



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# **Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities**

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HUMA • NUMBER 028 • 1st SESSION • 42nd PARLIAMENT

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**EVIDENCE**

**Tuesday, November 15, 2016**

—  
**Chair**

**Mr. Bryan May**



## Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

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•(0845)

[English]

**The Chair (Mr. Bryan May (Cambridge, Lib.)):** Good morning, everybody. We're going to get started here. Before I forget, we do have a very brief amount of committee business that we are going to need to deal with at the very end of this meeting. I will have to ask, and I will remind everybody at the end that we're going to have to clear you out fairly quickly. We don't want to kick you out, but we're going to have to kick you out. We're also going to be interrupted by bells, as well, with some votes today. I'm not going to spend a lot of time on introductions. We'll get right to it.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, June 13, 2016, the committee is resuming its study of poverty reduction strategies.

Today we have a number of witnesses. From Statistics Canada, we have Heather Dryburgh, Director, Tourism and Centre for Education Statistics, and Klarka Zeman, Senior Analyst, Tourism and Centre for Education Statistics. From the Financial Consumer Agency of Canada, we have Jérémie Ryan, Director, Financial Literacy and Stakeholder Engagement, and Julie Hauser, Partnership and Stakeholder Engagement Officer.

From the Department of Indian Affairs and Northern Development, we have Paula Isaak, Assistant Deputy Minister, Education and Social Development Programs and Partnerships, and Jonathan Allen, Deputy Director, Education and Social Development Programs and Partnerships.

Finally, from the Department of Employment and Social Development, we have Mary Pichette, Director General, Canada Student Loans Program; Jessica Kerr, Director General, Canada Education and Savings Program; and Monika Bertrand, Acting Director General, Employment Program, Policy and Design Directorate.

That's a lot of people.

Thank you all for being here and welcome. We're going to get going right away. I believe we're going to start with Statistics Canada. If you could keep your remarks to a crisp seven minutes, that would be very much appreciated. Thank you.

**Ms. Heather Dryburgh (Director, Tourism and Centre for Education Statistics, Statistics Canada):** Thank you very much. It's a pleasure to be here this morning.

I am going to go through the presentation, which I believe was distributed.

In the centre for education statistics at StatsCan, we are currently undertaking a number of innovative new initiatives around data for education that will help us better understand the pathways people are taking through the education system, through college, university, or the trades, and on into the labour market.

I'm going to draw today on some of these initiatives and other data sources to bring evidence to your questions on whether some poverty reduction strategies in education are making a difference for vulnerable populations. I'll move fairly quickly through the presentation to keep to my timeline.

Starting with access to education, one factor affecting access, as seen in our youth in transition survey data, is parents' income. As parents' income increases, youths' participation in post-secondary education also increases. However, if you look more closely at the difference between the lowest and the highest incomes, factors such as parents' education and parents' expectations of their children explain much of the participation gap there. In fact, the financial constraints account for only about 12% according to the study.

Although income is a barrier, we know from our survey of financial security that parents are increasingly saving for their children's education. If we think of the RESP as a school-based poverty reduction strategy, the data here show that since the Canada education savings grant was introduced in January 1988, there was an increase in families saving for their children's post-secondary education, even at the bottom income level, between 1999 and 2012.

The cost of post-secondary education, however, is increasing. From our tuition and living accommodation costs survey, the data show that undergraduate tuition fees have increased in almost every province between 2008-2009 and 2016-2017, except in Newfoundland and Labrador and Alberta. From our 2013 national graduate survey, we know that more than four out of ten post-secondary education students who graduated in 2010 had debt on graduation.

What we don't have on this slide is the current financial support data from ESDC and the provinces and territories. We are currently negotiating with both levels of government to get this data and to integrate it into our holdings in order to have a better picture of the impact of costs on access to education and of what those real costs are.

There are many reasons people may seek further skills training or retraining to equip themselves for a better employment situation, but today I'd like to draw your attention to evidence that shows how basic training for literacy and numeracy is also important when thinking of skills training.

Recent immigrants, unattached non-elderly persons, aboriginal people, lone parents, and people with activity limitations, which are all groups at risk of low income, have higher proportions of low literacy scores compared with those of the overall population of all individuals. Basic training for literacy and numeracy is also important when we think of skills training.

Another factor affecting people's likelihood of getting employment is their ability to speak English or French. From the longitudinal immigration database, if we tease out the impact of official language skills on earnings by taking into account all kinds of things such as the year you landed, class of immigration, age, education, source region, experience, and geography, the language profile still has an impact on the earnings of immigrants. This graph compares the earnings of immigrants with various language abilities with the earnings of immigrants who had English as their mother tongue. Language training is critical to improving earnings for recent immigrants without English as their mother tongue.

• (0850)

Apprenticeship offers another avenue to employment and better income. Our registered apprenticeship information system shows that greater proportions of both younger and older Canadians are registering as apprentices in 2013 versus in 1995. The 2016 national apprenticeship survey results that will be released in March 2017 will help us better understand the changing age profile as well as barriers to completing programs, and much more.

The next slide shows a gender picture, which I think it is important to note. Women make up only 12% of people with apprenticeship certificates. Among these women, a third are hairstylists and aestheticians. In general, earnings in the top female trades are substantially lower than in the top male trades. For example, hairstylists and aestheticians earn around \$25,000 a year whereas electricians earn over \$70,000.

Now let's look at the relationship between education, employment, and income. For both men and women, those with less than high school education have the lowest earnings and those with a university degree have the highest earnings. So the relationship is pretty clear.

The 2011 national household survey data show that the tendency to get higher education is increasing for aboriginal people, but this chart, which uses labour force survey data, shows that as education levels of aboriginal people rise, their unemployment rates go down and become similar to those of the total population. That's looking at the off-reserve aboriginal groups. On the next slide you can also see

similarly smaller gaps in employment rates for people with disabilities compared to the general population as education levels increase.

To conclude, in poverty reduction strategies, it seems clear that the Canada education savings grant has improved savings for families at all income levels, but importantly for those with the lowest incomes. Literacy training and English and French as a second language training are clearly important to equipping vulnerable groups for employment. Of course, you can think of higher education itself as a way to reduce poverty, and we can see benefits to those at risk of low income who obtain post-secondary credentials.

Thank you.

• (0855)

**The Chair:** That was fantastic timing. Thank you very much for a perfect seven minutes.

From the Financial Consumer Agency of Canada, we have J r mie Ryan for seven minutes.

Go ahead, please.

[*Translation*]

**Mr. J r mie Ryan (Director, Financial Literacy and Stakeholder Engagement, Financial Consumer Agency of Canada):** Thank you, Mr. Chair.

First of all, I would like to thank you for the invitation to appear before the committee today.

[*English*]

The Financial Literacy Leader, Jane Rooney, is unable to be here as we are hosting our first research symposium in Moncton, New Brunswick. Today Ms. Rooney sends her regrets and her salutations to committee members.

Your committee's work is important, and we appreciate the opportunity to contribute to this discussion on poverty reduction. Financial literacy is a critical skill and one of key importance when talking about poverty reduction.

Every day, low-income Canadians are faced with difficult financial decisions, and have difficulty making ends meet. They are struggling to keep up with bills and other payments. We know many Canadians are living paycheque to paycheque. As well, precarious and part-time employment are on the rise in some cities. Across all income brackets, Canadians have too much debt and are not saving enough. We should care about this for many reasons. Debt and unstable income lead to financial stress, which impacts mental and physical health. Financial literacy plays a vital role in improving the financial well-being of all Canadians, including those with low incomes.

[Translation]

Established in 2001, the Financial Consumer Agency of Canada is a regulatory agency that works to protect Canadian consumers. We do this by supervising federally regulated financial institutions to ensure that they comply with federal consumer protection measures and that they comply with voluntary codes of conduct and respect the public commitments they have made. We also work to promote consumer awareness of the obligations of financial institutions to consumers of financial products and services.

[English]

In 2007, the Government of Canada expanded FCAC's mandate to include financial literacy.

In 2014, the government appointed Canada's first Financial Literacy Leader, Jane Rooney, to coordinate national efforts and collaborate with organizations across the country to deliver concrete initiatives that strengthen the financial knowledge, skills, and confidence of all Canadians. Within the first year of her appointment, we held three rounds of consultations. We met with hundreds of organizations, as well as individual Canadians.

