

POLICY PAPER

Student Employment

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EXECUTIVE SUMMARY

This policy paper addresses the experiences of Ontario university students who are either working in-study, working off-term, plan to work in the summer, and/or are in the process of seeking employment post-graduation. Student employment is an international concern, and provincially this is no different. The 2008 global economic recession marked a turning point for student employment that was reflected by a steady decline in successful employment attainment among post-secondary students in Ontario particularly during the summer months.¹

Students believe that there are personal and financial benefits to summer employment, that in-study employment should be driven by student interest and ambition, and that a university education should provide students with the skills that will benefit them in the labour market. Although some people believe that university institutions are not meant to be gateways to gainful employment, there is little doubt in the minds of many Ontario students that universities play a critical and central role in influencing the outcomes of student employment.

The Student Employment Policy Paper has been divided into four topic areas, which include: Summer employment, in-study employment, post-graduate employment outcomes, and work-integrated learning. To guarantee that there are enough student employment opportunities to fulfill the employment needs of Ontario university students, immediate government action is needed. Furthermore, OUSA has put forth the following recommendations:

Summer Employment

- As part of its strategy to address youth unemployment, Ontario should set a target to seek to mitigate the impact of the 2008 recession on student summer employment through a combination of wage subsidies and improved financial assistance.
- The Provincial Government Increase the wage subsidy provided by Ontario Summer Jobs Strategy to help boost student employment rates.
- The provincial government must allow students who are unable to find a summer job to easily waive the pre-study income requirement.
- Introduce an element of income-based need testing into summer employment programs, particularly those offered by the government.

In-study Employment

- The provincial government must lower the costs of education and provide adequate financial aid, reducing the need for students to work in-study to cover rising costs.
- Re-invest in an enhanced work-study program that would reflect need-based access to employment opportunities.
- Encourage the creation of paid undergraduate research opportunities.

Post-graduate Employment Outcomes

- Universities should promote interdisciplinary pathways in degree programs in order to create graduates with more diverse skillsets.
- Institutions should mandate better skill articulation, through degree learning outcomes, that relate to labour market-ready skills.
- The provincial government should promote skills development by providing subsidies to private sector employers who hire and provide on-the-job training to recent graduates of university.

¹ Statistics Canada. (n.d.). *Table 282-0006: Labour force survey estimates (LFS), by students during summer months, sex and age group, unadjusted for seasonality*.

- The provincial government should work to smooth pathways from university to college programs that allow for skills training.

Work-integrated Learning

- The government should continue to incentivize work placement growth through the expansion of tax credits for employers.
- The provincial government should expand and provide targeted funding for experiential learning initiatives.

INTRODUCTION

Employment is a concern that weaves itself throughout the continuum of a student's experience with higher education. It serves as both a motivator and hindrance to academic success; it can teach valuable lessons and prevent others from being taught in the first place; it is one of the most important outcomes higher education, but can sometimes overshadow some of its most important, less tangible benefits. More recently, work has been integrated into the classroom experience in an unprecedented way. As the work-integrated learning movement gains steam, the relationship between the workplace and the classroom will only become more nuanced. As a result, employment cannot simply be examined from the perspective of it being positive or negative for students. Educators, students, employers and policymakers will need to form closer bonds and collaborate in new and innovative ways.

As a result OUSA's student employment paper is multi-tiered analysis of all the different ways students interact with the labour market. As recent findings from OUSA focus groups have found, an increased probability of success in the labour market is a major reason that students choose to attend university.² Further, employment is a major source of student resources used to pay for post-secondary education itself. Students work before, throughout and after their studies in order to cover the substantially rising cost of post-secondary education. Furthermore, a growing number of university programs are integrating the labour market into course curriculum. The value and effect of this trend on students must be examined as well. Finally, it must be acknowledged that employment can create barriers to student success. Too much emphasis on work can lead students to focus more on their current jobs than the future ones that success in the classroom will enable.

The overarching goal of this paper is to suggest tools to government and university policymakers that will achieve an overall balance to student employment; the labour market should be strong enough to support student demand to work, while restrictions should be placed on student costs in order to ensure that student demand to work is not inflated by high costs.

The result of this balance will be the third and final point of discussion on the topic of student employment: strong post-graduate employment outcomes. Gaining sustainable long-term employment is the primary reason most students attend higher education in the first place. In addition to students themselves, the government makes a substantial annual investment in higher education, partly in the hopes that the long-term prosperity of graduates will benefit the broader economy. Since the financial crisis of 2008, labour markets across the globe have been in protracted state of recovery. However, youth unemployment is typically much higher than the general rate. In Canada, our youth unemployment rate sits at approximately 14 percent, nearly double the general rate of unemployment.³ This is expected to cost the Canadian economy \$23 billion over the next 18 years. For this reason, ensuring that the labour market is strong for students and youth is a matter of concern for all levels and components of government.

OUSA's plan to address student employment is an all-hands-on-deck approach that includes discussion of hiring incentives for employers, tools for institutions to ensure graduates have the skills our labour market demands and resources for students to ensure that employment is not a shackle to academic success in-study. Furthermore, students may often choose self-employment as a means to gain meaningful experience as well as a financial resource for education. Although this may not be the focus of this paper, OUSA goes further into student entrepreneurship in the paper entitled "Students, Universities, and the Private Sector". It should also be noted that this paper specifically addresses student paid employment; OUSA's stances on student experience outside of paid employment can be found in the Student Success in the Broader Learning Environment section in the Student Success policy paper. The Student Employment paper will divide itself into four separate sections, relating to the continuum of employment students face.

- Summer Employment
- In-Study Employment
- Post-Graduate Employment Outcomes
- Work-Integrated Learning

² Results taken from OUSA's Hire Education Focus Group.

³ Schwerdtfeger. (2013). *Assessing the Long Term Cost of Youth Unemployment*. Toronto: TD Economics. Accessed: http://www.td.com/document/PDF/economics/special/ms0113_YouthUnemp.pdf

CURRENT STUDENT EMPLOYMENT INITIATIVES

Creating incentives to facilitate employment is a perennial responsibility of government. Ontario has a few measures in place to facilitate student employment, which are important to consider when drafting new recommendations.

MTCU's Summer Employment Strategy:

In 2009, the government launched a program through Employment Ontario which subsidized employers \$2-per-hour if they hired a student aged 15-24 years. This program remains in place to this day, helping over 100,000 students find summer jobs in 2012.

Ministry of Economic Development and Innovation's Summer Company Program

Students aged 15-29 can apply for a grant of \$3,000 from the government to start and run an independent business during the summer months. Students receive training on how to run a business and mentoring throughout the summer.

Ministry of Natural Resources' Aboriginal Youth Work Exchange Program

The ministry of Natural Resources offers a number of summer placement opportunities for youth 15-24 who self-identify as aboriginal in forestry and natural resource development.

MTCU Ontario Work Study Program (Now Cancelled)

Until 2012, institutions were received funding from the Government of Ontario to fund in-study employment opportunities for post-secondary students, up to \$1,000 per position. Each school implemented the programs slightly differently, with some offering it only to OSAP eligible students and some offering it to everyone. Funding was discontinued in early 2012, being re-focused on the 30% Off Ontario Tuition Grant.

The federal government also runs several programs supporting student summer employment.

Canada Summer Jobs Program

A federal program that works in much the same way that MTCU's summer employment strategy does. Non-profits are eligible to receive 100 per cent of minimum wages reimbursed, as well as mandatory employment costs. Public sector organizations and small-businesses are eligible to receive 50 per cent of wages covered. Students can be between 15 and 30, and must be registered as a full-time student in the years directly preceding and succeeding the summer.

Canada Career Focus Program

Helps post-secondary graduates gain advanced employability skills and facilitates labour market transitions. The program provides funding for employers to create what the program calls "career-related work experiences", up to \$15,000 per year, per graduate. These are normally full-time positions, where the employer specifies to the government skills the employee will gain, proposes how they will meet these through work and mentoring/coaching experiences.

Where OUSA has been supportive of government investment in summer employment opportunities, the government's current fiscal situation has placed pressure on the continuation of these programs. Most recently, the Ontario government cut the work-study subsidy, which has caused institutions to make plans to compensate.

SUMMER EMPLOYMENT

Summer employment has not only become a vital source of income for students, it has also grown to take a greater role in the development of students in their undergraduate years. With the rising costs of education, students are faced with the responsibility of shouldering these costs through employment. However, in the context of the 2008 recession and the overcrowded employment market in Ontario, summer employment can be less relied on than it has been in the past as a “student resource” to help pay for post-secondary education.

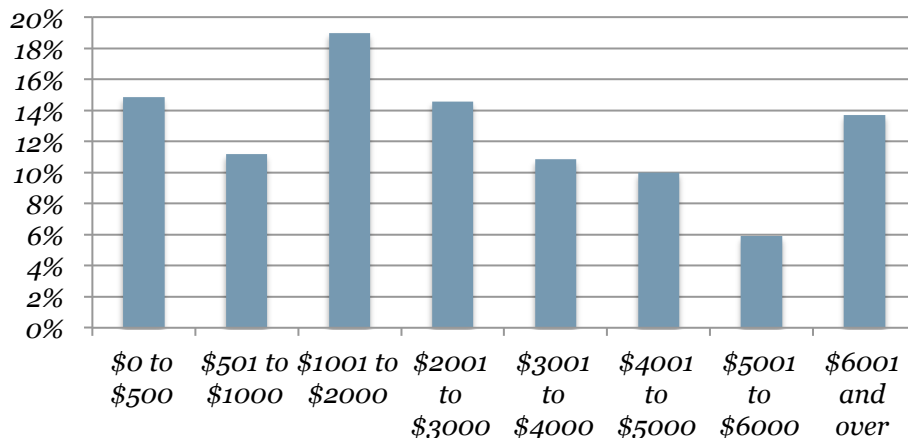
Summer employment has also become more than just an income source for students. Many employers and post-graduate programs are now looking to summer experience as an extension of a student’s degree. In addition to adequate financial support, students are looking to gain meaningful employment to become competitive in their future careers. OUSA believes the provincial government needs to have a greater role investing in summer wages subsidies and removing unnecessary constraints in the financial aid system in order to foster a healthy environment for students to cover costs of education and gain meaningful experiences.

Principle One: There are both personal development and financial benefits to having students work during the summer months.

Summer employment remains an important component of student summer income. In OUSA’s 2011 student survey, 72 percent of respondents did look for summer employment.⁴ This shows the majority of students value the need for a summer job, whether the reason is to cover their costs of education or to gain meaningful experience. The obvious reality of this is that vast majority of students want to work, for both the financial and the personal benefits.

For instance, Ontario students who were able to earn an average of approximately \$3,500 in summer wages, well above what Canadian financial assistance programs set as their expected pre-study income contribution. While \$3,500 is not an overwhelming figure, and while this does not necessarily mean that students were able to save that much for the upcoming year, it does represent an important income to the 76% of students what were able to find employment during the summer months.

FIGURE 1: AVERAGE UNDERGRADUATE STUDENT SUMMER EARNINGS, 2011



Furthermore, students who work during the summer months often do so to gain valuable job skills that will benefit later in life. Students gain experience networking, putting together resumes and cover letters, and

⁴ Ontario Undergraduate Student Alliance. (2012). *The 2012 student survey report on student satisfaction and usage of campus services and infrastructure* Toronto, Ontario: Ontario Undergraduate Student Alliance

most importantly gain a sense of what they like or dislike about employment in general. These sorts of early career experiences are fundamental in success later in a student's career.

Principle Two: Summer employment opportunities should be gainful experiences that prepare students for further learning and their future careers.

Students who are gainfully employed have the added benefit of enriching their academic experience through a broadened perspective while building the foundation of a future career.⁵ The idea of a summer job is beyond simply financing the next year of tuition fees. Summer employment has become an avenue for students to enrich their learning by applying their knowledge acquired inside the classroom to a real world situation. It is also used as a pathway to gain meaningful experiences for students to become competitive in their future careers, whether that is in the labour market or in post-graduate programs. Having these experiences is now a prerequisite to a successful career and it is the responsibility of the provincial government to incentivize more opportunities for students to grow.

Principle Three: The summer labour market should provide students with enough income to substantially offset a portion of their educational costs.

Student employment has been a long-standing component of the web of resources students use to piece together the money required to attend post-secondary education. However, when students can't find a job, this asset quickly turns into a liability. Although students may at times seek both unpaid and paid employment to gain experience, many students are still seeking for an income source over the summer. Previous research has found that following declines in student employment, the usage rates of Canada student loans increased.⁶ OUSA's own survey asked students if they would have worked more in the summer if given the opportunity, which could indicate ability to pay for school. 49 per cent said they would have worked more, 43 per cent said they weren't interested in working more, the rest weren't sure. This is a small indication that a large number may not feel like they were making enough money, and would like to be making more.

When these same students were asked, "If you had enough money to pay for your tuition and living costs, would you still work while in school?" the majority of respondents indicated that they would not have chosen to work in the summer (57%) while only 31 percent of students surveyed indicated that they would have still worked even if there wasn't a financial need.⁷ This indicates that insufficient summer labour participation could be forcing more students to work in-study. This would seem to indicate a need for

However, for low-income students, summer employment earnings that aren't substantial enough to meet their post-secondary costs also resulted in a reduction in their financial aid eligibility.⁸

Concern One: Ontario's summer student labour market is underperforming, both in comparison to the rest of the country and trends for non-students.

So long as governments expect students to generate income during the summer, the government must take steps to ensure that the summer labour market can fully absorb the number of students seeking employment. Following trends in the broader labour market, student summer jobs took a serious hit following the financial crisis in 2008. Ontario, in particular, experienced the biggest hit in employment losses. This is due to the disproportionate number of jobs lost in Ontario's manufacturing and other goods-producing industries.⁹ However, unlike the rest of the labour market, student summer employment has yet to make a real recovery.

⁵ The Forum for Youth Investment. (2011, November). *Ready by 21, credentialed by 26 series, #4: When working works: Employment and postsecondary success*. Washington, District of Columbia: The Forum for Youth Investment.

