



#ImpactCOVID:

# ROAD TO RECOVERY



Canadian Council for Youth Prosperity  
Conseil Canadien pour la Réussite des Jeunes

SPRING REPORT • APRIL 2021

# ACKNOWLEDGEMENTS

We, the #ImpactCOVID Thought Leaders, would like to thank all those who helped make this Pandemic Recovery Plan possible. Thank you to our funders and to the Canadian Council for Youth Prosperity (CCYP) for giving us this opportunity.

**Valerie Smith** – our #ImpactCOVID project manager and Manager of Youth Engagement  
**Chris Duff** – CCYP’s Interim Executive Lead

And to the entire CCYP team for all of their tireless support of, and dedication to, this project.

We would like to sincerely thank all of those whose time, work, and contributions made the creation of this plan possible.

**The research team who co-authored this report:**

Abdullah Khan, Chinweizu Okeke, Shalini Sharma

**The 7 CCYP Thought Leaders who both undertook the research portion of this project, and co-authored the youth chapter of this report:**

Maryama Ahmed, Munira Al-Amudy, Jordan Derochie, Malika Dhanani, Sumeya Hassan  
Phoebe Lamb, Meena Waseem

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# Canada



**RBC Future Launch**



**Canadian Council for Youth Prosperity**  
**Conseil Canadien pour la Réussite des Jeunes**

The Canadian Council for Youth Prosperity is a non-profit organization supporting youth workforce development in Canada. We are a cross-sector, collaborative table of highly-skilled community and corporate leaders improving the sector through engagement, coordinated activities, research, and advocacy.

April 2021

# EXECUTIVE SUMMARY

It is now widely accepted that the pandemic shutdowns have taken their toll, especially on youth. Youth unemployment increased by 6.8% between February 2021 and February 2020, whereas for the population as a whole, unemployment rates rose 2.6% over the same period. This difference indicates that the youth have been disproportionately (negatively) affected compared to working Canadians, in general.

The **Impact Covid Recovery Project** is a unique youth-focussed, youth-researched, youth-authored recovery plan for Canada from the pandemic induced recession of 2020-21. This project was conducted jointly by the Magnet program at Ryerson University and CCYP with financial support from the Royal Bank of Canada and the Cooperators Insurance, but *most importantly* with 77 youth in work-study programs in Canadian universities. The purpose of the initiative was to chalk out a recovery plan by aiding youth in conducting workshops with various stakeholders ranging from employers to educational institutions to the youth themselves. During January and February 2021, the youth were able to obtain feedback from various stakeholders about the impact of COVID on their organizations and recommendations going forward. Using a combination of economic literature, socio-economic data and information collected from stakeholders, the Impact Covid Project youth with CCYP Research have produced *an evidence-based recovery plan* that can ensure a strengthened, resilient recovery from the pandemic, especially for youth.

Further, from our focus groups we learned from the small and medium business representatives about youth hiring freezes, confirming labour market trends. Educationists reported that instruction moved entirely online and co-op, practical training and work-study opportunities dried up for youth across the board, impeding not only youth education and skills training but also in terms of building experience that is increasingly a job pre-requisite. Furthermore, social service organizations related a drop in youth clientele, precisely because accessing job placements remotely has been difficult for many marginalized and vulnerable youth. In fact, employment services providers have been hindered from helping those at a time who require the most assistance. Lastly, but most importantly, the youth themselves expressed acute frustration and anxiety about recovering from the setback of the pandemic induced recession.

The strategies for recovery proposed by stakeholders are summarized below.

## **MEASURES INVOLVING FISCAL SPENDING**

Proposals range from extending wage subsidies for specific sectors, pegged to the size of business to spending on youth jobs programs by extending existing ones and creating bridge programs to ease the transitions that youth face from study to work. The consensus from every stakeholder panelist was that expanding work-study options was the only way for youth to be able to contribute to a recovery as well as prosper from it.

## **CONSISTENCY IN HEALTH GUIDELINES FROM GOVERNMENT**

Keeping consistency in government guidelines, would serve as an aid to businesses as they adjust to otherwise ubiquitous and existing risk during recession.

## **EXPANDED DIGITIZATION OF THE ECONOMY WITH CAVEATS**

Investment in both physical and human capital through increased access to high-speed internet and improved capability of using information and communication technologies (ICT) is the way to recover. However, many believed that a 'tech-heavy' recovery only benefits a few. The caveat to expanded digitization, is that it must be equitable for recovery to be meaningful.

## **MENTAL HEALTH SUPPORTS FOR RECOVERY**

Employers must offer first aid training with mental health problems and hold worker awareness campaigns to de-stigmatize the effects of the pandemic on well-being. Sick leave allowances had to be made to ease the stress and tensions faced by young workers during and in the aftermath of the pandemic, until the uncertainty subsides.

## **ADJUSTMENTS IN POST-SECONDARY EDUCATION**

There must be regional resources equity for post-secondary education such that smaller, regional institutions are not disadvantaged by the move to remote instruction. Further, smaller institutions could be given more latitude for their internship, work-study programs as a compensation for fewer local work opportunities. Expanding the capacity of programming must be undertaken as both the youth (and older workers) return to training after having suffered setbacks from the pandemic shutdowns. Adjusting education costs incurred by youth using measures like a phased interest payment moratorium, might be a way to reduce the financial pressures faced by youth as they enter the labour market with a handicap from the pandemic.

The concerns raised by the focus group participants supported existing trends. Evident in every discussion was the recognition that the pandemic had made existing fault lines wider and that interventionist public policy was the order of the day. However, we realized that there had to be a discussion forthcoming about programming that already exists and how stakeholders can access and benefit from it, the next step in our consultations with stakeholders in the youth workforce development sector.

# INTRODUCTION

## Building the Recovery Plan

It is now widely accepted that the pandemic shutdowns have taken their toll, especially on youth. Youth unemployment increased by 6.8% between February 2021 and February 2020, whereas for the population as a whole, unemployment rates rose 2.6% over the same period. This difference indicates that the youth have been disproportionately (negatively) affected compared to working Canadians, in general.

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The purpose of the initiative was to chalk out a recovery plan by aiding youth to initiate conversations with various stakeholders ranging from employers to educational institutions to the youth themselves. The initiative involved working with 77 youth who were undergraduate or postgraduate students in universities across Canada. A questionnaire and a set of questions for each group of stakeholders was developed during December 2020. During January and February 2021, workshops were conducted in collaboration with partnership organizations.

Through these workshops, the youth were able to obtain feedback from various stakeholders on the impact of COVID on their organizations, feedback on the governmental response and recommendations going forward. However, the stakeholders in the focus groups, especially the businesses and educational institutions are not representative of the workforce development sector.

The motivation behind this exercise was to use a combination of economic literature, socio-economic data and information collected from stakeholders to produce an evidence-based recovery plan that can ensure a strengthened, resilient recovery from the pandemic.

The Youth: people in the 15-29 age group are going through multiple transitions in their lives. Some are transitioning from high school to



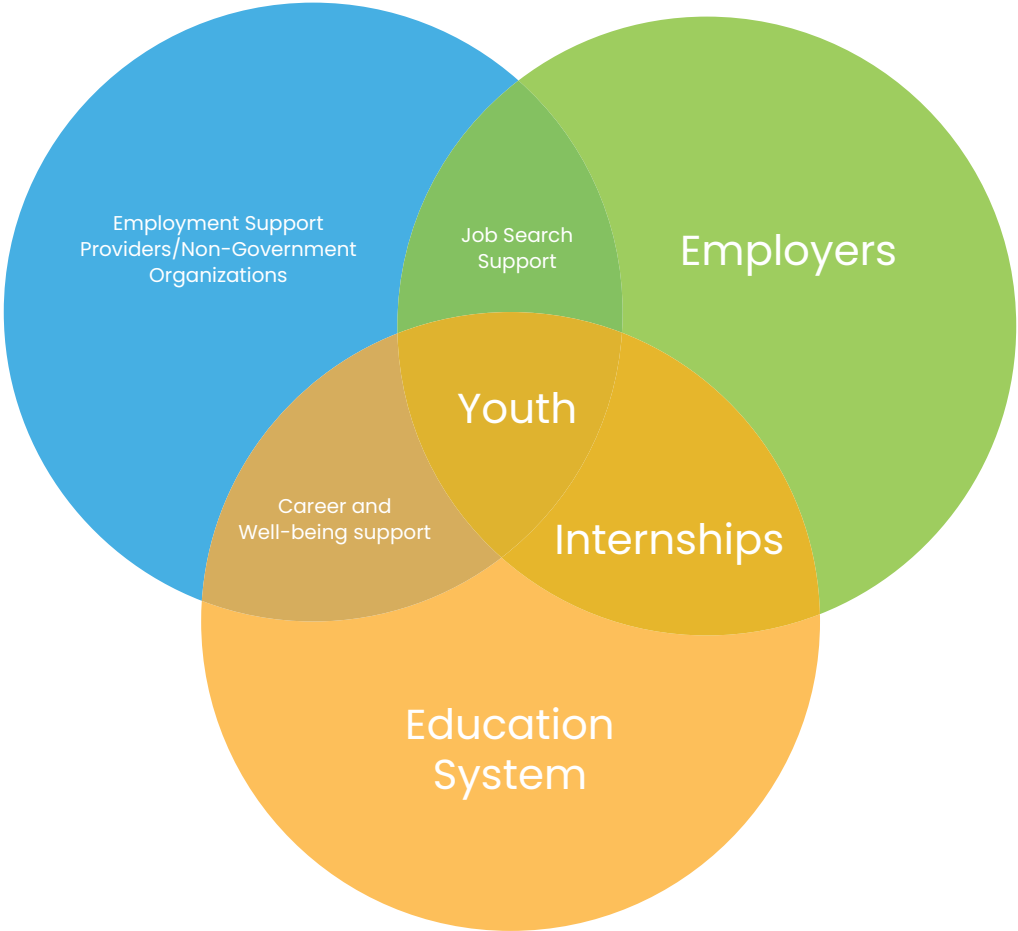
university, while others are entering the workforce after completing their education. Due to structural changes in the economy, not only has this transition period been prolonged, but it is no longer a linear process as youth navigate through postsecondary education and delay labour market entry or full-time employment, sometimes more due to compulsion, rather than choice.

The proper management of these transitions, including the imparting of skills in demand in the labor market, is necessary for improved economic outcomes including finding rewarding and stable employment. Therefore, to get a more holistic view, the invited stakeholders were the ones playing key roles in youths' lives i.e. education, employment etc., and could provide better insight in managing these transitions particularly in the post-COVID era.

