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Chair

Mr. James Rajotte

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• (1535)

[English]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): I call this meeting to order.

This is the 24th meeting of the Standing Committee on Finance.

Colleagues, before we get to the continuation of our study of youth employment, I want to welcome a new member to our committee, Mr. Nathan Cullen.

Welcome to our committee, Mr. Cullen.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Thank you very much, Chair.

The Chair: We should also recognize publicly and thank Peggy Nash for her many years of service to this committee. It was most appreciated.

Some hon. members: Hear, hear!

The Chair: I think we should also congratulate Mr. Brison. I think it's the first time we've seen him since he—

Some hon. members: Hear, hear!

The Chair: Congratulations, best wishes to you.

Hon. Scott Brison (Kings—Hants, Lib.): Thank you very much.

The Chair: I know it will convince you of the benefits of income splitting as a policy.

Some hon. members: Oh, oh!

The Chair: We're just kidding. We can be funny at finance once in a while.

Hon. Scott Brison: Not before we invest in a national early learning and child care program....

The Chair: Okay, touché.

The first order of the day, then, pursuant to Standing Order 106(2), will be the election of the vice-chair.

Mr. Saxton.

Mr. Andrew Saxton (North Vancouver, CPC): I move to nominate Nathan Cullen as vice-chair.

The Chair: We have Mr. Cullen nominated for vice-chair.

Are there any further nominations?

(Motion agreed to)

The Chair: I welcome Mr. Nathan Cullen as the vice-chair of the finance committee. Congratulations.

Mr. Nathan Cullen: Thanks, Chair.

I know we have important work to do. I'm uncomfortable with all the clapping and getting along. This is not at all like House leaders meetings and I'm somewhat off-put, but I love the tone.

Thank you very much for the welcome and for your kind words for Peggy as well. She was a very commendable finance critic.

The Chair: Thank you very much and welcome, again, Mr. Cullen.

Colleagues, we will now move to our regular orders of the day. Pursuant to Standing Order 108(2) we will continue our study of youth employment in Canada.

We are expecting to have three witnesses here at the committee room and we have two by video conference.

First of all, from the Conference Board of Canada, we have the executive director and deputy chief economist, Mr. Pedro Antunes.

Am I pronouncing that correctly?

Mr. Pedro Antunes (Executive Director and Deputy Chief Economist, Conference Board of Canada): That's very good. Thank you.

The Chair: Welcome.

From the Canadian Centre for Policy Alternatives, we have the senior economist. We welcome back Ms. Armine Yalnizyan.

Ms. Armine Yalnizyan (Senior Economist, Canadian Centre for Policy Alternatives): Thank you.

The Chair: We are expecting Ms. Victoria Lennox, the CEO of Startup Canada. We hope she can join us during the meeting.

We also welcome, by video conference, from Kitchener, Ontario, the associate professor from Wilfrid Laurier University, Ms. Tammy Schirle.

Welcome, Ms. Schirle. Can you hear me okay?

Dr. Tammy Schirle (Associate Professor, Department of Economics, Wilfrid Laurier University, As an Individual): Yes, I can.

Can you hear me now?

The Chair: Yes, we can hear you. Welcome to the committee, Ms. Schirle.

By video conference from Toronto, from the C.D. Howe Institute, we have Mr. Finn Poschmann, the vice-president.

Welcome, Mr. Poschmann. Can you hear me okay?

Mr. Finn Poschmann (Vice-President, Research, C.D. Howe Institute): Yes, Mr. Chairman, I can hear you.

May I return the favour and bid welcome to Mr. Cullen, as well.

The Chair: Thank you. We appreciate that.

You will each have five minutes for an opening statement.

We will start with the Conference Board of Canada, for your opening remarks.

Mr. Pedro Antunes: Thank you for the invitation.

As you may or may not know, I run the economic forecast at the Conference Board. One of the concerns we have, looking at labour markets in general for Canada, is the impact of tightening labour markets and what it will mean for long-term economic growth.

We look very carefully at labour markets and their makeup. This is not a new story, but essentially what we are seeing is a labour market that is suffering from an exodus of the baby boom cohort, which means that we'll see labour force growth really dwindling over the forecast horizon. What I usually tell organizations is that whereas they were able to grow their employment over the past decade or so by about 2% a year in Canada, looking ahead as we close the gap on full employment, we're looking at organizations being able to grow their employment by a third of that pace.

We think this is a fundamental issue for long-term growth overall, from the perspective of generating income. It's an issue, not just for growth itself but also because we feel we need to sustain growth to make sure we have the government revenues to keep this same baby boom cohort happy with respect to the health care burden.

That's the big picture from where we come.

When we look at labour markets more specifically, we feel that we've missed opportunities with respect to certain segments of the labour market. When I talk about general tightening in labour markets, I think that's very true. We have seen, however, very divergent growth across Canada and across different segments and cohorts in the labour market in Canada. When we talk about tighter labour markets, often there are certain groups and certain regions that have been affected differently. That is also very true.

I think, however, that an opportunity has been lost with respect to youth. When we look at the general strengthening, and it has not been very strong growth in labour markets over the last two years—in 2012-13, in particular—and consider the situation with respect to youth, we have lost about 200,000 jobs in that market; that is, for those aged 15 to 24. We have not seen one iota of pickup with respect to that cohort. Employment levels are about the same as they were, participation rates have not picked up at all, and I think we've missed an opportunity here to get youth back into the labour market.

There are three issues. We often talk about skills and we often talk about experience—a mismatch in skills or a mismatch in experience. Of course, we are seeing a cohort that's leaving the labour market, which is the baby boom, an experienced and older cohort, and what

we are missing is experience and skills when bringing youth into the labour market. Mobility is also an issue. I'm not sure why the youth aren't as mobile as they could be.

I think there's an issue around bias with certain occupations and skills. We have seen demand growth for certain skilled trades in particular and we have not seen the supply. We have not seen youth enter into training for these.

Just to wrap up quickly, I think the other issue is that I don't think youth are well informed about where the opportunities lie. When they enter the educational system, they are biased, as I mentioned, towards university and college degrees, but they are not well informed about where the opportunities may be and are not taking up education and training in those fields where there may be better chances of employment.

● (1540)

The Chair: Thank you very much for your presentation.

We'll now go to the Canadian Centre for Policy Alternatives, please.

Ms. Armine Yalnizyan: Thank you, Mr. Chair, and I thank the committee very much for inviting me to address you on this issue. I'm thrilled that this particular committee is looking at youth unemployment, as this has been a jobless recovery for the young and the situation has actually deteriorated over the last year.

Young Canadians are getting fewer of the jobs that are being created, and there are roughly 265,000 fewer young people with jobs than there were in 2008. This situation is exactly unchanged from the summer of 2009, the worst point in the downturn. More than two-thirds of the jobs that vanished were full-time positions. The youth cohort is the only group that has experienced continued job loss, even in the past year.

It's striking that there has been a kind of match between the number of people leaving the labour force, the number of jobs lost in this age category, and at least until the 2011-12 scholastic year, the increase in enrolment in post-secondary institutions, which include apprenticeships as well as universities and colleges.

But this does not let legislators off the hook. Young people are clearly doing everything they can to attain or upgrade their skills to make themselves more employable. But it hasn't been enough to prevent their unemployment or underemployment, and it is a costly gamble.

Just yesterday *The Hill Times* reported some Employment and Social Development Canada statistics showing that student debt has been rising since the recession. The group that is the most indebted upon graduation, those with more than \$30,000 worth of debt, is the group that saw the biggest increase in indebtedness, 33%.

Not surprisingly, they are grabbing what employment they can. Many are underemployed, either in terms of hours or in the utilization of their skills.

The solutions for youth unemployment are often focused on education and training, as if the problem is the quality and the supply of labour. But the demand for labour is also changing for this group. It is a buyer's market. Employers have a much bigger pool of people to pick from for entry-level jobs than they had previously. Whether they're newcomers, older workers, or younger workers, all are competing for job openings in the context of sluggish growth that is getting slower.

Not surprisingly, we've heard more and more about unpaid internships, something we never heard about in previous recessions. But in truth we don't have any statistics to compare this recession with past recessions. We don't know whether this is a common feature or something quite unusual. But it makes intuitive sense that it's getting harder to get and keep a toehold in the job market. Young people are grabbing what they can to put relevant skills on their resumés, and some employers are actually exploiting that desperation.

Let's say that this particular meeting signals a genuine search for solutions to address these problems. We don't know how much of this situation can be dealt with by public policy, but let me give you seven stellar examples of what you can do.

First, don't make things worse. I've said this before to this group, but the use of the low-skill pilot project under the temporary foreign worker program has more than doubled, from 13,000 to more than 30,000 people, since 2007. They're in direct competition with young people. It's the same thing with the international youth work experience program, which brings people in to work from afar. They're up to 65,000 young people now.

Canadian youth need experience too, so why not make sure that every company that seeks a labour market opinion or is asking to employ an international youth exchange person lists that job at least for a few weeks on the national jobs board, which the Government of Canada runs?

Better information about where the jobs are, by industry, by level of experience, and by geography is critical for better skill-matching.

Second, boost labour mobility. Though Toronto is the biggest job market, with the most job opportunities, the fastest rate of growth of job openings is in Alberta, Saskatchewan, and the north. These are all very expensive places for young people to travel to, especially if they're debt-ridden. First and last month's rent, if they're going to go out there on spec, is hugely expensive for someone without a job.

Just last week the Bank of Canada governor, Stephen Poloz, delivered his analysis of slow growth and some of the solutions, one of which was more labour market flexibility. Why don't you invest in more mobility enhancement by offering up to \$5,000 in a cost offset for those under age 30 who are willing to move, on spec, to find a job in hot labour markets?