Our first phase of consultations focused on the needs of seniors; the second phase looked at issues affecting newcomers to Canada, people living with disabilities, low-income earners, and indigenous peoples; and the third phase examined the needs of young Canadians and adults more broadly.

We heard that many people lacked access to affordable financial services and products, such as no-cost and low-cost accounts. We heard how some people have difficulty obtaining the identification required to open bank accounts and how people with low incomes may have limited access to short-term credit products at an affordable cost. These hurdles can lead people to high-cost cheque-cashing services and payday loans.

We also heard about the importance of accessing government benefits and programs, such as RESPs, the Canada learning bond, old age security, and GIS, and the importance of filing one's income tax through the community volunteer income tax program so that Canadians can access government benefits they are entitled to.

We took this information from the consultations and developed a national strategy for financial literacy called "Count me in, Canada". It's a call to action for all Canadians and those organizations that work with them to strengthen their financial literacy.

The strategy was developed with the help of a national steering committee made up of 15 experts from across Canada. It aims to help people manage their money and debt wisely, to plan and save for their financial future, and to prevent and protect themselves from fraud and financial abuse.

Financial literacy is a shared responsibility. Everyone has a role to play. In order to implement our strategy, we work with a number of stakeholders, including 11 regional financial literacy networks, of which many work on poverty reduction. We consult regularly and work with the provinces and territories, and we collaborate with many private and non-profit organizations across the country as well.

● (0900)

[Translation]

We work with our federal counterparts on an interdepartmental committee on financial literacy. The committee is working to integrate financial literacy concepts into the various federal government programs. To date, we have coordinated a national campaign to promote direct deposit for tax refunds.

We are also looking at the possibility of including a money management training program in student loan programs. In addition, we are developing a strategy to reach out to indigenous people and increase their financial literacy.

We are working with the Canada Revenue Agency to promote the community volunteer income tax program, which provides information sessions to eligible individuals with a modest income and a straightforward tax situation to help them prepare their tax returns.

[English]

We collaborate with groups such as Prosper Canada, a non-profit organization that promotes financial literacy, in part through the financial empowerment champions project for vulnerable Canadians.

It is timely that we are meeting today. November is Financial Literacy Month. Since it was first held in 2011, community-based organizations, volunteer groups, agencies from all levels of government, employers, and private companies have been involved in FLM, a nationwide initiative that promotes financial literacy events, resources, and activities for all Canadians.

We have accomplished a lot over the last couple of years, but there is still much work to do to help Canadians budget, save, manage their money, and ease their debt loads. Research plays a key role in understanding the financial literacy needs of Canadians. Statistics Canada carries out the Canadian financial capability survey for the FCAC. We have benchmark data from 2009 and 2014. Our most recent data shows that 34% of newcomers, 37% of low-income Canadians, and 50% of indigenous peoples living off reserve struggle to pay or are not keeping up with bills and payments.

One concern we have is the increased reliance on payday loans. The proportion of Canadians using payday loans is small, but it has more than doubled, from 1.9% in 2009, to 4.3% in 2014. Payday loans are used primarily by low-income Canadians.

Last month, the FCAC published a study showing that many payday loan users are unaware of the costs compared to the costs for alternatives. Also, most are using them for necessary expenses, such as paying for rent and groceries. We know that giving consumers the knowledge, skills, and confidence to manage their money gives them more control. Our research tells us that confidence in particular plays a key role. If people are more confident, they are more likely to shop around, ask questions, negotiate, and use products and services that can help them manage their money and save, such as RESPs and TFSA's.

We know that a budget is a powerful tool and is key. Our research tells us that 46% of Canadians budget, and among those who do, 93% say that they usually or always stay within their budget. When they had the information about the importance of budgeting and how to do it, they began budgeting and sticking to it. However, while budgets can help, they are only part of the solution.

This committee's poverty reduction strategy will bring out ideas to help Canadians with low incomes enter the workforce and post-secondary programs so they can support themselves and their families. Poverty reduction should be about helping people gain employment, housing, financial, and overall well-being.

We see a strong link between poverty reduction and financial literacy. We believe our strategy aligns with your goals, because it focuses on giving Canadians knowledge, skills, and confidence as they enter the workforce, upgrade their education and skills, and plan for unforeseen circumstances that they will face throughout their lives. Financial literacy can help people access benefits, gain new opportunities, and hope for a better life.

Thank you.

**The Chair:** Thank you very much.

Now we will go over to the Department of Indian Affairs and Northern Development. Paula Isaak is the assistant deputy minister, education and social development programs and partnerships.

Welcome.

**Ms. Paula Isaak (Assistant Deputy Minister, Education and Social Development Programs and Partnerships, Department of Indian Affairs and Northern Development):** Good morning, Mr. Chairman and members of the committee.

I would like to thank the committee for the invitation to appear today. I would also like to acknowledge that we are gathered on traditional Algonquin territory this morning.

As budget 2016 rightly noted, indigenous people generally do not enjoy the same quality of life as non-indigenous people in Canada. Poverty is a barrier that is preventing indigenous people from reaching their full potential and from fully participating in Canadian society. The well-being of indigenous communities is suffering as a consequence.

• (0905)

[Translation]

The department has done work in various areas to address long-standing issues related to poverty in indigenous communities, including education, training, employment, as well as financial

assistance and other social supports. These and many other issues that indigenous people and communities are facing contribute to maintaining the high poverty levels and creating an obstacle to prosperity and the socio-economic well-being.

[English]

The department recognizes that these challenges are long-standing issues and, therefore, developing a solution will also take time. As we work horizontally with our federal partners and in collaboration with indigenous peoples and communities, we will take meaningful steps towards ensuring better outcomes for children, for families, and for generations to come. However, much remains to be done.

The department is making progress in a number of areas. Education greatly impacts individual, family, and community wellness. For example, a solid basis in literacy increases an individual's likelihood of success in many areas of life. These can range from basic literacy skills required to read to children, to transferring traditional knowledge within a family, and to participating in professional, cultural, and social activities.

In addition to the lifelong benefits associated with strong literacy skills, investments in this field can contribute to reducing poverty levels on reserve, increased workforce participation, and strong economies. Although progress has been made in recent years, there is still a critical need to improve outcomes through a collaborative approach to ensuring that first nations children have access to a quality education while respecting the principle that first nations control first nations education.

[Translation]

We are committed to working in partnership with the First Nations to support these objectives. Budget 2016 makes significant investments in primary and secondary education on reserves, totalling more than \$2.6 billion over five years. The department is also working with other federal partners to support school readiness, notably by developing an early learning and child care framework for first nations.

[English]

In addition to general literacy skills, numeracy and mathematics are fundamental aspects of overall literacy and are the building blocks of financial literacy throughout life. Our education programs directly support learning and applying these skills in a school-based setting.

However, we recognize that funding alone is not enough. Improving educational outcomes and increasing the well-being of students on reserve require the involvement of all of the partners in delivering culturally appropriate education. Given this, the department is beginning a national engagement with indigenous organizations, communities, and other stakeholders on the way forward in first nations education.

[Translation]

We are also taking steps to ensure that indigenous people have a growing number of opportunities to continue their education after high school, given that too many people face significant barriers to pursuing post-secondary education. To that end, we are working with the students, families and indigenous organizations, as well as with post-secondary institutions to improve access to education and eliminate these barriers.

[English]

Through the post-secondary student support program and university and college entrance preparation program, INAC is currently investing over \$300 million annually to support approximately 22,000 first nation and Inuit students in their pursuit of post-secondary education. These programs are designed to meet the unique needs of indigenous students and their communities, helping to offset the costs of tuition, travel, and other wraparound services in order to ensure their long-term success.

Early employment and skills training can also have considerable effects that counter the employment barriers experienced by many first nation and Inuit youth. Therefore, the first nation and Inuit youth employment strategy supports youth in getting the skills they need to enter the labour market. This program enables first nation and Inuit youth to gain experience through hands-on opportunities like co-operative and mentored work placements. These opportunities have proven to be very beneficial for indigenous youth in elementary and high school, and emerging research suggests that mentorship helps support learning and increases academic success.