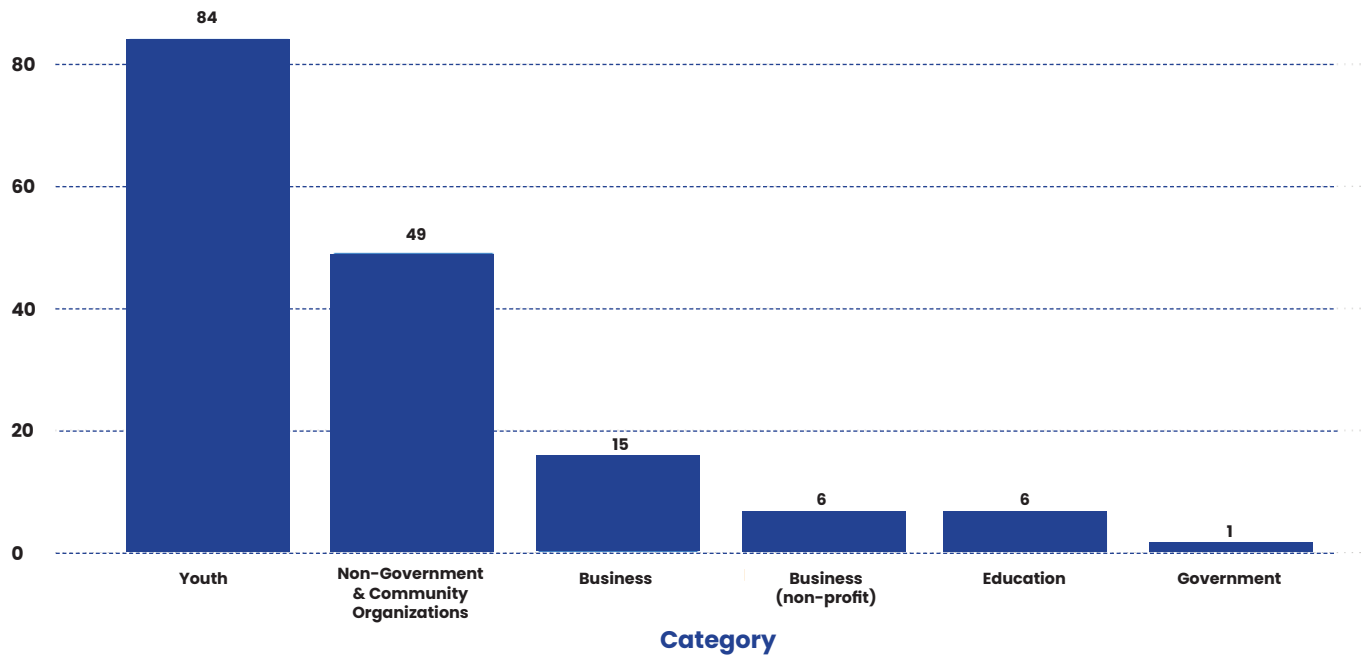
## Stakeholder Focus Groups Employers, NGOs, Educationists & the Youth

Youth interns engaged in focus groups with 161 diverse stakeholders including employers, educational institutions, youth representatives and not-for-profit services representatives.

**Figure 1-Youth Ecosystem**



**Figure 2- Representatives from each stakeholder group**

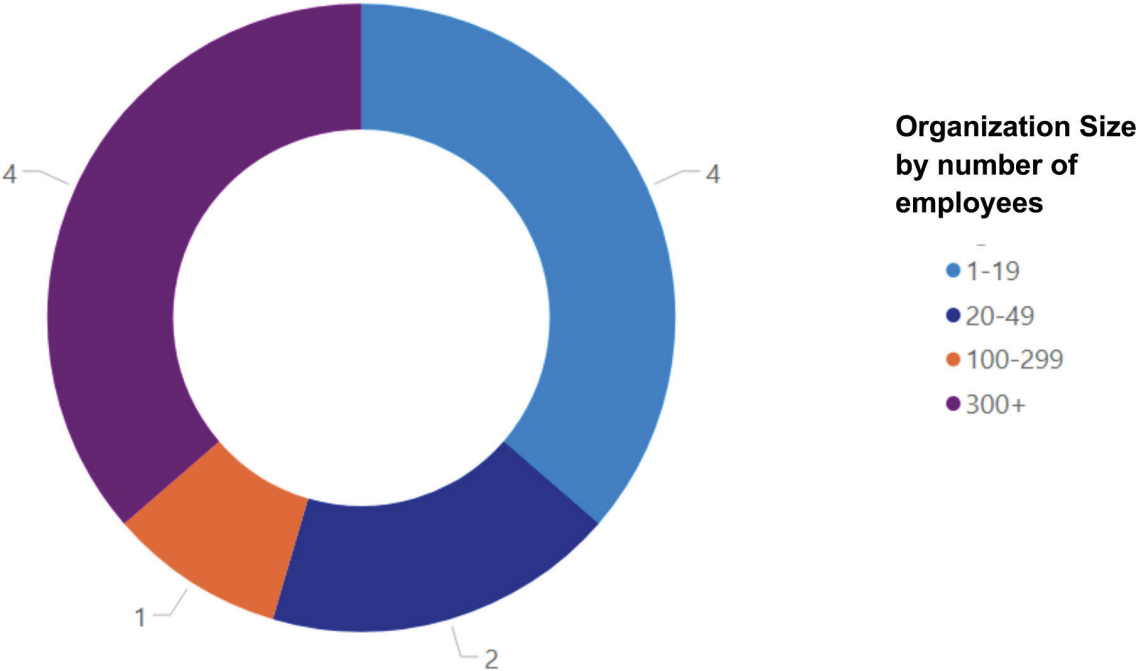


While the employers in the focus groups came from multiple industries, the FIRE sector (Finance, Insurance & Real Estate), particularly insurance companies had the most representatives as employer panelists. The rest of the organizations ranged from food manufacturing to computer software.

ORGANIZATION NAME	NUMBER OF RESPONDENTS	NAICS	INDUSTRY
Carpenter's District Council of Ontario	1	238	Carpenter/Service Sector
FortWhyte Alive	1	712	Non-profit/Social Enterprise
Green Economy Canada	1	813	Non-profit
London Brewing of Co-operative	1	311	Beverage/Food Manufacturing
Peter Maranger & Associates Inc.	1	524	Insurance/Financial Services
reThink Green	1	813	Environmental Sustainability
Roots to Harvest	2	111	Not for profit
The Co-operators	5	524	Insurance/Financial Services
Woodbine Entertainment Group	1	711	Horsing Racing Operations and
YMCA of Greater Vancouver	1	624/713	Land Development
YMCA of Oakville	1	624/713	Health and Wellness/Child Care

Eight of the 11 businesses were either very small businesses or large employers as seen in **Figure 3** below, including a few not-for-profit companies. We felt their inclusion in employer discussions would help the Impact Covid Recovery Project youth get a wide perspective.

**Figure 3- Large and small business in the focus groups**



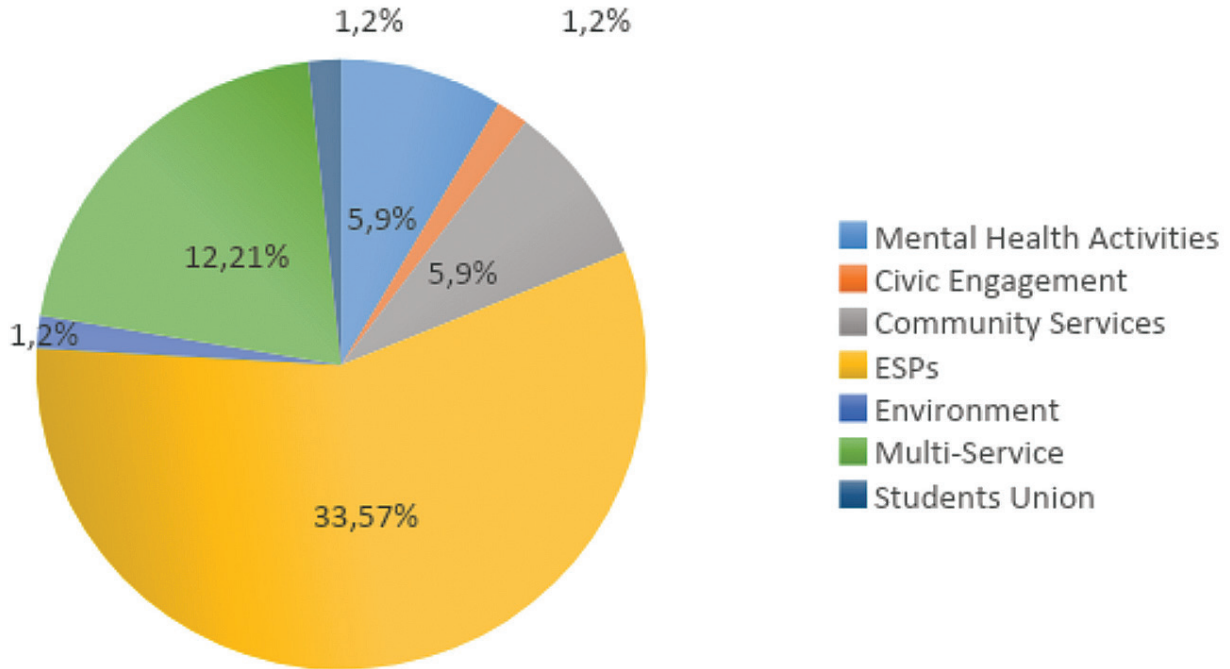
Non-governmental organizations (NGOs), including employment services providers (ESPs) ameliorate existing socio-economic disparities that many Canadians face, both in ordinary times and during these extraordinary pandemic induced recessionary times. A strong and positive economic recovery in the opinions of NGOs/ESPs, means an equitable one because these are the organizations that are deeply engaged in delivering programs in Canada’s safety net. They have a bird’s eye view of the workings of the economy and labour market on our most vulnerable citizens. Hence it was important to bring them into the discussion as an important labour policy stakeholder.

ESPs comprised a third of the 161 respondents in the various discussion groups and ranged from those that delivered government employment programs to others that specialized in very specific areas like youth mental health, food security, immigrant settlement etc.

**Figure 4** illustrates the general range of the participating NGOs on our discussion panels. Expectedly, most deliver employment services; different aspects of program delivery, aids to the job-search processes and employment supporting services to vulnerable and marginalized people.



**Figure 4- Types of NGO representation**



However, these distinctions become quite blurred between the organizations. For example, some community services organizations do provide subsidized employment assistance, but at a smaller scale. The views expressed by such NGOs reflect cases and examples that are often lost in the aggregation of policy making.

The education focus groups comprised 11 respondents from selected colleges and universities, who discussed how the education sector had been impacted by remote instruction. Respondents included staff from the University of Toronto, University of Guelph, Wilfrid Laurier University, Humber College, Seneca College and Mohawk College amongst others listed in the Appendix.

Most representatives came from various youth groups with 84 respondents, including student ambassadors, members of various youth groups and networks and university students. In talking with youth, many of whom represented youth from vulnerable backgrounds, this project gave voice to youth concerns about the pandemic and thereafter.

The various stakeholders discussed here have informed the recommendations in this report after raising and discussing the impact of the pandemic on their respective concerns. We would like to draw special attention to the fact that the Impact Covid Recovery Project student-interns have authored a chapter in this report themselves. This Impact Covid Recovery Report carries special meaning because it is a product of the youth themselves, as they add to the debate about their own economic recovery from the pandemic.