Third, why not offer wage subsidies for the young so that you can spur private sector job creation, particularly in slow-growth markets? Many communities with slower growth are caught in a troubling

spiral. They have fewer job opportunities, and this means that young people leave to go to where the job opportunities are—we're seeing this all around the world—and then they can't grow because the young people are leaving. Why not provide a \$10 per hour wage subsidy for the first two months of such employment to employers who hire workers under the age of 30 in slow-growth or high-unemployment regions?

• (1545)

Fourth, expand the number of paid internships and summer hires with a 50¢ dollar for provinces and municipalities. The federal government could easily double, or even triple, the number of paid internships and summer hires in the public sector by matching funds with the provinces and municipalities, because as we know, there is no shortage of work to do in our communities and there are long waiting lists for summer opportunities for children.

Fifth, don't want to spend any money? How about cost-free interventions? The federal government has already allocated \$4 billion in the building Canada fund as of the past budget. It could reserve one-fifth of all the jobs created by federally funded contracts for infrastructure for Canadian youth.

Sixth, you can set the example and you can set the tone. The federal government should lead by example and not hire any unpaid interns and it should amend the Canada Labour Code to specifically prohibit unpaid internships.

Seventh, track unpaid internships. We don't know what we don't know about unpaid internships. That's no way to do public policy. Provide additional funds to Statistics Canada to monitor unpaid internships on a monthly basis by adding questions to the Labour Force Survey.

I'm hopeful the Government of Canada will take steps to address youth unemployment in our country. If you did all the steps that I mentioned it would cost less than \$200 million. You are committed as a government to spending billions of dollars on two new tax cuts that primarily benefit older and richer Canadians. Why not put a priority on the next generation? We need an action plan, a youth action plan, and if you won't come up with it, I'm sure the opposition parties will.

Thank you.

The Chair: Thank you.

I should remind witnesses that they're speaking to all members at the same time, just to be clear on that.

We have Ms. Victoria Lennox with us here now. She is the CEO of Startup Canada.

Ms. Lennox, you have five minutes for your opening statement, please.

Ms. Victoria Lennox (Chief Executive Officer, Startup Canada): Thank you.

I'd like to thank the committee for inviting me to appear to discuss youth employment. I will make a brief statement, and then I look forward to answering any questions you have.

I'm the co-founder and CEO of Startup Canada. It's an organization that represents grassroots entrepreneurs across Canada. Before I address the issue of youth unemployment, or youth employment, I would like to give you a quick overview of the Startup Canada story, as youth play a big role in advancing our entrepreneurial future as a country.

In 2012 we completed a cross-country tour, where we visited 40 communities across Canada and received input from 20,000 entrepreneurs and start-up founders. With this feedback, we launched an entrepreneur connect strategy at the grassroots level to help individuals communicate and share experiences together. We have become the voice of entrepreneurs and now are the go-to social media site for entrepreneurs in Canada. We have piloted Startup communities across the country to strengthen community support for entrepreneurs and to share best practices from coast to coast.

We're in St. John's, Fredericton, Quebec, Montreal, Ottawa, York Region, London, Calgary, Edmonton, Langford, and other communities across the country. We heard from many entrepreneurs that while there may have been support services for them in towns and cities, it was hard for them to know where to go, what organization to go to, and who could address their support requirements in small communities where there might not be the infrastructure. Essentially there was a missing umbrella organization connecting all of the physical and virtual aspects of the entrepreneurship ecosystem in Canada.

This is where Startup Canada and its Startup communities network plays a role. It connects accelerators, incubators, colleges, universities, hubs, entrepreneurs, and all of the necessary elements that foster entrepreneurship culture in Canada. In fact, we have a mission to create jobs on an entrepreneurial basis. We have close to 80,000 members at Startup Canada, many of whom are young entrepreneurs, and we expect that number to rise in the next few years.

With regard to youth unemployment, I recently read a report called "StartUp Generation", commissioned by Intuit Canada on the millennial generation. According to this report, it found that more than half of millennials are most likely to start their own businesses. That's twice that of the average Canadian.

We know from StatsCan that small and medium-sized businesses make up more than half of the business sector GDP composition in Canada. Fostering an entrepreneurial culture in Canada speaks directly to the youth and is far too important for the Canadian economy to simply ignore. Out of those millennials surveyed, 40% are looking for tax breaks and government grants that would encourage entrepreneurship, 30% want fiscal literacy and financial

literacy as part of their core education curriculum, 14% want to see more mentorship programs, and 16% want more access to business development services. This tells me that youth do want to start their own businesses, but they just need a little help to get over the hill to make that happen. In fact, the problem is not unique to Canada.

When I founded the National Association of College and University Entrepreneurs in the U.K. in partnership with the government in Britain, we were targeting those youth who needed the support system to become entrepreneurs. Here in Canada, since we launched Startup Canada, several universities and colleges have reached out to have us create Startup campuses within their campuses and join the network. This is a great way to expose students to the entrepreneurial world. It breaks down the silos within the institutions. It's not just the students enrolled in business programs who are exposed to entrepreneurship, but the entire student population, regardless of their enrolment or studies.

All of our Startup communities across Canada from coast to coast are interconnected and can leverage one another and access resources from one another. If you're in Smithers, you can access the MaRS Discovery District in Toronto. The strength of the high-tech sector in Waterloo can benefit the strengths of the resource sector in Calgary. Connecting students to this wealth of knowledge and plugging them into the entrepreneurship ecosystem is important to creating jobs and innovation. This is where the true power of Startup communities and Startup campuses can be found.

In closing remarks, we support any investments or measures that foster an entrepreneurial culture in Canada. We believe that cultivating a better entrepreneurship ecosystem will lead to better jobs for young people. The Canadian accelerator and incubator program is a good example. We support the internship program targeted at small and medium-sized enterprises, but we caution that the process cannot be cumbersome for entrepreneurs; otherwise, we risk having a resource that not many SMEs will use. We support investments that are meant to encourage women, and especially young women, to become successful entrepreneurs.

Finally, Startup Canada and its 300 volunteers are working hard to promote an entrepreneurial culture in Canada.

• (1550)

We have facilitated the mentorship of 20,000 entrepreneurs, run activities and daily events, nationwide, on topics ranging from financial literacy to legal structures of companies, and have most recently launched the Startup Canada awards to recognize outstanding achievement in advancing entrepreneurship in Canada.

Thank you.

The Chair: Thank you very much for your presentation.

We will now go to Ms. Schirle, please, for your opening remarks.

Dr. Tammy Schirle: Thank you.

Thank you for having me here today. I enjoy the opportunity to speak with you.

In the March 6 meeting of this committee you heard from René Morissette and Alison Hale, from Statistics Canada. They are highly respected researchers so I see no need to replicate any of the information they provided to you.

An important point to take away from their presentation is that youth employment differs substantially by gender and by region.

Today I'd like to break down the data a bit more for you. In particular, I want to describe what youth are doing if they are not working full time, and the extent to which policy-makers should be concerned about youth having difficulties in the labour market. I also want to address whether youth today are finding it more difficult than previous generations. Finally, I will mention some policies that I think require further scrutiny. I have to be very brief here but I have provided many details in my written brief to the committee.

What are youth today doing with their time? I looked at young people surveyed by Statistics Canada in the 2012 and 2013 labour force surveys and categorized their activities. Over three-quarters of young people 17 to 21 years old are doing exactly what I think most parents hope their kids will do after leaving high school. They are in school full time or working full time. Many others are working or going to school part time, and many have not yet entered the labour force.

I'd like to focus more on young people aged 25 to 29 years, because this is the group we expect to be more attached to the labour force. They're typically done with school and are establishing their careers and their families. The key difference between men and women in this age group is that the average woman is having her first child. With that in mind, I'm going to focus more on young men, who remain less likely to become primary caregivers while children are young.

Of men aged 25 to 29, 75% were working full time, and another 7% were in school full time in 2012 and 2013. In a more stable labour market in 2002 and 2003, 77% of men aged 25 to 29 were working full time, and 6% were in school full time. For comparison, 83% of men aged 35 to 49 were working full time in 2012 and 2013.

Young men were more likely unemployed than older men, which is not unusual. When unemployed, youth tend to have shorter jobless periods. Their unemployment rate in part reflects the same business cycle effects as for older individuals. In addition, people are leaving and finding new jobs as they establish their careers. Their unemployment is not exclusively a response to the most recent recession.

I have heard several concerns regarding youth unemployment statistics. First, people may give up their job search and return to school full time, in which case they are no longer considered unemployed. I don't think this is as large a concern here. The same percentage of 25- to 29-year-old men were in school full time in 2013 as there was a decade earlier in 2003.

Second, there is a concern that they have given up their job search and become discouraged workers, those who would like to have a job but do not search because they believe jobs are not available. Formally speaking, only 0.1% of men aged 25 to 29 would have been considered discouraged workers in 2012 and 2013, or roughly 1,000 people. It was the same in 2009, and in 2002 and 2003.

If we were to allow for those working part time and wanting full-time jobs, but did not look, and those not participating in the labour force while going to school part time, we might suggest that up to 2% of young men were discouraged in 2012 and 2013. Notably, this is not larger than in 2002 and 2003.

Third, the claim is made that young people are finding it more difficult to find secure and stable employment relative to generations past. I have only found evidence that contradicts this.

First, Dr. Pierre Brochu at the University of Ottawa has shown that job retention rates have actually increased for new employees since the mid-1990s and are recently at record highs. Second, it is clear that the opportunities available to any young woman today far surpass those of previous generations. Occupational gender segregation remains an important concern and has not changed enough over the past three decades; however, the gender gap in wages has narrowed considerably and the participation of women in the labour force continues to increase. Third, it seems that past recessions hit younger workers even harder than the most recent recession. Not only did youth unemployment rates reach much higher levels in the early 1980s, but young workers in the 1980s were hit much harder than middle-aged workers when compared to our most recent recession.

Overall, I don't think it's worth dwelling on intergenerational inequities in labour market experiences. I am concerned that the expectations of youth are often out of line with reality. Anecdotally, it seems that the majority of my students expect to complete their undergraduate degree and immediately find a secure job with a salary that would place them in the top 5% to 10% of Canadian earners. No doubt it takes some time for their expectations to adjust after leaving school.

