

# BACKGROUND: Youth and Work

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The 1996 federal Speech from the Throne identified youth as a major priority for the Government of Canada. Despite such government good will, however, Island and Canadian youth still struggle to satisfy the increasing demands of a shifting economy and a changing labour market. According to the *Report of the Advisory Committee on the Changing Workplace*, published by Human Resource Development Canada in June 1997, youth represent a relatively small but growing fraction of the workforce.

What hasn't changed is the fact that youth have always been one of the most vulnerable segments of the workforce. Young people are more likely to be unemployed and less likely to find full-time work. As a result, many youth opt to leave Prince Edward Island in search of work. Youth are often left to fill positions requiring little education or experience, and are usually paid lower wages than older workers. Furthermore, the younger an individual is, the less stimulating his or her work experience may be. In short, young people are often left to fill the ranks of the underemployed, filling positions for which they are overqualified.

## Youth and Work: Facts and Figures

Consider the following facts on youth and employment on Prince Edward Island and in Canada:

- ***The youth population on PEI has undergone a steady decline over the last 15 years.*** Between 1981 and 1996, the number of Islanders aged 15 to 24 fell from 23,460 in 1981 to 19,395 in 1996. The most dramatic decline was among the 15 to 19 age group.
- ***Many highly-educated youth leave the Island to find work.*** Between 1991 and 1996, 12% of degree-holders aged 20 to 24 and 11.8% of degree-holders aged 25 to 34 left Prince Edward Island to work and live elsewhere.
- ***Islanders work more.*** In 1997, PEI's labour force was 71,100 people out of a working age population of 107,300, giving the Island a labour force participation rate of 66.3%—above the Canadian average of 64.2%. This high participation rate is due to the abundance of seasonal work and corresponds to our high unemployment rates. (You can be "participating in the labour force" even when you are unemployed, if you have worked in the recent past or are looking for work).
- ***Many youth are "seasonal migrants."*** Prince Edward Island's highly seasonal economy results in youth leaving the province for winter employment opportunities in Western Canada.
- ***The size of the labour force aged 15 to 24 has dropped.*** In 1976, the youth labour force on PEI numbered 14,100. By 2000, the numbers had decreased to 13,700.

- **Youth aged 15 to 29 make up approximately 26% of the working age population (15 years and over) and 27% of the total labour force on PEI.**
- **The youth unemployment rate for youth aged 15 to 24 is higher than for "adults" aged 25 and over.** On PEI, the unemployment rate for youth aged 15 to 24 is consistently higher than that of adults aged 25 and over. In 2000, the youth unemployment rate was 14.6% while the adult rate was 12%.
- **Youth unemployment is highest among those aged 20 to 24.** In 2000, 27% of all active EI claimants were under 30 years of age. Of these youth EI claimants, 221 (6.4%) were 15 to 19 years old, 1,529 (44.5%) were 20 to 24 years old and 1,687 (49.1%) were 25 to 30 years of age.
- **Part-time employment is on the rise and full-time is in decline.** One of the most significant trends in youth employment is the increase in part-time employment. While part-time employment for youth increased by 30% from 1976 to 2000, full-time employment decreased by 26%.
- **Prince Edward Island student employment is the highest in Canada.** In July 2000, the national employment rate for youth who were students was 58.5%, and on PEI the rate was 73.5%.
- **Seasonal workers account for 83% of unemployed youth.** Eighty-three per cent of youth EI claimants are attached to occupational groups that have seasonal employment patterns. These are the sales and service occupations; construction occupations; occupations unique to fishing and farming; and processing, manufacturing and utilities occupations.
- **As education levels increase so does the potential for employment.** On PEI in the year 2000, the rate of unemployment among youth with high school graduation was 14.2%, while the unemployment rate among university graduates was 3.2%. Seventy-eight per cent of youth EI claimants are attached to occupations that do not require post-secondary education.
- **Average minimum wage in Canada hovers around \$5.90.** PEI's minimum was increased to 5.80 in October 2000. This rate will be increased to \$6.00 in January 2002.
- **There are more jobs.** During the past decade, PEI has experienced one of the highest rates of job growth in Canada, exceeded only by Alberta and British Columbia.
- **Self-employment is a viable option.** Young Islanders aged 15 to 24 are close to the national average of 7.3% in self-employment. However, the self-employed account for 18% of the overall Island workforce; youth are lagging behind. Youth self-employment levels in other Atlantic Provinces range from 9.4% in Newfoundland to 12.4% in Nova Scotia.