• (0910)

[Translation]

Through financial assistance programs, the department is working to further support the well-being of children and families. For instance, the department's initiative to reform the on-reserve income assistance program provides direct financial support to low-income individuals and families living on reserves. In order to reduce poverty, the program provides funding for counselling, education and life skills activities to increase employability and labour market participation.

[English]

As of March 31, 2016, more than 7,900 on-reserve youth received pre-employment support or skills training through this initiative, and over 4,700 young people left for full-time education or employment opportunities. We continue to work with Employment and Social Development Canada in the context of the government's poverty reduction agenda and the aboriginal skills and employment training strategy to improve employment opportunities for indigenous people.

Poverty can be a contributing factor to a range of social issues, including the safety of children and violence against women. INAC's family violence prevention program supports the day-to-day operations of 41 shelters across the country as well as funding for community-driven proposals for family violence prevention projects on and off reserve. Budget 2016 committed \$33.6 million over five years and \$8.3 million in ongoing additional funding to increase supports to victims of family violence in first nation communities.

In budget 2016, Canada also invested \$635 million over five years for the first nations child and family services program. This program supports culturally appropriate prevention and protection services that help ensure the safety and well-being of first nation children and families on reserve. Ensuring that children have healthy and safe childhoods leads to better social outcomes in adulthood. Further, healthy communities have better rates of employment and a lower incidence of poverty. To support both the immediate needs of first nation children and to begin a process of reform to strengthen the first nations child and family services program, program reforms will be developed in partnership with first nation stakeholders.

Finally, the department has been taking action to improve the wellness of indigenous people by addressing the socio-economic challenges they face. We are committed to continuing to collaborate with indigenous leadership on concrete solutions to improve socio-economic outcomes.

Thank you very much. I look forward to hearing the outcomes of this committee's work.

**The Chair:** Thank you very much.

Finally, from the Department of Employment and Social Development, we have Mary Pichette, director general of the Canada student loans program.

Welcome.

**Ms. Mary Pichette (Director General, Canada Student Loans Program, Department of Employment and Social Development):** Good morning. Thank you very much.

Higher levels of education are linked to higher earning potential, a lower likelihood of unemployment, greater resilience during economic downturns, and many other public, private, social, and economic benefits.

Today I'll be speaking about programs that encourage post-secondary education participation, as well as skills and training initiatives, particularly for low-income Canadians.

On the savings side, we know that children who have savings in a registered education savings plan, as Heather indicated, are more likely to attend post-secondary education, regardless of parental income, parental education, and other factors. Research shows that it's the presence, and not the amount, of savings that creates the aspirational effect of thinking about post-secondary education.

[Translation]

Currently, almost half of all Canadian children, or about 3.5 million, have more than \$47 billion accumulated in registered education savings plans for their future post-secondary education.

[English]

ESDC offers two savings incentives linked to RESPs: the Canada education savings grant and the Canada learning bond, or CLB. The education savings grant is available to all eligible Canadian children, and it offers a 20% grant on the first \$2,500 of annual personal contributions made for a child, with an additional 10% or 20% on the first \$500 saved each year for a child from a middle-income or low-income family.

In addition, the Canada learning bond provides up to \$2,000 in education savings to children from low-income families. To date, the CLB has benefited 831,000 children, and while contributions are not required to receive the Canada learning bond, in 2015, 80% of children who received that also had personal contributions in their RESPs, with an average personal contribution of just over \$1,000, which compares to \$1,500 for CESG RESPs.

● (0915)

[Translation]

In addition, the Canada student loans program provides grants and loans to eligible students to help them with the cost of their education.

[English]

In 2013-14, over half a million students received Canada student loans, and more than three out of five of those also received a grant.

The repayment assistance plan helps borrowers who have difficulty with repayment, and in 2013-2014 that program helped 234,000 people. Budget 2016 announced improvements for students from low-income and middle-income families, and as of August 1, the Canada student grants were increased by 50%. These went from \$2,000 to \$3,000 for students from low-income families, from \$800 to \$1,200 for students from middle-income families, and from \$1,200 to \$1,800 per school year for part-time students from low-income families. Together these will benefit over 350,000 students.

[Translation]

The government has committed to extending the eligibility for Canada student grants for the next school year, allowing more full-time students to take advantage of it.

[English]

To help make debt more manageable for students, budget 2016 also announced improvements to the repayment assistance plan. As of November 1, no single borrower will need to repay a loan until earning at least \$25,000 per year, and that loan threshold increases

with family size. Those who have earnings above the thresholds may still be eligible for reduced payments.

Turning to literacy and essential skills, we know these help to foster resilience for Canadians; they help to strengthen the individual's capacity to enter into the middle class; and they help those who relapse into poverty.

[Translation]

The Government of Canada is investing in essential skills development through direct investments and transfers to the provinces and territories.

[English]

Emphasis is on individuals who are unemployed, underemployed, and in precarious employment, as well as on those with low skills and those who face multiple barriers, such as indigenous people, youth, women, and newcomers.

Skills training in Canada is supported by labour market transfer agreements with provinces and territories, and these represent a federal investment of nearly \$3 billion. In support of strengthening skills training and employment, budget 2016 committed additional investments, including \$125 million for labour market development agreements and \$50 million for the Canada job fund agreements in 2016-2017. These will help unemployed and underemployed Canadians get the jobs they need.

Budget 2016 also contains a commitment to broad consultations with the provinces, territories and stakeholders to obtain their views on how to improve overall programs in this regard.

Over the summer, valuable feedback was received from over 700 stakeholders. The results were prepared in a report and provided to the Forum of Labour Market Ministers. The report was endorsed, and it will now form a collaborative approach to working together with provinces and territories towards the next generation of agreements. These will be flexible and responsive to the needs of unemployed, underemployed, under-represented groups, and employers; they will build on strong evidence-based programming; and they will aim to foster capacity to develop innovative program approaches.

The Government of Canada also invests directly in employment, including through the youth employment strategy and the opportunities fund for persons with disabilities. Budget 2016 proposed additional investments in the youth employment strategy, and an expert panel on youth employment was launched to help inform future investments in youth employment.

I'll stop there and return the floor to you, Mr. Chair.

**The Chair:** Thank you very much.

Before we get right into questions, I was remiss in not welcoming MP Julian to our group.

Welcome. Thank you for being here.

We are going to get right into it, because we are going to be cut a little short today with votes.



To start us off, MP Poilievre, go ahead, please.

**Hon. Pierre Poilievre (Carleton, CPC):** Thank you, Mr. Chair. My first question is for ESDC.

Thank you for being here.

In Ontario, the government has made a decision to phase out sheltered workshops for disabled people. These are facilities where disabled people work at performing often repetitious but important tasks, and they are remunerated with below-minimum-wage honoraria. There is a good rationale for doing this, for phasing out these kinds of facilities, but not unless we have an alternative to ensure that these people have other opportunities to work and contribute. ESDC had something called the opportunities fund, which was designed to provide people with disabilities the chance to work and contribute in our labour market.

What is the department's strategy, in Ontario in particular, to ensure that people who are no longer being given placements in sheltered workshops are given opportunities to work and earn market wages through private sector employers in the province?

• (0920)

**Ms. Monika Bertrand (Acting Director General, Employment Program Policy and Design Directorate, Department of Employment and Social Development):** Thank you for the question.

The opportunities fund is currently at around \$48 million a year. You're correct that it's a very important investment in persons with disabilities. It was introduced quite a while ago, in 1997, to support those who are really furthest from the labour market.

**Hon. Pierre Poilievre:** What can it do in Ontario, particularly now that sheltered workshops are being phased out?

**Ms. Monika Bertrand:** With the opportunities fund, we have been trying to give a much greater focus to employer-driven training and to ensuring that the service providers who are responsible for delivering those services are a lot more engaged with the employer community and in looking for strategies to develop the skills that employers need, as well as doing a much better upfront job in the matching of persons with disabilities, many of whom, are highly educated. It's a matter of finding the right fit, which is always the biggest challenge. In the latest call for proposals on the national side, as I said, the focus was much more on the employer and on paying attention to the wraparound services that are being provided and that employers need, like on-the-job coaching and mentoring. The focus on youth is very important.