# THE PANDEMIC, YOUTH EMPLOYMENT, EDUCATION AND WELL-BEING

## Business and Youth Employment

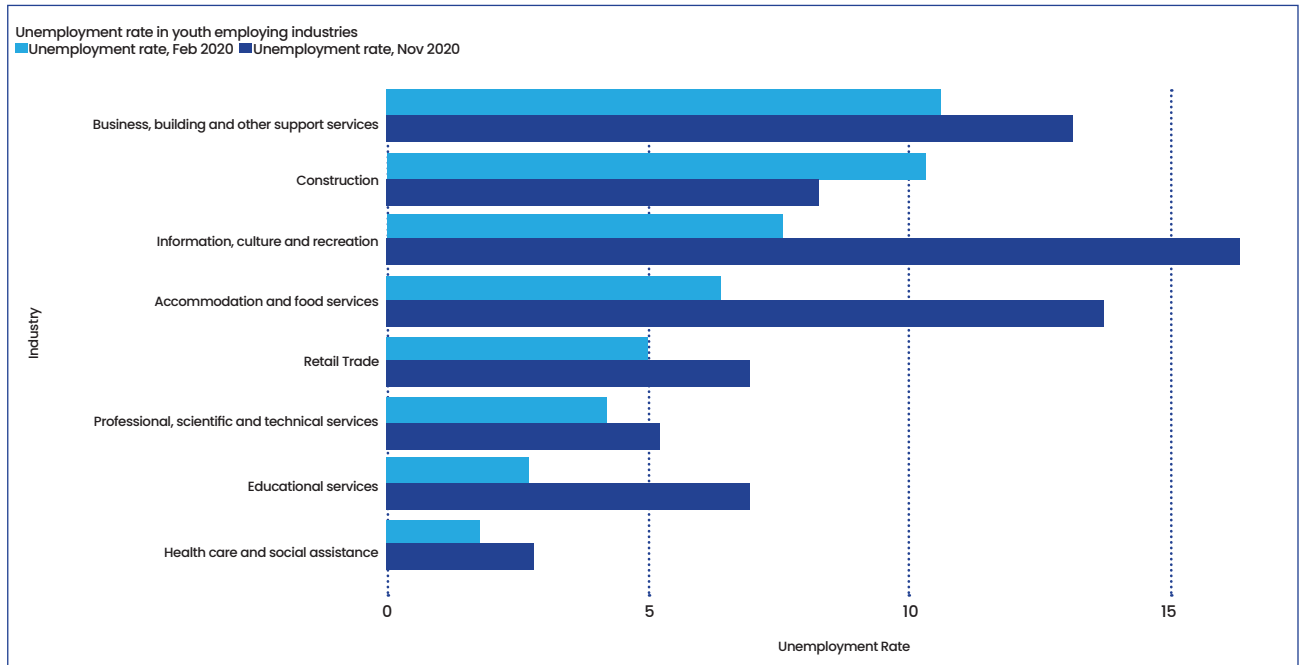
The pandemic has posed a unique problem to businesses. Whereas previous recessions have been driven by the lack of aggregate demand, the pandemic-induced recession was driven by the closure of physical spaces for doing business, which hampered business activity. The ripple effects of these mandatory store closures and ensuing unemployment have subsequently suppressed aggregate demand in related and unrelated sectors. So it was the pandemic, not a typical business cycle movement, that led to a recession. This makes this recession very atypical, and more difficult for the usual policy strategies to work in the same way as prior recessions. The economic effects of this recession have also been highly skewed towards large firms and those in the technological sector.

The sectors that typically employ large numbers of youth in their workforce are Retail Trade, Accommodation & Food Services, and Information, Culture and Recreation, *which also have low telework capacity*. This meant that they were more harshly impacted by the pandemic, compared to the rest of the industries resulting in *stronger loss in employment for the youth* compared to older age groups.

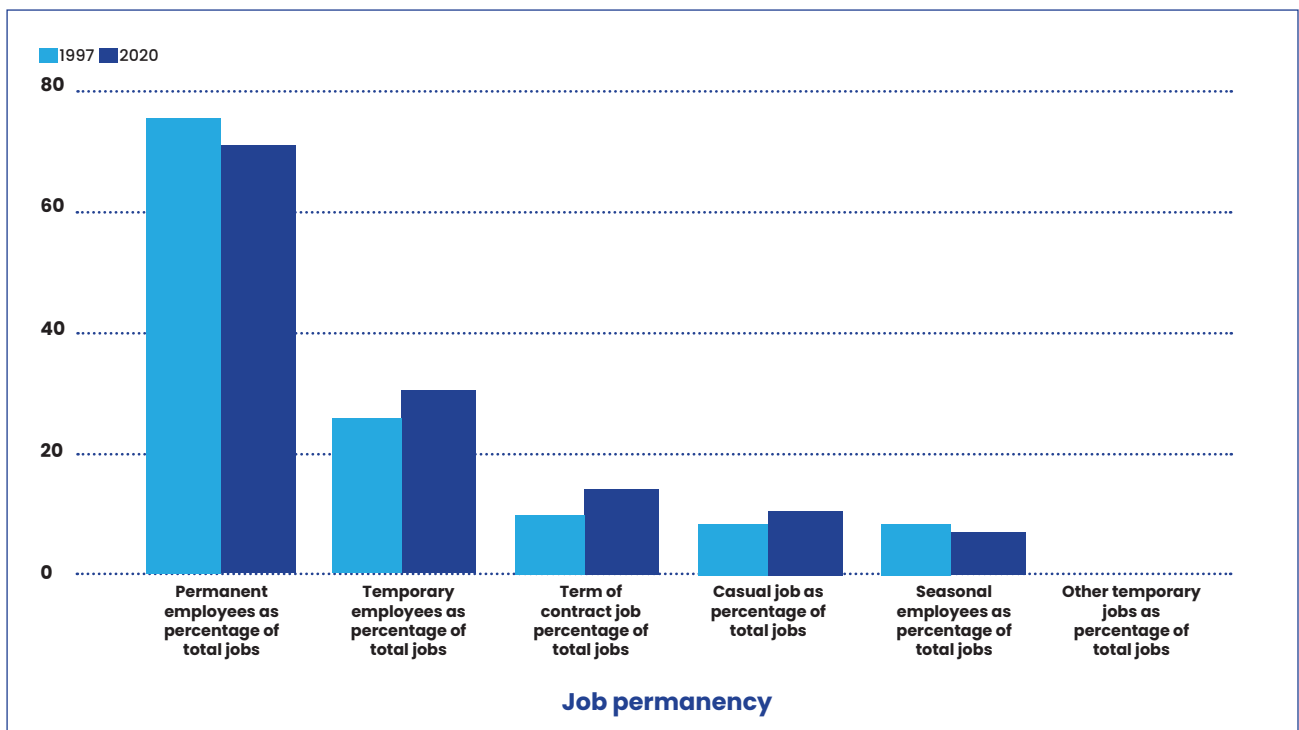
**Figure 5** illustrates the sectors that were worst affected in terms of youth employment, as well as a few that escaped the pandemic relatively unscathed.

Over the years the share of youth in temporary jobs has increased, especially in these sectors. The last two decades have seen an increase in temporary employment for the 15–24 age group with corresponding decrease in permanent employment. The shift towards non-standard (not permanent, full-time work) since 1997 for youth illustrates the deterioration of the *terms of employment* for youth. Temporary work has been more prevalent amongst youth than core aged and above; its incidence has trended upwards slowly since 1997, (Galarneau, Morissette, & Usalcas, 2013).

**Figure 5 – Youth unemployment by NAICs sector, Nov 2020 and Feb 2020**



**Figure 6 – ‘Quality’ of employment for individuals aged 15–24. 1997 and 2020**



Statistics Canada

It is against this background of youth unemployment, significantly due to telework shifts during pandemic, that we discuss the issues raised and recommendations made by employers/businesses featuring in the focus groups.

# EMPLOYER VIEWS & EXPERIENCES OF THE PANDEMIC

## Impact of COVID on business operations: Rise of remote work

In line with the overall trends, employers interviewed by the Impact Covid team reported a shift to online work.<sup>1</sup> However, the impact of the pandemic on individual employers varied with the dynamics of their work and on whether remote work was possible in their line of work. For example, it was easier for employers in insurance to shift to work from home modality compared to employers in construction.

Importantly, the classification of construction work as essential played a crucial role in its conduct through the pandemic. *Youth employment in construction actually grew during the pandemic recession while every other sector contracted in terms of employment (see Figure 5).*



<sup>1</sup>Statistics Canada ([cite](#)) reported a two-fold increase in the number of employees working from home.

Other goods producers/employers in the focus groups moved online, e.g., the Brewing Co-op in London shifted from selling its products in-person to online sales. A revenue generating agricultural coop in Guelph, Ontario also reported pivoting its nature of work to adjust to the new reality. The agro-co-op shifted from food growth in farms to providing food access service *but the social distancing and safety protocols and change in business activity meant that there was no additional hiring*. Smaller stores in Retail Trade did not report substantial increase in business activity from their online presence as compared to larger businesses and retail chains. Compared to large retailers and online services such as Amazon, brick-and-mortar stores have struggled to survive in the new normal as they had to contend with both the lack of demand and restrictions on operating hours or closures due to governmental directions. *This is in keeping with overall trends.*<sup>2</sup>

The impact on other businesses in the services sector was mixed. Employers in the insurance sector, for example, reported indirect impacts of the business stemming from losses to their clients in the restaurant and tourism sector, which resulted in reduced business activity for the insurance firm. But again, *there was no new hiring of youth or older workers*.

## Cost savings and cost increases

All told, there was an uneven change in business costs. Office-based businesses such as insurance were quickly able to transition to working remotely. Moreover, they indicated a possible continuation of work-from-home modality even after the pandemic is over, as most of their staff prefer this arrangement and it has helped reduce business cost through savings in office space rents. Organizations that were dependent on procuring material from across international borders such as construction and manufacturing reported an increase in business costs due to supply chain disruptions.

It remains to be seen if the businesses with decreased costs utilize their newfound savings to finance business expansion once the recovery from the pandemic ensues. At a national level, compared to the United States and other OECD countries, Canada has lagged behind in business investment, despite low interest rates in the years preceding the pandemic.

Compared to the United States, Canada has a business regulatory framework that is considered more restrictive with business investment than that for the US. Moreover, of great concern recently, is that it has been more lucrative to hold a real estate asset than a capital asset thus resulting in reduced incentive for investment in capital formation. Going forward, an overhaul of the corporate tax code could spur business investment and reduce that in real estate.

<sup>2</sup> Coronavirus, retail closures speed the rise of Amazon (cnbc.com)



## Hybrid work and the *digital divide*

Discussants reported an interesting trend that emerged. It was the 'hybrid' working modality where employees—particularly youth employees—preferred doing some tasks remotely, thus requiring presence at work site only for those tasks that needed in-person attention. Another advantage of the flexible arrangement was the opening up of jobs that could be done remotely for people who did not live in the same region as the employing organization i.e., someone living in the Quebec countryside working for an employer in Montreal, which had occurred for some of the businesses in our focus groups.

However, there was a concern regarding unequal internet connectivity and its hampering of workforce participation during pandemic times for those with reduced access to broadband internet. One insurance company reported staff living in areas with reduced access to the internet and so, had problems with working remotely. We know that the digital economy has benefited urban areas more than rural and remote regions, and white-collar work more than contact-based work<sup>3</sup>, leaving rural areas and essential non-white collar work outside the scope of the digital economy. Hence the overall implications of remote work, hybrid or not, remains mixed on different sectors and regions of the economy.

## Uncertainty and sluggish hiring of youth

The economic uncertainty and the safety requirements from the pandemic have affected hiring decisions. While most of the businesses interviewed did not experience major reduction in employment levels, it was not accompanied by an expansion either. Essentially, this is a common phenomenon seen in hiring decisions during a recession, as businesses decide to 'wait out' the uncertainty. But there were rules too that contributed to this reduced hiring capacity.

According to representatives from the Carpenters District Council of Ontario, the social distancing and safety requirements meant that businesses that require on-site work were not able to hire as many people as before the pandemic. *Safety protocols deterred hiring, including for youth.* Due to the lack of in-person interviews, career events at campuses etc., employers reported that hiring was not able to proceed at the same pace as before the pandemic. Since on-campus hiring is such a major source

<sup>3</sup>How COVID-19 worsens Canada's digital divide | CBC News

of youth hiring, this only resulted in *reduced hiring of youth*. Therefore, *safety protocols, the uncertainty about them and the lack of in-person communication adversely impacted hiring for those who entered the labor force during this time period or lost their jobs*. Business investment is strongly prone to volatility and behavioral shifts in sentiment which means that uncertainty about the state of the economy can result in decreased business spending and stagnation in job creation in the present, thereby prolonging the recession. Better communication from the government on protocols, the future course of action and assurance on the fiscal support to businesses could help lessen the uncertainty and facilitate more hiring.