⁶ Usher, A. and Dunn, R.. (2009). *On the Brink: How the Recession of 2009 Will Affect Post-secondary Education*. Toronto, Ontario: Educational Policy Institute. Retrieved from, http://www.emuni.si/Files/knjiznica/91_RecessionAffect1.pdf

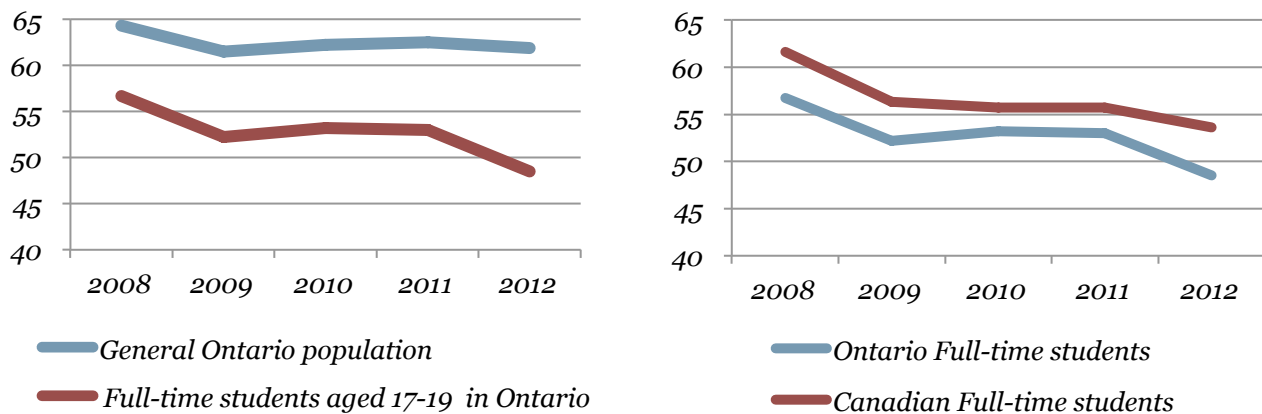
⁷ Ontario Undergraduate Student Alliance. (2012). *The 2012 student survey report on student satisfaction and usage of campus services and infrastructure* Toronto, Ontario: OUSA

⁸ The Forum for Youth Investment. (2011, November). *Ready by 21, credentialed by 26 series, #4: When working works: Employment and postsecondary success*. Washington, District of Columbia: The Forum for Youth Investment.

⁹ Canadian Chamber of Commerce – Report on Labour Market importance of PSE P. 3

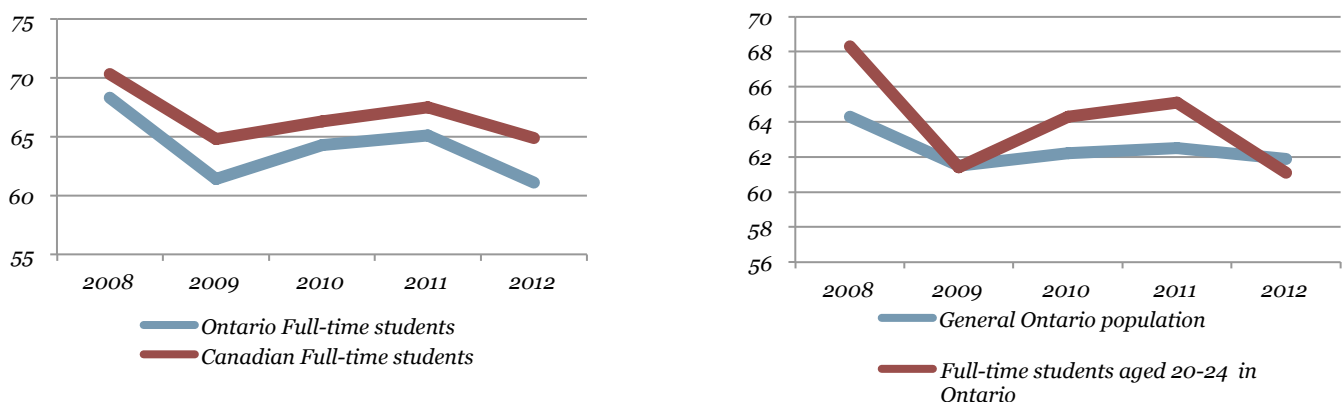
The average summer employment rate for post-secondary students aged 17-19 has dropped 8 per cent from 2008 to the most recent numbers in 2012; while the province of Ontario experienced a slightly greater decrease than the national average (a drop of 8.2 per cent) (Refer to Figure 1). The general population experienced a small decrease by comparison between these same time periods (2.4 per cent from 2008 to 2012; Figure 2).

FIGURE 2: AVERAGE SUMMER EMPLOYMENT RATES FOR POST-SECONDARY STUDENTS AGED 17-19 FROM 2008-2012¹⁰



The average summer employment rate for post-secondary students aged 20-24 saw a 5.4 percent decrease from national recession numbers in 2008 to current numbers in 2012; while the province of Ontario experienced a greater decrease (7.2 percent) in the employment rate for this demographic of students when compared to both the national average and the general provincial population (Refer to Figure 3 and 4).

FIGURE 2: AVERAGE SUMMER EMPLOYMENT RATES FOR POST-SECONDARY STUDENTS AGED 20-24 FROM 2008-2012¹¹



¹⁰ *The *employment rate* (formerly the employment-population ratio) is the number of persons employed expressed as a percentage of the population 15 years of age and over. The employment rate for a particular group (age, sex and marital status) is the number employed in that group expressed as a percentage of the population for that group. Estimates are percentages, rounded to the nearest tenth.

** Since a majority of students are not attending school in the summer, supplementary questions are asked from May to August to monitor their labour market situation, or in other words their rate of employment during the summer months.

***Data provided by Statistics Canada¹⁰

¹¹ Data provided by Statistics Canada

What can be taken from an examination of employment rates is that for both age groups sampled by the labour force survey, employment rates for students are below the general population in the province. Further, they are lower than the national average. However, it is impossible to know how much of this is reflective of the strength of the labour market without also examining the unemployment rate. A low employment rate could simply be reflective a higher proportion of students opting to study in the summer months, travel abroad or volunteer.

The average summer unemployment rate for post-secondary students aged 17-19 increased by 5.9 percent from national recession numbers in 2008 to current numbers in 2012; while the province of Ontario experienced a similar increase to the national average (5.9%). The general population, however, experienced an increase of 1.5 percent from 2008 to 2012. Meanwhile, the average summer unemployment rate for post-secondary students aged 20-24 increased nationally (1.5%) and provincially (3.3%) post the 2008 recession, which was not much different than the general provincial population (1.5%; refer to Figure 7 and 8).

FIGURE 3: AVERAGE SUMMER UNEMPLOYMENT RATES FOR POST-SECONDARY STUDENTS AGED 17-19 FROM 2008-2012¹²

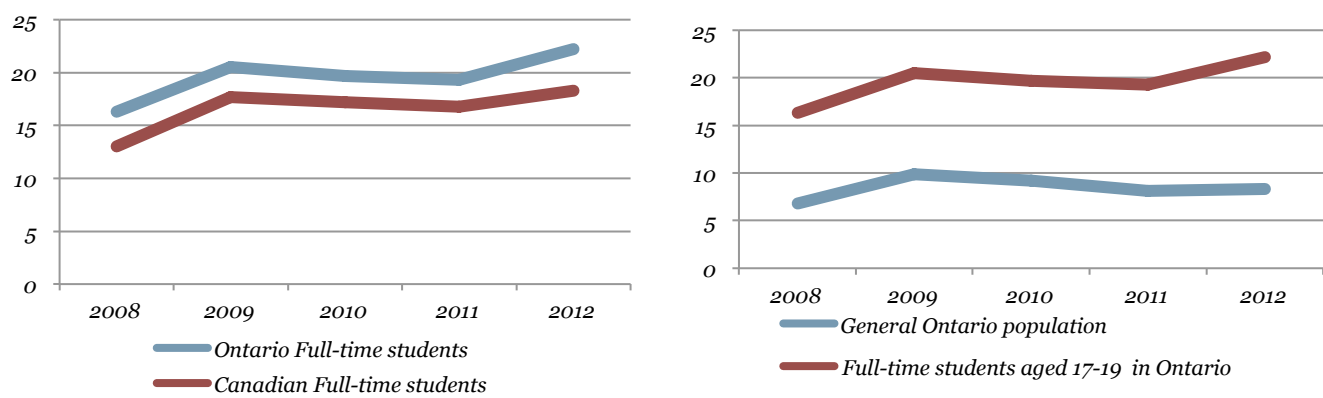
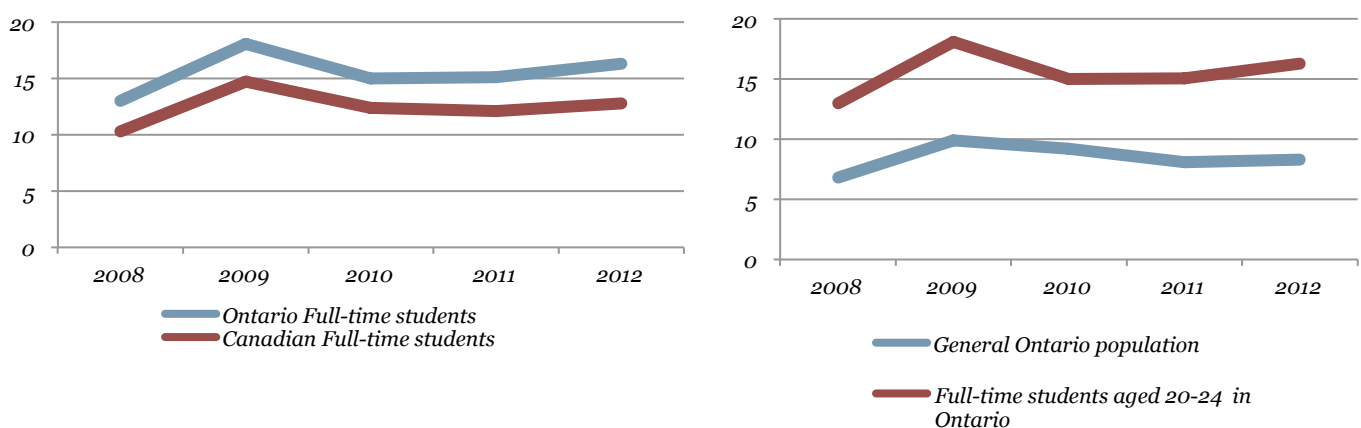


FIGURE 4: AVERAGE SUMMER UNEMPLOYMENT RATES FOR POST-SECONDARY STUDENTS AGED 20-24 FROM 2008-2012



Whereas employment rates measure only the proportion of the population that is employed at a given point, unemployment measurements are restricted to those students who were seeking to participate in the labour force. This means that students who made a choice alternative to summer employment (studies, travel, etc.)

¹² * The *unemployment rate* is the number of unemployed persons expressed as a percentage of the labour force. The unemployment rate for a particular group (age, sex and marital status) is the number unemployed in that group expressed as a percentage of the labour force for that group. Estimates are percentages, rounded to the nearest tenth.

** Since a majority of students are not attending school in the summer, supplementary questions are asked from May to August to monitor their labour market situation, or in other words their rate of employment during the summer months.

*** Statistics Canada. (n.d.). Table 282-0006: Labour force survey estimates (LFS), by students during summer months, sex and age group, unadjusted for seasonality, monthly (persons unless otherwise noted), CANSIM (database).

would not be counted in this measurement. Based on analysis of the last four years, it can be seen that the student unemployment rate for Ontario full-time students is not only higher than the Canadian average, but also that it is well above the general population.

Concern Two: A significant proportion of students are unable to devote substantial savings to their studies.

The pressure to accumulate summer earnings to help pay for post-secondary education is a substantial. Financial assistance programs in Canada expect students to make a minimum contribution of summer earnings, at the same time as they impose maximums to student loan amounts. Students oftentimes have to pay living costs associated with rent, food and transportation in the summer months as well, which eat away at the total value summer earnings.

Students unable to find employment during the summer months are obviously able to devote no savings to their employment. As found in the OUSA student survey, almost a quarter of all students who sought summer employment in the year prior to our survey were not successful in securing it (24%).¹³ This is a concerning measure, as the aforementioned expectations still apply to them.

For those students who were able to secure summer employment that year, 53 percent worked 36 hours or more on a weekly basis and 69 percent earned between \$10.25 and \$14.99, which amounted to an average total earnings over the summer of nearly \$3,500.¹⁴ Evidence from previous surveys, however, has shown that students often save approximately \$1,500 of this amount.¹⁵ Conversely, 39 per cent of students worked less than 35 hours per week, indicating that there are still a large number of students who are not working full-time during the summer. When added to the evidence above that there are a large number of students (53 per cent) who would have worked more during the summer, the nearly 40 per cent of students who worked less than full time becomes more meaningful, and concerning.

Students who cannot find work during the summer are forced to find other methods to finance their education, which could include utilizing family resources, taking out private loans and a variety of other methods.

Concern Three: Students who do not work during the summer are still expected to contribute financial resources as part of OSAP's need assessment.

The pre-study period income contributions, as calculated by OSAP, covers a 4-16 week period between the months of May and August and are based on a rate and allowance set by Statistics Canada for the province of Ontario whereby the Ontario hourly minimum wage is multiplied by average weekly hours worked minus the product of the Tax and Standard weekly living allowance and the number of weeks in the pre-study period.¹⁶

For students living at home for a 16-week pre-study period, a minimum contribution of \$2,825 (or half of this for an 8 week pre-study period for a total of \$1,413) is required.¹⁷ A smaller pre-study contribution is expected of students who live away from a parent, a family member, a spouse who is a student, or a legal guardian for the purpose of summer employment (or otherwise), the total amount being a minimum of \$429 for a 16-week pre-study period and \$215 for an 8-week period.¹⁸ This minimum contribution is further reduced by 50 percent when a married couple is composed of two individuals who are students.¹⁹ For

¹³ Ontario Undergraduate Student Alliance. (2012). *The 2012 student survey report on student satisfaction and usage of campus services and infrastructure* Toronto, Ontario: OUSA

¹⁴ *Ibid.*

¹⁵ Ontario Undergraduate Student Alliance. (2010). *Unreleased survey data. Please contact OUSA at info@ousa.ca for data.*

¹⁶ Ministry of Training, Colleges and Universities. (2012). *2012-2013 Eligibility, assessment and review manual: Part I: Eligibility and assessment*. Ontario, Canada: Student Financial Assistance Branch; Ministry of Training, Colleges and Universities. (2012). *2012-2013 Eligibility, assessment and review manual: Part II: Reviews and requests for consideration*. Ontario, Canada: Student Financial Assistance Branch.