**Hon. Pierre Poilievre:** Has the department looked at the Walgreens experience in North Carolina which employs about 1,000 disabled people to profitably run an entire distribution centre? They pay them full wages, the same wages for doing the same work as every other employee. This is extremely successful, with a very low cost to North Carolina taxpayers. Is that a model you're considering?

**Ms. Monika Bertrand:** It's not specifically.

**Hon. Pierre Poilievre:** Okay.

**Ms. Monika Bertrand:** I can't say we're looking at the Walgreens model, but definitely, when it comes to social enterprises, we're looking a lot more at the return on investment and how people can be employed at competitive wages.

**Hon. Pierre Poilievre:** Right.

**Ms. Monika Bertrand:** We need to look at this whole idea of the stigma of employing persons with disabilities—making sure that building awareness is part of that and ensuring that the knowledge and information are out there on the investment that's actually needed.

**Hon. Pierre Poilievre:** Thank you very much for that. It's increasingly clear that disabled people can work and want to work. There are 300,000 severely disabled people in Canada who are employed today. There are a million disabled people employed across the country, and employers like Tim Hortons, RBC, and Walgreens want to hire them. We need to make sure that this happens, that they earn competitive wages, and that they make the full contribution they want to make through the dignity of work.

My next question is for Statistics Canada. You demonstrated there is a link between post-secondary education and higher earnings. Have you done a regression analysis to control for other factors that might also be a cause? For example, you also show that children of families with higher incomes are more likely to go to university. As you know, correlation does not always equal causation. Have you controlled for other factors to ascertain if post-secondary education is really the cause of the higher income or if it is one of the effects of starting out with certain advantages in life?

• (0925)

**Ms. Heather Dryburgh:** I didn't put these data into the presentation, but this work has definitely been done. The impact of post-secondary education remains after controlling for other factors.

I don't know if you want to add anything, Klarka, on that.

**Ms. Klarka Zeman (Senior Analyst, Tourism and Centre for Education Statistics, Statistics Canada):** I just want to add that the effect of coming from a higher-income family was in the regression analysis, but it's really about parental expectations and parental education. Also, the reading ability at age 15 helps explain the higher participation, particularly in university education.

**The Chair:** Thank you very much.

Mr. Ruimy.

**Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.):** Thank you very much, everybody. It's a very enlightening presentation.

I'm going to start off with ESDC. I'm coming from a background where a few years back I was unemployable. I couldn't find a job. I managed to get into a self-employment program, and if it hadn't been there, I wouldn't be here today.

Could you speak more about those types of programs that can help people get back on their feet? I know it went through a complete change, especially in the province of B.C. What are your numbers on that, and what are your thoughts on those types of programs?

**Ms. Monika Bertrand:** I would say self-employment programming is part of every transfer to the provinces and the territories as well as the federally delivered programs. Self-employment is like an intervention stream. We supply a number of service providers who develop that stream, together with a number of different supports such as mentoring, helping with the set-up of a business case and a business plan, and training in everything from essential skills to financial literacy. All that is part of a self-employment intervention.

Most of it is delivered by the provinces and the territories, and we support that through \$3 billion in transfers. It's really at the local level that these programs are being developed, within the parameters the Government of Canada sets up. Under the federally delivered programs, like the youth employment strategy, opportunities for self-employment are always supported. I have numbers, and I can certainly provide them.

The problem we have with self-employment is that it's very difficult to evaluate. Every time I give you evaluation numbers, they're going to look very negative for self-employment. We analyze and evaluate the regular interventions looking at earning incomes or through reliance on passive income support after the intervention. For a self-employed business person, those are not the right indicators to evaluate the success of their business. We have a long way to go in evaluating it properly, but it's used across the country, and it's one of the interventions in any program we have available right now.

**Mr. Dan Ruimy:** While it's managed by the province, in order to get into the program, someone has to go through the federal, don't they?

**Ms. Monika Bertrand:** No, they don't. Through the transfers, the labour market development agreements, which are funded through EI or the Canada job fund, which is out of the consolidated revenue fund, we transfer the dollars to the provinces and the territories, and they deliver the design and deliver programs.

**Mr. Dan Ruimy:** They deliver them, but in order for me to get into the program, I actually had to go through the federal....

**Ms. Monika Bertrand:** No. In B.C., for example, you would walk into a WorkBC office, and there would be somebody there to take your name and your concerns, and they would set you up with a counsellor.

**Mr. Dan Ruimy:** Do you feel we're doing enough to connect people living in poverty with these types of programs?

**Ms. Monika Bertrand:** In terms of outreach, there's probably some work to be done. We are trying to work more closely with the provinces and territories to support them in whatever outreach activities they need to do. In terms of our programs on the federal side, we're working very closely with our stakeholders. Again, when it comes to poverty, I'm talking about the youth employment strategy and some of our flagship programs. It's really about getting to the youth as early as possible, preferably while they're still in education and before they tumble into poverty.

• (0930)

**Mr. Dan Ruimy:** I think it's great that we're reaching out to the youth. My focus is on a lot of people I know who can't find jobs or who need to be retrained. They need to get back into the workforce. They're finding themselves just not knowing where to go. That's part

of the challenge, because we do have lots of programs, but they don't seem to be reaching the people who need them. Youth aside, I'm talking about the higher age range of people who, for whatever reason, are not working, who can't find a job, or who are getting back into the workforce. They're the ones who are struggling.

I'm wondering how we are reaching them.

**Ms. Monika Bertrand:** As I said, a lot of it is on the provincial side, of course, because the programs are the provinces' responsibility. Every labour market is different. We leave it up to the local labour market authorities to reach out. On the LMDA side, for example, we are working on systems that allow provinces and territories, as soon as somebody becomes unemployed, to contact them and tell them that there are programs available and counsellors available to bring them back into the labour market. Figuring out how to reach these individuals is an ongoing priority for us.

**The Chair:** Thank you.

We go over to MP Julian, please.

[*Translation*]

**Mr. Peter Julian (New Westminster—Burnaby, NDP):** Thank you very much, Mr. Chair.

I'm not a permanent member of the committee, but I found that the subject and presentations were interesting.

[*English*]

I'm going to start with you, Madam Dryburgh, on the stats that are here for the registered education savings plan. You have the after-tax family income quintile and the percentage of those with an RESP. Do you have information around the average savings within each of those quintiles? Of course, if lower-income families managed to save a lot, that could provide some real access for post-secondary education. If they haven't managed to save a lot, then the fact that they've opened an RESP is kind of a moot point in terms of their children actually having access to education.

Do you have those figures?

**Ms. Heather Dryburgh:** We do. We have those figures. I would have put them in if I'd had more than seven minutes. You do see a difference. The higher quintiles have greater savings, but they're not insignificant savings for those in the lowest areas.

**Mr. Peter Julian:** For the lowest quintile, what would the average savings be?

**Ms. Heather Dryburgh:** I'd have to check and get back to you.

**Mr. Peter Julian:** Okay, if you could provide that to the committee, that would be very helpful.

Thank you.

Madam Isaak, you mentioned the importance of post-secondary education. Of course, one of the barriers we have right now is the 2% cap on post-secondary student support for indigenous students. Are there any plans to lift that cap at this point?

**Ms. Paula Isaak:** We are working on increasing our investment through our partnership with ESDC as well around what's happening with the increases to the Canada student loan and grant program. We're working in partnership to try to find the best tools to increase the amount of support available for indigenous students, so we're making modest increases in the post-secondary education support programs, recognizing that there's more to do. There's a backlog of student demand for those programs.

As I mentioned in my remarks, we want to work with students and parents and communities and universities to really understand what the barriers are and to look at strategies going forward to try to, perhaps, redesign the program in some way to better meet the needs of the students and the backlog that exists right now.

**Mr. Peter Julian:** That's so important, but you're not answering the real question. At this point, there's no plan to lift the 2% cap.

• (0935)

**Ms. Paula Isaak:** There hasn't been a decision made specifically on that program.

**Mr. Peter Julian:** Thank you very much.

I think my next series of questions will be for Madam Bertrand. They're around retraining. We've heard from the government some expression that the job churn, or moving from one job to the next, will be part of the overall labour situation in the coming years, and that will require a lot of retraining.

Is the government putting into place a plan around retraining Canadians for those jobs, with that job churn? Is there a plan for post-secondary students coming out of post-secondary education to actually have access to additional skills that they may need in the job market?