In my last minute I would like to mention a few concerns for policy-makers.

First, it is clear that there is still a high return to post-secondary education, especially for women. As long as that return is positive, education is not wasted. Without clearly identified market failures, I am reluctant to recommend interfering with the skills market.

● (1555)

Second, over time we have developed an incredibly complex web of tax credits, transfers, and direct programs designed to help young people. For example, a young man with a child, who is considering an apprenticeship, will need to work through at least 18 tax and benefit programs to determine how best to proceed.

It is clearly time to assess and redesign our tax and transfer system to achieve greater transparency, and to simply make it user-friendly and easily understood. This assessment has not been done since the 1960s with the Carter commission. I strongly recommend this committee consider the value of a new commission framed with current and future Canadian family structures in mind.

With that, I thank you for your attention and I am happy to take questions.

The Chair: Thank you very much for your presentation.

We'll now hear from Mr. Poschmann.

Mr. Finn Poschmann: Thank you very much, Mr. Chairman. Thank you to the committee for inviting me back.

I'll only make a few brief comments by way of an overview. It's going to be hard to top Tammy's presentation. I have included a few figures, which I think tell a clear story, and I believe members should have those figures.

I begin by setting an employment, or unemployment, backdrop for the over-25s, male and female. In other words, in my definition, they are not necessarily youth. My reason for doing that is that it tells you right away what the overall state of the economy is, or has been.

The unemployment rate tells you when things have been generally good or generally bad. It's easy with an unemployment rate figure, as in my first slide, to pick out the impact of some of the big shocks that we had, including one in the early 1980s, another a decade later, a smaller shock earlier this century, and another deeper one from the fall of 2008 to the spring of 2009. The unemployment rate trails these shocks a little bit. Firms don't start laying off right away, not in Canada; so the uptick in unemployment also trails by some months the downtick in market conditions.

On this history, I have a couple of overarching points. One is that the experience for men and women has been slightly different in past decades, and has also become a little more similar over time. Another is that in the almost five years since the end of the last recession, the labour market has been performing decently well, at least as measured by the unemployment rate, which, overall, is cruising in a pretty normal range.

That's the unemployment rate, or the share of the labour force actively looking for work. But what about the employment rate, or the share of the population that is working? This measure abstracts away questions concerning the number of job seekers who have become discouraged, or concerning the number of men or women who have otherwise left the labour force.

It tells a fascinating story. The most striking one is that the Canadian employment rate has generally picked up over time. We used to lag the U.S. by a lot, and that's just no longer the case. What's more striking is women's labour market activity. Changes in education patterns and in social and home structure really jump out at you. Over the past couple of generations, a huge wave of women has entered the paid labour force and it shows.

In case you're curious, women primarily entered the health, education, and public service fields, and therefore primarily unionized fields. But the key point here is that women have entered

the labour force since the sixties and seventies, and it really shows up in the participation rate and economic outcomes.

This committee's study is on youth unemployment, so it seems to me we should have a look at the data by age group. I focused on desegregating the data by age and sex more so than by region, as did our friends from Statistics Canada.

Some folks would count youth as the 20- to 29-year-old group, or include the 25- to 29-year-olds, and I could make a good case for that. Tammy Schirle did include that and I'm grateful that she did because I looked a little more at the 15- to 19-year-olds and the 20- to 24-year-olds, and then compared them to the older groups.

I would tend to ignore or not put much emphasis on the 15- to 19-year-olds mostly because school issues dominate, or should; summer jobs come and go with the weather. I looked instead a little more carefully at the 20 to 24-year-olds with a view that if you're not in school and not working, you really should be working. Otherwise, you're going to face trouble later.

In my later figures, I used some arithmetic to filter out the peaks and valleys, so that the data revealed underlying trends. What these figures show is that there does not seem to be a significant cause for worry. Yes, the recent recession set the 20- to 24-year-olds back, but not the way prior recessions did, and they seem to be bouncing back pretty well. Put another way, if you look at the past five or six years, for the 15- to 19-year-olds, you would see a significant growth in unemployment, not a very happy story. But if you look at the 20- to 24-year-olds, you'll see a happier story indeed.

That's unemployment. What about employment?

It is pretty much the same. The 25- to 44-year-olds are going great. It is the same for the 45- to 64-year-olds. Both of these groups, of course, reveal the changing pattern of female employment from decades past. Again, life is a little less rosy for the 15- to 19-year-olds, but for the 20- to 24-year olds and up, the story is pretty much a lot of nothing.

• (1600)

What I do worry about—and it was nice to have reassuring words on this point from Professor Schirle—is the early-year labour market conditions for school leavers or recent graduates, whether from high school or from post-secondary. The data here do not indicate a problem but if there were to be future trouble, especially for income growth, it would come from having poor early experiences for new hires; in other words, being laid off a lot in your early years in the job market is bad for your long-term income trajectory.

What do we do about that? If it is a problem, that takes us to a short key policy list. Make sure kids finish public school and high school—

• (1605)

The Chair: Okay, Mr. Poschmann.

Mr. Finn Poschmann: Okay, I'll close off there.

There is a very short policy list, and I'm done. I hope we can talk about first nations as well.

The Chair: Okay, thank you very much for that presentation.

We will begin members' questions.

[*Translation*]

We'll start things off with Mr. Dubé for five minutes.

Mr. Matthew Dubé (Chambly—Borduas, NDP): Thank you kindly, Mr. Chair.

Thank you as well to our witnesses for being here.

Since I have only five minutes, I would ask you to keep your answers short.

[*English*]

Mr. Poschmann talked about a story, and I'm interested in the end of the story, not what's happening in this chapter right now but the long-term impacts.

I want to quickly quote the TD study, "The Plight of Younger Workers". It says, "In addition to competition within their own age group, they now must compete with older workers looking to reenter the labour market and those more experienced who lost their job during the recession."

I think this tendency is clearer and clearer, that despite the fact that it's a normal youth unemployment rate it's pretty clear that with the change of eligibility for old age security, with ballooning student debt, and things like that, the financial situation for these young people is different. So despite unemployment, there are still some long-term challenges for young people to find well-paying jobs and be able to contribute to our economy.

I would be interested...particularly from our friends from the Conference Board of Canada and the Canadian Centre for Policy Alternatives, but just keep it quick, please, if possible.

Mr. Pedro Antunes: It's a huge cost to have youth out of the labour market if they are looking for work.

I think you're absolutely right when you're talking about this increase. We have seen a significant increase in part-time workers recently and that certainly displaces when you look at youth employment. It often is part-time work, especially for those younger cohorts and I think that is certainly displacing the opportunities for those whom I call "kids"—I have a son that age—to get into the labour market and earn some experience. Even if they're young I think what they learn in the labour markets at that age is valuable.

In terms of the opportunities down the road, I think the pendulum is pretty optimistic in the labour market. I think it has swung toward youth. I think there have been a lot of opportunities in our labour market. I think there are issues around youth mobility. They're not quite as anxious to move out and look for work elsewhere, and we've really missed getting them better aligned for the labour market. So I think it's one of educating that age group in where the opportunities may be.

Mr. Matthew Dubé: Yes.

Go ahead.

Ms. Armine Yalnizyan: Thank you for the question.

It's been said a couple of times that there is no story. There is nothing to look at here because young people aren't as unemployed as they were in the 1980s. I was caught in the 1980s unemployment and I know how bad it was.

What is different this time around is that there has been virtually no improvement in the number of jobs available to the 15- to 24-year-old cohort. A lot of people have talked about what has happened to the older end of that, but if young people can't work while they're in school, they're not going to be able to pay for education, and everybody is saying that education is your ticket to something better.

I would just like to compare and contrast that the youth unemployment rates were higher in the 1980s, certainly, not by a lot but enough. But the Progressive Conservative government of that day introduced numerous measures to deal with unemployment rates there that totalled billions of dollars through the Canadian jobs strategy. Youth was one particularly targeted clientele. Hundreds of thousands of participants went through the Canadian jobs strategy.

In contrast the last budget of the federal government introduced \$55 million to create 4,000 new paid internships. At last count there were 380,000 young people actively looking for work. That's about 1% of what's going on.

So more can be done. Will you find this a compelling enough story to do something?

Mr. Matthew Dubé: Thanks.

I have one minute left, so I'll try to be quick on this. Just to that point, if we look at the Canada job grant, for example, I don't think.... We automatically assume that skills training is for young people, but it's not necessarily, unless we specifically choose to focus on that segment of the population.

You mentioned the competition that exists. Are the policies right now forcing people to essentially fight each other—that's a violent metaphor—for jobs as opposed to specifically looking to bring youth up with really specific policies geared towards them? Is that a problem? Is that what you're saying?

The Chair: Just a brief response, please....

Ms. Armine Yalnizyan: Yes. It's very difficult to target jobs for young people when you have such sluggish growth. Our pace of job creation is very slow, which is why the Bank of Canada governor here and Janet Yellen in the United States have focused on slow growth as the number one concern if you're trying to create jobs for your people.

By the way, unemployment rates are lower in the United States today than they are in Canada. We've been stalled at around 7% for the last year, while they're at 6.7% and falling. They're going to pass their target of 6.5%, at which point they'll start looking at raising interest rates.

● (1610)

The Chair: Merci.

We will go to Mr. Saxton, please, for his round.

Mr. Andrew Saxton: Thank you, Mr. Chair.

Thanks to our witnesses for being here today.

I just want to remind Ms. Yalnizyan that the U.S. does measure unemployment differently than Canada does, so you have to take that into consideration.

My first question is for Mr. Antunes from the Conference Board of Canada.

Mr. Antunes, as you know, our government recently reached an agreement-in-principle with all provinces on the Canada job grant, which would mean that this program will bring together the federal government and the provincial government, as well as businesses, to provide and deliver skills training.