¹⁷ *Ibid.*

¹⁸ *Ibid.*

¹⁹ *Ibid.*

students with a dependent or sole support parents, no minimum income requirement is expected, instead the pre-study family contribution is calculated using actual income.²⁰

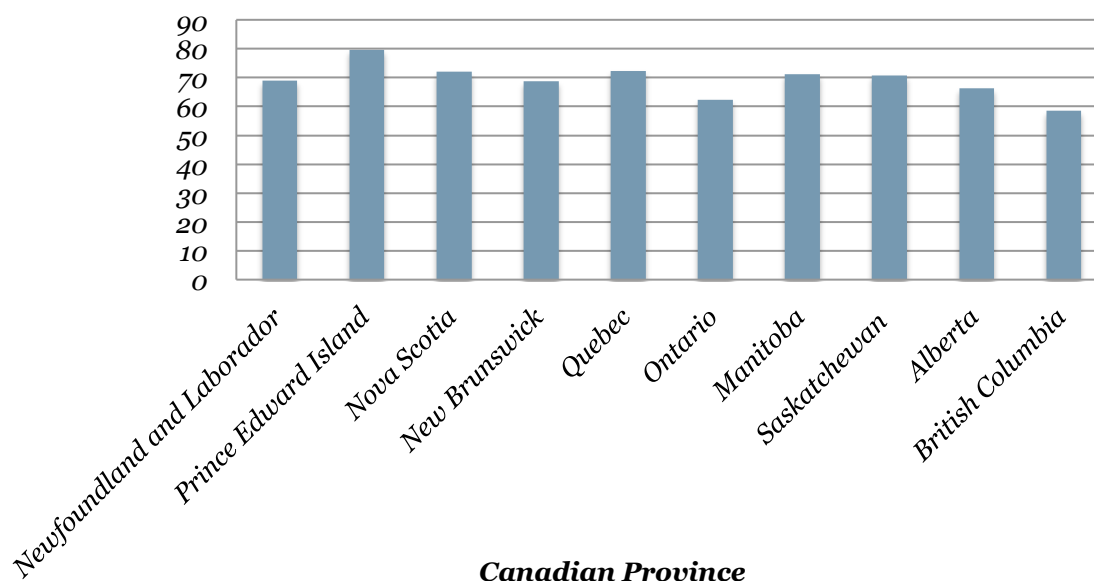
Pre-study income contribution is subject to review in cases where a student's personal income or that of a member of their family undergoes a degree of financial strain (i.e., an untimely funeral expenses, a spouse not legally entitled to work, in care of dependent relatives, etc.) that makes the minimum pre-study contribution insurmountable to achieve.²¹ Nowhere is review possible simply due to a lack of employment.

In addition, in addressing students who choose to start their own entrepreneurship ventures, seed money to fund the start-up should not be count towards income calculations, which would reduce OSAP eligibility.

Concern Four: Ontario's student summer labour force participation rates trail the rest of the country.

Ontario currently boasts the highest level of post-secondary participation in the country, but one of the lowest rates of labour force participation. Out of all Canadian provinces, Ontario experienced the second lowest labour force participation rates for post-secondary students aged 17-19 this past summer (62.4%) coming second only to British Columbia (58.5%; Refer to Figure 5).

FIGURE 5: 2012 SUMMER LABOUR FORCE PARTICIPATION RATES FOR POST-SECONDARY STUDENTS AGED 17-19²²



For students aged 20-24, Ontario was the had the third lowest rate of labour force participation (72.7%), trailing British Columbia (68.4%), and Newfoundland and Labrador (66.8%; Refer to Figure 5). Labour force participation rates include both those who are employed and those who are unemployed, but looking for work. As such, it is an accurate representation of the portion of a population that seeks employment. It is

²⁰ *Ibid.*

²¹ *Ibid.*

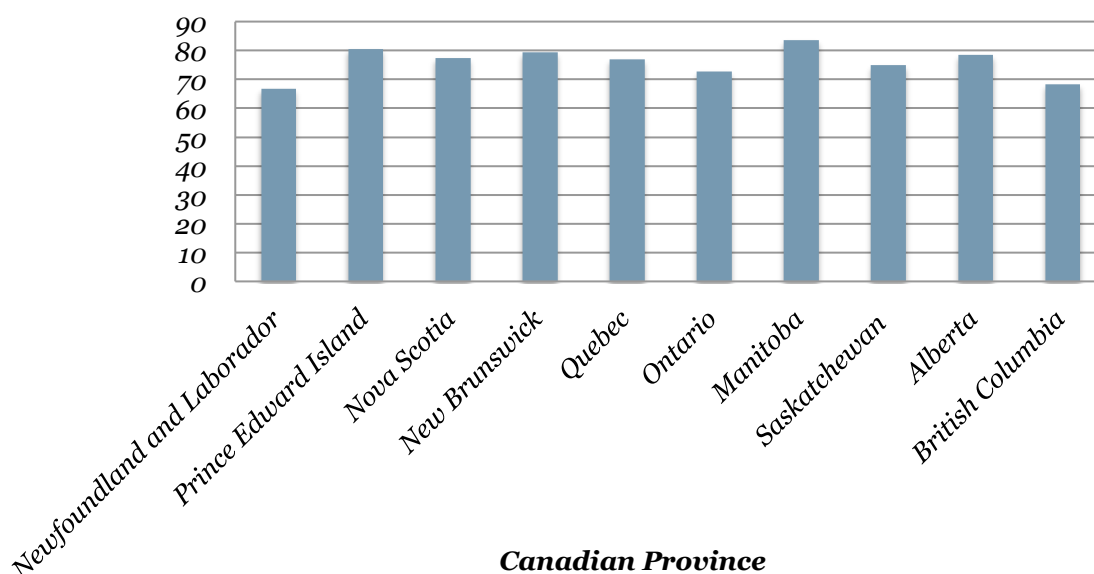
²² * The participation rate is the number of labour force participants expressed as a percentage of the population 15 years of age and over. The participation rate for a particular group (age, sex, marital status) is the number of labour force participants in that group expressed as a percentage of the population for that group. Estimates are percentages, rounded to the nearest tenth.

** Since a majority of students are not attending school in the summer, supplementary questions are asked from May to August to monitor their labour market situation, or in other words their rate of employment during the summer months.

***Data provided by Statistics Canada²²

troubling that Ontario students are less likely to seek employment than those in other jurisdictions, particularly given that the financial to work has only grown in recent years.

FIGURE 6: 2012 SUMMER LABOUR FORCE PARTICIPATION RATES FOR POST-SECONDARY STUDENTS AGED 20-24²³



Concern Five: Summer jobs are often not related to a student's field of study, providing limited growth opportunities.

Researchers have found that students with summer jobs that relate directly to their existing field of study have a greater chance of securing employment after completing a bachelor's degree. This is due to the opportunities afforded them for a more contextualized learning experience as a result of these summer positions.²⁴

However, less than half of all respondents (29%) to our most recent survey who managed to secure summer employment the year prior were able to secure summer employment in their field of study.²⁵ Although students may gain valuable experiences from a variety of job opportunities, not gaining one that pertains to their field of study is concerning as student talent in the province is not utilized in the best way possible. For many students, summer employment is a way to build up their experiences for work after graduation. Having the opportunity to gain meaningful experience is crucial to the development of students and to the exposure to an untapped talent pool.

²³ * The participation rate is the number of labour force participants expressed as a percentage of the population 15 years of age and over. The participation rate for a particular group (age, sex, marital status) is the number of labour force participants in that group expressed as a percentage of the population for that group. Estimates are percentages, rounded to the nearest tenth.

^{**} Since a majority of students are not attending school in the summer, supplementary questions are asked from May to August to monitor their labour market situation, or in other words their rate of employment during the summer months.

^{***} Data provided by Statistics Canada

²⁴ The Forum for Youth Investment. (2011, November). *Ready by 21, credentialed by 26 series, #4: When working works: Employment and postsecondary success*. Washington, District of Columbia: The Forum for Youth Investment.

²⁵ Ontario Undergraduate Student Alliance. (2012). *The 2012 student survey report on student satisfaction and usage of campus services and infrastructure* (Toronto, Ontario: OUSA).

Recommendation One: As part of its strategy to address youth unemployment, Ontario should set a target on student summer employment through a combination of wage subsidies and improved financial assistance.

As part of Premier Wynne's first Throne Speech in 2013, the government made a commitment "*To address the serious issue of youth unemployment, your government will join forces with high school educators, colleges, universities, training partners and employers to establish opportunities for young people to enhance their skills; find placements, internships and co-op programs; and gain valuable, real world experience.*"²⁶

Students wholeheartedly endorse this direction, believing that it applies to all levels of youth employment, including summer employment. The government's speech directly indicates partnership with employers and institutions. Student summer employment rates have dropped 3.7% since the great recession of 2008 and many signs point to a slow recovery. Progressive government action is required alleviate impact of the lost jobs to students.

Wage subsidies will help boost employment rates, while financial assistance reform will help meet costs for students who are unable to find work. Wage subsidies will help boost overall employment, but the costs required to launch a subsidy that would increase employment to pre-recession levels would be prohibitive for reasons discussed below. Even in a healthy student summer labour market, some will be unable to find work, meaning that a comprehensive summer jobs strategy must include student employment.

Recommendation Two: The provincial government increase the wage subsidy provided by Ontario Summer Jobs Strategy to help boost student employment rates.

For many organizations, employing a student for only the summer may seem like a costly investment and a risky decision. The human and financial resources required to find and train a new employee are often a deterrent for many employers to hire a student who would only work for four months. It is crucial that the government communicate to employers the importance of investing and developing the young talent pool in the province.

If employers are incentivized to hire more students during the summer, the economic benefits would also be substantial. By exposing students to more opportunities in the summer, there may be a direct effect in allowing more placements in the student's related field of study. It would also develop graduates who are more competitive in the work force in their future careers. Ultimately, Ontario would be able to improve labour force participation rates for post secondary students.

Ontario's student summer jobs program provides an important up-front subsidy to employers who invest in hiring students. In 2012, the subsidy represented \$2.00 per hour for up to 40 hours per week in a 16-month summer period.²⁷ It supported over 100,000 individual job placements, and represents an important tool in Ontario's strategy to tackle our struggling student summer labour market. The program currently valued at over \$100

OUSA's recommendation is to increase investment in current and possible future summer jobs programs, providing more placement opportunities for more students and increases in student wages to meet student financial needs. Much of the available economic literature on targeted wage subsidies shows that they have a positive, yet slightly marginal impact on overall employment rates, depending on the size of the subsidy. One of the Summer Job Strategy's chief benefits is that it is a up-front employee-side wage subsidy, which studies have shown to be generally more effective at spurring employment increases than employer-side subsidies

²⁶ Office of the Premier of Ontario. (2013). *The Way Forward: Speech from the Throne*. Toronto: Queen's Printer for Ontario. Accessed: <http://www.premier.gov.on.ca/news/thronespeech.php?Lang=EN>

²⁷ Ministry of Training, Colleges and Universities. (2012). *Student Summer Jobs Service: Service Provider Guidelines*. Toronto: Queen's Printer for Ontario. Accessed: http://www.tcu.gov.on.ca/eng/eopg/publications/2012-2013_sjs_sp_guidelines.pdf

(like tax-credits).²⁸ As such, enhancing investment in the summer jobs strategy is OUSA's top-tier suggestion for improving summer employment rates.

Without proper economic data from Ontario, as well as knowing the demand elasticity of Ontario's labour market, it is impossible to precisely say what sort of investment would be required to raise Ontario's student summer employment to pre-recession levels. However, the scale of impact caused by different wage subsidies can be instructive. Literature on wage subsidies from the United States estimates that, for minimum wage workers, a 10 per cent wage subsidy will produce a 0.8 per cent boost in employment. One American program that subsidized 100 per cent wages of youth from a certain population found a 10 per cent positive impact on summer employment rates, and a 20 per cent impact on school-year employment. This suggests that the impact of wage subsidies scales slightly with increased value.

At \$2.00 per hour, the student summer job market currently subsidizes nearly 10 per cent of Ontario's minimum wage, which is coincidentally what most students are paid during the summer.²⁹ Based on available literature, increasing Ontario's current wage subsidy regime from this would produce a substantive economic benefit the more the subsidy was increased. A modest raise in the wage subsidy to 20 or 30 per cent of minimum wage would likely produce an increase in employment that would help close the gap.

One added benefit of increasing the wage subsidy of the student summer jobs program is that, by design, it requires that participants attend school the following year, creating a more educated workforce. This, rather than direct wage subsidization, is a far more effective tool to securing long-term economic growth.

Recommendation Three: The provincial government must allow students who are unable to find a summer job or pursue an unpaid internship to easily waive the pre-study income requirement.

The current calculations of pre-study income contribution do not necessarily match the employment realities many students are now facing. Although a large number of students are actively searching for employment, many do not for personal or health related reasons. Further, many students are simply not successful in their search.

The minimum pre-study income contribution requirement is currently not subject to review due to a student's lack of employment. Students should have the option of an easy appeal process to OSAP if that is the case. Currently, close to a quarter of students are unemployed, but looking for work.³⁰ It is not known how many of these students are financial aid recipients, but an easy appeal mechanism and increased assistance allotments for students who are unable to meet up-front costs due to lack of employment should help ensure that our financial assistance system remains open and accessible to all willing and qualified students. Students unable to find work after demonstrating effort in doing so, those who volunteer, or those who pursue unpaid work, should be eligible for waiving of the pre-study contribution. Demonstration of effort in finding employment includes evidence in extenuating circumstances that would be a barrier to the student.

Recommendation Four: Summer jobs programs should address the need for employment for all students, however, there is need to invest and incentivize certain targeted summer employment programs that target those in most need.

It should be recognized that summer jobs programs should address the need for employment of all students, however a portion of opportunities should be dedicated to help those who are in most need.

Students from under-represented groups in universities face many barriers in accessing gainful summer employment.