I also want to cite a program from New Brunswick for truckers. There was a shortage of truckers in New Brunswick. As a result, there were applications through the temporary foreign workers program. This seems to me to be a real problem in our overall approach to training programs. If there is a shortage of workers in a high unemployment zone like New Brunswick, should there not be retraining programs to assist Canadians to retrain for those jobs, so that we're not bringing in temporary foreign workers? Is that something your department is looking at, putting retraining programs in places where requests for temporary foreign workers have obviously indicated a shortage of skills in that particular area?

**Ms. Monika Bertrand:** In terms of retraining Canadians and whether we have a plan there, I think the *diagnostic* of the changing labour market and the need for a changing skill set and Canadians' need for mobility, not just in terms of physical mobility but also in skills mobility and transferable skills, are sort of driving the skills agenda and the training agenda.

On the transfer side, for example, we do have forward transfers that provide, as I said, \$3 billion to the provinces and territories, which are primarily responsible for the training system.

Over the summer, and also in the previous two years, I have to say, we have been doing extensive consultations with Canadians on what this transfer architecture should look like, to allow for up-skilling, retraining, helping those who are new to the labour market,

or you name it. It's to really help all Canadians. We want to know if we have the right architecture in place.

Through these consultations it was shown that really the flexibility of the transfers that we currently have in place is something we need to look at. When it comes to retraining, if you fall within the specific parameters for a transfer, you're eligible for retraining. If you don't fall within those specific parameters, you're out of luck. There's a certain rigidity around the training system that we need to look at, and Canadians have told us we need to build in more flexibility for that.

On top of that is this whole idea of innovation, making sure that we're always staying on top of the best approach to training to help Canadians move on. In addition to that, I would say that when it comes to retraining and re-skilling, it's essential skills, foundational skills, that are really important. We've heard that a few times. Your success in retraining and being flexible depends on the foundational skills that you have. Those are really your ticket to being mobile in the labour market.

Do we have a plan in place?

**The Chair:** I'm sorry to interrupt. We're well beyond time. If you want to, you could take about 10 seconds to wrap up.

**Ms. Monika Bertrand:** Yes. I've only touched on the first.

**The Chair:** Go ahead.

**Ms. Monika Bertrand:** You asked about students coming out of university. We have a program called the career focus program that specifically targets youth who have a post-secondary education and who are having a hard time getting into the labour market, even with a good academic degree. Sometimes the soft skills or the work experience is missing. That's really an internship program that matches the individuals with the right job to anchor them in the labour market.

• (0940)

**The Chair:** I'm afraid I have to move on. I'm sorry. We're well beyond time.

**Ms. Monika Bertrand:** Sorry about the TFW issue.

**The Chair:** I gave you an extra minute and a half, Peter, just because you're new.

We'll go over to MP Sangha, please.

**Mr. Ramesh Sangha (Brampton Centre, Lib.):** Thank you, Mr. Chair.

Heather Dryburgh, in your presentation you compared higher and lower education levels, rich people and poor people, families who are not able to afford education for their kids.

What are the education levels of the groups, including indigenous people, immigrants, those with a disability, and single parents, and are those education levels correlated with low-income and high-income levels, as you explained in your presentation?

**Ms. Heather Dryburgh:** They are correlated with income. Of course there's a range of education and income levels in each of these groups, but we find that where there is an investment in education, there is an equalization. One of my slides showed how as education among aboriginals increased, their incomes became more like the average incomes in the population. The same was true for people with disabilities.

I don't know if I'm answering your question. You do see the relationship, and you do see the investment in education paying off in terms of income.

**Mr. Ramesh Sangha:** You said the student leaves university or school burdened with debt. There are high tuition fees as well. Do you think those make a difference in whether people get an education?

**Ms. Heather Dryburgh:** I wanted to put that in, because I was once asked whether, if tuition fees were lower, more people would get an education. Are people not going on to post-secondary because of the costs?

It looks more as though people still are. Enrolments are increasing, but people are coming out with a huge debt at the end of the day. Our national graduate survey looked at graduates two years after graduation, and students at all levels still had very high debt that hadn't been paid off. Maybe it's not specifically a barrier to access, but it is a burden placed on people.

**Mr. Ramesh Sangha:** On November 4, 2016, Statistics Canada released a labour force survey for the month of October 2016. This study clearly indicates that employment increased by 44,000, yet the majority of those positions were part-time.

Again regarding your study, could you suggest to the committee the possibility of the shift from full-time employment to part-time employment or self-employment?

**Ms. Heather Dryburgh:** Recent analysis I have looked at on that topic suggests—for example, I mentioned at the beginning of my presentation the innovative work we're doing to try to understand pathways to education. In the Maritimes, we did that as our pilot. If you look at cohorts as they graduate, the 2006 cohort, the 2007 cohort, and so on, and you look at their first-year earnings in the labour market, you see that first-year graduates in the later cohort are earning less than those from the early cohort were earning.

It does appear from that study that it's taking longer for them to get into full-time, well-paying employment after graduation.

**Mr. Ramesh Sangha:** How do you compare this trend in Canada with the trends in other OECD countries?

**Ms. Klarka Zeman:** Canada actually does relatively well in terms of youth who are not in education and not employed, NEET. The problem is much larger in southern European countries. Canada is at about the OECD average.

• (0945)

**Mr. Ramesh Sangha:** Thank you.

Regarding the OECD studies and Statistics Canada studies, with all three levels of education, youth are doing as well, as you just said, as those in other OECD countries. If Canada is doing well in this situation, then what could you suggest in terms of further

improvements we could make to have better education and better jobs for students who are leaving university?

**The Chair:** Be very briefly, please.

**Ms. Heather Dryburgh:** That is the work of our policy department colleagues, to recommend strategies to improve the situation, so I think we will leave that to them.

**The Chair:** I'm afraid we have to move on.

MP Robillard.

[*Translation*]

**Mr. Yves Robillard (Marc-Aurèle-Fortin, Lib.):** Thank you, Mr. Chair.

My question is for Ms. Isaak.

I used to be a teacher in Canada's Far North. I taught in Kuujuaq, and I was a principal in Akulivik, in Hudson Bay and in Ungava Bay.

My question is this. What challenges do indigenous communities face in terms of access to post-secondary education and vocational training programs? Are there any innovative ways to overcome these obstacles?

**Ms. Paula Isaak:** That's a good question.

The program is offered by urban communities. I imagine that there are innovative programs in Canada being offered by the communities. However, I don't have any specific examples of programs like that. There are a few communities that are very successful with the post-secondary education program, and there are others that are not. It really depends on how the program is implemented, the support given to youth, and the interaction with young children. So there are some specific issues in each community.

**Mr. Yves Robillard:** Your initiatives include the first nations and Inuit youth employment strategy. Could you tell us what success you've had with this strategy? How do you explain it?

**Ms. Paula Isaak:** We have had great success with this program. This year, the first nations and Inuit employment strategy will reach close to 10,000 youth. This program, which funds investments for training first nations and Inuit youth, is very successful.

This year, additional investments in this program will support 3,000 more youth. The number of youth enrolled in the program grows each year. So, it's a very successful program in the communities.

**Mr. Yves Robillard:** Thank you.

My next question is for Ms. Bertrand.

Initiatives like the labour market agreements for persons with disabilities and the targeted initiative for workers aged 55 to 64 are aimed at improving the employment situation of specific subpopulations in society through services such as skills development and training, career counselling and work experience.

Are there any other innovative ways to improve the employment situation of vulnerable groups? How would these initiatives fit within a national poverty reduction strategy?

**Ms. Monika Bertrand:** Thank you for your question.

We have made significant investments in the agreement for persons with disabilities. That's \$222 million each year. The provinces and territories contribute an equivalent amount. So the investment is significant.

• (0950)

As I said at the beginning, the provinces and territories are responsible for these programs. They are the ones who develop them and deliver them. Every labour market is different. So it's not just 13 provinces and territories.

[English]

There are different needs in different communities. When it comes to being innovative, there's always some way to be innovative and to ensure that employers are a lot more involved. You can train and train, but unless you have a close connection with employers and the kind of skill set that is needed, none of your training programs are going to be successful. When we renewed the LMAPDs last time around, we built that into the agreement. The programs and services are provincial because it's provincial money, but we built a mandatory employer engagement aspect into it. That was really important.