### **Pre-existing industry barriers, skills and the role of co-ops**

Reductions in co-op placements affected even employers in the FIRE sector like insurance, that is not typically a youth-intensive industry. Insurance has been experiencing a talent gap even before the pandemic due the retirement of the older workforce and lower youth intake. The latter, is a result of licensing requirements, while necessary, can act as an entry barrier for youth. Encouragement of more co-ops and internships in this sector could serve as a solution-to familiarize youth with such work, encouraging them to qualify for the industry, and for meeting licensing costs incurred by them. Financial sector employers focused raising awareness about financial literacy amongst young people, by imparting short courses on industry-specific knowledge and skills thus increasing youth employability in such sectors.

### **Government response to the pandemic and beyond**

Employer-panelists were mostly satisfied with the governmental response to pandemic. While some of the businesses in the focus group did not avail of government benefits or the persons attending the sessions were not involved with the grants process, some employers reported taking advantage of the wage subsidy (CEWS) or the Canada Emergency Business Account (CEBA).

However, employers did report competition amongst themselves to attract qualified workers. A few employers were of the opinion that income supports like CERB (Canada Emergency Response Benefit) or EI (Employment insurance) were keeping workers away from filling jobs.



## Post-Secondary Education and the Youth

The pandemic and the ensuing shut-downs of activity (to differing degrees) across Canada has meant that colleges, training institutes and universities have been delivering all services, including instruction, to students remotely since March 2020. By the time we go to press with this report, it will have been a year since students across Canada in all faculties have been participating in remote instruction.

Through the pandemic and contrary to expectations in March 2020, enrollment in Canadian educational institutions has held steady (marginally increased). The bulk of Canadian post-secondary enrollments were in university degree programs with two-thirds of the 2.1 million enrollees, i.e., approximately 1.4 million in autumn 2020. International student participation fell slightly and has put a damper on the revenue intake of educational institutions.<sup>4</sup>

Much of the increase in domestic student enrollment came from part-time enrollment, as youth decided to re-evaluate educational pathways in response to future employment conditions, and/or have seen education-related internship, coops and other work opportunities evaporate, forcing them to seek temporary work and/or going part-time. The heartening news is that students, the bulk of whom fall into the 20-24 year age group, stayed in their post-secondary programs through the pandemic since other options like travel or work have been curtailed.<sup>5</sup>

However, issues in post-secondary education go beyond the pandemic and they are summarized below.

## Employment with post-secondary education

The importance of post-secondary education for youth has only been rising over the last thirty years as employment has been increasingly dependent on education and skills training. **Figure 7** illustrates the importance of holding a Bachelor's degree (or above) for employment. This is seen in the rising trends in employed people with Bachelor's degrees and postgraduate degrees, alongside the decline of the percent shares of employed people with lower or other levels of educational attainment (high school or college diplomas).

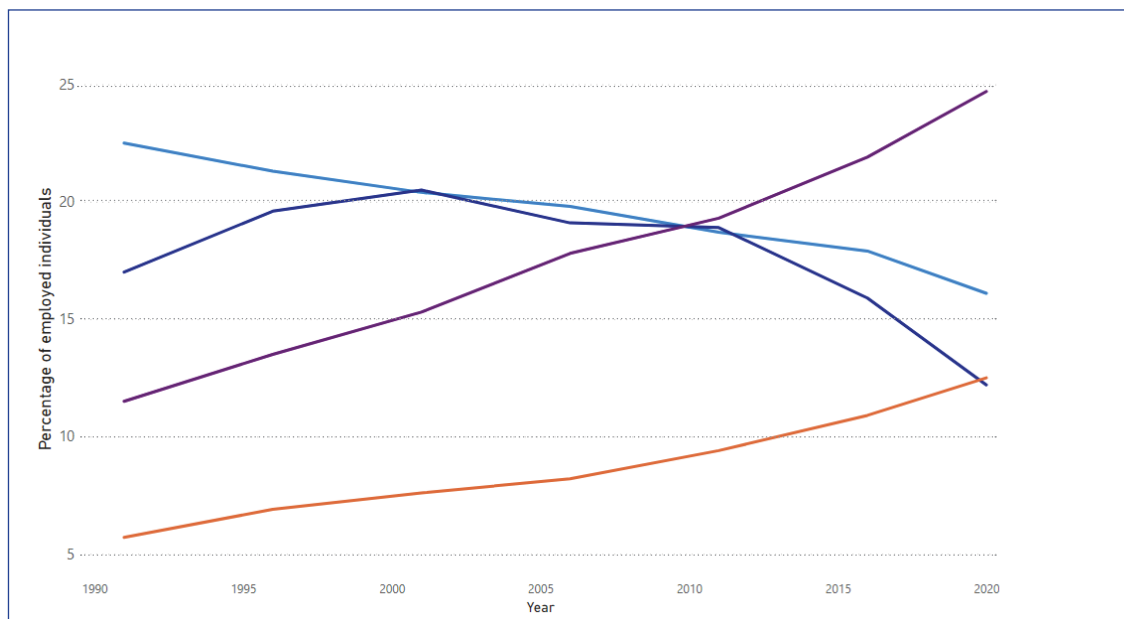
The increasing skills component amongst the employed in Canada has meant that workers must have prerequisite educational and skills qualifications for employment, rather than learning on the job.

<sup>4</sup> Student tuition fees have been a major contributor to university revenues over the last decade, rising sharply through it, while government contributions to university revenues have not changed much. This is well established in the literature on higher education in Canada.

<sup>5</sup> <https://www.theglobeandmail.com/canada/article-enrolment-up-at-canadian-universities-mostly-because-of-part-timers/>



**Figure 7- Rising importance of post-secondary degrees in employment**



Calculated from Statistics Canada. Table 14-10-0020-01  
Unemployment rate, participation rate and employment rate by educational attainment, annual

## Deteriorating work conditions and meeting educational expenses

The crucial role of skills and education in the lives of Canada's youth as a prerequisite to their employment (even pre-pandemic) has meant that its acquisition has been acting as a burden. The costs of skills/education have been increasingly presenting a stress to youth because of difficulties in transitioning from higher education to secure, stable and gainful employment. The ability to meet those costs as well as reap education's benefits with consistent income growth appear to be increasingly demanding for youth in Canada and in other OECD countries. (Quintini & Martin, 2006). The deterioration in the terms of employment for youth as discussed earlier implies that young employees are adversely affected in terms of wages, working conditions and the stability of work performed by them compared to older workers, but yet have to recoup costs of skills acquisition.<sup>6</sup>

Even during normal times, these labour market dynamics mean that young people have been caught in a dilemma. The pursuit of good quality work is (and will be) increasingly dependent on sophisticated cognitive skills that make post-secondary education an absolute requirement because of rapid technological change. Simultaneously, youth face heightened uncertainty in reaping its benefits coming from deteriorating terms of employment.

These were existing concerns regarding post-secondary education and 'school to work' transitions that have existed prior to the economic shock of the pandemic-induced shutdowns and have only become more acute since the pandemic as we learn from forthcoming discussions with educationists, NGOs and the youth alike.

<sup>6</sup> <https://www150.statcan.gc.ca/n1/pub/75-006-x/2020001/article/00005-eng.htm>

# INTERVIEWING EDUCATIONISTS

## Challenges and opportunities with online instruction delivery

Colleges and universities in Canada have strengthened their IT infrastructure since March 2020. Some, like Seneca College in Ontario built IT infrastructure prior to going fully online and have been augmenting that capacity. Wilfrid Laurier University hired course designers to aid faculty transition to online course delivery. However, a couple of workshop participants reported bottlenecks in the move online, but it is not possible to determine whether those problems were systemic or due to lack of built ICT infrastructure. That said, the larger more prestigious institutions in the focus groups appeared better resourced to make the switch seamlessly as compared to smaller institutions.

With increased domestic student enrollment and lowered student attrition, there have been questions about meeting the needs, i.e., expanding capacity of post-secondary institutes. For example, Seneca College reported a spike in registrations for their Nursing program during the pandemic, stretching capacity. But this is not a straight-cut issue because with remote instruction, there are delivery constraints. Instruction that is hands-on for example, like labs or practical training cannot be delivered online effectively. Massive Open Online Classrooms (MOOCs) have been around for a while, but their success is limited because it is impersonal.<sup>7</sup>

The advantage that public colleges and universities held over commercial e-learning software in delivering to large classes during this pandemic can be summarized in three strategies: student investment, interaction and support. All institutions reported extended instructional support, like expanded teaching assistant contact, virtual hours, virtual tutorials and one-on-one sessions with faculty, besides investment in student services. Those three central strategies appeared to be the reasons why enrollment and retention for domestic students has held steady. Of course, there were shortfalls experienced by students that we will discuss later in this report.

However, going online did mean that there were reduced course and lab options for students, but there were some adjustments made like shorter-period lab rotations in the applied courses. Such reductions have also meant graduation delays for many students, to which institutions have responded by extending deferred graduation to affected students. PSEs reported that a lot more flexibility was introduced into course delivery and assessment so as to not disadvantage any students who were located in far-flung areas or in difficult economic/housing/familial circumstances.

<sup>7</sup> <https://www.universityworldnews.com/post.php?story=20190207110446568>

Expectedly, PSE's have been in 'reaction mode' to the pandemic; a short term issue. The bigger concern is long term flexibility in academic requirements for graduation, without sacrificing quality and assessment capabilities because of online instruction.

## Skepticism regarding e-learning and practical training opportunities evaporate

Our educationist focus groups agreed that the quality of online education was about the 'Zoom fatigue' factor, that it was exhausting and isolating in nature, prevented social interaction and hence was of poor quality, an intrinsic problem rather than one of quality of delivery. *The more significant problem for students was access to practical training, work-study and coop programs.* Those came to a grinding halt across the board. In fact, the Statistics Canada survey, revealed that 35% of 100,000 youth surveyed had their placement and coop programs either postponed indefinitely or cancelled.

That said, the group of panelists representing highly prestigious and well known institutions usually located in major cities were able to recoup their work-study, co-op placement programs for their students to a greater degree than the group whose institutions were located in smaller places or were not flagship institutes.

### Accessibility and equity concerns regarding post-secondary education

**The pandemic and the ensuing severe downturn has laid bare the deep inequities experienced by many Canadians, including in education. It is particularly relevant when it comes to youth in the following ways:**

**i) In the immediate:** Already marginalized and vulnerable youth from lower income groups (often racialized) face additional pressures in meeting the financial demands of their educational and training costs. The drying up of even entry level work, uncertainty in income streams and student loan burdens, imply a prolonged period of debt for student-youth. Under normal circumstances, even three years since graduation 65% of student loans remain outstanding.<sup>8</sup> This time lag is likely to get more pronounced in times of severe downturns.