In the past, the Conference Board has been an advocate for the need for increased participation of businesses in delivering the skills training process, so I have a question. Why is it important for businesses to be involved in the skills training process? With businesses playing an increased role in skills training, will the younger generations be better equipped to meet labour market demands?

Mr. Pedro Antunes: Thank you for the question.

Yes, we do like the job grant program, in the sense that it is driven at the core by an investment in terms of dollars from those organizations wanting to hire. We feel that it is a very good signal in terms of driving where the money is spent with the private sector actually having to ante up some money in terms of the programs.

We often talk about the foreign worker programs as filling a need for businesses. We do a lot of work with organizations that are using these programs. The reason they're using them is that they really can't find certain workers in certain fields. It's very expensive and time-consuming, etc., for organizations to get welders from the Ukraine or other skilled trades from other countries to come here and work. They would avoid it if they could, if they had the skills and the training in the workforce here at home, so I think this will help bring that signal through the training programs.

Mr. Andrew Saxton: Will it help young Canadians to be better prepared for the workforce?

Mr. Pedro Antunes: I think so as well. It's not clear that across all regions there are huge gaps in the need for skilled trades, but there certainly are some regions in this country where there's a desperate need for skilled trades and they're not finding the workers.

There are two issues here. One is labour mobility, and one is the training.

I think there's a fair bias against these types of skilled trades. It's very hard to get in. We talk about apprenticeship programs as having an under-representation in those programs. It's hard to get in. I don't think the youth are quite motivated to get into these programs, yet there are fairly good jobs that are highly paid. We talk about manufacturing jobs being good jobs. Well, I think the skilled trades are good jobs. In terms of work in the resource sector, there are some very good jobs there.

Mr. Andrew Saxton: Thank you very much.

My next question is for Ms. Lennox at Startup Canada.

In your opening presentation, you mentioned accelerators and incubators. Last year, as you probably know, in September 2013, the government launched the Canada accelerator and incubator program as part of the venture capital action plan. From your experience, how important are accelerators and incubators for young entrepreneurs who are looking to get their ideas off the ground?

Ms. Victoria Lennox: Accelerators, even more so than incubators, provide a place, just like a library or a community centre would, that attracts the public, a place where business and ideas happen. Insofar as accelerators and incubators reach out into the communities, connect to universities, connect to colleges, and bring young people into their facilities, they have an enormous potential to cultivate the next generation of entrepreneurs—getting these students working with start-ups, getting employed by start-ups, and then eventually starting their own company while they're in school or after they graduate. It's a hotbed activity that can really create collisions of innovation for these kids.

Mr. Andrew Saxton: "Collisions of innovation" is a good quote. Thank you.

What needs to be done to encourage more young Canadians to become business owners and entrepreneurs, especially when it helps to create jobs of tomorrow, and what is the economic growth and impact on social innovation?

Ms. Victoria Lennox: We work a lot with campuses. One of the challenges is that business and entrepreneurship reside only within the business school in many cases, whereas a welder can be entrepreneurial and start his or her own company, and so can a social science student and a journalist. They can be entrepreneurial and start their own consultancy. So what we really need to do is create peer networks of entrepreneurs on campus.

There is a lot of infrastructure going into enhancing commercialization, building out entrepreneurial programs, and advancing entrepreneurship research at the higher levels. But we need peer networks of entrepreneurial students, an entire nationwide campus network for young entrepreneurs, that is completely connected into CAIP, and completely connected into the incubators and accelerators.

Mr. Andrew Saxton: A peer network as well as mentors, I think, is—

● (1615)

Ms. Victoria Lennox: Mentors, absolutely.... When students connect into their Startup community, the community is filled with mentors who have been there and done that. There is a pay-it-forward culture. That's the beautiful thing about accelerators and incubators; there is that willingness to give back.

But right now the campuses are siloed.

The Chair: Thank you very much.

Thank you, Mr. Saxton.

We'll go to Mr. Brison, please.

Hon. Scott Brison: Thank you, Mr. Chair.

Thanks to each of our witnesses for appearing before our committee today.

My first question is on summer jobs. In the last couple of years we've had some of the worst summer job numbers we've seen in about 40 years, yet the Canada summer jobs program, in the summer of 2013, created 36,000 jobs. Back in 2005 it created 78,000 jobs. The need is actually greater today, yet the Canada summer jobs program is creating fewer jobs.

Should we move as a committee and recommend to the government certainly to increase significantly the number of summer jobs created by the Canada summer jobs program?

Mr. Pedro Antunes: I think we're always conscious of the financial situation that the governments are in and that when we spend in one area we have to obviously take away from other areas.

Again, I think that in terms of job creation for youth, we certainly would prefer to see those jobs being created in the private sector and those opportunities come because the labour markets are better aligned.

Hon. Scott Brison: Have you read the TD report by Martin Schwerdtfeger on this?

Mr. Pedro Antunes: Yes.

Hon. Scott Brison: It estimates a \$23-billion cost to the Canadian economy over the next 18 years as a result of the "scarring" effect on young people not getting a good start. Would that not justify an increase in funding for student jobs in the short term?

Mr. Pedro Antunes: Not to say that I'm against funding, it's just that I think there are two sides to every spending program. If we're conscious of that and we feel it is a worthy place to spend, all the better. Certainly we're concerned about youth employment—and I've talked about that—and youth participation in the labour force.

I think Mr. Poschmann talked about the employment rates. I think we're seeing those down in both the 15- to 19-year-olds and the 20- to 24-year-old age cohorts, so I think it is important. But, again, we always caution about looking at the big picture when implementing new programs because these are costly.

Hon. Scott Brison: Ms. Lennox.

Ms. Victoria Lennox: I just want to flag for you the Ontario summer company program. It's a really exciting program, so when the private sector can't mobilize fast enough in order to create jobs, then the kids can create jobs for themselves over the summer. It's a very small investment, with huge returns in terms of increasing the confidence of our young people.

Hon. Scott Brison: Thank you, Ms. Lennox.

Ms. Armine Yalnizyan: I don't see why, if we can afford billions of dollars in promised tax cuts, we can't find a few hundred million dollars to expand summer job programs for Canadians and help the subsidiary levels of government, as I mentioned, to actually finance young people to do jobs that need to be done in our communities, whether that's servicing elderly or young people. It's a great time for

them to get work experience and most of the people at this table probably benefited from a culture where they were supported with more support when they were trying to find jobs in the summer.

Hon. Scott Brison: Thank you very much.

Ms. Lennox, the CFIB and CIBC Economics estimate that 50% of the small businesses in Canada will be sold over the next 10 years. CIBC Economics believes that to be a significant risk to the Canadian economy, driven by demographic changes.

Does this represent also an opportunity for us to create vehicles to help young people potentially become investors in, or buy, some of those businesses? Are we potentially seeing these two trend lines, the unprecedented transfer of small business capacity to another generation and this youth unemployment, creating an opportunity for us through public policy to facilitate that?

● (1620)

Ms. Victoria Lennox: Absolutely. When we went on our national tour, we met with many of Canada's top entrepreneurs. One of the top issues is succession. One of the top issues with succession is talent, and making sure these young people are equipped with the skills and networks they need in order to continue to grow the companies.

This is a huge opportunity for the next generation. Young entrepreneurs are not missing it. They're stepping up to grab it.

Hon. Scott Brison: Finally, Mr. Antunes mentioned the issue of skilled trades. One of the things we may consider is a national campaign to restore the honour of skilled trades, such that people perceive them as being a worthy way to make a living, and also entrepreneurship, perhaps promoting both of those career tracks as being something people might think about earlier in life.

The Chair: Thank you, Mr. Brison.

We'll go now to Mr. Keddy, please.

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Thank you, Mr. Chairman.

Welcome to our witnesses.

Ms. Yalnizyan, you made a comment that I think deserves to be picked up on, and that is the idea of reserving a portion of the jobs—actually, you said one-fifth of the jobs—on new infrastructure builds for youth employment or new workers. I think that actually has some merit. I think 20% might be high, and you'd have to work with companies and unions and workers to try to have some kind of a ratio in there, but it is a lot of government money. Whether it's public-private partnerships, or P3, it's still government money, so I think that is not a bad idea. I just wanted to make that comment.

My question is for Mr. Antunes and Ms. Schirle. I thought Mr. Brison would actually bring it up, because we both represent rural ridings in Nova Scotia. We both have a fair number of foreign workers who come in to do.... I think we do a disservice, quite frankly, by calling them "unskilled" jobs. Farm labour, agriculture jobs, Christmas tree industry jobs need a fair amount of skill, but you simply cannot fill those jobs with young people today. I think part of it is attitudinal. They think that job is somehow beneath them. I don't know how we change that.

I'd like to hear a recommendation.

Mr. Pedro Antunes: Maybe I'll let Ms. Schirle go first.

The Chair: Ms. Schirle.

Dr. Tammy Schirle: Thank you.

I can perhaps make a quick comment. The key signal in the skills market is wages. If you let markets work, and if they seem to be working and there's a labour shortage, you will see wages rise. By bringing in such things as temporary worker programs, what we are often doing is preventing the market from working within Canada. We don't have an international labour market, so we don't need to try to go there.

So that's suppressing that wage signal. It's preventing young people from seeing that there is a signal that this is a job worth getting. That's something I think we should think about.

In terms of expectations, I do think this is something that is just.... Young people's expectations are often out of line with what is in the market. That's a matter of information not only for young people but also their parents. I see many students who think that other post-secondary education is beneath them, when obviously it isn't. That's a market failure that needs correcting: information.

Mr. Gerald Keddy: Do we correct that in the high school system, or is it from the moment that child enters the school system straight on through? You're expected to come out, you're expected to have a job, and you're expected to contribute to society.

How do we fix that?

Dr. Tammy Schirle: I would start the information campaign probably in junior high in terms of what types of jobs are out there and what kinds of skills are in demand and how that might change over the next decade, because that's how far ahead they have to think. Then in high school one of the key things is ensuring that students see the opportunities that are there. I think the pathways project that's undergoing evaluation right now is a good example of that, to make sure that students are signing up and enrolling in appropriate education programs. These are things to think about.