²⁸Bullock, A. (1996). *Wage Subsidies for the Disadvantaged: NBER Working Paper Series*. Cambridge: National Bureau of Economic Research. [http://www.andrewbullock.net/wfrc/Katz%20-%20Wage%20Subsidies%20for%20the%20Disadvantaged%20US%20\(1996\).pdf](http://www.andrewbullock.net/wfrc/Katz%20-%20Wage%20Subsidies%20for%20the%20Disadvantaged%20US%20(1996).pdf)

²⁹ Results Taken from OUSA's 2011 Post-Secondary Student Survey.

³⁰ Ibid.

“The people of Ontario recognize that Aboriginal people, people with disabilities, members of racial minorities and women experience higher rates of unemployment than other people in Ontario. The people of Ontario also recognize that people in these groups experience more discrimination than other people in finding employment, in retaining employment and in being promoted. As a result, they are underrepresented in most areas of employment, especially in senior and management positions, and they are overrepresented in those areas of employment that provide low pay and little chance for advancement. The burden imposed on the people in these groups and on the communities in which they live is unacceptable.

The people of Ontario recognize that this lack of employment equity exists in both the public and private sectors of Ontario. It is caused in part by systemic and intentional discrimination in employment. People of merit are too often overlooked or denied opportunities because of this discrimination. The people of Ontario recognize that when objective standards govern employment opportunities, Ontario will have a workforce that is truly representative of its society.

The people of Ontario have recognized in the Human Rights Code the inherent dignity and equal and inalienable rights of all members of the human family and have recognized those rights in respect of employment in such statutes as the Employment Standards Act and the Pay Equity Act. This Act extends the principles of those Acts and has as its object the amelioration of conditions in employment for Aboriginal people, people with disabilities, members of racial minorities and women in all workplaces in Ontario and the provision of the opportunity for people in these groups to fulfil their potential in employment.

The people of Ontario recognize that eliminating discrimination in employment and increasing the opportunity of individuals to contribute in the workplace will benefit all people in Ontario.”

- Preamble to Employment Equity Act of Ontario³¹

Certain summer employment programs should be targeted towards providing job opportunities for under-represented groups. One example is the Ministry of Natural Resources’ Aboriginal Youth Work Exchange Program. To encourage Aboriginal youth to work in the summer, the program offers a number of summer placement opportunities for youth 15-24 who self-identify as aboriginal in forestry and natural resource development.

Research shows students from lowest socio-economic backgrounds are less likely to work in the summer and make less money than their higher-income peers. By introducing a need-based element to certain targeted summer employment programs, it will help to address the financial barriers faced by students in continuing with post-secondary education. For example, McMaster University offers the Summer McWork program, which provides full-time and part-time, on-campus summer jobs for current, eligible undergraduate, School of Medicine or Mohawk-McMaster Collaborative Nursing students who are returning to McMaster in the fall to continue their program of study. This program specifically helps students who demonstrate financial need to meet education costs not recognized under regular federal and provincial student aid programs.

Recommendation Five: Implement new, and enhance existing programs that provide adequate information to students on employment opportunities available.

Students often may not receive sufficient information on employment opportunities available to them. By implementing new employment education programs, or building on existing ones, the government can work to bridge the information gap for students.

³¹ http://www.e-laws.gov.on.ca/html/repealedstatutes/english/elaws_rep_statutes_93e35_e.htm

IN-STUDY EMPLOYMENT

Principle Four: In-study employment should be driven by student interest and ambition, not the need to recover rising post-secondary cost.

In-study employment is a mixed blessing for students. While it provides a direct supply of income during the school year, and also has the potential to provide some valuable job experience, it is also reflective of the reality that summer employment and financial assistance from all sources (family included), is not always enough to cover student costs. Too often, students without the resources to pay for post-secondary education through family support, summer employment and financial assistance are forced to find work in-study, which can place a student's academic success in jeopardy. There is ample evidence to suggest that this concern is a common one for students, particularly those from under-represented backgrounds.

Concern about having to balance school and work can start even before as student enters university or college in the first place. In a study of the pathways of students who typically go under-represented in university or college commissioned by the Higher Education Quality Council of Ontario (HEQCO), the pool of respondents who qualified for PSE but did not participate, commonly cited concern about balancing PSE and employment.³² This makes sense, as students who anticipate having to balance work and study may predict more limited academic success and thus see a slightly lower value proposition in higher education.

Limited work hours and on-campus work opportunities appear to offset the potential for these negative effects of in-study employment to arise.³³ However, students from under-represented groups most typically work off-campus jobs that require a substantial number of hours.³⁴ Reduction in in-study employment hours has also been linked to improvements in self-esteem,³⁵ integration on campus,³⁶ and continuation of a degree program till graduation.³⁷

Furthermore, the consequences of work-study balance are often more pronounced for part-time students. Students who work full-time (35 or more hours per week) while enrolled in post-secondary studies may face negative effects such as limited course choice, course scheduling and the number of desired courses taken in a given school year.³⁸

As such, students, universities and government should work together to ensure that in-study employment is an enterprise driven by student interest and ambition, not financial need.

Principle Five: Certain types of in-study employment can contribute to student success during their time on campus and post-graduation.

Not all types of in-study employment are negative developments for students. Sometimes, these opportunities can help integrate a student into the campus community, help them better navigate a campus, or impart valuable skills that can be applied later in life. In other words, enhanced student success *can be* outcome of in-study employment, particularly when the hours of employment are limited³⁹ and when employment resides on-campus rather than off.⁴⁰

Moreover, some studies have found that those students who engage in, in-study employment are more likely than their non-employed peers to secure employment that requires a bachelor's degree post-graduation;⁴¹

³² McCloy, U., and Sattler, P. (2010). *From postsecondary application to the labour market: The Pathways of Under-represented Groups*. Toronto, Canada: Higher Education Quality Council of Ontario.

³³ The Forum for Youth Investment. (2011, November). *Ready by 21, credentialed by 26 series, #4: When working works: Employment and postsecondary success*. Washington, District of Columbia: The Forum for Youth Investment.

³⁴ McCloy, U., and Sattler, P. (2010). *From postsecondary application to the labour market: The Pathways of Under-represented Groups*. Toronto, Canada: Higher Education Quality Council of Ontario.

³⁵ Gleason, P. (1993). College student employment, academic progress, and post-college labor market success. *Journal of Student Financial Aid*, 23(2), 5–14.

³⁶ Murdock, T. A. (1990). Financial aid and persistence: An integrative review of the literature. *NASPA Journal*, 27(3), 213–221.

³⁷ Heller, D. E. (Ed.). (2002). *Conditions of access: Higher education for lower-income students*. Westport, CT: American Council on Education and Praeger Publishers.

³⁸ Heller, D. E. (Ed.). (2002). *Conditions of access: Higher education for lower-income students*. Westport, CT: American Council on Education and Praeger Publishers.

³⁹ Pascarella, E. T. (2001). Cognitive growth in college: Surprising and reassuring findings. *Change*, 33(6), 20–27.

⁴⁰ Kuh, G.D., Kinzie, J., Schuh, J.H., Whitt, E.J., and Associates (2005). *Student success in college: Creating conditions that matter*. San Francisco: Jossey-Bass.

⁴¹ Pascarella, E. T. (2001). Cognitive growth in college: Surprising and reassuring findings. *Change*, 33(6), 20–27.

and that students who were employed felt more academically challenged by their coursework, feel more connected to faculty, and play a more prominent role enriching the educational experience of their peers while engaging in activities such as collaborative learning.⁴²

Securing in-study employment in one's field of choice correlated to high levels of satisfaction for one's choice of in-study employment and with higher in-study employment earnings among 3 out of 5 graduates.⁴³ In contrast, 56 percent of students in, in-study employment who did not continue on with their studies till graduation were employed in positions unrelated to their career goals but who were at the same time satisfied with their choice of employment.⁴⁴

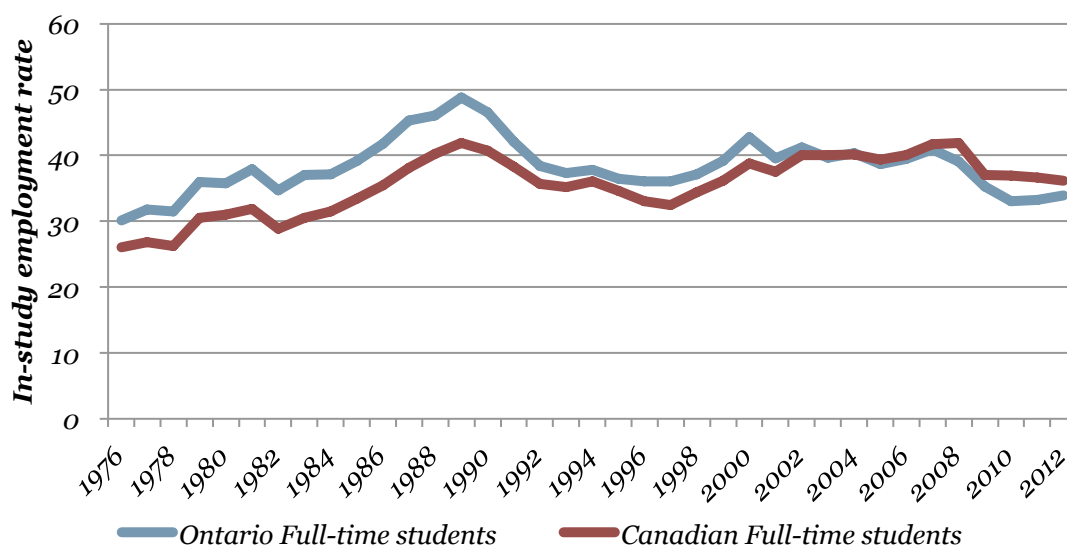
Government and universities should continue to provide employment opportunities that facilitate these sorts of outcomes, which are far more valuable to students than the small amount of employment income gained.

Concern Five: In-Study employment has grown to substantial levels, both in terms of hours and student demand, primarily as a result of rising tuition fees and student costs.

Tuition in Ontario has increased quite substantially over time. In constant dollars, the per-student tuition revenue has increased from approximately \$2,185 per student to nearly \$6,500 over the past three decades. While governments have come and gone, all have played some role in increasing costs for post-secondary students. While participation has increased, there is substantial evidence that students have had to take measures to compensate for the increase in the real price of post-secondary education.

On a broad level, in-study employment rate for post-secondary students aged 15-24 saw a increase of 10.2 per cent nationally from 1976 to 2012; while the province of Ontario experienced a lower increase of 3.8 percent among this demographic of students (Refer to Figure 13). While this does not seem like much of a drastic increase, it is worth considering that pre-recession, in a healthier labour market, the proportion of students working in-study was nearly 41% a full 10 per cent higher than in 1976.

FIGURE 7: AVERAGE IN-STUDY EMPLOYMENT RATES FOR POST-SECONDARY STUDENTS AGED 15-24 FROM 1976 TO 2012⁴⁵



⁴² King, J. (2006). *Working Their Way Through College: Student Employment and Its Impact on the College Experience*. Washington, DC: American Council on Education.

⁴³ McCloy, U., and Sattler, P. (2010). *From postsecondary application to the labour market: The Pathways of Under-represented Groups*. Toronto, Canada: Higher Education Quality Council of Ontario.

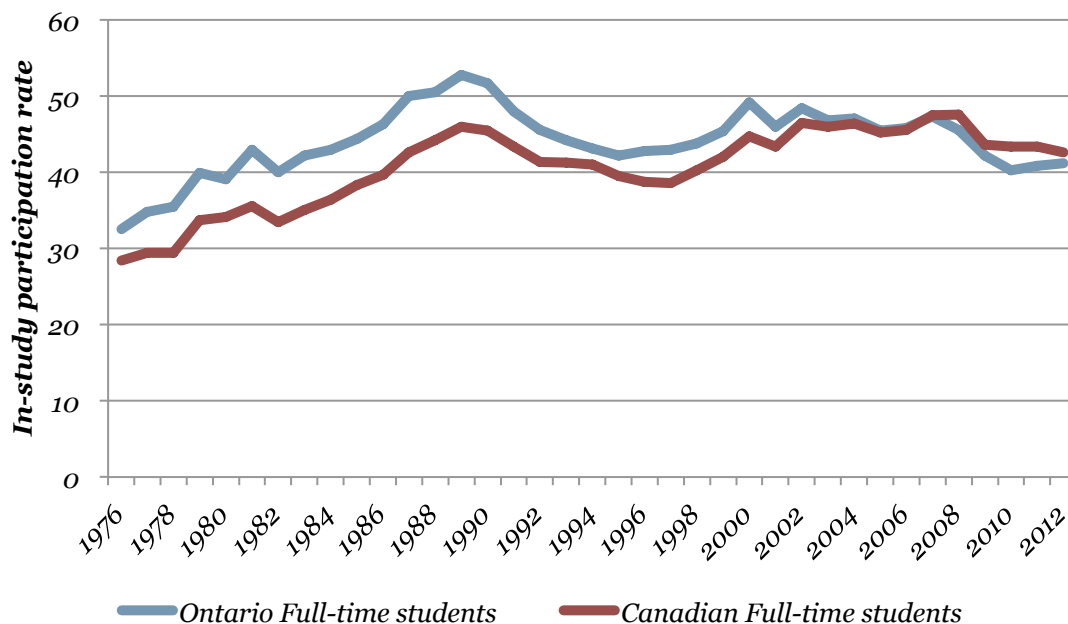
⁴⁴ *Ibid.*

⁴⁵ Statistics Canada. (n.d.). *Table 282-0005: Labour force survey estimates (LFS), by full-time students during school months, sex and age group, unadjusted for seasonality (persons unless otherwise noted)*, CANSIM (database).

Further, this overall employment rate masks several distinct trends it is important to isolate. The Labour Force Survey in-study employment rate includes high school, undergraduate, and some post-graduate and professional students, from both colleges and universities. Several studies have attempted to try and isolate the in-study employment rates of undergraduate students. One such study, by prairie research associates for the Canada University Survey Consortium has found that the rate of in-study employment for undergraduate students was as high as 64 per cent, with many students working an average of 18 hours a week and two thirds of students working more than 10 hours per week.⁴⁶ There is also indication that for post-secondary students, the rate of in-study employment doubled since 1976.⁴⁷

Participation rates, as tracked by the labour force survey, can give an indication of the number of students seeking to work, since it is inclusive of unemployed students. The average in-study participation rate for post-secondary students aged 15-24 increased from 28 per cent nationally in 1976 to 42 percent in 2012; while the province of Ontario experienced increased by about 12 percent of the enrolled student population among this demographic of students.