**ii) Longer term:** Students from lower income, remote locations and vulnerable backgrounds have been facing heightened difficulties in accessing remote learning, which has damaged the quality of their education and training, exposing them to future problems with transitioning to gainful employment.<sup>9</sup> As higher education re-opens, some elements of online education that will become permanent.<sup>10</sup> Moreover, while online courseware is a lot cheaper, there is considerable pedagogical evidence questioning its quality.<sup>11</sup> Finally, we do know that racialized and/or economically vulnerable families have been affected more adversely from Covid-19 and there is considerable hesitancy on their part to return to face to face instruction.<sup>12</sup> Over the long term, socio-economic factors that hinder the quality of learning, cheaper online instruction and the generally lower quality of online courseware could all together could *create a two-tier system of post-secondary education which only encourages further educational inequalities.*

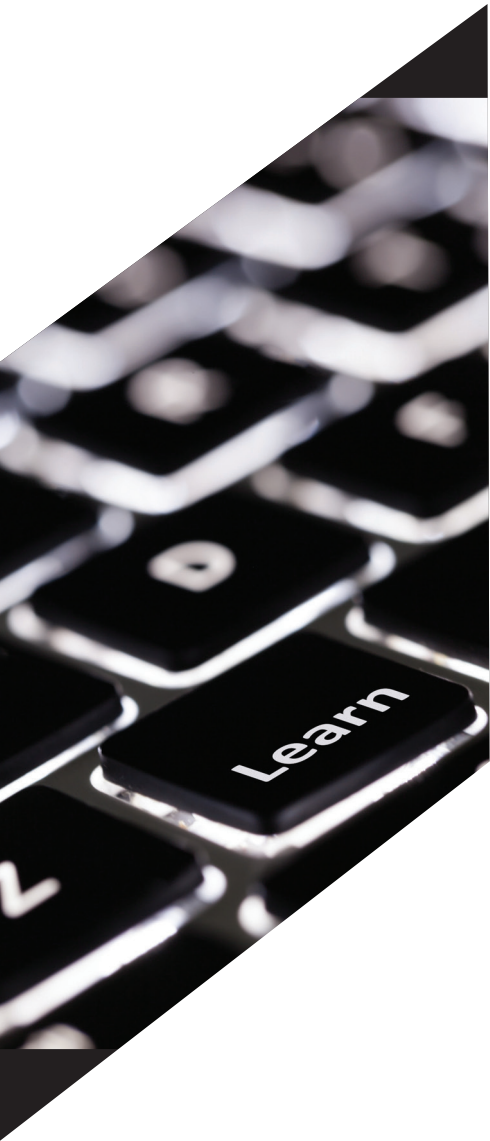
<sup>8</sup> <https://www150.statcan.gc.ca/n1/pub/75-006-x/2020001/article/00005-eng.htm>

<sup>9</sup> Realizing that equipment demands imposed by remote learning, post-secondary institutions have had long standing programs of equipment disbursement to students in need, like laptop lending programs and other technology supports which were ramped up during this time. University of Saskatchewan for example, is in the throes of data collection on technology access issues so that problems of equity in remote learning can be better addressed.

<sup>10</sup> University Affairs, various issues.

<sup>11</sup> <https://www.edweek.org/technology/opinion-how-effective-is-online-learning-what-the-research-does-and-doesnt-tell-us/2020/03>

<sup>12</sup> <https://rsc-src.ca/en/covid-19/impact-covid-19-in-racialized-communities/racial-inequity-covid-19-and-education-black-and>



Our panelists all supported increased government contribution to instruction to mitigate the issues raised in ii) above. Government contribution to university revenues (unavailable for colleges) have been unchanged over the last decade, implying that student fees have been the larger contributing factor to university income, the bulk of which is spent on instruction, (Usher, 2020).

Simultaneously, there was consensus for greater funding for work-study programs going forward, for example, greater access to subsidized training programs. The idea behind such advocacy is not merely to improve 'work integrated learning' opportunities for students but actually providing some earnings capacity for them which could have a leavening influence on student finances and debt going forward. Many in the sector were very positive about specific government programs like Canada Summer Jobs, Ripen Canada, Canada Comeback Challenge and Canada Training Benefits in improving student accessibility to employment that came from their training.

For the short term there were some measures undertaken to help those students who faced exceptional circumstances during the lockdown, the stoppage of part-time employment and other financial strain. Although, all institutions specified that they used bursaries in a big way to aid both domestic and resident international students, there is still great necessity for longer term solutions of the kinds discussed already here.

## Long term concerns with normalizations

### Skills mismatches and employment<sup>13</sup>

Any mismatch between higher education and employment in general and for youth in particular, comes from a key factor: the increasing prevalence of over-education. Situations of over-education arise when educational qualifications exceed the requirements to adequately perform a job. A relatively recent Statistics Canada study showed that only about a half of the growth in university educated workers was matched with a growth in jobs requiring a university education.<sup>14</sup>

One of the reasons driving over-education is the increased demand for university credentials among employers despite their lack of applicability to jobs and the prestige attached to university credentials. Moreover, technological changes that have taken place in the past few decades have increased the demand for education and cognitive skills but the resulting automation has resulted in reduced demand for mid-level, average skills found in routine work that require some higher education. These advancements in automation have created sophisticated high-skill, high wage occupations and low-skill, low-wage occupations with the erosion of mid-level work which typically require generalized cognitive skills, which less specialized post-secondary programs have typically provided.

Our panelists concurred with the above-mentioned points. One pointed out that most of the youth that came through their department seemed to have unrealistic expectations about work and income. Another indicated that there was a distinct preference for white-collar work (mostly non-technical) opposed to applied work like the trades.

Just as in the Employer Discussions we learned that the skills deficits apparently lay in the lack of soft skills rather than knowledge and hard skills, that inhibited the transition from education to work.<sup>16</sup> Notably, responses with respect to hard and/or soft skills varied by the type of institution being interviewed; colleges suggested soft skills gaps were the problem, whereas university representatives suggested that the problem lay more with deficient digital literacy or transferable skills on the lines of writing, analytical and quantitative skills.

In concurrence with the 'Employer views' the 'Educationist' view was that any skills mismatches after post-secondary education could be mitigated by adequate work-study, practical training strategies, if the mismatches arose from 'soft skill' gaps. To that end, college and university representatives alike concurred that coop programs, internships, supervised undergraduate research programs and other practical training opportunities were the ways to raise 'employability' of graduating youth.

<sup>13</sup>Estimates of skills mismatches and over-education show that they decline with age. Older workers show lower rates of both. <https://www150.statcan.gc.ca/n1/pub/89-604-x/2011001/ch/ch7-eng.htm#a5>

<sup>14</sup> (Hou, Schimmele, & Lu, 2019)

<sup>15</sup> (Acemoglu & Autor, 2010). The sophisticated skills are mostly concentrated in quantitative STEM disciplines, managerial skills and law.

<sup>16</sup> Sheridan College for example, listed the following skills that employers suggest that youthful students lack. Resiliency, Establish connection, Teamwork, Empathy, Confidence, Creative thinking, Flexibility, Conflict resolution, Building rapport, Ability to see different points

## Employer inputs used in course design and On-the-Job Training (OJT)

An alternative strategy that panelists talked about with respect to skills gaps was to include employer input in course or curricula design. These were certainly more applicable to colleges than to universities which have a very different mission compared to colleges, where these sorts of initiatives can be applied in a limited way. However, Ryerson University does have an active employer-liaison program in which faculties directly connect with employers. Seneca College created a micro-credentials program; short courses with proper assessments through Continuing Education programs towards receiving industry certification. Another example of employer inputs in curricula, was their expressed need for students with prior training in Microsoft Azure, which Seneca College incorporated into its curricula by outsourcing specialized training to Microsoft, itself. But again, these are limited by area of study.

While all representatives from post-secondary institutions accepted that liaising with employers was essential to effective student-work matching, there was also a clear view that employers needed to bear more of the onus of worker training. A relatively recent study using firm level data showed that there was productivity premium from on the job trained (OJT) workers over and above any wage increases, thereby supporting OJT to be pursued by employers. (Konings & Vanormelingen, 2015)

## NGOS & SERVICES PROVIDERS DISCUSSIONS & CASES

We know that the pandemic induced declines in economic activity have disproportionately affected many vulnerable Canadians. With respect to youth it has affected employment and wages AND education because of the online shift, with lifetime implications. The social assistance sector will assume further responsibilities as re-openings ensue. From the focus groups conducted by our youth Impact Covid Teams, we learned of the problems and challenges that many in the NGO sector faced as they have tried to help their clientele including youth through this time, as well as their views of a meaningful youth focused economic recovery.

### Reduced job placements and clientele attrition

Agencies that typically handled job placements financed by public funds reported a drastic reduction in their job placement activities either because clients could not access services remotely or clients found using technology to access services difficult. The first group of clients did not possess the means to access remote services, while for the second

group, it was a case of usage; remote and virtual services were difficult to learn and use for many vulnerable clients.

An ESP with a focus on training reported that remote training was very ineffective. Often clients faced multiple barriers, for example a newly arrived immigrant with English skills falling in a low-income bracket not only had issues learning English online but was less likely to have access to technologies that facilitated remote learning. Job placing ESPs found that relationship building with employers could not be shifted online, making job placement efforts for youth even harder than before the pandemic.

The CJE (Carrefour Jeunesse Emploi/Youth Employment Centre) from Quebec reported that inadequate technology available for clients coupled with geographic isolation had the effect of 'crystallizing' behaviours of people in difficulty, as youth felt increasingly alienated.<sup>17</sup> The point being made by all was that technology imposes different barriers on different people. For example, an NGO representative working with people with disabilities indicated that wearing a mask through this pandemic inhibited the disabled from participating in employment. They were likely to sit the pandemic out until conditions improved, but the cost of sitting out is that skills erode over time, making finding a job in the future very difficult.

**A respondent organization that had 90% Indigenous/Metis youth clientele spoke of them as being unable to participate in our current youth ecosystem as it stands. They suffered crippling experiences like broken homes, addiction, poverty and homelessness. Often they found their youth clients living in homes with 17 other people while rising rents put pressure on finding adequate, affordable and suitable housing.**

**Finally, the NGO practitioner suggested that given Saskatoon's problem with policing of this community, band aid solutions were unlikely to work. Not only did their clients not have access to technology, but its remoteness made them stay away, reinforcing their own alienation from the system.**

This is a serious issue because during a downturn such as our current one, when vulnerable people must be supported through it, the client case reductions reported by agencies implies deteriorating experiences and opportunities for them, which will likely carry over into the future.

<sup>17</sup> We quote the term 'crystallize' used by the CJE representative, because it serves as a metaphor for hardening of behaviours, describing people getting stuck in patterns of behaviour.

We include the social enterprise THE SEED in this discussion again because social enterprises, unlike other NGOs, are revenue generating but follow the zero profit model where surpluses are reinvested into the community and are not for private gain.

THE SEED, typically runs programs to train and employ youth while placing them in other organizations. Their activities are around providing food security, while giving youth employment opportunities in food system allied industries. Those employment opportunities dried up during this pandemic and since many of their youth clients were homeless, they too saw a reduction in caseloads. When SEED saw need for affordable food through the pandemic, they pivoted around to providing food delivery to individuals and families facing food insecurity. Thus, they kept some youth employed.

While SEED adapted because of its organizational nature, such flexibility cannot be adopted by other NGOs despite attrition and reduction in clientele. Social enterprises/cooperatives have more flexibility in adapting their services than other not-for-profits because of their relative autonomy.

## The Effectiveness of existing public policy measures according to NGOs/ESPs

### Bottom did not fall out, but...

The NGOs/ESPs interviewed were all supportive of the various measures that have been put in place in response to the pandemic, with a few outstanding problems. The foremost was concern for their clients who had some specific conditions that precluded them from benefiting, for example in case of people with disabilities, the CERB payments, while helpful, were insufficient to cover the very specific costs imposed on them because of their disabilities. In other cases, marginalized people who faced language barriers were unable to understand the eligibility requirements for CERB. As a result, things like repaying the disbursed benefits like CERB, tax liabilities etc. were issues that were poorly understood by some marginalized clients.

There was sentiment expressed by some organizational representatives that these sorts of measures, CERB etc are those that are exclusive to an established middle class. Precariously employed people could not access it because a fixed address is needed, i.e., the homeless or indigent. While there are other social assistance programs that are targeted for Canadians facing these problems, the sentiment that these measures did exclude some Canadians should not be ignored.



The CEWS program, the wage-subsidy program was singled out for special commendation because many of the youth clientele going through the ESPs are placed in food services and retail trade; sectors that were dependent on the wage subsidy programs to stay afloat.