• (1625)

Mr. Gerald Keddy: The only thing I take exception to in your comments about the foreign workers program is that the foreign workers program is not cheap labour. These workers are paid a very basic minimum wage, plus the employer has to bring them here. They have to house them. There's a fairly significant cost to foreign workers. This is not cheap labour.

Each of those employers would pay a student in Canada to do that job if that student would do it, and for fairly good wages.

Dr. Tammy Schirle: My point is that if the student isn't willing to do it, the wage is not high enough.

Voices: Oh, oh!

The Chair: You have 20 seconds if you want, Mr. Keddy.

Mr. Gerald Keddy: Well, Mr. Antunes might have a quick comment.

The Chair: Mr. Antunes.

Mr. Pedro Antunes: Just very quickly then on this temporary foreign worker program, I think it's been very effective at filling gaps. Especially for big projects when we've needed workers, it's been very effective for those organizations. The problem is that the number of temporary foreign workers has risen and risen and risen. It's very hard to know where the numbers are exactly, but let's say there are 300,000 perhaps in the workforce today. It would add 1.5% to the unemployment rate.

The Chair: Okay, thank you for your comments.

Thank you, Mr. Keddy.

We'll go to Mr. Rankin, please.

Mr. Murray Rankin (Victoria, NDP): Thank you, Chair.

Thank you to all the witnesses.

My first question is to Ms. Yalnizyan of the Canadian Centre for Policy Alternatives. I want to read you something that the Toronto Dominion Bank's economics department has said:

Being unemployed at a young age can have a long-lasting impact on an individual's career prospects. Economic research indicates that a period of unemployment at the time of entry into the labor market is associated with persistently lower wages many years thereafter. This...fact [is] known in the literature as "scarring"....

With that in mind, you would probably agree that periods of youth unemployment have these long-lasting and negative effects on future wages. In fact, the TD Bank suggested that the amount of wage losses would be about \$12.4 billion as a result. Can you give us an explanation of what the long-term and negative effects of youth unemployment on wages would be and other consequences aside from just wage implications?

Ms. Armine Yalnizyan: I think the TD report would probably do more justice than anything I could say in a couple of minutes.

I wonder if you would permit me to address the issue of the competition with newcomers, both immigrant and temporary workers, and older workers all competing for the same entry-level jobs, both low- and high-skilled. In those conditions, what employer is going to pick the newbie, right?

But what happens is that a lot of these young people go back to school. They've finished their B.A.s. In terms of apprenticeship, I have immediate experience with the apprenticeship story. There are lots of kids, and enrolments in apprenticeships are up as well. But the people who are doing these programs are unable to complete their tickets, because most skilled trades require 9,000 hours of certified work and that usually takes five years. Every year that you move to another level, you have to get paid more. Those are the rules around apprenticeships.

But it's getting very competitive with temporary foreign workers who are brought over with their tickets. They're journeymen and they cost the same as or less than a second- or third-year apprentice. I'm seeing it everywhere in Toronto with our community colleges. These kids can't get third and fourth year. They're enrolled; they're ready to rumble, and they can't find the hours to finish their tickets. This is an incredibly frustrating situation for young people who are playing by all the rules and still can't get in.

Mr. Murray Rankin: I'd like to come back to you. I have another question.

Professor Schirle, I'd like to go to you if I could, if you can hear me.

I really appreciated your comments about the impact on women of having their first child at this age of their life. You indicated that at least the opportunities for young women are growing and that the gender gap is diminishing, but nevertheless I want your comments on the importance of child care for young workers, and particularly for young women workers.

I was talking to a young worker from Quebec in my office today. He's a contractor. He has a young child. He lives in Quebec. His child care expenses are \$280 a month. His friend in Ontario pays \$1,800 a month. Professor Schirle, I'd like your reflections on the implications of child care for young workers.

• (1630)

Dr. Tammy Schirle: As a mother of a toddler in Ontario, I can appreciate the costs that we have here.

Child care is really vital for women to enter into the labour force when their children are younger. When you look at the data I showed, for instance, on the wage gaps between men and women, when women first start out in the labour market in that 25- to 29-year-old range, the gap isn't very large. Most of it has to do with selection into different types of fields of work, humanities versus STEM fields, these kinds of things. It's after a few years, when they've had to take departures out of the labour force for child care and other reasons, that they have some skill depreciation and that has a long-run impact on their wages for the rest of their lives.

Now, in a perfect world, with perfect marriages and perfect marriage contracts, that could be rather inconsequential. You can negotiate that within your family. But we do not have complete contracts there, so it is women who bear the burden typically associated with child care. Improving the child care system, I think of this as a market failure, and improving the child care system to better facilitate young women in the labour force would certainly have its benefits, in my opinion.

Mr. Murray Rankin: Thank you, Professor Schirle.

I only have a few seconds left so I'm going to go back to Ms. Yalnizyan and give her a chance to complete.

You raised seven really interesting proposals when you gave your initial presentation, and I needed you to clarify a little bit on the cost-free investment one, your notions on building Canada...one-fifth of the money. Could you speak a little bit more about that?

The Chair: Just a very brief response, please....

Ms. Armine Yalnizyan: It's pretty straight up. You're spending the money; you can call the tunes. If you want to actually use that money to be a community benefit and bring more kids up to speed through training, you can do it. It's your money.

The Chair: Okay, thank you.

Ms. Armine Yalnizyan: Our money....

The Chair: Thank you, Mr. Rankin. That's right, it's your money.

We'll go to Mr. Adler, please, for your round.

Mr. Mark Adler (York Centre, CPC): Thank you very much, Chair.

Thank you all for being here today.

Mr. Poschmann, you're looking rather lonely there, so I want to direct a question to you first. Could you please comment on whether there is any empirical evidence whatsoever that older workers compete with younger workers for entry-level jobs? Are you aware of any?

Mr. Finn Poschmann: Thank you, Mr. Chairman, and Mr. Adler. I was hoping it was going to be a tough question like the meaning of complete contracts in marriage, but this one's pretty easy.

There's no question that now and then you're going to bump into that kind of conflict. But to presume that it is an eternal conflict and that it is readily accessible of some logical policy response is a different question altogether. The term that labour economists use is "lump of labour". If you're going to have a conflict between new entrants, current entrants, older entrants, that's only a binding constraint if you really think there are only so many jobs to go around. In a growing economy, that's just not the case.

Things like employment set-asides or special programs in public contracting are going to involve trade-offs and other kinds of unfairness, and if I were an older worker looking to get back into the labour force, I'd be really upset to find that I couldn't bid fairly for a job against someone who is younger, who had preference for the contract.

Mr. Mark Adler: Thank you. I want to come back to you, so just stay on the ready.

Ms. Lennox, is it fair to say, in any way, that entrepreneurship can solve our youth unemployment crisis?

Ms. Victoria Lennox: I think it's fair to say that it can make a big dent in it. When I was in the United Kingdom during the recession in 2008, they were hit hard. As a student there, I studied for my master's, and no one could find jobs. That's why we created a national charity with the government for entrepreneurship to make sure every campus across the country had entrepreneurial activities at the grassroots level. They continue that today, and it's made a massive difference in that country, and I think it can do the same here in Canada.

Mr. Mark Adler: Okay, thank you.

Mr. Antunes, when we look at the youth unemployment crisis, I think what we need to do is differentiate between those who are, say, between the ages of 15 and 24, who would roughly be considered youth—it's a common definition—and then those who are just in between jobs or they're just graduating. There's a variety of reasons that people within that age group are unemployed.

Now, what we need to do also is to look at those who are chronically unemployed, those below that group who are also of the same age but are not in school, have no skills, have no good prospects. That number is a lot smaller, of course, because it's a subset of the entire youth, aged 15 to 24. Could you comment on that level of chronic youth unemployment as opposed to youth unemployment, as such? What could be done to maybe solve that chronic youth unemployment problem?

• (1635)

Mr. Pedro Antunes: That is a tough question. I'm not sure that I have seen much data on that particular segment. We certainly have heard about it on a global basis. They're called the NEETs—Not in Education, Employment, or Training—but I'm not quite sure what those numbers are, to be honest, in terms of the Canadian situation.

Mr. Mark Adler: But you would agree that really is the core of the problem here, not so much youth unemployment, as such, as generally defined, but the chronic unemployment among youth. That is the real problem, isn't it?

Mr. Pedro Antunes: Well, having said that I'm not quite sure what those numbers are, certainly when you look at the 20- to 24-year-olds, you do see—as Mr. Poschmann highlighted—a very different situation there in terms of the unemployment rates. But I think in general we are seeing youth participation rates into the labour force in both those cohorts not up to where they were previous to the recession. So we've lost about three percentage points in terms of participation.

Mr. Mark Adler: Okay.

Mr. Poschmann, if you could just comment quickly on.... When an economy is bad it affects everybody, not just youth or not just older workers. In an improving economy, as we have now, is there a lag, would you say, in youth unemployment, and chronically unemployed youth? If you could just talk about those two for a quick few seconds.

The Chair: A brief response, please, Mr. Poschmann....

Mr. Finn Poschmann: Yes, thank you.

I'm unaware of any key distinction or data that would help me answer that. I will point out, though, that chronic unemployment among youth is a significant problem in some economies like Spain

and Portugal. It's much less so in Canada, unless we shift to talking about aboriginal or first nations populations, whether on or off reserve. That's a different kettle of fish entirely.

Mr. Mark Adler: Okay, thank you.

The Chair: Thank you, Mr. Adler.

We'll go to Mr. Cullen, please.

Mr. Nathan Cullen: Thank you, Chair.

Thank you to our witnesses.