In terms of innovation, we encourage an ongoing process of sharing best practices. We can do a lot better. In terms of all our other work, we're doing very well in sharing best practices and in making sure that those innovative projects are actually getting scaled up and applied in different jurisdictions. On LMAPDs and the other transfers, we have to do a lot better.

**The Chair:** Thank you. Excellent.

MP Warawa, go ahead, please.

**Mr. Mark Warawa (Langley—Aldergrove, CPC):** Thank you very much to the witnesses.

My questions focus on seniors and the needs of seniors with regard to education and the resources to live with dignity.

Statistics Canada, I'm going to be asking about slides 5, 7, and 8. I'll begin with slide 7. It highlights that the number of seniors—and it uses age 45 and over—has more than doubled since 1995. Their careers are changing. They are re-educating and staying in the workforce much longer because Canadians are living longer. Some of their investments and plans for retirement have changed in this changing world, so they are working longer. Slide 7 highlights that.

I don't see seniors mentioned in slide 5. Is there a reason why seniors were omitted?

**Ms. Heather Dryburgh:** I don't think there's a particular reason. I'm not sure about literacy rates for seniors and how they related to the overall population. This slide was really meant to highlight demographics where literacy looked like it was important in terms of their risk of low income. It may be related, but it wasn't highlighted for this slide, sorry.

**Mr. Mark Warawa:** We've heard that single female seniors are probably at the highest risk in Canada, because they may have been dependent on a spouse or partner who has now passed on, and they are by themselves with no education or training, living off OAS and GIS. It's important that we focus on that group, which is probably at the highest risk.

ESDC is responsible for developing, managing and delivering social programs and services. Amongst other aspects, ESDC is responsible for developing policies and programs related to learning, skills development and labour market participation, as well as for ensuring labour market efficiency. I think a comment was made about finding the right fit, looking for a return on investment with an aging population. Right now, there are more seniors than youth in Canada; it's a higher demographic. There are more seniors than those 15 and younger. This group is going to be growing very quickly. Over the next 13 years, one in four people will be a senior. The needs for palliative care, geriatrics, and home care present great opportunities for getting people trained and ready to take care of this aging population, and I don't see that happening. I don't see a national plan to prepare for this aging population. Can somebody comment on that? It's a great opportunity.

Slide 9 shows that community and social service workers are at the same wage scale as food service workers. If we are not paying people adequately, if they go to school to be trained, to be involved in geriatrics, palliative care, or senior home care, and they are being paid the same amount they would get in food services, will they make that investment in education and get a return on their investment? How do we prepare, as Canada, if we are not planning for it? Do you have any comments?

• (0955)

**Ms. Monika Bertrand:** There were two parts to your question. One was about helping older workers in the workforce, and we have a program for that. Your second question was about labour market information. That's really the topic: making sure Canadians understand where the jobs are, what kind of career opportunities are available for young people, and what those careers pay in the long term.

On the first one, if you allow me, I will speak a bit to the targeted initiative for older workers. Stop me if you know everything about it. We have this program with \$25 million a year. Again, it's a transfer to the provinces and the territories. It serves older workers—between the ages of 55 and 64, but there is flexibility around the age group—in small, vulnerable communities, because that's often where the greatest need is. They're single-industry communities, and all the workers are laid off. The skill set is not there. The foundational skills to easily transition into another job or another industry, or even the physical mobility to move somewhere else, are often not there. The targeted initiative for older workers is fairly successful. We have some very good evaluation results: 75% found employment after the intervention, and they found employment in the area they were looking for.

I can give you more data and more stats on what TIOW actually does. It has been studied to a great extent, and a lot of the different interventions that are being put together are based on the sharing of a lot of best practices. It caters to older workers. It includes peer mentoring, learning from each other. It's fairly unique and interesting in the approach it takes. Group-based training is part of it as well. We have something that's very effective in place with the provinces to support older workers.

**The Chair:** Thank you. I'm sorry I keep having to cut you off. I apologize, but we're well past time again.

Yes.

**Mr. Mark Warawa:** Could I ask for a written response then? I think it is very important that we are preparing—

**The Chair:** Absolutely. That's a good point.

If you can provide the information you're talking about to the clerk, we will make sure it gets distributed. Thank you.

Now for six minutes, we will go over to MP Tassi, please.

**Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.):** Thank you, Mr. Chair.

Thank you for your presence today and for the great information you have provided.

I'm going to focus my questions on education funding, particularly for indigenous students and students with disabilities. I'm doing that because I've worked for 20 years with high school students, but also I have three post-secondary institutions in my riding, so I am in constant communication with students, and I really feel a call to respond to their needs.

All the information has been fantastic, and I particularly liked slides 9 and 10. Well, I didn't like them, but they are interesting, and pay equity is something on which I hope this committee will make an in-depth study in the near future, so thank you for all the information provided.

First, for INAC, do you have any data on the number of indigenous youth who currently access government programs, including the PSSSP, the university and college entrance preparation program, and the post-secondary partnerships program, and is there any significance attached to that data?

• (1000)

**Ms. Paula Isaak:** For the PSSSP, the post-secondary student support program, we believe it supports around 23,000 students. The program is delivered by the communities, and we don't have perfect data. It's too imperfect to know exactly how many students it supports, but our information tells us it's around 23,000 students for the post-secondary student support program.

The post-secondary partnerships program supports institutions to create programs that serve indigenous students, so it is much harder to determine exactly how many students are being supported.

**Ms. Filomena Tassi:** Do you have the funding dollar figure?

**Ms. Paula Isaak:** For PSPP, the post-secondary partnerships program, the annual amount is \$15 million.

**Ms. Filomena Tassi:** Do you have any idea how many indigenous students who are seeking post-secondary education are not able to do that because they don't meet the criteria to get the support?

**Ms. Paula Isaak:** That's very hard for us to estimate, because we don't know how many students would be, I'll say, rejected, or not able to access it. We have very anecdotal information. We don't have a solid piece of data around how many students are not accessing it. We know there is a backlog. We're told by communities that there is

a backlog, and we hear it in every discussion with communities. We know there is definitely a backlog, but we just don't have firm data.

**Ms. Filomena Tassi:** Does anyone have that data? Is that being collected or compiled anywhere?

**Ms. Paula Isaak:** It isn't being compiled in one place. The Assembly of First Nations has done some work in the past, from which they have said it's around 10,000 students, but I suspect it's probably higher.

**Ms. Filomena Tassi:** Do you see this as a need and as something we should perhaps be tracing?

**Ms. Paula Isaak:** We do need more data, absolutely. It's something that should be tracked. It's a very dispersed program, and it's difficult to know who has asked and has not received, because it's difficult to collect that.

**Ms. Filomena Tassi:** Right, but there is a way to at least get some data that's going to help us move forward. That is important data.

I was glad that MP Julian asked the question about the 2% growth cap on the program, because it's something that I myself have raised, and it's good to hear that there is going to be a redesign of the program.

Ms. Pichette, you spoke about working with the provinces, and I'm glad to hear that. That is one area that I am hoping to draw attention to as we move forward. Ontario, for example, has announced that next year tuition is going to be free for students from families with incomes under \$50,000. I just want to make sure that we flag, with respect to indigenous students, that indigenous students who are applying under the PSSSP program are also going to be receiving...there's a way that they can be covered, because if they don't fall under this other program with Ontario, then they absolutely should not be missed.

Are we working on that? Are we looking to ensure that those indigenous students will be covered and won't fall through the cracks?

**Ms. Paula Isaak:** I will say that we are working very closely with the ESDC to make sure that we don't create perverse disincentives, that students can access post-secondary student support as well as a Canada student loan or grant. Right now the programs don't work seamlessly together, but we are working very closely to ensure that they do, so that we can maximize the number of indigenous students who can access either PSSSP or the Canada student loan or grant.

I don't know, Mary, if you want to speak on this a bit more.

• (1005)

**Ms. Mary Pichette:** Just to add to what Paula said, we continue to work with INAC as well as our counterparts in provinces and territories. One of the things the government committed to in budget 2016 was to introduce what's called a flat-rate contribution for students. Right now, when a student applies for student loans and grants, we require them to report on all of their assets as well as their income and the income they think they might earn, and 50% of the time they overestimate and 50% they underestimate. As a result, the government committed to introducing, before next year, a fixed student contribution, and in the context of that we'll also be looking at things like PSSSP and the amounts that indigenous students bring to the equation.