## Youth well-being and mental health

### Work and good working conditions

NGO/ESP on our panels shared that the lack of work and isolation felt by youth was a key driver of the mental health deterioration amongst youth. Youth were disproportionately affected by the pandemic because they tended to be employed in those sectors that required contact which the pandemic closed down. According to the Statistics Canada Report 'Covid 19 Pandemic and Life Satisfaction in Canada', between 2018 and July 2020, Canadian youth reported the biggest drop of all age groups in average life satisfaction, falling by 1.8 points from 8 to 6.2 on a scale out of 10. It was the biggest drop of any age group and reflected how youth were the hardest hit demographic with respect to well-being.

The consequences of a lack of a sense of well-being are usually rising rates of substance abuse. Those who reported higher rates of anxiety and depression were more likely to report increased substance use since the pandemic (StatsCan Impact on Mental Health). For example, in an Ipsos survey of Canadians during the pandemic, 14% of respondents 18-34 said they have struggled with addiction compared to 2% of those in the 55+ age group (Ipsos Global News Survey). A Mental Health Research Canada study also reported that youth (18-34) were at the biggest risk of worsening anxiety (21%) and 19% for depression, if the isolation of the pandemic continued.

Most panelists agreed that work opportunities would help address some of the emotional health crises being felt by youth and it was good quality jobs with decent working conditions that could help mitigate those mental health problems. Any meaningful economic recovery for youth, under these very unique health circumstances would have to include the above, the absence of which would only exacerbate youth mental illness.

This view was supported quite unanimously by panelists: work, good work and good working conditions.

**This is illustrated by the case of SEED that found that initially, during the closures chronic pain, depression and anxiety amongst their youth employees spiked. They had to stop placements for youth with related retailers and restaurateurs due to shut-downs.**

**After SEED pivoted and tried to employ as many youth as they could in their food delivery ventures, they found an improvement in mental and physical health of their youth employees.**

## Changing the structure of mental health-related services delivery

Representatives from NGOs dedicated to mental health issues criticized the existing structure of services delivery as being linear and structured because funding comes mostly from siloed grants, hindering service delivery as youth mental health issues are driven by multiple issues including housing issues and lack of independence, familial and community breakdown, etc. Furthermore, ESP's emphasized that integrating mental health in the recovery process was necessary for recovery's sustainability. A jobs-placement panelist stressed that mental health was *"intrinsically linked to everything else"*. Going forward, they saw the availability of worker protections and services as holding the key to sustainable employment recovery, especially when it came to youth.

Additionally, youth tend to be employed in non-standard capacities in low-wage industries and so could not by contract, avail of benefits and employee protections that are extended to standard (older) workers e.g. paid sick leave.

All told, the NGOs were concerned about the prognosis and toll that the pandemic has taken on youth psyches and were emphatic that any recovery had to include considerations above that play a role in youth well-being.

## HEARING FROM THE YOUTH THEMSELVES

*This section has been authored by the Impact Covid Project Youth Team themselves, containing information that the youth team brought back from their own focus group discussions with other youth groups.<sup>18</sup> This chapter has been edited by the CCYP Research & Policy staff for corrections and minor additions.*

COVID-19 has had significant health and economic effects on youth, who make up the second highest proportion of cases – youth aged 20-29 have 18.7% of cases (Government of Canada, 2021). Drastic changes in employment and education severely affected youth in their attempts to complete education and pursue full-time employment.

The sudden shift to online learning proved to be challenging for youth. In Ontario alone, 68% of students (*Responding to COVID-19*, Ontario Undergraduate Student Alliance) were concerned about their access to technology. Issues such as lack of access to appropriate technology and lack of opportunities for in-person, hands on-learning contributed towards deterioration in mental health. This was exacerbated by financial woes resulting from

<sup>18</sup> Authors of this section of the report are listed in alphabetical order as: Maryama Ahmed, Munira Al-almudy, Jordan Derochie, Malika Dhanani, Sumeya Hassan, Phoebe Lamb and Meena Waseem.

higher expenses on broadband technology and struggles in paying tuition due to loss in employment. This pandemic induced recession has affected the youth both materially and emotionally. Furthermore, statistical evidence suggests that cohorts graduating in a recession tend to experience lower life-time earnings. Altogether, these have acted as the perfect storm of events adversely affecting youth in Canada.

The following sections bring together our learnings from the youth focus groups about the effects of this recession on them.

## Youth experiences of unemployment

We spoke with youth who, due to the COVID shutdowns, were suddenly faced with rescinded job offers, cancelled internships and co-op placements. One student studying tourism and hospitality had a summer co-op placement at a hotel lined up. The placement was cancelled, and despite these placements being a mandatory part of the degree, he was still unsure about how he and his peers would fill those requirements. Some students who had been employed through their university, specifically Teaching Assistants (TA), Research Assistants (RA), and those working in student services, had their contracts terminated without notice, or were faced with uncertainty regarding the continuation of their employment after the shift to online education. With the easing of COVID-19 restrictions in the summer of 2020, and the shift to online school, some youth were able to go back to work. Every youth on the panels was extremely concerned by the loss of income they faced from unemployment, as well as the loss of any work experience that they might have had from being employed.

The youths who were able to retain their jobs despite the COVID-19 shutdown faced a reduction in work hours. Furthermore, youth working for essential businesses (like grocery stores) that remained open during the first shutdown, experienced increased anxiety and fear at the threat of exposure to COVID, while working for minimum wage or slightly above. Some of the youth working in essential services were forced to quit their jobs due to being immunocompromised or living with an immunocompromised person. The government does offer the CRSB (Canada Recovery Sickness Benefit), but the maximum offered through this benefit was a two-week period, or \$450 after taxes withheld, per week. This benefit though helpful, did not cover many youths who were



typically in low-wage work, had accumulated few working hours and so did not qualify for the paid sick leave cutoff, despite being at risk at work.

Youth across the sectors agreed to feeling dispensable at their workplaces – a feeling that was underlined by the pandemic. They felt undertrained and unskilled, and were suddenly met with shutdowns that cost them their jobs, hindered their future job possibilities, or put them on the frontlines, at risk of contracting COVID, all while earning minimal wages.

## Worries about skills

Youth who participated in the focus groups indicated that they lacked the skills necessary to be employed in higher paying, secure jobs. They felt untrained, and unprepared to enter the fields that interested them, and ended up remaining in jobs in the service industry or sales for longer than they would have liked. Some of the skills, youth felt they specifically lacked are:

- 1 Problem Solving and critical thinking skills
- 2 Confidence and self-branding
- 3 Communication skills
- 4 Professionalism
- 5 Negotiations skills

The foundation for many of these skills can be laid through working in the retail and food services industries, particularly the professionalism and communication skills. Lots of the harder skills needed to enter the job market are attainable by pursuing volunteer or internship/co-op placements in specific businesses. However, due to financial woes, youth were unable to pursue *unpaid* internships or volunteer roles in their profession of choice which left them without the necessary hard skills required to compete successfully in the labor market.

Strenuous requirements for entry-level jobs have left youth without the necessary work experience to find employment. While the Canada Summer Jobs program, an initiative of the Youth Employment and Skills Strategy has been successful and helpful in getting youth summer employment towards networking opportunities and skills-building, there is a need for scaling up such initiatives and for them to last during the academic year as well. So far, its flexibility has increased beyond the summer months of April to September until February of the following year. It would be advisable to have it continue for the duration of the academic year with adjustable hours.

Youth indicated an interest in employment in socially responsible causes, such as climate change and have shown strong interest in nonprofits sectors and the green economy. They recommended more funding for the non-profit and climate change sector where they can play a more vital role in the economy.

## **Accessing government aid**

Understanding the criteria for the various government programs was the main challenge that youth faced. There was limited access to benefits such as CERB (Canada Emergency Response Benefit) & CESB (Canada Emergency Student Benefit). While CERB preceded CESB by several months, it excluded certain portions of the youth. These were the youth who were employed in some capacity in the months leading up to the shutdown in March 2020, but making income below the cut-off, were ineligible for CERB. Furthermore, once CESB did come into effect, it was put into place for a much shorter period of time. Hence, the benefits from it could not be built up to help youth through the reduced employment opportunities that they otherwise would have had during the academic year. Finally, youth had a hard time navigating the bureaucracy associated with accessing such benefits.

Moreover, there was a specific group of youth impacted harshly: international students. International students did not qualify for government grants like CERB or CESB and while they did receive bursaries from their institutions in some cases, it was not enough to cover all of their expenses. Informal workers, as well as contract workers and newcomers did not qualify for CERB, CESB and EI (Employment Insurance). Youth with disabilities were only able to participate in a very select programs (ineligible for EI) and had to wait a significant period of time before they were able to qualify for the new ones.

Another major problem faced by youth was no directive for rent payment suspension in the aftermath of the pandemic shutdowns of March 2020. Income sources for youth dried up but rental payments were left to the discretion of landlords. Besides, the impacts of the rental policy differed from province to province, so not every young renter was affected the same way. This compounded the pressure felt by many young people as they had to meet living expenses like shelter and food and education expenses, while being unable to work or qualify for benefits. Lastly, the compulsion to work due to absence of paid sick leave led to a trade-off for some people between choosing health and earning a livelihood.

A significant portion of youth panelists spoke of youth (especially those from visible minority categories) employed as front-line workers who also lived in multigenerational homes without necessary support provided to self-isolate within their home. Not having paid sick leave further increased risks for them. The youth groups interviewed were concerned that all these factors put youth at a risk for homelessness.

## The shift to online education

Students cited several challenges regarding the shift to remote learning. There was a general dissatisfaction with how online work had manifested. For many, online learning was not always accessible. Virtual classes did not consistently have closed captioning, and the requirement for stable internet and access to reliable technology presented barriers to students.

A recurring concern for students who had shifted to online schooling was paying similar tuition fees for a less comprehensive educational experience. For example, students cited having several academic limitations from the shift to online. This was seen in unchanged group work requirements such as mandatory presentations that would have otherwise been less difficult to complete in-person. Or new online coursework requirements that would not have been a grade requirement in normal times, such as weekly online discussion posts.

An Indigenous participant expressed concern that Indigenous students on reserves had fewer options for their education, as they were not able to take a gap year if they wanted to keep their funding. Given the nature of online schooling, this participant would have liked to have taken a gap year, especially being a first-year student. The economic changes brought about by the pandemic made the youth reflect more on what they were studying and whether their field of study is employable in the future. One participant talked about how students now require more schooling, and consequently more debt, to secure a job. Another talked about having to make difficult decisions about pursuing their passions versus choosing a career path that has better job prospects and security. They felt that the uncertain nature of the job market made these decisions even more difficult.

The overall educational experience had been dampened for students who struggled to fulfill additional study requirements or work-study opportunities. Students cited being unable to complete the work-integrated learning (WIL) aspect of their education as COVID-19 has affected the WIL job pool. There were few opportunities to ask for references from teachers for future educational pursuits because students were unable to foster meaningful educator-student relationships that could otherwise be obtained from face-to-face interactions. For similar reasons,



volunteer and networking pursuits had become as difficult for students.

## **Mental health crisis stemming from remote work and education**

The mental health toll on working youth has been greatly exacerbated by the pandemic. Working youth noted that their days were consumed by work, and those working remotely in desk jobs note their physical activity levels have significantly decreased since working-from-home. The isolation from co-workers was also stressful for youth, new in the workforce. Youth were struggling to build strong bonds with co-workers, which, in turn, was increasing the stress from isolation and the limited networking opportunities for career growth. The overwhelming majority of youth working from home noted that remote work environments have been detrimental to their mental health as there is no distinction between work and home. Mental health problems extend to youth engaged in education too.

Youth were (and are) also facing many mental health challenges due to online learning. The isolation due to online learning had increased students' stress, confusion, and anxiety about class work, post-secondary opportunities, relationship building with peers and educators, and finances. Youth panelists reported that their motivation levels significantly decreased during the pandemic since the stress of online school could no longer be mitigated with typical self-care activities, such as going to gyms, socializing with friends, and enjoying public spaces. An international student spoke about the toll of financial uncertainty on mental health - school fees for international students had increased during the pandemic, and it was increasingly difficult for international students to find work opportunities to help pay for their education.

