALS/IALSS), an easy route to improvements in productivity is through workplace Literacy and Essential Skills training. Canadian businesses invest approx. 1.5% of payroll in continuous employee workplace training (compared to their US counterpart, who spend between 2.25% and 2.8%). Only 2.2% of that investment in training is devoted to improving essential skills (Rick Miner "Jobs of the Future: Options and Opportunities" 2012). Recommendation: Incentives to Canadian companies that are particularly devoted to Literacy and Essential Skills training

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?

While there are many specific challenges facing adult learners (significant lack of programming for seniors or immigrant women who are not integrated into the community, just to name a couple specific groups) it is the new digital divide that transcends demographics. Initially, the gap was in access to technology. Now it sits in being able to navigate a complicated network that requires high functionality of essential skills with a continuously advancing technology. In the past Industry Canada funded Community Access Points (aka C@P sites, originally installed to allow equal internet access to all Canadians) functioned as community led, mentor-based digital skills development centres, especially in non-urban areas. Discontinued funding for C@P sites has left an enormous gap for basic, volunteer run digital skills development. As the lead in Digital Skills Development portion of Industry Canada's Digital Economy Strategy, HRSDC discovered a need for support for digital skills training and mentorships.

Recommendation: Invest in a community based digital essential skills network or simply re-fund the c@p sites (actual cost: \$2000 per site annually)