I'm holding the Canadian Chamber of Commerce's labour market report, studying the labour market report from 2013. It cites that employment growth in general across Canada during that year was 0.6%, the slowest pace since 2009; that 95% of those jobs created were in part-time positions; and that employment gains were concentrated among men and women aged 55 and over. That's the chamber's report from just this past year. Of all those jobs that were created, 70% were created in one province.

So when we talk about the youth unemployment scene, it seems to me that we're doing it a disservice when we talk about it across the country as if it were one homogenous labour market. Of course it's not, we recognize that.

I want to talk about barriers to mobility. There has been some inference—I think by some—that there's an unwillingness, or just a distastefulness from some youth towards either moving, or moving into certain job sectors. I represent a rural part of the country that has ups and downs as natural resource markets do. The barriers to that mobility are what I want to ask our witnesses about today, because I don't think it serves any purpose to say that youth just have a bad attitude and they don't want to move. I doubt that not having the right attitude is exactly the problem.

Mr. Antunes, if you could start us off, what would you cite as the one or two leading barriers to that mobility that exist right now structurally within our economy for young people.

Mr. Pedro Antunes: Well, I would guess that most young people—if they're anything like my son—are still living at home, so you can imagine the barrier to mobility would be the cost of not only travelling and finding work, but of course finding a place to stay, so there are a lot of impediments.

I would think—and I think this has been proposed in the past—some sort of subsidies around mobility would probably be a good way to encourage a little bit more mobility.

Mr. Nathan Cullen: Ms. Yalnizyan, do you have a comment on this?

Ms. Armine Yalnizyan: It's pretty awesome that the Conference Board of Canada and the CCPA are suggesting the same thing—

Mr. Nathan Cullen: This is a rare moment.

• (1640)

Ms. Armine Yalnizyan: —up to \$5,000 to cover costs.

Why are young people unwilling to move? Well, they're either going on spec, they don't know about what jobs are out there. I gave my seven reasons to indicate that people don't know what jobs are out there. A lot of the labour market opinions that are being sought by companies that are looking for temporary foreign workers are not jobs that are listed out there. They're supposed to be, but they're not. People don't know where the jobs are, we need better labour market information. Don Drummond, Statistics Canada, everybody's saying we need a better labour force survey that helps universities and schools right down to the high school and junior high level tell people where the jobs are coming from and what jobs are needed. Then you encourage people to leave.

When you talk about encouraging people to leave from small communities to go elsewhere, awesome. Those costs are high; you need first and last month's rent. Reduce some of those barriers, help them make that move. I also think it's really crazy to say, "Let's hollow out all of our small communities all over the country that are in slow growth areas", or else what you're doing is basically saying, "Hey, 70% of the jobs are in Alberta. Everybody, quick, go to Alberta!" Then when the next bust happens, what happens to all those people?

Mr. Nathan Cullen: There are other costs to be incurred.

Mr. Antunes, you talked about.... Temporary foreign workers have been a part of this conversation and I'm curious, first from you and then Ms. Schirle, about the supply-demand questions that we have facing people who are particularly headed toward the trades. There has been a suggestion as well that there is a bias against young people getting those tickets.

I find with many of the young people going through those very trades programs that there is a second barrier for that mobility. When a company is looking, if it can access a temporary foreign worker with tickets or an apprentice finishing third or fourth year of their apprenticeship, the value equation, for many resource companies at least, is to simply pick the temporary foreign worker, the path of least resistance that may be cheaper but certainly is a quicker alternative.

Is there any problem within our temporary foreign worker program particularly on that highly skilled ticketed side of things that is putting a depressant factor on those young people being able to get enough hours to qualify and move into that more secure environment?

Mr. Pedro Antunes: I don't know if I should leave the word to Ms. Schirle.

Mr. Nathan Cullen: Ms. Schirle, perhaps since your voice hasn't been in this conversation, you could give some ideas.

Dr. Tammy Schirle: Sure. This is a situation where we have a bit of a lag in training time. The shortage, as we think of it, really started a few years ago and it takes time for people to get through that market, and yes, it's easier for employers to pick up the temporary foreign workers. But again, that's sending appropriate wage signals. It's a friction; you just have to wait it through.

A couple of years from now I think that scenario will be very different. Students are taking up the trades. Our enrolment in arts

programs in Ontario are down for a reason. They are finding other things to do.

The Chair: Briefly, please, Mr. Antunes....

Mr. Pedro Antunes: I'd just go back very quickly to the point that it's been a very good program. We deal with a lot of industry sectors. Businesses tell us how valuable that program is even though it is expensive and hard to apply, but it is looking like it's become a permanent program and the stock of workers is too high. I think we need to address this gap in youth employment, this missed opportunity with youth.

The Chair: Thank you.

Thank you, Mr. Cullen.

We'll go to Mr. Allen, please.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you very much, Mr. Chair.

Thank you to our witnesses for being here today.

I'd like to start with you, Mr. Antunes. You brought up the baby boomers and retirees. I just look at my area, which has a lot of agriculture with a lot of farmers who are actually in that 50-55 year age group. They're looking to get out and a lot of the young people aren't looking to take this on. We need some entrepreneurs willing to do that.

One of the questions I'd like to ask you is in regard to a conclusion in one of your previous studies about the communication being better between employers and post-secondary education. In what concrete ways can that be made better?

Obviously, Germany has very low youth unemployment rates and some of that is because of the trades. They've been doing better coordination and communication on that. What concrete things could be done better in Canada to help that?

Mr. Pedro Antunes: One thing has been mentioned by Ms. Yalnizyan, but essentially training and better aligning and better information around the labour market, so labour market information is the issue that would help.

I do know, for example, that the Working in Canada site is very good. I don't know whether youth are all that well informed about it. I think it's just informing youth a little better about what's available and what we are already doing in terms of those programs.

In terms of concrete issues, it is one of information. It's one of getting that information out better to youth, to the young people.

• (1645)

Mr. Mike Allen: You're saying that's not being done today.

Mr. Pedro Antunes: The background information is being done. We work with the Canadian occupational projection system, which is a branch of what used to be HRSDC, now ESDC. There is some very good work being done looking at the future of labour markets in Canada.

I just don't know if that information is being disseminated as well as it could be through communication in the media, through other venues, just to let people know that the information is out there.

Mr. Mike Allen: Ms. Schirle, I'd like to go to you. I want to pick up on one of the comments you made.

In essence, it relates to tax simplification. It relates to your last comment about the series of 18 tax credits and other things that are out there for a young man, you said in this case, but a lot of young women are taking up the trades as well.

Do you have any specific evidence in your discussions with young people about the challenge it is to kind of get at and make understandable all these tax breaks for them?

Dr. Tammy Schirle: Definitely.

I actually took the list that I created in my written brief...half of that comes from the budget 2014 document itself, proudly displaying many of those programs. The rest of it just comes from programs that I'm familiar with.

Each year I teach a tax policy class to my third-year undergraduate students. My first task with them is just getting them to tell me what they know about how heavily they are subsidized through our tax and transfer system. Most of my students have never done their own taxes. They certainly have no idea what is coming back to them from the tax system.

That just points to problem number one. They don't have the information. Either they don't seek it or they just don't know how to glean it from their tax files. It is a problem. It's difficult to find the information until you're already into the system. Even then, once you're there, we're not always fully aware of what we're getting.

Mr. Mike Allen: Okay. So there are some things we could probably do on the communications side of things as well.

I just want to read something out of our 2013 budget. It says:

Create opportunities for apprentices by working with provinces and territories to examine the use of practical tests as a method of assessment and harmonize requirements, and by introducing measures that will support the use of apprentices through federal construction and maintenance contracts, the Investment in Affordable Housing and infrastructure projects.

Ms. Yalnizyan, aren't those exactly some of the types of things we should be doing? Do you see that as a positive aspect for developing our apprentices in Canada?

Ms. Armine Yalnizyan: Absolutely, and it would be really great to see that money flow and actually be used that way, because my understanding is that the Federation of Canadian Municipalities and some individual cities have been saying, "The money that you promised us in 2013? Can we find out, please, when we're going to get it and what it's going to be allocated for?" Similarly, affordable housing commitments have been made but not yet disbursed.

So as soon as that money starts flowing, I'm sure there is every intention to make good on the promise of hiring young people. I think that would be terrific. I think the money's there; there is that potential to use it.

Mr. Mike Allen: [*Inaudible—Editor*]...starting shortly.

Thank you.

The Chair: Thank you, Mr. Allen.

We'll go to Mr. Van Kesteren, please, for his round.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Thank you, Chair.

Thank you to all of you for appearing before us.

I want to quickly go to you, Ms. Lennox. I scanned your web page, and I have some questions, only because when we invite our guests here we really need stuff where we can go back and say, "Listen, this is the hard data. We found that."

So you're a non-profit organization. Who funds you?

Ms. Victoria Lennox: We're industry-funded and we're membership-driven. Microsoft, Gowlings, Ernst & Young, and Intuit Canada are some of our sponsors. We're less than two years old. Startup Canada is a start-up.

We're about to have our second anniversary. Already, in less than two years, we're the most followed entrepreneurship organization in Canada, because there was a gap. There was nothing connecting the ecosystem nationwide, so we stepped in.

Mr. Dave Van Kesteren: Do you try to identify young entrepreneurs and get them on their way?

Ms. Victoria Lennox: Exactly. We do that online and then on the ground. We have a network of 20 Startup communities right now. We actually have one in York Region. They connect entrepreneurs with mentors. If you have an idea, they'll tell you where to go.

Mr. Dave Van Kesteren: When I look at your web page, I see a whole list of people. These aren't obviously people...because they have earlier dates, much earlier dates. Do you have a track record of, let's say, 10, 20, or 100 people who are successful in their journey into starting a new business?

• (1650)

Ms. Victoria Lennox: Yes, absolutely. We have a network of more than 10,000 mentors, not to mention the 70,000 people who have been—

Mr. Dave Van Kesteren: So that answers probably the next question too, which is that your expertise comes from people who are in the field, who have walked the walk, and who now will... Okay. Good.