## **NEET youth and dropping out**

This interruption brought about by the pandemic has increased the rates of youth not in employment, education or training (NEET) from an average of 12% pre-pandemic to 24% at its peak.<sup>19</sup> One year later, NEET youth are unable to recover the losses and are at risk of becoming excluded from society.



<sup>19</sup> <https://www150.statcan.gc.ca/n1/pub/81-599-x/81-599-x2020001-eng.htm>

NEET youth face unique barriers in their independent and self-directed pursuit of improvement. We learnt that when pursuing acquisition of a skill through online platforms, barriers arose because programs/courses would charge monthly fees and require expensive supplements that they could not afford without employment. While there are numerous training programs for NEET youth across Canada, there are limited spots and many youths are unaware of their existence. This indicates a gap in outreach methods and information delivery as NEET youth are unaware of the exact programs meant to benefit them.

Facing consistent disappointment and feeling “left behind,” NEET youth are at higher risk of engaging with illicit drug use or youth crime which has already been observed in cities like Toronto.<sup>20</sup> COVID-19 has amplified pre-existing social and structural issues that contribute to these conditions and without further funding and outreach initiatives NEET youth will continue to be withdrawn from society. This where community organizations could help re-engage NEET youth, a long-standing problem, magnified by the pandemic recession.

## RECOMMENDATIONS FROM STAKEHOLDERS

### Measures involving fiscal spending

#### i) Wage subsidies

The sectors worst hit by the pandemic were the ones employing youth significantly. By using targeted wage subsidies for SMEs (Small and Medium-Sized Enterprises) in sectors such as Food Services & Accommodation, Retail Trade and Information, Culture and Recreation, youth employment outcomes may be improved. These can be calibrated to cover labour hour requirements after phasing out the current wage subsidy disbursement that covers revenues. As we go to press, the government of Ontario’s 2021 budget has provided no-strings attached grant disbursements to the small businesses in the Accommodation & Food services sector that do not normally qualify for small business grants. That said, a sustainable sector-specific low interest loan program for a longer period might help many SMEs recover enough to grow.

#### ii) Additional incentives and spending on coops and internship programs

Bridge programs and jobs placement expansion

More funding for different kinds of co-op/job placement programs would be a way to get youth employed and building experience, after the setback of pandemic isolation.

<sup>20</sup> <https://www.cbc.ca/news/canada/toronto/shootings-toronto-gun-violence-increase-summer-1.5656083>



Education sector representatives were supportive of publicly funded 'bridge' organizations to help transition from study to work, modelled on 'CEGEP', the program in Quebec. A focus group participant from Quebec advocated for CEGEP by saying that the program created highly adaptable students and honed transferable skills. Youth participants were positive about programs like Canada Summer Jobs but with additional flexibility and a revision of its existing term limits. *NGOs working in the job placement area indicated that they could help in facilitating coop placements.* Usually, coop placements and internships come through education but NGO/ESP involvement in work placements through internships was floated. For example, the social enterprise SEED works with educators to get youth high school credits during paid work placements or training. The CJE panelists from Quebec, suggested stimulus spending to include packages to integrate youth leaving school into employment. Youth themselves were very positive about subsidized job placement programs like the #impactCOVID project, short-term as it was, as a way to gain experience.

Covered coops in better paying services.

Other better paying professional services industries like insurance would also require additional support towards encouraging youth employment. These could take the form of lowering of certifications costs for youth (through scholarships and grants) and some covered apprenticeships and coop opportunities to mitigate the risk faced by such sectors in hiring youth. Yet again, these types of supports have to be pegged to firm size, where small employers may be thus incentivized.

### iii) Green recovery

Insurers spoke about their industry being exposed to climate change risks and an environmental organization participant emphasized fiscal intervention for a green recovery. For insurers, there is great incentive in seeing climate change being addressed because of its impact on raising risks for, real estate insurance, for example. But in any case, climate change being the single-most important challenge of our time requires a massive stimulus that will not only chart a course for economic recovery but also address the challenge, improving human well-being. These require substantial direct government expenditures and investments, some of which is already underway in existing fiscal incentives for renewable energy investments, waste management



practices and retrofits, all recommendations made by the panelists representing Enviro- NGOs.

#### iv) Unlocking private savings

There were employers on the panels that had accumulated savings through reduced production/services costs like rents for example. They pointed out that there were several other businesses that enjoyed considerable savings from the switch to remote work. There has been some realization of this in the media as well that such an increase in private savings may be used to stimulate recovery of small businesses that have suffered. There are several possible courses of action for government to take in this regard.

One could be tax incentives for business investment over the next 5 years with progressive rebates accompanying hiring expansions. Another could be the creation of infrastructure funds using tax credits for businesses to finance such funds or even the creation of new 'infrastructure securities' to finance government expenditures from private savings.

Alternatively, the encouragement of micro-credit for small businesses financed by small business savings could be another route. There are many routes: the main point is the harnessing of savings through activist fiscal expansion and monetary policy as has been done in the past, except this time it would be a targeted approach for certain sectors and business sizes.

#### v) Phased withdrawal

Employers were concerned that a rapid withdrawal of government support to businesses might lead to bankruptcies. They suggested a phased withdrawal of benefits. According to a survey by the Canadian Federation of Independent Business, small businesses have accumulated over \$135 billion in debt over the course of the pandemic. Helping businesses draw down that debt and calibrating withdrawals of revenue based subsidies while introducing other targeted measures was a key concern and recommendation coming out of the employer discussions.

### Consistency in health guidelines from government

Lack of consistent shut-down/reopening guidelines for industries in which physical/in-person work was required was a key issue



throughout the pandemic. The businesses that were negatively impacted through lockdowns and mandatory closures called for better and clearer guidelines on health. Any public measure that communicates consistency reduces uncertainty for businesses, which is one of most significant deterrents to decision making. For businesses to be able to make allocations and hiring decisions, they have to be able to predict relevant economic conditions. The recession makes prediction difficult. Hence controlling one of the contributory factors to the uncertainty being faced by individual companies, i.e., lack of consistency in government guidelines, would serve as an aid to businesses as they adjust to otherwise ubiquitous and existing risk during recession.

## Expanded digitization with caveats

### i) Investing in digital infrastructure and digital education

Much of this is already underway but the other aspect of this sort of expansion is digital literacy coupled with the expanded digital coverage, requiring investments from all stakeholders. This includes investment in both physical and human capital through increased access to high-speed internet and improved capability of using information and communication technologies (ICT). While there has been investment in ensuring access to high-speed internet, there is a need to focus on the provision of computer hardware and imparting of digital skills. Going forward, there will be a need to support small businesses in digitizing their operations and adopting digital tools in their operations so that they can effectively compete in a digital world.

### ii) Accompanying a digitization strategy with equity

Many NGO panelists believed that a 'tech-heavy' recovery only benefits a few. They saw limited opportunities for gainful mass employment for their clients, many of whom have struggled even during good times. NGOs/ESPs saw themselves as playing an advocacy and supportive role for their various client groups and a few respondents specified hybrid services provision in a recovery. Having recognized the pitfalls and shortcomings of purely virtual services delivery, but at the same time balancing the needs of remote communities, the NGO/ESP representatives backed keeping many services online *along with in-person services* for maximum effectiveness as the economy recovers, possible only through governmental support.





## Supported employment, supported income, equitable recovery

An equitable recovery will require social sector expansion (the NAICS sector in which such NGO/ESPs are located). Organizations on our panels not only advocated for additional funding for jobs placement with employer inputs but also supported employment for themselves. They believed that as additional programs for employment recovery get put into place, it will necessitate additional manpower into delivery of new employment programs. Many discussants advocated the continuing use of wage subsidies *for NGOs like them*.

Both NGOs and the youth groups advocated for income supports given that a lot of the work that youth get placed in was low wage, entry level work. Many on those panels advocated Universal Basic Income (UBI). Notwithstanding, the flaws of UBI provision<sup>21</sup>, the sentiment behind advocacy of UBI must be treated seriously; the sentiment that wages in many sectors like in retail trade (all essential work, which employs youth in substantial numbers) are very low and must be raised for all for a meaningful recovery.

## Mental health supports for recovery

NGOs/ESPs made the case that employers must offer first aid training with mental health problems and to hold worker awareness campaigns to de-stigmatize the effects of the pandemic on well-being. The asks from NGOs were two pronged: first, employer sensitization to mental health problems faced by youth workers accompanying supporting services and second, easing contractual bottlenecks to youth accessing worker protections already available, through changes in company sick leave policy.

The second meant that sick leave allowances had to be made to ease the stress and tensions faced by workers, especially young workers during and in the aftermath of the pandemic, until the uncertainty subsides. Alternatively, as vaccines get rolled out by provinces, immunizing the youth working in contact jobs like food services and retail is a way to reduce this tension between sick leave and work.

<sup>21</sup> [https://bcbasicincomepanel.ca/wp-content/uploads/2021/01/Final\\_Report\\_BC\\_Basic\\_Income\\_Panel.pdf](https://bcbasicincomepanel.ca/wp-content/uploads/2021/01/Final_Report_BC_Basic_Income_Panel.pdf)

Finally, NGOs recommended a hub like model of services delivery, where mental health services could be fused with other supporting services because it was the continuity of services that mattered most. There have been some experiments with this structure in B.C., but a more ubiquitous adoption was the recommendation made by NGOs to provincial governments.

## Adjustments in post-secondary education

### i) Regional resources equity for post-secondary education institutions

While the adjustment to online instruction by colleges and universities in the focus groups was mostly seamless, there were a few that had faced trouble in adjustment because all schools did not have the same access to infrastructure. It appeared from the focus group responses that larger more prestigious institutions were better resourced to make the switch to online instruction seamlessly. When it came to internship programs, although co-op opportunities dried up at all institutions, it was apparent that smaller, less prestigious schools were not able to recoup the losses of their co-op/ internship programs at the same rate as larger schools. Of course, larger institutions tend to be situated in large CMAs that provide the benefits of size.

Hence, given that online instruction is likely to stay to some extent, such institutional inequality in ICT investment must be addressed. One possible solution is the creation of low-interest ICT infrastructure funds for small, regional institutions.<sup>22</sup> Also, direct-access funding support to coops and internship programs in smaller, lesser known schools might be a promising way to equalize access to experiential learning for students in those regions. Since these are public PSE institutions, such equalization falls under provincial purview.<sup>23</sup>

### ii) Expanding capacity in post-secondary educational institutions

Given the set-back faced by students, the focus for PSE institutions must be on expanding and adjusting capacity as youth navigate through decisions on education or work through the pandemic. These objectives can be accomplished by quicker turnaround with



<sup>22</sup> The PSE Strategic Investment Fund is one such example that could be re-evaluated.

<sup>23</sup> Supporting regional institutions is a complex issue because many regional institutions are situated in areas with declining population.

program approvals for which provincial support is essential. Besides program approval, keeping elements of online education because of its geographic reach is important.

However, the general consensus about the quality and experiences of online education implies that as recovery and re-openings commence, hybrid approaches to remote access and online learning will be in order. The hybrid approach will include the in-person student-instructor investments that are so essential to learning, that solely online instruction just cannot match. Finally, encouraging micro-credentials for short-term, applied and vocational programs will expand capacity in a targeted way. Furthermore, it will reduce study-work transition times in those disciplines that do not require lengthy instructional periods.

### **iii) Adjusted costs and an interest moratorium**

Both the youth and NGOs interviewed spoke about vulnerabilities to financial pressures. NGO representatives spoke about learning from not only their youth clients but also their families about tuition burdens. A moratorium on student loan interest was suggested.