FIGURE 8: AVERAGE IN-STUDY PARTICIPATION RATES FOR POSTSECONDARY STUDENTS AGED 15-24⁴⁸



Other independent studies by Statistics Canada have found that, over the past decade the average in-study work hours were 16 hours per week.⁴⁹ The estimated in-study employment earnings during the 2008-2009 recession period was \$6000.⁵⁰ Moreover, students who were employed in-study predominantly held positions in the service sector, retail trade and food services.⁵¹ This indicates that students are more often not working in fields related to their area of study.

⁴⁶ PoK.

⁴⁷ Ibid.

⁴⁸ Statistics Canada. (n.d.). *Table 282-0005: Labour force survey estimates (LFS), by full-time students during school months, sex and age group, unadjusted for seasonality (persons unless otherwise noted)*, CANSIM (database).

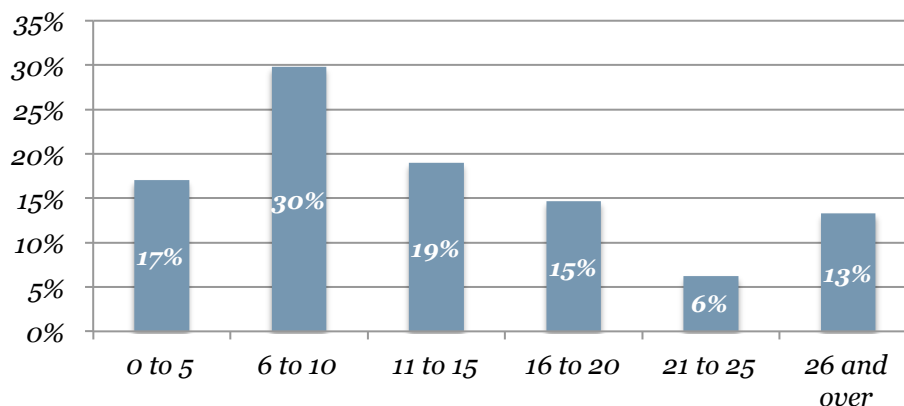
⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Ibid.

OUSA's own survey confirms this fact. 41 per cent of undergraduates surveyed by OUSA reported working in-study.⁵² The range of hours worked is quite varied, with the over two thirds students working between 6 and 20 hours per week, providing some more weight to the earlier study on university students.⁵³ When these students were asked if they would still work if they had the money to pay their tuition and living costs, 57 per cent said that they would not, while only 31 per cent said they would.⁵⁴ This is a clear indication that the costs of undergraduate education are requiring an increasing number of students to work.

FIGURE 8: HOURS WORKED PER WEEK BY ONTARIO UNDERGRADUATE STUDENTS IN 2011



Concern Six: The government's recent cancelling of the work-study subsidy has put increased strain on institutions to provide in-study work opportunities to students.

Funding from the Government of Ontario to post-secondary institutions to subsidize in-study employment opportunities was discontinued in early 2012 in order to help the government fund the new 300 off Ontario Tuition Grant.⁵⁵ While OUSA strongly supported this new program, the cancellation of work-study subsidies had the potential to negatively impact thousands of students across Ontario. While the impact of this funding cut is not fully known, OUSA reached out to work-study program service providers.

Interestingly, no university in Ontario has completely cut work-study offerings. However, most universities have been required to devote increasingly strained institutional resources to make up for the loss. In some cases, this has been accompanied by an opening up of work-study offerings to all students (whereas some were previously open to only students who qualified for OSAP).

| <i>Institution</i> | <i>Response to Work Study Funding Cancellation</i> |
|-----------------------------|---|
| <i>University of Ottawa</i> | <i>"The University of Ottawa lost \$492 000 in government funding in 2012-13 for the work study program but has not reduce the number of work study positions compare to the previous year. We provided internal funds to allow the number to be maintained."</i> |
| <i>OCAD University</i> | <i>Prior to the Ontario government's cancellation of the Ontario Work Study Program, we had an Institutional Work Study Plan funded through the Tuition Set Aside fund, which mirrored the OWSP in terms of administration but was a bit more flexible in terms of student eligibility. Our portion of the OWSP was fairly small based on the government's formula for institutional allocation of these funds, so the IWSP was</i> |

⁵² Results Taken from OUSA's 2011 Post-Secondary Student Survey.

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ Ministry of Training, Colleges and Universities. (2012). *2012-13 Funding Highlights – Student Support*. Toronto: Queen's Printer for Ontario. Document not available online.

always the much larger budget for work study positions on campus at our institution – approximately 4 times the budget. OCAD University is extremely committed to providing work study opportunities for its students. Following the cancellation of the OWSP, we increased our IWSP allocation to accommodate the previous OWSP budget amount and as well as increased demand for on campus employment opportunities

Lakehead University

What I can say is that, by MTCU downloading yet another program on to the institutions, it does create an impact on our own funding. There was the work-study program along with the Ontario Special Bursary Program however, for us, that program was not utilized as much as the work-study. We did however, offer the same 75/25 cost sharing and used a budget similar to what the provincial government gave to us. Obviously, that is funding set aside that could help a student in dire straits at the end of the year.

Western University

At Western we are continuing our commitment to the Work Study program despite the elimination of Ministry funding. There has been no negative impact to the number of positions available for students over the past year. There have been no changes to how the program is administered.

UOIT

With the reduction of government funding last year we reviewed our University Works program and decided it was important to maintain the number of students we employ on campus (roughly 150 from September to April). With the reduction of government funding having to be made up from our set aside dollars we examined how to make changes to our program to reduce costs that would have minimal impact on the students and the program. The changes we made were to reduce the maximum amount of working hours per week from 12 hours to 10 hours with a maximum of 260 hours over two semesters and to not approve students for further hours once they used their allotted 260 hours.

In some cases, such as in the case of UOIT, institutions have had to make reductions in the maximum working hours or other small concessions in the quality of jobs. Previously, the provision of work-study was a joint investment by both universities and the province. While students understand that Ontario is attempting to balance a budget by 2017-2018, work-study represented the best type of in-study employment: the kind that is both educationally effective and respectful of a student's academic needs. It should not have been an area looked to for cutbacks.

Concern Seven: In-study employment is placing a great degree of academic strain on students

Though there is a limited degree of controversy about the academic impact of in-study employment, most of it suggests that a limited amount of on-campus in-study employment often does not adversely impact academic studies. However, as discussed in a concern above, with students often working off-campus and at an alarmingly high number of hours, a great degree of academic strain is felt.

According to our survey, 55 per cent of students who work in-study agree that it has hurt their academic performance, while only 21 percent of participants stated that in-study employment had no effect on academic performance.⁵⁶ This indicates that sustaining employment during the academic year isn't always

⁵⁶ Ontario Undergraduate Student Alliance. (2012). *The 2012 student survey report on student satisfaction and usage of campus services and infrastructure* Toronto, Ontario: OUSA.

an educationally effective practice. This finding is corroborated by previous research, indicating that students who did not persist to completion often were more likely to have worked a greater number of hours, an indication of the long-term costs of an over-emphasis on in-study employment to pay for post-secondary education.⁵⁷ Data from prairie research associates also confirms that students who work more hours are more likely to say it impacted academic performance.

Studies have supported that limiting work to a maximum of 20 hours per week while in school full-time increases the chances that academic performance and engagement will remain functional.⁵⁸ Switching from a full-time post-secondary student to a part-time student also increases in likelihood with an increase of in-study weekly work hours.⁵⁹

Recommendation Five: The provincial government must lower the costs of education and provide adequate financial aid, reducing the need for students to work in-study to cover rising costs.

Based on the principle that in-study employment should not be counted on to cover costs if this negatively affects a student's academic performance, the provincial government must take steps in addressing the root of the issue. As referenced in OUSA's Tuition policy paper, over the past decade, tuition in Ontario has risen 28.1% in real dollars, outpacing the 8.56% increase to median family income and the rate of inflation. By lowering the rising costs to students, the system would allow students to either focus on their academic course load, or choose to work in-study for enrichment and enhanced learning opportunities.

Though this recommendation does not fall into the traditional toolbox of labour-market policy solutions, it is perhaps the most important part of ensuring that in-study employment remains driven by the ambition of students, rather than their concerns over cost. For OUSA's specific recommendations on these topics, readers should refer to our specific policies on tuition and reforming Ontario's financial aid system.

Recommendation Six: Re-invest in an enhanced work-study program, with certain funding dedicated to need-based access to employment opportunities.

An enhanced comprehensive work-study program would allow students to strike a healthy balance between employment and their academic workload. Through jobs that have limited working hours and are located on campus, work-study positions give students more flexibility in course and scheduling selection.

The cancellation of work-study took approximately 9.1 million dollars of student assistance out of the system. At such a low system-wide cost, students believe the government should re-instate funding for the work-study system and use it to build on the existing capacity of the system. Rather than simply re-invest funds, students believe that the government should make a specific provision that the re-invested funds be used in the creation of new student employment opportunities, so that the provision of effective in-study employment is expanded, rather than kept level. In this way, the re-investment could be viewed as a portion of a broader youth employment strategy, and a renewed commitment on the part of the province to partner with universities to offer jobs.

Although some in-study programs should address the need for employment of all students, a portion of work study opportunities should be dedicated to help those who are in most need. The needs-based aspect of certain work study programs would take into account students who may have a greater financial burden during the school year. This ensures their ability to meet their financial burdens while succeeding academically at the same time.

⁵⁷ Berger, Motte and Parkin. (2009). *The Price of Knowledge: Access and Student Finance in Canada*. Montreal: Canada Millennium Scholarship Foundation.

⁵⁸ Ehrenberg, R.G. & Sherman, D.R. (1987). Employment while in college, academic achievement, and postcollege outcomes: a summary of results. *Journal of Human Resources*, 22(1), 1-23; Marshall, K. (2010, September). *Employment patterns of postsecondary students*. Statistics Canada: Perspectives, Catalogue no. 75-001-X; The Forum for Youth Investment. (2011, November). *Ready by 21, credentialed by 26 series, #4: When working works: Employment and postsecondary success*. Washington, District of Columbia: The Forum for Youth Investment.

⁵⁹ The Forum for Youth Investment. (2011, November). *Ready by 21, credentialed by 26 series, #4: When working works: Employment and postsecondary success*. Washington, District of Columbia: The Forum for Youth Investment.

The work study bursary can also be tied to the student in need rather than the work position. For example, Queen's University rewards the student demonstrating financial need a Work Study entitlement, instead of allocating work study funding to the employer. This way, employers are able to hire based on merit basis, and would get reimbursed if the student chosen for the job has a Work Study entitlement.⁶⁰

| |
|--|
| <i>Recommendation Seven: Encourage the creation of paid undergraduate research opportunities.</i> |
|--|

Part of creating enriched in-study employment opportunities is by leveraging the undergraduate academic talent currently present on university campuses. One such example is the creation of paid undergraduate research opportunities. Not only would this allow students to contribute to the leading research done at their institutions, it would also create a new labour pool to assist in the achievement of Ontario's innovation agenda. It is recommended that students would have opportunities to both act as an assistant researcher to a professor, or undertake their own research projects.

These programs not only contribute to the financial needs of students, they would also allow students to apply the concepts they learn inside the classroom while developing the transferable skills they need after graduation. By rewarding students for their contribution to their university's research developments, there is a mutual benefit for institutions of increasing the research capacity.

Funding for undergraduate research opportunities could come from Ministry grants, university base operating budget, tuition set aside, and other public funding agencies. It should be noted that while public funding for research in Ontario is up, certain areas have felt strained as it may not be a part of the government priorities. OUSA believes that growth should be sufficient in all levels in order to support undergraduate research.

⁶⁰ Queen's University. (n.d.). *Work study program*. Retrieved from, <http://www.queensu.ca/studentawards/financialassistance/workstudy.html>

POST-GRADUATION EMPLOYMENT OUTCOMES

Principle Six: Among other benefits, university education should provide students with skills that will benefit them in the labour market.

An undergraduate education has many meaningful outcomes for those who choose to pursue and complete it including: increased earnings across their lifetime; longer, healthier lives; and increased civic engagement. While personal development and increased understanding of complex ideas are among the goals of those who pursue a university education, meaningful employment and career mobility should also be noted as important goals. A university education can provide an individual with a broad set of skills that employers look for in potential employees such as effective communication, critical thinking, research consumption, and interdisciplinary synthesizing. Therefore, it is important that a university education provide students with skills that benefit them in the labour market so that students and the public do not invest in education without a way to utilize those skills for employment purposes.

However, this should not be construed as a statement that universities exist to only to specifically train students for jobs, nor is it an assertion that universities need become more labour market oriented in their mission statements. Rather, it is an affirmation of the role universities have always played in providing graduates with skills and knowledge they can use to succeed in their careers.

Principle Seven: Universities should be flexible to student expectations of post-secondary education outcomes.

Universities are often promoted as institutions that serve broad public goals such as creating engaged citizens and promoting research and higher learning. However, students are significant contributors to the operations of the university as well as one of the main benefiting stakeholders. Students believe that universities should be adapting to the shift in student expectations of post-secondary education outcomes. For example, in a survey commissioned by HEQCO, almost 60% of students in grades 10 and 11 who planned to attend university say their top reason is to prepare for a specific job or career.⁶¹ However, many students pursue university over other post-secondary pathways, such as college, for a enhanced learning environment, opportunities for personal development, and specialized, theoretical knowledge that only universities can provide.

While particular notions of what purpose and function universities exist for, adaptability towards meeting student expectations should remain a forefront. Serving the diverse needs of students, as well as the public good and labour market, need not be mutually exclusive.

Principle Eight: A highly educated workforce is critical to the future success of Ontario's economy.

Those who forgo postsecondary education will not fill the jobs of the future economy. Repeated studies have indicated that the labour market is growing in areas that require both critical thinking and specific knowledge. An increase in the relative supply of high skills, leads to an increase in the complexity of tasks and knowledge required within those particular occupations.⁶² As the knowledge-economy grows in overall importance, a highly educated workforce enables economic adaptability and mobility and allows workers to transition into new occupations or roles with ease.