To Ms. Yalnizyan, you gave us some numbers on student debt. The numbers I'm getting are different. I just want to know where you're getting your numbers. From the numbers I have, student loans are dropping in actuality. That comes from the people who handle those loans, and I guess they get them from Stats Canada.

So if we're going to accept what you're telling the committee, I'd like to have a source. Perhaps you could provide the committee with that source as well.

Ms. Armine Yalnizyan: I'd be happy to do so. The numbers come from *The Hill Times* report that was released yesterday. There was a whole policy issue on youth that was released yesterday in *The Hill Times*.

I wrote to the reporter and asked him where he got his numbers from. He sent me the files that came from Employment and Social Development Canada. I'm happy to share those Excel files with you folks.

Mr. Dave Van Kesteren: Who are they? Can you just tell the committee?

Ms. Armine Yalnizyan: Employment and Social Development Canada is your government.

Mr. Dave Van Kesteren: Now, why would they contradict what Stats Canada is saying?

Ms. Armine Yalnizyan: I'm just telling you where I got the numbers and what I was quoting.

Mr. Dave Van Kesteren: We're going to get those numbers and we're going to look at those, because they don't jibe with the numbers that we have.

Ms. Armine Yalnizyan: As far as I know, actually, Statistics Canada does not measure on an annual basis student debt. So I might be incorrect, but I think ESDC is the source of it.

Mr. Dave Van Kesteren: It's important to have that. We certainly want to have it because the one problem that we see south of the border... I don't want to look at others, but sometimes we can look at examples and it is alarming. I know that those are statistical. I want to make sure that the information that we have is statistical as well.

Ms. Armine Yalnizyan: That's fair.

Mr. Dave Van Kesteren: Good.

I want to talk to you, Ms. Schirle. I want to talk about maybe some of your clients. We did an interesting study here back about three months ago on income inequality.

I used to work for an actuary and he used to tell me, "Dave, it's in the numbers, it's in the numbers." One of the things that was striking was that one of the troubling statistics was that the immigrant population wasn't moving. It was, in fact, going down. Statistics Canada told us that back in the 1970s and 1980s it was the reversal. I asked them why, and they didn't have the information. I guess now they are going to mind that a little bit closer.

Another statistic that was interesting was one of experts said that they had found.... They had narrowed it down to three simple conclusions for young people to be successful: they needed a high school graduation at least, they were more successful when there was a life partner involved, and third, they don't do drugs or alcohol. I guess that's the other one.

The Chair: You have 30 seconds.

Mr. Dave Van Kesteren: Have you found anything like that? Can you share that with the committee? Is that something that will skew some of the numbers as far as when we look at young people?

The Chair: Just a brief response, please....

Dr. Tammy Schirle: So very briefly, obviously going to school and not doing drugs is good for your job. That should always be known. The wages generally have been increasing for youth. We have consistent data since 1997 on that looking at median wages, and the wages of high school students are included in that, more so for the resource-rich provinces than others. Everywhere else you need to get a post-secondary degree.

The Chair: Okay, thank you.

Thank you, Mr. Van Kesteren.

We'll go to M. Dubé.

[*Translation*]

Mr. Matthew Dubé: Thank you, Mr. Chair.

I want to take this opportunity to say that, even if the level of student debt were to decrease, I don't think the government would have amended legislation to help debt-ridden students, but that's another story.

We're talking a lot about training, work terms and apprenticeships, all of which are key. But I'd like to pick up on my initial line of questioning around the long-term impact. Let's look at another quote from that same TD Economics study:

[*English*]

Unemployment immediately post-graduation erodes a graduate's skills and competitive edge.

[*Translation*]

Combine that with the resulting impact on their income levels and it's clear that, even if young people have the training, it's worthless without any real policies to help them find jobs.

Is that a legitimate concern, in your view? I'd like to hear everyone's thoughts on that.

• (1655)

Mr. Pedro Antunes: Actually, it's a waste. I recall driving in my car a few months ago and hearing that Ontario had a surplus of 40,000 teachers. How is that possible, when we know very clearly where the demographic demand for education lies? It's apparent from the figures. It's similar to the phenomenon of baby boomers leaving the workforce. With the echo boom generation, we had all these students graduating.

Again, I come back to planning and information, in other words, what we discussed regarding labour market information. Therein lies the key to preventing this kind of waste of education resources, for students and so forth.

[*English*]

Ms. Armine Yalnizyan: Thank you for your question, M. Dubé.

I think we have been talking a lot about, as I mentioned in my presentation, the supply side of it, even rectifying market failures in terms of information. Then we've been talking about what people can do to make themselves more employable. All of this is important.

The other side of it, however, is that we have slow growth in the market and it is a buyer's market. What that means for young people who are coming out with their degrees, whatever the subject, is that, if there's competition for that position and they are either unemployed in their field or underemployed, they are more prone to taking unpaid internships, if that gives them something that looks like it's a relevant skill there. Otherwise, they actually do languish, and that is the scarring effect. They'll take any job because they have debt.

Then people look at their resumé. Now there are some employers that will say, "Aren't you plucky, you took any job." Other employers will look at them and say, "Why didn't you get a job in the field that you were trained in? I'm not going to pick you. I'm going to pick the brand-new model that comes right behind you."

This is how we get lost generations where you get people who have been working, they're working but they're underemployed for three years, four years, five years. They're not doing what they were trained in. They're never going to get picked for what they were going to do. The employer is going to go for somebody who is less jaded and has brand new skills. This is a huge problem. That's the *gaspillage* that we have to worry about.

[*Translation*]

Mr. Matthew Dubé: Absolutely, it affects every community. These people will buy homes and start families. If entrepreneurs start businesses, they will need customers who can afford to buy their products.

Coming back to you, Professor Schirle, I believe you mentioned tax credits. We know that, when you get down to it, the web of measures is quite complex. I'm also the sports critic for the official opposition, and it's clear that tax credits for sports don't do much for many people. Do we have a similar problem on our hands as far as policies for young people go? There are all kinds of tax credits that look good on paper but do little in terms of really helping, because of all the options and complexity involved.

[*English*]

Dr. Tammy Schirle: I think that in many cases we can find hard goals. Rather than creating several programs to achieve that goal, we can have one program that is easy for everyone to understand.

In terms of wasted programs, I think the Canada learning bond is an excellent example to learn from. This is an RESP contribution made by the government to children in low-income families. Only 15% of children who are eligible are actually receiving that bond. It is costless; all the parents have to do is open an account, and they aren't getting it. That's a great example.

The various tax credits don't really change behaviour. I get a tax credit for my child's pass at the Y. It doesn't change anything; that has been shown in the data as well.

I think there is a huge case here for just simplifying the system so that everyone knows exactly what the goal is and how to get there.

Mr. Matthew Dubé: I'd like to hear maybe a one-word answer from folks. The sense I'm getting from this meeting today is that it's nice to have all of these policies, but there should be policies more focused specifically on youth. It seems that youth have to benefit from these larger programs.

In a yes or no answer, would that be an accurate assessment?

The Chair: There remains about five seconds.

I'm assuming everybody agrees.

A voice: Yes, or no.

Some hon. members: Oh, oh!

The Chair: Mr. Poschmann, did you say no?

Mr. Finn Poschmann: Yes, I did. You have to tune policy to the identity—the issue that you've identified. You have to be clear about the issue.

Mr. Matthew Dubé: Thanks.

The Chair: Thank you.

I'm going to take the next round.

I want to start with Startup Canada and I want to highlight that your first national meeting will be in Edmonton in September. I want to highlight this. It's a bit of a plug for the capital city of Alberta.

Mr. Murray Rankin: Is that back east somewhere?

• (1700)

The Chair: Can you tell me, do you work with Junior Achievement? Do you coordinate your efforts with that organization?

Ms. Victoria Lennox: Absolutely.

Mentors in our community are the mentors for Junior Achievement, so we engage the junior achievers in our community programs, and vice versa. They come into the accelerators and incubators, and then the accelerators and incubators and mentors go into the schools.

The Chair: Okay. I'm heartened to hear that, because it's an excellent organization, at least from what I've seen locally.

My second question is for Ms. Yalnizyan, with respect to your first recommendation, to make sure that companies seeking LMOs and foreign work exchange students post those opportunities on the national jobs board.

Companies have to do advertising already. Are you saying they should do this concurrently, or would this replace their advertising requirement?

Ms. Armine Yalnizyan: I guess you could determine that, but if young people don't know.... The national jobs board has the advantage of being available to any young person anywhere in the country. They can see where the job opportunities are.

The Chair: Okay. I appreciate that and I think it's a good recommendation.

A number of you have talked about the youth not being informed about what's available, not well informed about opportunities. You have said there's a bias against skilled trades. I think, Professor Schirle, you mentioned that the information campaigns should begin in junior high, something I agree with.

Professor, do you want to describe what you would provide to students in junior high to make them aware of what opportunities are available to them?

Dr. Tammy Schirle: I think the key piece of information is a set of wages by jobs, what type of investment goes into a given job in terms of time and cost, and then what they can expect in terms of a lifetime wage after coming out of that type of training. Unless you know people in those jobs, you aren't going to have that type of information.

This comes in with the life skills types of courses that they have in junior high. That would be a starting point for me.

The Chair: Then for senior high, did you say you would do much the same, or would you do a different type of program for that age group?

Dr. Tammy Schirle: I'd do much the same, but there we need to focus a bit more on getting students to fill out the applications, to apply for university and the trades while they're there, to give them assistance in doing it, and also to make sure they are aware of what types of policies there are to help them by way of subsidizing their education, so that they know the full cost.

The Chair: These would be the credits that are available to them that you mentioned in your presentation.

Dr. Tammy Schirle: Yes.

The Chair: In my time remaining, I will ask Mr. Poschmann a question.

You mentioned aboriginal youth. We have not yet really had an opportunity to talk at length in this committee session—I know you wanted to mention it, but your presentation unfortunately had to be cut short—about what the committee should be looking at by way of policies designed to engage them better.