This particular idea has been floated a few times towards the government already, to level the playing field for youth making the transition to work. The re-openings of the various industries are likely to be staggered, and recreational or entertainment industries that rely on youth workers and are 'contact' industries for the most part are likely to re-open last. In that likelihood, having no or low access to an income stream just reduces repayment rates and raises possible default.

## **CONFLICTING THEMES AND RESOLUTIONS**

There were some areas where there were differences in perceptions regarding problems.

While employers reported CERB/EI payments as often preventing youth from returning to work, youth reported the need for more grants and bigger income support measures. Employers reported manpower shortages, while youth reported difficulty finding work. These arise from two key factors; first, difficulties for employers with finding the right workers and second, it likely implies unsatisfactory terms of employment for youth. The former was mentioned by employers, while the latter repeatedly by NGOs and youth.

**A meeting point would be in advocating for better terms of employment, and it is not only restricted to minimum wages, but involves more complex issues like training too. Employer investments in training were emphasized by both educationists and NGOs. The fact is, that Canada's track record on employer sponsored training is relatively poor (though increased marginally in 2016-17).<sup>24</sup> During recovery, it is not likely these investments will increase, unless they are incentivized, at least in early stages of recovery.**

The sources of labour mismatches and the responsibility for skills acquisition were also another point of difference in the discussions with the various stakeholders. Employers felt that the youth had a 'soft skills deficit', college representatives put it down to 'soft skills gaps' while university representatives suggested the skills deficits were in 'hard' skills and the youth group panelists themselves listed 'soft skills' that could come with training and practice. Each party had differing opinions about stakeholders that provided them.

**All panelists supported the general theme of expanding work-study as a means to expand accessibility, equity and a way for the youth to acquire and close the skills gap. Many strongly supported instruction and experiences that educated students about 'life' issues like personal finance, for example.**

***All four stakeholder groups had one common recommendation for recovery: expanded work-study opportunities and lowering transition times between education and work. Indeed, having them concurrent was suggested by a couple stakeholder groups.***

Having said that, many of the concerns and problems raised by the focus group participants were more serious manifestations of existing trends. Evident in every discussion was the recognition that the pandemic had made existing fault lines wider and that interventionist public policy was the order of the day. Nonetheless, it is not just a matter of proposing or demanding new policies and programs. We realized that there had to be a discussion forthcoming about programming that already exists and how stakeholders can access and benefit from it. That is the next step in our consultations with the youth workforce development sector.

<sup>24</sup> Canadian Employers' Investment in Employee Learning and Development Continues to Rise (conferenceboard.ca)

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## PARTICIPATING ORGANIZATIONS ON THE VARIOUS FOCUS GROUPS

- ACEY
- Apathy is Boring
- Association of Committed and Engaged Youth
- Bishop's university
- Bishop's University Environmental Club
- Canada World Youth Canadian
- Environmental Network
- Canadian Federation of University Women
- Canadian Institute for Climate Choices
- Career Foundation
- Caroline Place
- Carpenters' District Council of Ontario
- Catholic Crosscultural Services
- Central Toronto Youth Services
- Chantiers jeunesse
- City of Toronto
- CityHive
- CNYC
- Community Climate council
- Community Living Oakville
- CTC Career Foundation
- CWBA
- E4C
- ERSSA (Environment Resources Sustainability Student Association) at the University of Waterloo
- ERSSA and SERS Undergraduate Education Committee
- FortWhyte Alive
- Future Skills Centre
- Green Economy Canada
- Health & Wellness at UofT
- Humber College
- ILC
- Jack.org
- Level IT Up
- London Brewing Co-operative
- Lumenus Community Services
- Memorial University of Newfoundland
- Mental Health Commission of Canada
- MOBYSS at CMHA
- Mohawk College
- Montreal Student Initiative for Covid-19 Response and Relief
- Non-Profit Youth Leadership Network
- NPower Canada
- Ontario Council for International Cooperation
- Open Sky Co-operative Ltd.
- Operation Come Home
- Partners For Youth Inc.
- Peter Maranger & Associates Inc
- Pitch It Green
- Platform
- Public Health Ontario
- RCSI Bh
- reThink Green
- Riipen Networks Inc.
- Roots to Harvest
- Ryerson University
- Scarborough Campus Students' Union
- SDSN Canada
- Seneca College
- Shake Up The Establishment
- Sierra Youth
- Social Innovation Academy
- Social Planning Council of Ottawa
- Solid State
- Community Society
- Students Commission of Canada
- Students on Ice Sustainability Office,
- University of Guelph
- TakingITGlobal
- The Canadian Courage Project
- The Career Foundation
- The Co-operators
- The Immigrant Education Society (TIES)
- The Mosaic Institute
- The Regina Work Preparation Centre Inc.
- Threading Change
- Toronto Employment and Social Services
- Toronto Youth Cabinet
- Tropicana Employment Centre
- University of Toronto
- University of Waterloo
- UPPSA, PFTP, GO
- VHA
- Vibrant Healthcare Alliance
- Wilfred Laurier University
- Woodbine Entertainment Group
- Working Women Community Centre
- YMCA Canada



## Youth Climate Lab

Youth Climate Lab (YCL) is a Canada-based, global non-profit organization that accelerates youth-led climate policy, projects, and businesses. YCL is focused on enabling youth to re-imagine and rebuild the flawed systems holding in place climate inaction so that they can achieve a just, climate-resilient world.

YCL focussed on stakeholders from a variety of institutions ranging between educational institutions, employment support and services, youth representatives, not-for-profits, civic engagement.

YCL hosted design jams with a variety of stakeholders which included educational institutions, employment support and services, youth representatives, not-for-profits, civic engagement groups.

YCL hopes to contribute to youth opportunities by equipping young people with the skills they need to transform their communities and build the climate futures they deserve; creating opportunities for young people to understand and influence climate policy and supporting green/climate entrepreneurs and disrupting capital flows to be more equitable so young people can start and scale their climate solutions. YCL will do this by creating tools, facilitating cohorts and convening collectives to work together and design programming to support these opportunities.

## YWCA Canada

YWCA Canada is the largest and oldest gender equity organization in Canada. They are at the forefront of the movement to fight gender-based violence, build affordable housing and advocate for workplace equity. YWCA Canada hosted design jamaes with a variety of stakeholders which included non-profit organizations, the technology and social impact sector, and grassroots organizations.

## Vibrant Healthcare Alliance (VHA)

VHA is a multi-service organization that provides health and social programming to a variety of populations in the Greater Toronto Area including older adults, adults with physical disabilities, youth, and racialized and marginalized populations. Their programming focuses on primary healthcare services, health promotion and prevention, community development, personal support, and attendant care.

VHA ran focus groups for various stakeholders including: youth, educational institutions, and community health and mental health organizations

As a part of their service mandate, VHA provides healthcare and social services to youth. Additionally, the organization provides opportunities for student placements, giving youth experiences in the healthcare and social sector.

## Camara Skills Training Network (Camara)

Camara is a non-profit organization that works to promote and encourage the participation of underprivileged youth in STEM and skills trade fields. Camara provides workshops to youth in collaboration with different social services in the community and also gives youth hands-on training to learn more about the trades industry.

Camara ran focus groups mostly for employment and social services but also spoke with an educational institution, member of the municipal government, a business, and a member from the technology sector.

Camara offers apprenticeships through partner organizations that support youths interests in the trades and provides them the experience and skills necessary to enter the trades.

## Alliance of Employment Advice Centers (Aextra)

AXTRA, the Alliance of Employment Advice Centers, is responsible for examining, informing and supporting its 95-employment advice centres in the face of labour market challenges. It also collaborates with an important network of partners at the provincial, national and international levels.

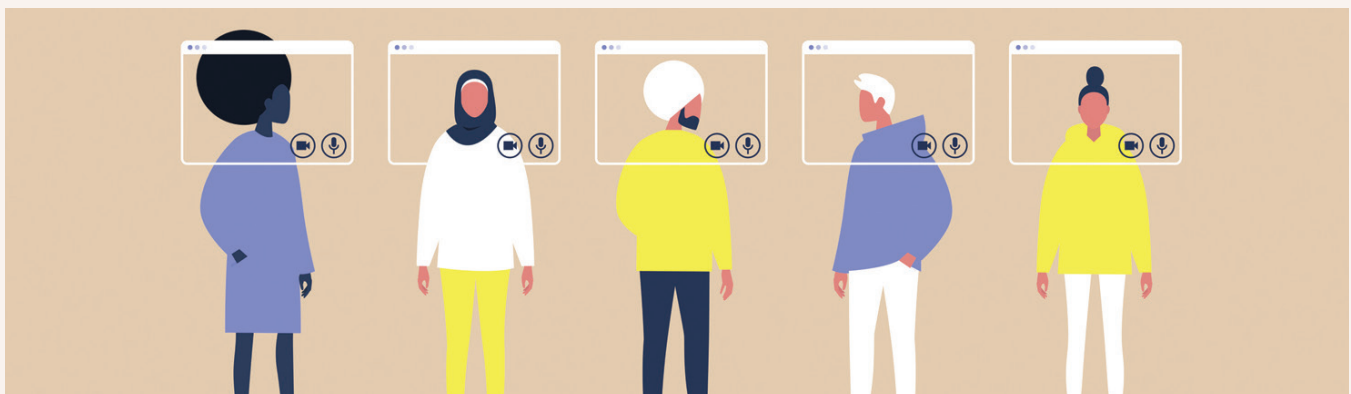
Its members include more than 1,700 professionals and qualified professionals and annually support approximately 80,000 people in their career path (job search, career change, job retention, etc.), as well as thousands of businesses across the province. Their impact on communities is substantial and the programs they implement have significant repercussions on a variety of clientele (young people, immigrants, people in the judiciary, Aboriginals, experienced workers, people with addiction disorders, etc.) as well as on the whole of society.

## Career Foundation

The Career Foundation is a workforce development focused non-profit that creates inclusive pathways for people to enter growing and stable industries. We work with job seekers on a 1-1 basis, in groups and provide online learning resources. We work closely with industry partners to align the skills of the workforce to the needs of their sectors.

Career Foundation specialized in running focus groups with employment support & services.

The work that the youth leaders did on creating youth friendly LMI is going to change the way they prepare youth for the future of work. To support youth, the Career Foundation has established a youth council that will inform our youth programming, ensuring inclusion of all underrepresented groups. There, they are having deeper conversations with employers about how the pandemic has affected youth and how we need to work together to reduce that scarring.



<b>Youth Climate Lab (YCL)</b>	<b>YWCA Canada</b>	<b>Vibrant Healthcare Alliance (VHA)</b>	<b>Camara Skills Training Network</b>	<b>Alliance of Employment Advice Centers (Axtra)</b>	<b>Career Foundation</b>
Bryna Kagawa-Visentin	Ashyana - Jasmine Kachra	Aasiya Alim	Ghi Huang	Christophe Bull	Ben Williams
Herschel Nashman	Carole Rondeau	Abdirahman Nur	Katherine Ross	Myriam Bravo	Kamilah Ebrahim
Renee Ball	Claire Downie	Aeda Bhagaloo	Rejwana (Ria) Haque	Thomas Arreola-Dufour	Saad Rasool
Soomin Han	Jonah Quan	Jayati Khattar		Thomas Belanger	
	Kate Haiyun	Mossop Shukri Mo-Alim			
	Katherine Sergeychuk				
	Marine Coeurdassier				
	Nabiha Rana				
	Naima Mohammed				
	Noor Fadel				
	Rafia Ajmal				
	Samiha Hossain				
	Sophie McCafferty				
	Tanaka Chitanda				
	Tioluwani Aderibigbe				
	Veronica Jane Bertiz				