As population demographics shift, it is expected that 77 per cent of Ontario's work force will need post-secondary credentials by 2031.⁶³ Further, a vast majority of new jobs that are created will require a post-

⁶¹ <http://www.heqco.ca/en-CA/About%20Us/News%20Releases/Pages/Summary.aspx?link=40&title=For%20today%E2%80%99s%20high%20school%20students,%20higher%20education%20is%20all%20about%20the%20job>

⁶² Toner, P. (2011). *Workforce Skills and Innovation: An Overview of Major Themes in the Literature*. Paris: OECD Directorate for Science, Technology and Industry. Accessed: <http://www.oecd.org/sti/innovation/science/technologyandindustry/46970941.pdf>

⁶³ Miner, R. (2010). *People Without Jobs, Jobs Without People*. Toronto: Miner Management Consultants. Accessed: http://www.collegesontario.org/research/research_reports/people-without-jobs-jobs-without-people-final.pdf

secondary education credential, and that number will continue to rise. As the global economy continues to grow and diversify, a highly educated workforce is essential for Ontario's ability to maintain competitiveness.

Principle Nine: The private sector has a role to play in skills development for students with credentials.

Skills training relevant to the labour force happens across a diversity of sectors, which includes the private sector, vocational schools, universities and colleges, and government. However, it is not clear whose direct responsibility skills training is within Ontario. Oftentimes, skills training is negotiated between individual partners, with many actors playing a role in it.

In this rapidly shifting environment, students believe that the private sector has some role to play in skills development for the labour force, particularly for recent graduates with credentials. Since the private sector gains productivity from the investment that individuals and the public towards the skills and knowledge development of students, the private sector should be responsible for some portion of the skills development of students.

Private sector involvement in skills development can enhance what public institutions offer. It is clear to OUSA that collaboration between the private sector and the government, as opposed to working independently, can lead to better employment outcomes for students and workers.

Concern Eight: Due to a stagnant economy and increasing post-secondary participation, the current model of university education is no longer a certain path to employment.

In the present economic state of Ontario, students and recent graduates find that a university education no longer guarantees employment within their field. The employment rate for university graduates, though still the highest of any type of post-secondary education, has slipped in recent years, perhaps due to increased participation at university: 75 to 73.7 per cent, even as opportunities and earnings for these individuals grew.⁶⁴ In other words, though the number of jobs for university graduates is growing at a faster rate than for any other post-secondary credential, the pool of applicants for these jobs is growing even faster. In comparison, employment rates for those with trades, college, CEGEP and university certificates below bachelor's degrees remained relatively stable.⁶⁵

So long as the labour market grows sluggishly and university participation continues to increase, it stands to reason that this lower employment rate will continue, if not decrease slightly. Further, more than half of immigrants in Canada have a university degree. Despite this number, they find immense difficulty in securing work in their field of training.⁶⁶ As progress is made towards recognizing foreign credentials, the labour market for university graduates will grow even further.

These figures suggest that a university education does not provide all students with the ability to find employment after completion. Students are concerned about how this impacts a students' ability to find employment, which recently after graduation, functions to pay back student loans (whether through provincial and federal assistance loans or private loans). Those who pursue university education should feel as though their investment in education will at least lead to opportunities to cover the cost of their education.

Concern Nine: There is a growing false perception that university education is not a fruitful pursuit for students who want to succeed in the labour market.

Critics of the 'post-secondary education to employment' track have argued that the post-secondary system, specifically the university system, is no longer aligned with the demands of the labour market as the result of the government's commitment to increase access to PSE and by extension higher paying jobs.⁶⁷ They also

⁶⁴ Statistics Canada. (2012). *Economic Downturn and Educational Attainment*. Ottawa: Canadian Education Statistics Council.

⁶⁵ Ibid.

⁶⁶ 71

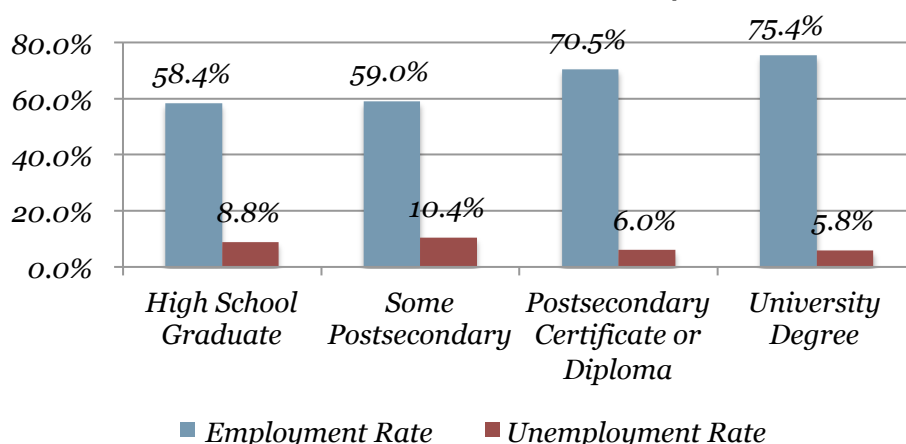
⁶⁷ 72

argue that along with lowering of standards, institutional expectations of professors have been mitigated by faculty members' reluctance to train their students for future job prospects.⁶⁸

As explored earlier, there is some truth to the supposition that university will not guarantee that a student gets a job. However, of all the post-secondary options available, university still has the best employment outcomes. Additionally, university is increasingly necessary in order to secure a job in job-creating fields of employment.

Annual estimates from Statistics Canada's Labour Force Survey indicate that, while employment levels suffered for all during the recession in Ontario, university graduates suffered the smallest drop in overall employment rates, compared to college and high school graduates.⁶⁹ Furthermore, university graduates in Ontario continue to have the highest employment rates out of all types of post-secondary graduates, while simultaneously the lowest levels of unemployment. 75 percent of Ontarians with a university credential were employed in 2012, while only 5.8 percent were unemployed.⁷⁰ In comparison, college graduates were employed at a rate of 70.5 per cent and unemployed at 6 percent.

**FIGURE 9: LABOUR FORCE SURVEY RESULTS
BY EDUCATIONAL ATTAINMENT, 2012**



HELPFUL TANGENT: SHOULD MORE STUDENTS GO TO COLLEGE?

A related and popular trope that often accompanies the “universities are losing value” narrative is that “more students should be going to college or into the skilled trades.” It is worth taking the time to examine how true this belief is, why it has persisted and what the employment outcomes of university and college graduates are. Canada's Labour Force survey allows results to be broken down by province, educational attainment and age group, and provides some valuable insight into the employment outcomes of graduates.

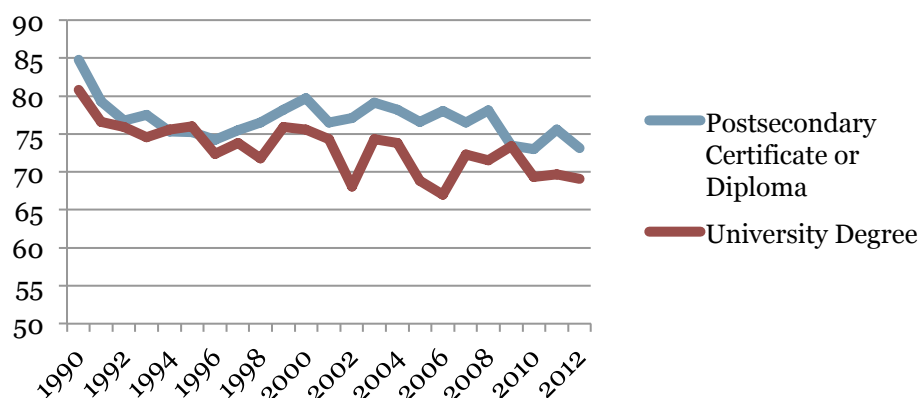
As can be seen in Figure 9, Ontarians with university degrees tend to be more employed than those with other educational attainments. However, those results refer to the overall population. When examining youth specifically (measured by the Labour Force Survey as between the ages of 15-24 with post-secondary credentials, graduates with less than a Bachelor's degree tend to have a slightly higher employment rate. This trend has held mostly true over the long term, during the relative economic prosperity of the late 1990s and early 2000s, as well as during times of recession. On the surface, it would appear that youth graduates of college and other non-degree post-secondary programs do better at the outset of their working lives.

⁶⁸ 73

⁶⁹Statistics Canada. (n.d.). Table 282-0004: Labour force survey estimates (LFS), by educational attainment. CANSIM database.

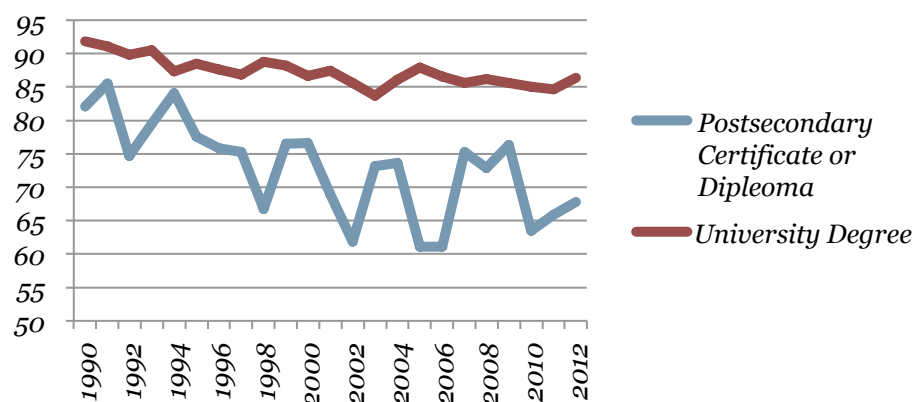
⁷⁰ ibid.

**FIGURE 10: EMPLOYMENT RATES BY
EDUCATIONAL ATTAINMENT, ONTARIANS AGED
15-24**



However, if one moves one age group up in the survey results, the trend becomes more reflective of the entire population. Between the ages of 25 and 44, those with a university degree have both higher employment and lower unemployment rates than those with college or another non-degree type of post-secondary education.

**FIGURE 11: EMPLOYMENT RATES BY
EDUCATIONAL ATTAINMENT, ONTARIANS AGED
25-44**



What is particularly interesting to note about the longer-term employment of university graduates is the greater degree of stability. This could be reflective of the differential educational missions of colleges and universities, with universities providing a more general, translatable skillset and colleges providing a labour market specific one. Shifts in the labour market would cause shifts in the employment rate of college graduates. It also likely has much to do with the way that the Labour Force Survey captures age. College graduates of 2-year programs surveyed would have had 3-4 years in the labour force, while university graduates from 4-year programs would have only had 1-2 years.

The question of whether more students should go to college should be left to the individual student and their preferences, not a cold analysis of labour market data. However, if a student is truly only interested in getting a job, the labour market data tells us that university is a good investment, both in terms of employment stability and likelihood.

On a national level, despite the devastation the global economic recession of 2008 had on the job market, people who had at least a 4-year Bachelor's degree remained largely unscathed by the massive job loss and instead experienced some job gains.⁷¹ Specifically, 40,000 new jobs not requiring a university degree were created during this recession period, which pales in comparison to the 200,000 jobs that were created purposely with university degree holders in mind.⁷² In reality, the bulk of the job losses during the recession were incurred in professions that required no university education, such as manufacturing, construction, forestry and utilities.⁷³ In fact, increases in the wage premium for jobs requiring a Bachelor's degree over the past two decades has coincided with an increased demand for workers with this type of credential.⁷⁴

The narrative that university is not a fruitful post-secondary pursuit is not helpful or accurate to Ontario students. There is cause for concern that the perception, and media dialogue, might discourage prospective students, especially those from underrepresented groups with debt aversion, from pursuing a university education that brings added financial and personal benefits. It will be explored in the next concerns why graduates of some programs fare better in the labour market than others, but on the whole, university remains the best post-secondary choice for a student who *only* cares about getting a well paying job.

Concern Ten: Graduates of liberal arts programs may have more difficulty than those of technical and applied engineering and science programs utilizing their degree in the labour market.

In a recent study by the Canadian Imperial Bank of Commerce, 25 occupations that were showing signs of skills shortages were mostly those that would require an education in science, technology, engineering, and mathematics (STEM) fields such as: Managers in Engineering, Architecture, Science & Info Systems, Managers in Construction and Transportation, Professional Occupations in Natural and Applied Sciences, etc.⁷⁵ Students who majored in science, technology, engineering, or mathematics (STEM) were more likely to make their choice of major based on the prospect of finding work post-graduation.⁷⁶ Moreover, participation in pre-graduation training and learning opportunities were most common among majors such as astronomy, nursing, physics, education, and biochemistry.⁷⁷

25 Occupations Showing Signs of Skills Shortage

- Managers in Engineering, Architecture, Science and Info Systems
- Managers in Health, Education, Community and Social Services
- Construction and Transportation Managers
- Auditors, Accountants and Investment Professionals
- Human Resources and Business Service Professionals
- Physical Science Professionals
- Life Science Professionals
- Engineers (Civil, Electrical and Chemical)
- Other Engineers
- Physicians, Dentists, Veterinarians
- Optometrists, Chiropractors
- Treating Professionals
- Pharmacists, Dietitians and Nutritionists
- Therapy and Assessment Professionals
- Nurse Supervisors and Registered Nurses
- Technical and Related Occupations in Health
- Medical Technologists and Technicians (Except Dental Health)
- Technical Occupations in Dental Health Care

25 Occupations Showing Signs of Skills Surplus

- Managers in Manufacturing and Utilities
- Clerical Supervisors
- Clerical Occupations, General Office Skills
- Office Equipment Operators
- Finance and Insurance Clerks
- Mail and Message Distribution Occupations
- Secondary & Elementary Teachers and Counsellors
- Sales and Service Supervisors
- Cashiers
- Occupations in Food and Beverage Services
- Tour & Recreational Guides and Amusement Occupations
- Other Attendants in Travel, Accommodation and Recreation
- Technical Occupations in Personal Service
- Other Occupations in Personal Service
- Butchers & Bakers
- Upholsterers, Tailors, Shoe Repairers, Jewellers and Related Occupations
- Fishing Vessel Masters and Skippers and Fishermen/Women

⁷¹ 74

⁷² 75

⁷³ *ibid.*

⁷⁴ 78

⁷⁵ Tal, B. (2012). *The Haves and Have Nots of Canada's Labour Market*. Toronto: Canadian Imperial Bank of Commerce Economics.