Mr. Finn Poschmann: Thank you, Mr. Chairman, for the question and the opportunity.

It's pretty straightforward. It's very much the same menu we have prescribed for youth in any other jurisdiction, but the power to effect it, to achieve change, is slightly different.

The bottom line is that on reserve—and to some extent off but mostly on—we have very poor rates of public school graduation, even disastrous rates of high school completion, and low levels of literacy and numeracy. These absolutely doom you in the future workspace. It is a big problem for Canada as the population grows.

The Chair: I appreciate that.

Professor Schirle, have you done any research in that area? Do you want to comment on the issue?

Dr. Tammy Schirle: I haven't done a lot of specific work on it, so I have nothing to add.

The Chair: Okay.

Does anyone else want to add concerning engaging aboriginal youth?

Ms. Armine Yalnizyan: In our 2014 version of the alternative federal budget, a participatory budgeting process that the CCPA provides the secretariat, there is a chapter on aboriginal youth—I would really recommend it and I can certainly provide it to the clerk of the committee—dealing with things you can do to address this numeracy-literacy-educational completion issue, and also with how economic growth in the north can be brokered so that more of the benefits flow to first nation communities.

The Chair: One thing that certain industries and certain companies have done is mandate that a certain percentage of the work, in terms of actual job numbers and in terms of the contracts, must be done by aboriginal communities and by aboriginal companies and workers. I suspect that's part of the recommendation.

Ms. Armine Yalnizyan: I don't know the extent to which IBAs—they are benefit agreements that are negotiated with the first nation community in question and the company.... The bargaining power is often not native, if you will. So there's a lot of education to be done there too. We're dealing with Davids who are negotiating with Goliaths, in many cases.

There's plenty of experience to draw on, but I think the federal government would play a really strong role in offering a secretariat function to those communities, should they wish to draw on it .

• (1705)

The Chair: Thank you.

Mr. Finn Poschmann: May I come back in on this?

The Chair: You may, Mr. Poschmann, just briefly.

Mr. Finn Poschmann: Only so much of this is within federal control, and that's a big issue on reserve. It's the same with apprenticeships. There are differing apprenticeship rules across provinces, a situation that limits labour mobility among youth. It's not easy for the federal government to change, but certainly we have levers we can use on the provinces in the search for standardization.

It's going to be a big deal as well over time, as we try to build up the skill levels of youth.

The Chair: Okay.

Mr. Finn Poschmann: I point out that the apprenticeship rules of course are mostly set by the trades and the colleges of trades.

The Chair: Thank you. I appreciate that.

We are now going to go to Mr. Brison, please.

Hon. Scott Brison: Mr. Antunes, you've said that you are one of the 42% of Canadian families who have provided extended periods of free rent to their adult children. There is some evidence to suggest, judging by discussions I've had with some economists, including bank economists, that there has been a significant increase in the direct financial support of young adults by families.

Is this one of the driving factors of higher levels of family debt in Canada? Is this one of the factors that is driving record levels of personal debt?

Mr. Pedro Antunes: I don't think so. I think the indebtedness issue is clearly tied to a long period of very low financing rates and essentially to people taking on a lot of housing debt in purchasing homes.

The issue of the youth staying at home is directly in line with the fact that they are having trouble finding work. Essentially we have seen employment rates for the youth well below where they were in 2007-08, for example, before the recession.

If you are asking me whether I think the debt issue is a concern, our sense is that right now we are seeing very low debt-financing costs in historical terms. Debt financing as a share of disposable income is roughly 6% or 7%, and that's a fairly low level.

We are concerned about what rising rates, when they come, will mean for household spending and disposable income.

Hon. Scott Brison: Student debt hasn't increased significantly over the last while, yet there is more financial support. Isn't it intuitive that a significant part of family debt is attributed to the support being provided to young people?

Mr. Pedro Antunes: Yes, I'm not quite sure what's driving that particular component. I can only speculate that may be the case, that they're staying closer to home and able to not take on as much debt perhaps—

Hon. Scott Brison: No.

Mr. Pedro Antunes: —or they can't afford to take on an apartment.

Hon. Scott Brison: That's another issue. The price of housing has become very high in certain regions.

I have a question on unpaid internships. Is there a risk of deepening inequality of opportunity as those families who can afford for their young people to work in an unpaid environment, getting job skills but no pay, may end up having an advantage over other young people and families who simply cannot afford to subsidize young people who aren't working?

Ms. Armine Yalnizyan: You're looking at me. Are you asking me?

Mr. Scott Brison: Yes.

Ms. Armine Yalnizyan: Okay.

Yes, absolutely. That's been documented over and over again, and talked about. Again, we don't have official statistics as to who are unpaid interns, how frequently this occurs, in what industries it occurs, but we know it's happening and we know a lot of kids can't afford to do it.

• (1710)

Hon. Scott Brison: Given the rapidity of change in labour markets today, is there a need for us to reform our education and training and our student loan programs to reflect that change? For instance, if the skill requirements change throughout a person's career, shouldn't funding for student aid change or be available at various stages? Currently, there really hasn't been a significant change in the way we fund student aid. It's based on the old paradigm that you get educated once, and that's it for life. Should we be looking at an overhaul of how we do that, with the expectation that people have to change their skills?

The Chair: Give a brief response, please....

Ms. Armine Yalnizyan: What would be wrong with making it cheaper to get a post-secondary education, rather than having people pay more? You can talk about debt and borrowing money, but if the goal is a knowledge society, and you want kids to have the best education possible...? Education isn't the solution, but it's better than ignorance, so why not? Why not make it really cheap for people of any age to upgrade their skills?

The Chair: Okay, thank you.

Thank you, Mr. Brison.

We'll go to Mr. Saxton for the final round, please.

Mr. Andrew Saxton: Thank you, Chair.

Mr. Poschmann, in the past the C.D. Howe Institute has highlighted the need for looser restrictions or lower barriers for entering the skilled trades. Budget 2014 provided over \$100 million, as you know, for the new Canada apprentice loan, providing tens of thousands of apprentices with access to interest-free loans.

Will this investment in the skilled trades help address the skills mismatch and youth unemployment?

Mr. Finn Poschmann: Thank you for the question.

First, a general word of support for apprenticeship programs. They're terrific ways to enter the labour force and build lifetime income.

My broader concern would be around the terms of the programs, whether they are portable from jurisdiction to jurisdiction. In other words, is a requirement for crane operator A in Quebec transportable to Ontario in similar employment? Are the journeymen-to-apprenticeship ratios reasonable? Are the number of hours reasonable? Plenty of them have numbers around 2,000 to 3,000. Depending on what it is, that sounds just fine.

Armine mentioned 9,000 hours. I don't know which ones would have 9,000 hours, but I know they do exist; 9,000 hours would allow you to just about complete a residency in neurosurgery, so you have to wonder about that.

Mr. Andrew Saxton: Okay, thank you.

Armine, you brought up the issue of the cost of transporting oneself to these regions where jobs are available. You suggested a \$5,000 grant, I think it is, or gift to people who are willing to make that move. Keeping in mind that these young Canadians who are making this move are going to significant, highly paid jobs, why would we be giving them...? I agree with you that we need to facilitate their getting to the area where they can get the job, but it would make more sense, I would think, to give them a loan or an interest-free loan to get there, which they then pay back once they start earning these high incomes. Does that not make more sense than the government just handing them a cheque for \$5,000?

Ms. Armine Yalnizyan: I guess there would be a reason to say why would we give them money, but why doesn't it feel that way when you give money to businesses and subsidize them? Why do young people get no breaks?

Mr. Andrew Saxton: Hang on a second. How are we giving money to businesses?

Ms. Armine Yalnizyan: Wage subsidies, that's another thing that can be done, and tax breaks.

Mr. Andrew Saxton: But these are job creators, those businesses.

Ms. Armine Yalnizyan: Look, you know who creates jobs, Mr. Saxton? Consumers create jobs. Businesses can't create jobs unless somebody's buying what they are making. If you have too many people who are unemployed, nobody's buying enough stuff, so in fact it's the consumer who makes jobs.

Mr. Andrew Saxton: It's a happy union between the two I think.

Ms. Armine Yalnizyan: Fair enough, but if you can't get a job, you can't buy anything.

Mr. Andrew Saxton: Okay. Thank you.

My next question is for Tammy Schirle.

We're talking about baby boomers staying longer, working longer, living longer. What impacts will baby boomer retirement have on youth unemployment in the coming years?

Dr. Tammy Schirle: I think this comes back to what Finn was mentioning about the lump of labour fallacy. There's really absolutely no evidence that there's a connection between youth labour market outcomes and the size of the labour force that's taken up by older workers. There's not a direct connection between those two things.

So as they retire out, there isn't necessarily going to be a whole lot of new jobs for young people. In fact, they will reduce their consumption levels when they retire, meaning they are not buying as much stuff. That might actually reduce job opportunities for young people. These two things can play off each other so it's not obvious.

I will plug some research being done by my student, Sundip Dhanjal, who is trying to crunch the numbers to tease out if there is a relationship there. She is finding absolutely nothing significant between the two.

●(1715)

Mr. Andrew Saxton: Thank you very much.

That's fine, Chair.

The Chair: Thank you, Mr. Saxton.

On behalf of the entire committee I want to thank all of our witnesses for being with us here in Ottawa and by video conference. We appreciate your input into the committee. If you have anything further, please submit it to the clerk, and we will ensure all of the members of the committee get it.

Mr. Finn Poschmann: Thank you very much, Mr. Chair.

The Chair: Colleagues, there's a very brief motion you should have in front of you. The committee has agreed to hold an informal meeting with a delegation from Nigeria in April, and I need someone to move this motion for administrative purposes.

It is moved by Mr. Cullen that the committee hold an informal meeting with the Nigerian delegation in April.

(Motion agreed to)

The Chair: Thank you so much, colleagues. Thank you again to our witnesses.

The meeting is adjourned.

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