**Ms. Filomena Tassi:** Thank you. I just want to make sure that those are—

**The Chair:** Thank you very much. I'm sorry, but that's—

**Ms. Filomena Tassi:** That's not the time.

**The Chair:** Okay, I will give you two seconds. Go.

**Ms. Filomena Tassi:** Could we have a written response on this one?

The concern I've heard is that right now in education funding, the federal government covers disabilities but does not cover temporary disabilities. I'm hearing from students that there should be some accommodation for temporary disabilities. What I mean by that is— for example, I visited my mother in a villa, and a young girl was in there. She had a shattered pelvis. She is a McMaster University student. People also have mental health issues.

I just want to put that on the radar. Are we're doing anything with respect to temporary disabilities for students, and helping those students gain the funding they need in order to continue their education?

Thank you for your accommodation.

**The Chair:** Thank you.

We now go to MP Zimmer for five minutes.

**Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC):** Thank you, Mr. Chair.

Thank you to the witnesses too.

My questions are for Indigenous Affairs and are related to education.

I'm a former teacher. I taught in the north, in Fort St. John. We had a special aboriginal component that would deal with certain cultural issues around aboriginal education. It wasn't on-reserve education but it was trying to see aboriginal kids basically become successful, and there were a lot of great efforts there by some local teachers that I know, and they continue today.

You said about \$300 million goes toward aboriginal education. Is that correct? Was that the number you used, Paula?

**Ms. Paula Isaak:** That's for post-secondary.

**Mr. Bob Zimmer:** That's for post-secondary. Can you divide that among the number of students who are actually receiving the funding? How much does each student receive out of that \$300 million? Do you have that number?

**Ms. Paula Isaak:** Again, it depends. Because the communities deliver it themselves, they determine the amount. It could be they might pay the full cost of education for that person to go through—

**Mr. Bob Zimmer:** Could you give me a minimum and what could be a maximum? What could the minimum be, and what could be the maximum be? What's typical? Do you have that?

**Ms. Paula Isaak:** I don't think we have that. We don't ask communities how much they pay for each student. Some may pay for everything, including all the wraparound services, such as child care, transportation—

**Mr. Bob Zimmer:** How is the \$300 million allocated, then, if you don't know what it's being received for?

**Ms. Paula Isaak:** It's given to communities based on a formula and on the potential number of students, but we don't know if they're augmenting that. We don't know how many students ultimately they may be supporting, so that is the challenge. We don't have data to be able to make—

**Mr. Bob Zimmer:** Let's use an example of \$1 million being awarded to a particular community. Do you not know how many students receive that funding?

As an educator, the one thing that we look for is successful students who have fulfilled the program requirements and who come out at the other end as graduates. For student Joe, do we know how much that particular student is costing? Are you guys measuring success rates as well, as they relate to that money being expended?

**Ms. Paula Isaak:** We don't know how much the individual student is getting. We don't know that. We have some basic statistical information about graduation rates from universities by indigenous students.

**Mr. Bob Zimmer:** What would be that total per year, based on...? I'm looking at \$300 million equals.... I'm still asking for that number. Do you have a success rate of how many students have been successful in a particular year?

**Ms. Paula Isaak:** We can get the graduation rate for indigenous students.

**Mr. Bob Zimmer:** Do you have that now?

**Ms. Paula Isaak:** I will just have to see if I can find it.

**Mr. Bob Zimmer:** No problem.

I have a question for you. I don't want to stop you looking because I want the answer, but maybe I'll ask a broad question, while you're looking. I talk about the money, because often we see a lot of money coming into certain programs. With education, it gets dumped in, and we don't really measure success.

We were alarmed at some of the low success rates for some of the funding. I'm a trades teacher as well. I have two degrees, but I'm a trades teacher, because I am a former carpenter. It was amazing to me how much money would get put in a particular program and the success rate would be remarkably low. For instance, I remember one program where I think the average funding was \$50,000 per 10, and there was only one success out of that particular expended amount of money.

I guess it answers the question. As somebody said here, it's not just about the money. There are more issues there, so it's not just about the money. I'm not saying that money isn't necessary. I'm getting to what Ms. Tassi referred to before, that there's more to it, and that's what we need to understand further.

What are the issues surrounding lack of success in aboriginal education? In February 2016, the C.D. Howe Institute talked about how to improve quality results on reserve. A couple of our witnesses who are going to appear Thursday are going to answer some of these questions on how they were successful and, hopefully, we can see success attached to these dollars.

There are a couple of things. I care about the kids, because I taught a lot of these kids. They have great outlooks on life, but for some reason, they get caught up in the trap and they're not able to be successful. They have high failure rates in high school, so they don't even make that next level. Ms. Tassi was saying that you need to graduate in order to become part of a post-secondary program, so if you can't even graduate.... The next question is why are you not graduating? We see other barriers there as well.

I think we need to be clever in how we look at spending some of this money so it ensures success, rather than just dumping money regardless of success.

• (1010)

**The Chair:** That's your time.

Do you have an answer to the question, or would you be able to provide that?

**Ms. Paula Isaak:** We'll have to get back to you in writing. I don't have it with me.

**Mr. Bob Zimmer:** I would really appreciate that number, if you have it. Thank you.

**The Chair:** Thank you.

We'll go over to MP Julian for three minutes, please.

**Mr. Peter Julian:** I'll be very quick then.

I'll just follow up on Ms. Tassi's and Mr. Zimmer's questions to you, Ms. Isaak. I'm a little surprised that we can't actually track the number of indigenous students who are not able to access post-secondary education. It would be helpful, I think, for the committee to have an understanding of what the barriers are to gathering them and what those statistics are.

We're talking about treaty rights, the right to education. Are there other ways—for example, forgiveness of Canada student loans—that are allowing indigenous students to access post-secondary education? Are there other programs that are being put in place for the 10,000 students who, according to the AFN, seem to be denied post-secondary education? Are there other means or pathways they have for post-secondary education?

**Ms. Paula Isaak:** Yes, thank you, there are other ways, and what I failed to mention in my earlier comments was that we also fund Indspire, which is a charitable organization that provides bursaries to indigenous students in post-secondary education. It receives funding from a number of partners—the private sector, as well as the federal government. It is a key organization that funds indigenous students.

There are a number of bursaries supported by the private sector and universities and other post-secondary institutions, and we actually have an aboriginal bursaries tool, which is a website that identifies all the areas in which students can access support.

**Mr. Peter Julian:** Would you be able to tell the committee exactly how many students have been impacted by each of those programs? I'm asking you to provide written information if you could.

**Ms. Paula Isaak:** Yes. We can get information on Indspire.

**Mr. Peter Julian:** That would be useful.

**Ms. Paula Isaak:** We wouldn't know the numbers for every single other bursary that's out there, because we just don't track every single bursary that's there.

**Mr. Peter Julian:** Thank you.

I'm going to go to Ms. Pichette.

Turning to interest on federal student loans, are there any plans to eliminate all interest for students, given that we're seeing, evidently, that post-secondary education debt is a huge barrier to post-secondary education, which leads to higher poverty rates?

**Ms. Mary Pichette:** I can't speak to whether there are plans to change the interest rate for the Canada student loans program. I can tell you that for Canada student loan debt, the debt has actually remained relatively constant at roughly \$12,400 for those who graduate. It's absolutely true that in addition to that, many students have other debts from provincial programs as well as non-government sponsored loans, but for Canada student loan debt, the amount has actually remained quite constant because of the introduction of grants.

• (1015)

**Mr. Peter Julian:** Thank you very much.

I'm going to go to Ms. Bertrand—

**The Chair:** Actually, Peter....

**Mr. Peter Julian:** —just to finish up on the TFWs.

**The Chair:** Peter, can we do it very briefly, in about ten seconds.

**Mr. Peter Julian:** My question is about TFWs and retraining.

**The Chair:** You're going to have another opportunity, Peter.

Maybe we could come back to it.