⁷⁶ 79

⁷⁷ 80

| | |
|--|--|
| <ul style="list-style-type: none"> -Other Technical Occupations In Health Care (Except Dental) -Psychologists, Social Workers, Counsellors, Clergy and Probation Officers -Supervisors, Mining, Oil and Gas -Underground Miners, Oil and Gas Drillers and Related Workers -Supervisors in Manufacturing -Supervisors, Processing Occupations | <ul style="list-style-type: none"> -Machine Operators & Related Workers in Metal and Mineral Products Processing -Machine Operators & Related Workers in Pulp & Paper Production and Wood Processing |
|--|--|

Further, in a HEQCO study, the predicted probability of being employed full-time, two years after graduation was higher for fields such as commerce, management, and business administration, physical and biological sciences, and engineering, computer sciences, and math.⁷⁸ It was concluded in that status that the knowledge economy appears to favour graduates with applied and technical skills over those graduates with “soft” or generic skills. However, the most potent combination remains the two working in tandem.

The concern here is that there is a mismatch between the correlations of industry placement between fields, yet this information is not always made available to students when choosing their program. Nor, is there a particular effort made to make all students well rounded, and adaptable in today’s changing economy, by providing them with the applied and technical skills in need. While students understand that liberal arts programs provide beneficial knowledge and it is not impossible to translate these degrees into employment, there is a perception that liberal arts programs are not as useful to the labour market as they may have previously been.

Concern Eleven: The private sector has been able to shirk its responsibility in the development of skilled workers, as demonstrated through a decline in the number of jobs with on-the-job training provided.

One study by the McKinsey Center for Government found that today’s employers land in three prominent categories of job action: racer, neutral, and stalled. The racer employers (31%) were highly engaged with educational providers beyond basic recruitment and hiring efforts to include curriculum design and ensuring industry expertise in the classroom; in addition, these employers were most likely to train their new employees internally within their organization and externally.⁷⁹ Neutral employers (25%) partner with one or more educational institutions for support with their recruiting and hiring efforts but these connections are usually infrequent as a result of employer apathy.⁸⁰ The stalled employers (44%), describe employers who are less likely to train their employees, to pay for training when it is provided, and to connect with educational providers for the purposes of labour recruitment.⁸¹

It is concerning that stalled employers, those not actively participating in skills development and connecting with education, represent the largest group of employers. The private sector benefits from the investment that individuals and the government (through public funding) make in generating an educated workforce, yet it would appear that it is not an active partner in the development of skilled workers. Students are concerned that all those benefiting from skilled workers are not contributing.

Recommendation Eight: Universities should promote multidisciplinary coursework and experiences in existing degree programs in order to create graduates with more diverse skillsets.

One of the most fundamental conflicts in the debate surrounding the future role of post-secondary education in our society is whether it should be focused towards a labour-market readiness mission or towards the broader purpose of creating engaged and informed citizens. OUSA believes that neither route provides everything students look for out of a university degree. The reality is that most students attend post-

⁷⁸ Walters, D. and Frank, K. (2010). Exploring the Alignment between Postsecondary Education Programs and Labour Market Outcomes in Ontario. Toronto: Higher Education Quality Council of Ontario.

⁷⁹ 84

⁸⁰ 83

⁸¹ 82

secondary education in order to gain skills that will help them succeed in their future careers. However, students also want to benefit from a university's ability to teach students critical thinking skills, apply theories in new and creative ways, and all of the other, less tangible benefits institutions offer.

In order to shift away from this unhelpful conflict, students suggest that institutions take a critical look at the skills their students gain from degree programs. When one looks at Canadian job markets with unfilled vacancies, most require numeracy, scientific, management and finance proficiency. Students who go through an undergraduate degree completely avoiding these disciplines will likely face a skills gap at the end of their university careers. Meanwhile, students who avoid the social sciences and humanities completely will have missed a valuable opportunity to reflect on what their technical skills will mean for the broader economy.

It is important to note that this recommendation is not intended to devalue current program requirements, but meant to enhance and diversify the skills development of graduates. In fact, several institutions already require that students complete electives in disciplines outside their own. For example, the University of Toronto requires that all students fulfill breadth and distribution requirements, which encompass science, mathematics as well as creative and critical thought.⁸² Other universities in Ontario should explore this approach, with an eye to ensuring that all students graduate with the numeracy, communications and writing skills to succeed in a modern economy.

Recommendation Nine: Institutions should mandate better skill articulation, through degree learning outcomes, that relate to labour market-ready skills.

The Council of Ontario Universities approved the Guidelines for Undergraduate Degree Level Expectations (UDLEs) in 2005, which have served as a means to articulate the intellectual and creative development of students and the acquisition of relevant skills. Within these guidelines, institutions may articulate discipline-specific degree level expectations that relate to such broad guidelines as “depth and breadth of knowledge,” “knowledge of methodologies,” and “application of knowledge.”⁸³ Currently, these degree level expectations are quite broad.

Institutions should work to mandate better skill articulation through learning outcomes that relate to these guidelines for UDLEs. This would work to support two outcomes. First, it would encourage institutions to take a critical look at their degree programs, and ideally identify where particular skills can be better developed throughout an undergraduate degree program. Second, it would help students to have a clear understanding of what skills they are likely to possess upon completion of each stage of their undergraduate degree. With better understanding of what skills they are likely to have, students will be able to communicate these skills in job applications. A stronger ability to identify and communicate their skills will ideally enable applicants to better market their skills and knowledge in the market.

Institutions are already working towards the development of program-level learning outcomes, which will be an enormously helpful step for students. As this process goes forward, students hope that consultation with the employment community takes place to ensure that the learning outcomes developed are easily translatable to a student's career.

Recommendation Ten: The provincial government should promote skills development by providing subsidies to private sector employers who hire and provide on-the-job training to recent graduates of university.

Currently, the Ontario government provides the Ontario Targeted Wage Subsidy to provide on-the-job work experience to unemployed people, and enable employers to hire people who face barriers to employment by offering temporary wage subsidies.⁸⁴ Much of the literature on labour market interventions suggests that

⁸² University of Toronto. (2013). *University of Toronto Academic Calendar*. Toronto: University of Toronto Press. Accessed: http://www.artsandscience.utoronto.ca/ofr/calendar/1213_Calendar.pdf

⁸³ Ontario Council of Academic Vice-Presidents. (2005). *OCAV Undergraduate Degree Level Expectations*. Toronto: Council of Ontario Universities. <http://www.cou.on.ca/publications/reports/pdfs/university-undergraduate-degree-level-expectations>

⁸⁴ Ministry of Training, Colleges and Universities. (2013). *Ontario Targeted Wage Subsidy*. Toronto: Queen's Printer for Ontario. Accessed: <http://www.tcu.gov.on.ca/eng/employers/wageSubsidy.html>

targeted wage subsidies, when combined with comprehensive training and placement assistance, are quite effective at increasing the employment of specific populations.⁸⁵ On-the-job training not only assists with an individual gaining specific practical experience and understanding surrounding a particular occupation, but also assists with an employer making an investment and commitment to a particular individual, leading to more secure employment and financial predictability for the individual.

The government should launch a new wage subsidy and training program for employers who hire recent graduates with credentials and provide on-the-job training and skills development, to further increase that graduate's usefulness to the employer as well as improve employment for recent graduates. By providing subsidies, the government is also encouraging an investment from the private sector in recent graduates, as students would like to see. The subsidy should cover the costs of training and the a portion of the graduate's salary for the first year of work, but could be phased out afterwards.

Recommendation Eleven: The provincial government should work to smooth pathways between college and university for students to optimize their learning outcomes and skills development.

Colleges of applied arts and technology exist for the purpose of vocational and technological training. Students should not be discouraged from pursuing undergraduate education in any discipline, nor should any university discipline be promoted or incentivized over others to combat skills shortages. One way to improve skills development is through the smoothing of pathways between college and university programs. This can be through a variety of collaborative partnerships such as concurrent programs where students complete the program with both a college and university credential, or by the smoothing of pathways from university to college for students who wish to refine their skills through a post-graduate certification.

Students are not implying that accumulating credentials should be the only option for students to become employable. In fact, knowing that lengthy time periods of schooling can lead to increasing levels of debt, it is prudent for all forms of post-secondary education to meet the needs of students and their desired outcomes, which can include employability. Nevertheless, students may choose to pursue multiple coursework and credential options, at both university and college, and transitions between should be smoothed and facilitated by the provincial government to maximize learning outcomes and skills development for the students involved.

⁸⁵ Bullock, A. (1996). *Wage Subsidies for the Disadvantaged: NBER Working Paper Series*. Cambridge: National Bureau of Economic Research. [http://www.andrewbullock.net/wfrc/Katz%20-%20Wage%20Subsidies%20for%20the%20Disadvantaged%20US%20\(1996\).pdf](http://www.andrewbullock.net/wfrc/Katz%20-%20Wage%20Subsidies%20for%20the%20Disadvantaged%20US%20(1996).pdf)

WORK-INTEGRATED & EXPERIENTIAL LEARNING

Principle Ten: Students benefit from the provision of work-integrated learning opportunities.

Work-integrated learning and experiential learning have been shown within post-secondary education literature to have numerous benefits. For example, previous research on work-integrated learning and experiential education have found that students who participate in these activities are more likely to graduate⁸⁶, facilitate informal interactions with faculty members⁸⁷, and to use money to offset living costs.⁸⁸ These benefits can lead a better return on investment for the government in providing funding for university education, increase the quality of education and impact of learning, and reduce the amount of debt students are taking on in pursuing their education.

Principle Eleven: Experiential learning opportunities should be developed for the purpose of enhancing the undergraduate experience.

In a student by the McKinsey Center for Government, students were vocal on using their education to build skills and secure a job such that 60 per cent of respondents indicated that the most effective classroom techniques were those that featured on-the-job training skills and hands-on learning, despite the fact that less than half of those students were enrolled in classes that reflected this desired asset.⁸⁹ The students surveyed for this same study also desired to secure a job post-graduation despite the fact that a quarter of youth do not find reliable pathways from education to employment, which in practice leads to young graduates experiencing rapid changes in employment within fields unrelated to their area of study.⁹⁰

Principle Twelve: Students who engage in work experiences programs should have the same employment standards and protections as other Ontario workers.

Employment standards exist for the purposes of offering baseline protections to all workers within a jurisdiction from potential mistreatment. Some of these protections include minimum wage requirements, allowances for breaks, and burdensome working schedules. Students who engage in paid work experience for university program requirements (such as co-operative education) should also be guaranteed these same protections. While the length of employment for such opportunities may be shorter than the undefined term generally associated with typical employment patterns, students fully believe that students must be protected from potential exploitation.

Concern Twelve: There is currently more of a demand for co-op opportunities than there are jobs to support them.

Work-integrated learning such as co-op has been the premiere means by which students have traditionally learned new job-related skills, however the demand for placements overtime has far outweighed the supply.⁹¹ For example, at the University of Waterloo, as of the beginning of the Winter 2013 term, the overall employment rate was 87.7%, actually 2.9% lower than Winter 2012. At the University of Waterloo, most students seeking employment when the work term begins are in their first work term, however other groups are in programs that require “more than the normal initiatives” such as in professional disciplines or industries with poor economic outlooks.

⁸⁶ Luong, M. (2010, January). *The financial impact of student loans*. Statistics Canada: Perspectives on Labour and Income, 11(1), 5-18, Catalogue no. 75-001-X. Retrieved from, <http://www.statcan.gc.ca/pub/75-001-x/2010101/pdf/11073-eng.pdf>

⁸⁷ Gilmore, J. (2009). *The 2008 Canadian Immigrant Labour Market: Analysis of Quality of Employment*. The Immigrant Labour Force Analysis Series: Statistics Canada. Retrieved from, <http://www.statcan.gc.ca/pub/71-606-x2009001-eng.pdf>

⁸⁸ Wente, M. (2012, October 20th). *Access or quality – our universities can't have both*. The Globe and Mail. Retrieved from, <http://www.theglobeandmail.com/commentary/access-or-quality-our-universities-cant-have-both/article4625237/>

⁸⁹ Bradshaw, J. (2011, May 9). *When a university degree just isn't enough*. The Globe and Mail. Retrieved from, <http://www.theglobeandmail.com/news/national/time-to-lead/when-a-university-degree-just-isnt-enough/article579230/>

⁹⁰ Carnevale, A.P., Jayasundera, T., and Cheah, B. (2012). *The college advantage: Weathering the economic storm*. Washington, District of Columbia: Georgetown Public Policy Institute.

⁹¹ Ibid.

The research on co-operative education and work-integrated learning puts outlines a few key barriers to greatly expanding co-operative education. First, a number of firms do not have work that is “suitable” for a student to do.⁹² Businesses who indicated this spoke to the fact that their structures and operation do not allow for easy integration of students. Further, the amount of staff time that was required to recruit, train and teach students was seen as one of the most important reasons why firms did not plan work-integrated learning opportunities. Finally, for the 16 percent of employers who have stopped offering work-integrated learning opportunities, economic pressures associated with the recession as an important barrier to continued offering of placements.⁹³

When there are not enough jobs to support the demand, students turn to alternative opportunities to fulfill credit requirements or to utilize their work term for a productive means, such as research internships, unpaid internships, or a series of volunteer positions. Since co-op opportunities provide gainful employment experience, as well as the potential to offset the increasing costs of education, students are concerned that there are not enough opportunities to satisfy the demand. Solutions will need to address the aforementioned three factors.

Concern Thirteen: Experiential learning opportunities are not always effectively integrated into the academic curriculum.

Experiential learning opportunities should not simply be an out-of-classroom experience alongside a theoretical course. To create the fullest impact for student learning, and skills development, the practical experience should be integrated into the academic curriculum so that students may compare theory and practice and take their learning with them into the workplace.

Educational providers and the private sector could work together to close the inevitable skill gap present where experiential learning is absent by working together to provide industry exposure and expertise right in the classroom with the costs and benefits of such an arrangement being spread across stakeholders.⁹⁴ Currently, this does not always happen in the most meaningful way.

Concern Fourteen: Costs of experiential learning opportunities are often downloaded to students through ancillary fees.

Universities have experienced decreases in public funding on a per-student basis, which has increased the funding burden on students through significant tuition increases. Ancillary fees are a means for universities to increase operating revenue in Ontario. By utilizing ancillary fees for experiential learning opportunities, students believe that universities are downloading costs of learning onto students.