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## The Changing World of Work

Island and Canadian youth are struggling to meet the challenges of the New Economy. Young people can no longer expect to have a single career—one full-time job held over many years and leading to retirement and financial security in their old age. Young people now face an economy that requires numerous career changes and income from part-time and contract work. Self-employment is also increasingly common in the young workforce. These employment patterns, while taking advantage of young people's talents and ingenuity and providing unique and

challenging opportunities, offer little financial security or benefits such as health coverage or pensions.

For many, a part-time job or short-term contract is a desirable option as it provides flexibility and a certain degree of independence. However, these work arrangements often come with employer expectations more appropriate to full-time hours and long-term commitments, without the rewards of full-time pay and benefits. This is compounded by the fact that although work hours and wages have changed, the country's financial institutions continue to operate in the same way they did two decades ago. Government assistance programs as well as banks and other financial institutions offer programs, services, loans, and insurance policies that cater to those who have full-time, long-term employment.

The work of young people is too often undervalued. Everyone recognizes that youth have valuable skills and talents that can benefit the community. On Prince Edward Island, youth have no trouble finding work. But they are faced with the growing challenge of finding adequate wages. Work is always available in the volunteer sector, and in projects that are not yet self-sufficient, commercially viable, or able to raise enough funds to hire staff. Youth who are fortunate enough to work in the not-for-profit sector and be paid for their efforts are rewarded with short-term contracts and low wages.

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## **Education is Key**

The shift toward higher-knowledge and higher-wage jobs appears promising for the Island economy, but the success of this shift will only be achieved if Island youth gain the education and skills necessary to satisfy the changing job market. Despite the increasing participation of Island youth in post-secondary education, PEI remains one of the provinces with the lowest number of youth registered in post-secondary institutions. An increase in enrollment has been observed in recent years, but more youth must be encouraged to attend university or community college.

Statistics show significant differences between students and non-student youths with regard to employment opportunities and wages. Island youth are slightly less likely than average to pursue post-secondary education, but young Islanders who are students have levels of summer employment significantly higher than other Canadian youth.

Unfortunately, non-student youth in Prince Edward Island face less positive employment prospects. These combine very high work participation rates with the second-highest rate of youth unemployment in the country.

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## **Our Seasonal Economy**

Summer employment opportunities are vital to students attempting to pay for their higher education pursuits. On the other hand, it might be argued that PEI's thriving summer tourist industry owes much of its success to Island youth; a skilled and well-educated work force that will accept low-wage and low-skill jobs.

Prince Edward Island has the second-highest rate of youth unemployment in the country. This paradox reflects the seasonality of work patterns in PEI. A high proportion of Island youth participate in the work force, most often in seasonal jobs in the tourism or agriculture industries. In the "off-season" (a period representing eight out of twelve months of the year!) young seasonal workers not in school either apply for E.I. or migrate to Western Canada, only to return to the Island workforce in summer. These trends clearly indicate the need for the creation of meaningful year-round employment opportunities.

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### **Taking Action**

Young Islanders should help all sectors of Prince Edward Island—from government to the private sector to the nonprofit sector to society at large—strive for new employment initiatives in a diverse range of sectors. In doing so, PEI will create employment opportunities for youth with the diverse training, interests, and skills necessary to undertake meaningful work. In turn, youth in the workforce can make a significant contribution to the Island's economy.

During this 3rd Annual Island Youth Forum, participants and organizers should strive to empower youth and heighten awareness. Young people of Prince Edward Island have the power to influence policy by uniting and making their voices heard. In coming years, with the mass retirement of the baby-boom workforce, youth will be plunged into a pool of opportunity. Now is the time to shape the labour market to cater to young Islanders and to develop employment strategies which will benefit the workforce of tomorrow.

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