**Ms. Monika Bertrand:** We are working closely with the provinces in sharing data. Again, it comes back to having the information and having the data. Those are provincial programs. We need the provinces to focus on the gaps and the skills gaps in their province. With New Brunswick and with a number of provinces, we are in continuous discussion and we share information about how many people are on employment insurance, how many people are looking for jobs, and what NOC codes or NAICS codes we have available, and we make sure that people get trained.

**The Chair:** Excellent. Thank you very much.

We're at a quarter after. We know the bells are going to start in about 15 minutes and we do have some committee business to go. I want to give everyone every opportunity with a final question. We're going to go around and do a three-minute round, if that's okay. We have enough time for that as long as we agree that when the bells start, if we're not done, we can continue for a couple of minutes. It only takes us about 15 minutes to get over there. Do we have agreement?

**Mr. Mark Warawa:** The bells are going to start at around 10:40, so we have lots of time.



**The Chair:** I was told 10:30, so if that's been updated then we should have plenty of time.

**Mr. Bob Zimmer:** The vote is at 11:10.

**The Chair:** Fantastic, okay.

We do have some committee business we need to get to.

I would like to keep it to three minutes just because we do need to get everybody out.

**Mr. Wayne Long (Saint John—Rothesay, Lib.):** I haven't spoken at all, so why don't you give me five and give everybody else three?

**The Chair:** I'm not sure if that would be deemed as fair by the chair.

We can stick to the three minutes, and then we will have to ask you to depart fairly quickly.

We're going to start with MP Poilievre, for three minutes, please.

**Hon. Pierre Poilievre:** Very quickly, I have some information requests to ESDC from the committee.

Can you please provide us the most updated information on the length of time it takes for each professional body to provide an answer to an internationally trained professional on whether or not their credentials will be recognized to practise in Canada?

I know this data exists at ESDC, and I have sought the chair's permission for this to be provided in writing to the committee.

Second, how many immigrants have applied for, but not yet received, permission to be licensed in the profession or trade for which they were trained in another jurisdiction?

Those are two information requests. I'm 90% sure that the department has the second, and I'm 100% sure that the department has the first.

My next question is for Statistics Canada. Can Statistics Canada indicate what kind of information the agency has on the effect on incomes of immigrants failing to have their credentials recognized here in Canada?

**Ms. Heather Dryburgh:** Let me restate that. It's the effect on immigrants' income of not having their credentials recognized?

**Hon. Pierre Poilievre:** That's right.

**Ms. Heather Dryburgh:** You could do a comparison between certain ones whose credentials...for example, engineers. You could go by occupation and look at those incomes versus incomes for others. There are probably things you could do analytically.

I don't think we would be able to say that this group of immigrants specifically has all those educational qualifications that are not recognized in Canada. I don't believe we can identify that. However, we could do a kind of general analysis.

• (1020)

**Hon. Pierre Poilievre:** Could you provide the committee with that?

**Ms. Heather Dryburgh:** I'm not aware if it's been done.

I will verify whether it's been done and see what it take to do that analysis, and then I will do that.

**Hon. Pierre Poilievre:** Will you get back to the committee on that?

**Ms. Heather Dryburgh:** Yes.

**Hon. Pierre Poilievre:** All right.

We do have data showing that immigrants are typically more educated than the Canadian-born population and yet have lower earnings. One of the causes that they list in surveys is that their credentials are not recognized in Canada. That data I know is available, because I have it in my possession, but I would like to see what else you have to expound upon this phenomenon.

**The Chair:** Thank you very much.

We'll go quickly over to Peter for three minutes.

[*Translation*]

**Mr. Peter Julian:** Thank you very much, Mr. Chair.

[*English*]

I have two quick questions.

First, Mr. Ryan, you mentioned the issue of payday loans. In my riding, I know there are a lot of people who have to access payday loans, at a very, very high price. It's not necessarily a question of literacy; it's also a question of accessibility to financial institutions. A lot of the larger banks, and unfortunately some of the credit unions, shut out those folks who have very few assets and very little means from having a regular bank account.

I'm wondering to what extent your agency is talking to government departments about increasing accessibility by day labourers—which I once was—to real banking services, including having access to a line of credit that would mean they wouldn't have to access payday loans.

**Mr. Jérémie Ryan:** The issue of payday loans is something that's under provincial jurisdiction. We have been working with the consumer measures committee that's headed up by Industry Canada. They have an FPT group, so we've been working with the provinces to see how we can address some of the issues we're seeing.

When we held our consultations with Canadians on financial literacy, what came out was that payday loans do offer a service to members of a certain segment of the population because they do not have access to regular banking services. The FCAC does oversee a specific regulation around bank closures. The commissioner of the FCAC can impose community meetings to have discussions with financial institutions once they advise us that they are closing a branch. That allows us to look at alternatives, so possibly credit unions, if they're still in the community. We have worked with community-based organizations as well, to develop asset-building programs and micro-loan programs, so that Canadians can have access to short-term credit products at an affordable cost. Much more needs to be done in this area.

The FCAC chairs an interdepartmental committee on financial literacy. Industry Canada, ESDC, StatsCan and Aboriginal Affairs are part of this committee. We're trying to look at alternatives to payday loans. We're trying to look at access to banking services.

We have also worked with the private sector. A couple of years ago, we worked with Gay Lea Foods, who financed a project through the Canadian Co-operative Association in the north. We would provide financial literacy training to co-op employees. We know that in the north and remote communities, they do not have access to banking services, and they become, then, the local bank. Their services can be quite costly, so in working with them we are able to negotiate some lower rates for people who are looking to cash cheques or transfer moneys from one community to the other.

**The Chair:** Thank you very much.

MP Long, go ahead, please, for three minutes.

**Mr. Wayne Long:** Thanks, Chair.

Mr. Ryan, it is Financial Literacy Month. Obviously, we want to increase knowledge, skills, and confidence in people so they can make proper financial decisions. In priority neighbourhoods—and I spend a lot of time in them—I talk to people who are living day to day, trying to make rent and to eat. I ask, “Have you done research? Have you had access to credits and benefits? Do you keep accurate records?” They look at me with their hands up, saying, “Are you kidding me? I'm trying to live day to day here.”

I think there's a disconnect between the Count me in, Canada program, which I think is a great program, and those living in poverty.

I'd like your comments on how we can bridge that gap to get those services to the people who need them the most.

•(1025)

**Mr. Jérémie Ryan:** You're right. We've seen through our consultations with Canadians that a lot of low-income Canadians are better when it comes to financial literacy, because they have only so much money to manage.

I think it is important to be able to build those skills and that knowledge from a very early age. When Canadians have those skills when they start earning income, and when they're accessing government benefits, they have a certain amount of money that they need to manage. If they're provided those skills, they're better able to manage their money and debt wisely.

**Mr. Wayne Long:** I'm going to jump in really quickly, because time is of the essence here. There is a disconnect, and we need to do better on that. A young man, 23 years old, whose name is Prakash Amarasooriya, with an Ontario youth council, is coming up with a petition to bring financial literacy skills into the school system.

I'm a strong proponent of early learning and how important that is to pull people out of poverty. We have to stop coming up with band-aids and start coming up with real solutions. I believe that getting financial literacy into the schools at an early age is key. Can you comment on that, please, and on how important that is for us to implement?

**Mr. Jérémie Ryan:** Absolutely, yes. Our mandate was expanded in 2007 in order to develop a financial literacy curriculum for the schools across Canada. At the time, B.C. was the only province that had a mandatory financial education program, which was called “Planning 10”. We partnered with the Province of British Columbia to develop an educational program that is adapted to all provinces, in both French and English, and we've been promoting that throughout the years.

We can say that financial literacy is still at the beginning of being integrated in curricula. In Ontario, they're taking a cross-curricular approach in getting topics and subjects into existing curricula. Most recently, you might have seen that Quebec has made financial education mandatory in high schools as well.

It's still early days. There's still a lot to be done. I agree with you that we need to start early. We need to start shaping behaviour at an early age when it comes to managing money.

**Mr. Wayne Long:** Thank you.

**The Chair:** Thank you very much.

Thank you to everybody for coming today. This has been very educational. I really do appreciate all of the technical expertise that you have provided today.

There were a number of things that you were asked to provide this committee. If there is any need for clarification, please let us know. Ask the clerk, and we'll make sure that we get the information that was requested.

Thank you very much.

*[Proceedings continue in camera]*







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