Further, sometimes experiential learning is a mandatory part of the curriculum and students are still charged through ancillary fees. For example, at the University of Waterloo, in the term preceding a co-op work term, students are charged a fee of \$623.00 which aims to cover about 20 per cent of the total operating costs of the co-operative education program. In addition, students are charged a \$14.00 work term report marking fee, for the mandatory work term report. Students are concerned that the costs for delivering experiential learning, as part of a curriculum, are not regulated through the provincial government in the same way as other academic programs.

Concern Fifteen: Individuals performing work in a work experience program authorized by a university are not covered by the Ontario Employment Standards Act.

Currently, the Ontario Employment Standards Act does not apply to individuals performing work in a work experience program authorized by a university. While students are not the only individuals not covered by

⁹² Sattler, P. & Peters, J. (2012) *Work Integrated Learning and Postsecondary Graduates: The Perspective of Ontario Employers*. Toronto: Higher Education Quality Council of Ontario.

⁹³ Ibid.

⁹⁴ National Survey of Student Engagement. (2012). *Promoting Student Learning and Institutional Improvement: Lessons from NSSE at 13*. Bloomington, Indiana: Indiana University Center for Postsecondary Research.

this (see below), it is concerning that the aim of co-operative education is to provide students with real work experience, but not provide them with the same protections or recourse as their coworkers.

What work is not covered by the ESA?

Most employees and employers in Ontario are covered by the ESA. However, the ESA does not apply to certain individuals and persons or organizations for whom they may perform work, including:

- Employees in sectors that fall under federal jurisdiction, such as airlines, banks, the federal civil service, post offices, radio and television stations and inter-provincial railways
- Individuals performing work under a program approved by a college of applied arts and technology or university
- A secondary school student who performs work under a program authorized by the school board that operates the school in which the student is enrolled
- People who do community participation under the Ontario Works Act
- Police officers (except for the Lie Detectors part of the ESA, which does not apply)
- Inmates taking part in work or rehabilitation programs, or young offenders who perform work as part of a sentence or order of a court
- People who hold political, judicial, religious or elected trade union offices

Students are concerned that while on a co-operative education term, students may not be remitted pay, may be required to work on public holidays with adequate compensation, and may be required to work unreasonable hours of work, for example.

Recommendation Twelve: The government should continue to incentivize work placement growth through the expansion of tax credits for employers.

The Co-operative Education Tax Credit (CETC) is a refundable tax credit, available to employers who hire students enrolled in a co-operative education program at an Ontario university or college.⁹⁵ The CETC is equal to the lesser of 25 percent (30 per cent for small businesses for qualifying work placements) of the eligible expenditures made in respect of a co-operative education work placement or \$3000. Currently, to qualify for the tax credit the placement must meet the following requirements:

- The placement has been developed or approved by the eligible educational institution,
- The student must be engaged in productive work during the placement and not be just an observer,
- The work placement is:
 - Not less than eight months or more than sixteen months, for a qualifying internship program or
 - At least 10 weeks for all other qualifying co-operative education programs,
- The student is paid for the work performed during the placement,
- The employer supervises and evaluates the student's job performance during the placement and,
- The educational institution monitors the student's progress.⁹⁶

Average hourly earnings for co-op students vary widely across disciplines, usually between \$14 and \$24 dollars per hour.⁹⁷ If one accepts the low end of the scale, the \$3,000 tax credit would effectively cover just over a third of wages in a 16-week placement. For higher earnings positions in engineering, architecture or actuarial science, the subsidy would only cover about a fifth of overall earnings.⁹⁸ Though this represents a sizable wage-subsidy measure to spur co-operative education, it does not directly address the top three concerns of employers (staff-time for training, no suitable tasks for students or financial losses associated with the recession).

⁹⁵ Ministry of Finance. 2013. *Co-operative Education Tax Credit*. Toronto: Queen's Printer for Ontario. Accessed: <http://www.fin.gov.on.ca/en/credit/cetc/>

⁹⁶ *Ibid.*

⁹⁷ University of Waterloo. (2013). Accessed: <https://uwaterloo.ca/co-operative-education/why-co-op/co-op-earnings/hourly-earnings-information-jan-dec-2011>

⁹⁸ *Ibid.*

There are several ways the CETC could be improved to achieve the goals of placing more students in workplace positions.

- First, governments could compound the tax credit percentage for employers who generate multiple work placements. For example, if an eligible employer employed two eligible students, the CETC would be equal to the lesser of 25 percent plus 3 percent for each additional placement or \$3000/placement. In order to keep the cost of this measure controlled, a maximum percentage of wage subsidy would have to be set. However, introducing a tax credit that scaled with volume would encourage employers to create multiple placements, as hiring two students would decrease the cost of both placements.
- Second, governments should launch a related tax-credit aimed at the costs of training and management of co-op positions. This tax credit would allow employers to subsidize a portion of labour and capital costs associated with sustaining co-operative education positions. If employers knew that not only would a student's wage be partially subsidized, but also the resources employers invested in training and supporting a student, they would be more willing to make this investment.

Recommendation Thirteen: The provincial government should expand and provide targeted funding for experiential learning initiatives.

In OUSA's Student Success paper, students set the goal to greatly expand the amount of experiential education penetration in Ontario's university sector. This goal not only has positive consequences for student learning, but also student employment. Studies of work-integrated learning (an important sub-set of experiential education as a whole) have found that graduates of work-integrated programs often fare better in the labour market after graduation, oftentimes continuing with companies they worked with while in school.⁹⁹ In fact, the opportunity to test talent before making a long-term commitment is one of the chief benefits cited by employers of participating in work-integrated learning.¹⁰⁰

By setting a system-wide goal and/or vision for experiential learning initiatives, related to university ties to industry and practices for skills development, the government can work to address the issue of youth and student employment in Ontario. Students believe the government should launch targeted funding for universities to spur the expansion of certain types of experiential education that have been shown to pay positive dividends for student employability.

Universities should be able to access new funding for:

- *Job training & placement services:* Currently, universities offer a limited amount of training and job-placement services through career service and co-op centers. However, generic career centres are oftentimes ancillary operations to the academic mission of the university, while co-op centres are generally almost entirely funded through student fees. Universities often have substantial links to local economies and networks that could be better utilized to place students in jobs. Universities should be able to apply for funding to enhance both career skills training and job placement activities for all students.
- *A fund for universities to subsidize co-op or paid internships in key growth areas:* Canada currently faces skills shortages in a number of areas and a more general youth-employment problem. To address these challenges, Ontario should follow the lead of jurisdictions like Ohio and provide targeted funding to create student employment opportunities in industries requiring new talent. In Ohio, the State provides universities for 50 per cent of student wages in specific industries, with the rest being made up through a mix of institutional and private support.¹⁰¹ While this paper also advocates for the creation of direct incentives to employers, more direct action should be taken in

⁹⁹ Sattler, P. (2011) *Work-Integrated Learning in Ontario's Postsecondary Sector*. Toronto: Higher Education Quality Council of Ontario.

¹⁰⁰ Sattler, P. & Peters, J. (2012) *Work Integrated Learning and Postsecondary Graduates: The Perspective of Ontario Employers*. Toronto: Higher Education Quality Council of Ontario.

¹⁰¹ Ohio HigherEd. 2012. *Ohio Announces Internship/Co-Op Program Award Recipients*. Columbus: Ohio Board of Regents. Accessed: <https://ohiohighered.org/press/ohio-announces-internshipco-op-program-award-recipients>

industries where skilled employees are in short supply. Running the funding through institutions would ensure that these positions encourage bi-lateral communication between employers and universities.

Undergraduate Research Assistantships and Awards: It is often forgotten that research is, in and of itself, a highly employable skill. Universities have been teaching and practicing research methods for centuries, but undergraduate students are oftentimes too far removed from the research mission of the school. Institutions interested in expanding their undergraduate research activities through paid employment should be eligible for new funding.

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| Recommendation Fourteen: The provincial government should amend the Ontario Employment Standards Act to include protections for students in a work experience program. |
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To incorporate students in a work experience program into the Ontario Employment Standards Part III, section 3.5, should be amended to remove the exception, “An individual who performs work under a program approved by a college of applied arts and technology or a university.” As this is the exception that explicitly prevents students in post-secondary approved work experience programs from the protections included within the Employment Standards Act, this would resolve the ambiguity regarding what protections students have. Additionally, this would provide clarity to institutions and employers who better know what responsibilities and accountabilities they have in addressing problems during work experience programs and providing recourse.

CONCLUSION

Employment matters. As Ontario and Canada continue to keep pace with the changing global economy, and the transformation to a knowledge economy that requires highly educated and skilled workers, employment must remain a focus within the context of post-secondary education.

In this paper, OUSA has aimed to demonstrate that employment, in the context of undergraduate students, is both an end and a means to that end. We have outlined four topics: summer employment, in-study employment, post-graduate employment, and work-integrated learning. Summer employment, in-study employment, and work-integrated learning such as co-operative education all function as critical components of many students' ability to continue to pursue post-secondary education, as they assists with students' contributions to rising costs. Additionally, summer employment can be an opportunity, if the job prospects exist, for students to "test-drive" jobs related to their discipline of study. Work-integrated learning similarly presents students with the opportunity to "test-drive" potential jobs and careers, however, also enables students to combine both theory and practice, and develop practical skills that employers in the private sector look for in their workers. All of this leads to the desired outcome that post-secondary education will lead to better job prospects for individuals and a more sustainable economy for Ontario in the future.

Students are looking for meaningful employment experiences to supplement their learning and offset the rising costs of post-secondary education. However, students also look for their undergraduate education to be of value within the labour market. We have outlined a number of recommendations for the provincial government, universities, and the private sector to improve the employability of students and the number the opportunities for employment available to current students and recent graduates. The recommendations revolve around enhancing learning and skills development opportunities for students so that Ontario undergraduates can contribute in meaningful ways to the labour market, in ways that relate to the education they choose to pursue.

If Ontario can take the issues surrounding student employment seriously, we can take advantage of the richness and variety of knowledge and skills that our institutions are producing, to realize social and economic prosperity for our province.

GLOSSARY

Employment rate is the number of persons who are employed expressed as a percentage of the population.

Labour force is the number of employed persons in addition to the number of unemployed persons.¹⁰²

Participation rate is the number of labour force participants expressed as a percentage of the population 15 years of age and over.

Unemployment rate is the number of unemployed persons expressed as a percentage of the labour force.

¹⁰² See, Statistics Canada. (2008). *Labour force*. Retrieved from, <http://www.statcan.gc.ca/pub/81-004-x/def/4153361-eng.htm>

STUDENT EMPLOYMENT POLICY STATEMENT

WHEREAS There are both personal development and financial benefits to having students work during the summer months.

WHEREAS Summer employment opportunities should be gainful experiences that prepare students for further learning and their future careers.

WHEREAS The summer labour market must provide students with enough income to substantially offset a portion of their educational costs.

WHEREAS Ontario's summer student labour market is underperforming, both in comparison to the rest of the country and trends for non-students.

WHEREAS A significant proportion of students are unable to devote substantial savings to their studies.

WHEREAS Students who do not work during the summer are still expected to contribute financial resources as part of OSAP's need assessment.

WHEREAS Ontario's student summer labour force participation rates trail the rest of the country.

WHEREAS Summer jobs are often not related to a student's field of study, providing limited growth opportunities.

WHEREAS In-study employment should be driven by student interest and ambition, not the need to recover rising post-secondary cost.

WHEREAS Some types of in-study employment are helpful to students.

WHEREAS In-Study employment has grown to substantial levels, both in terms of hours and proportion of students growing, primarily as a result of rising tuition fees and student costs

WHEREAS The government's recent cancelling of the work-study subsidy has put increased strain on institutions to provide in-study work opportunities to students.

WHEREAS In-study employment is placing a great degree of academic strain on students

WHEREAS University education should provide students with skills that will benefit them in the labour market.

WHEREAS A highly educated workforce is critical to the future success of Ontario's economy.

WHEREAS The private sector has a role to play in skills development for students with credentials.

WHEREAS Due to a stagnant economy and massively expanding post-secondary participation, university education is no longer a certain path to employment.

WHEREAS There is a growing perception that university education is not a fruitful pursuit for students who want to succeed in the labour market.

WHEREAS Graduates of technical and applied engineering and science programs are faring better in the labour market than graduates of liberal arts programs.

WHERAS The private sector has been able to shirk its responsibility in the development of skilled workers, as demonstrated through a decline in the number of jobs with on-the-job training provided.

WHERAS Students benefit from the provision of work-integrated learning opportunities.

WHERAS Experiential learning opportunities should be developed for the purpose of enhancing the academic experience of an undergraduate education.

WHERAS There is currently more of a demand for co-op opportunities than there are jobs to support them.

WHERAS Experiential learning opportunities are not always effectively integrated into the academic curriculum.

WHERAS Costs of experiential learning opportunities are often downloaded to students through ancillary fees.

BIFRT As part of its strategy to address youth unemployment, Ontario should set a target to seek to mitigate the impact of the 2008 recession on student summer employment through a combination of wage subsidies and improved financial assistance.

BIFRT The Provincial Government Increase the wage subsidy provided by Ontario Summer Jobs Strategy to help boost student employment rates.

BIFRT The provincial government must allow students who are unable to find a summer job to easily waive the pre-study income requirement.

BIFRT Introduce an element of income-based need-testing into summer employment programs, particularly those offered by the government.

BIFRT The provincial government must lower the costs of education and provide adequate financial aid, reducing the need for students to work in-study to cover rising costs.

BIFRT Re-invest in an enhanced work-study program that would reflect need-based access to employment opportunities.

BIFRT Encourage the creation of paid undergraduate research opportunities.

BIFRT Universities should promote interdisciplinary pathways in degree programs in order to create graduates with more diverse skillsets.

BIFRT Institutions should mandate better skill articulation, through degree learning outcomes, that relate to labour market-ready skills.

BIFRT The provincial government should promote skills development by providing subsidies to private sector employers who hire and provide on-the-job training to recent graduates of university.

BIFRT The provincial government should work to smooth pathways from university to college programs that allow for skills training.

BIFRT The government should continue to incentivize work placement growth through the expansion of tax credits for employers.

BIFRT The provincial government should expand and provide targeted funding for experiential learning initiatives.