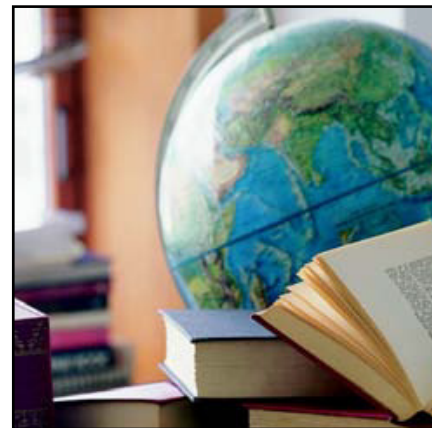


Education Indicators in Canada: Fact Sheet

The transition from school to work - the NEET (not in employment, education or training) indicator for 15 to 19 year olds in Canada



Release date: February 22, 2018



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February 2018

The transition from school to work - the NEET (not in employment, education or training) indicator for 15 to 19 year olds in Canada

Abstract:

This fact sheet explores the education and labour market situation of young Canadians aged 15 to 19. In this paper we find that:

- The proportion of 15 to 19 year old Canadians who are not in employment, education or training (NEET) has fallen over time.
- In general, countries with lower NEET rates for this age group tend to have a higher typical age of high school graduation.
- The 15 to 19 year old group is a heterogeneous one with younger Canadians aged 15 and 16 being much more likely to be in school and older youth in this group starting their first transition to postsecondary education or the labour market.
- There was very little provincial variation in terms of NEET rates that was statistically significant in 2016.

The transition from school to work – the NEET (not in employment, education or training) indicator for 15 to 19 year olds in Canada

The proportion of young people aged 15-29 who are not in employment, education or training (NEET) is an indicator that has been reported by the Organisation for Economic Cooperation and Development (OECD) for many years. This well-established indicator has been closely followed by governments as young people who are not in employment or education may be experiencing difficulties making the transition from school to the labour market and could also be at a higher risk of social exclusion and depression. A further concern for young NEET individuals is that these youth will gradually lose their skills through a lack of use, making it harder for them to enter the labour market (OECD 2014). The OECD notes as well that NEET youth tend to have lower literacy skills than employed youth (OECD 2016).

The OECD has traditionally presented the NEET indicator for 15 to 29 year olds in three age sub-groups: 15-19, 20-24 and 25-29. The youngest age group has been identified as of particular concern as “teens aged 15 to 19 will have both lower educational attainment and less work experience than young adults in their twenties” (Statistics Canada and the Council of Ministers of Education, Canada 2014) making their successful transition to the labour market less likely. However, the OECD also notes that any international comparisons of the NEET indicator for this age group will tend to reflect the structure of a national education system as, depending on the country, it could be mandatory for a large proportion of youth aged 15-19 to be in school (OECD 2016).

In Canada, schooling is mandatory in most provinces up until the age of 16, with the typical age at high school graduation being 17-18. Thus, 15 to 19-year-old Canadians are a particularly heterogeneous mixture of youth who are still expected to be in mandatory schooling/and or finishing high school, and youth who have transitioned to higher learning or the labour market or have taken a break from schooling. As the group is a heterogeneous one, it is informative to look at smaller sub-groups in order to better understand NEETs at this age. The youngest NEET group (15-16 year olds) is of concern as they tend not to be in the labour market and most probably have not obtained their high school diploma. The NEET rate for 18-19 year olds could be used for another purpose: to provide a measure of the transition between high school and postsecondary studies and direct transitions to the labour market.

This fact sheet is the first of a series that will shed light on the traditional sub-groups of NEET youth in Canada. In particular, it will explore the situation of 15 to 19-year-old Canadians in order to further the understanding of school and labour market transitions for youth at this age, and how this first age of transition compares to 15 to 19-year-olds in other OECD countries and over time. As well, provincial comparisons will be presented.

NEET definitions

This fact sheet uses data from the Labour Force Survey (LFS)¹ in order to examine the activities of youth aged 15 to 19. These youth may be:

- In education –including both full-and part-time students at primary and secondary educational institutions, colleges and universities.²
- Employed – youth who, during the LFS reference week, were not attending school and were working, or had a job but were temporarily absent from work (for reasons such as illness, vacation, labour dispute or maternity leave).
- Unemployed - youth who, during the reference week, were without employment, but were available and actively looking for work.
- Not in the labour force - youth who are neither employed nor unemployed, that is, those who were not looking for work. These may be productive activities, such as travelling, volunteering or caring for family member, or activities that are a cause for concern, such as dropping out of school or abandoning a job search.

Youth who are not in employment, education, or training are NEET youth.

NEET rates for 15 to 19 year old Canadians have been decreasing

Between 2001 and 2016, the NEET rate for 15 to 19-year-old Canadians has ranged from a high of 9% in 2004 to a low of 6% in 2016. In fact, the NEET rate for this age group has been steadily declining since 2010. The decline in the NEET rate for the 15 to 19-year-olds can be accounted for by the increasing proportion of youth of this age staying in school. In 2004, this percentage was 79%, but by 2016, this rate had risen to 83%.

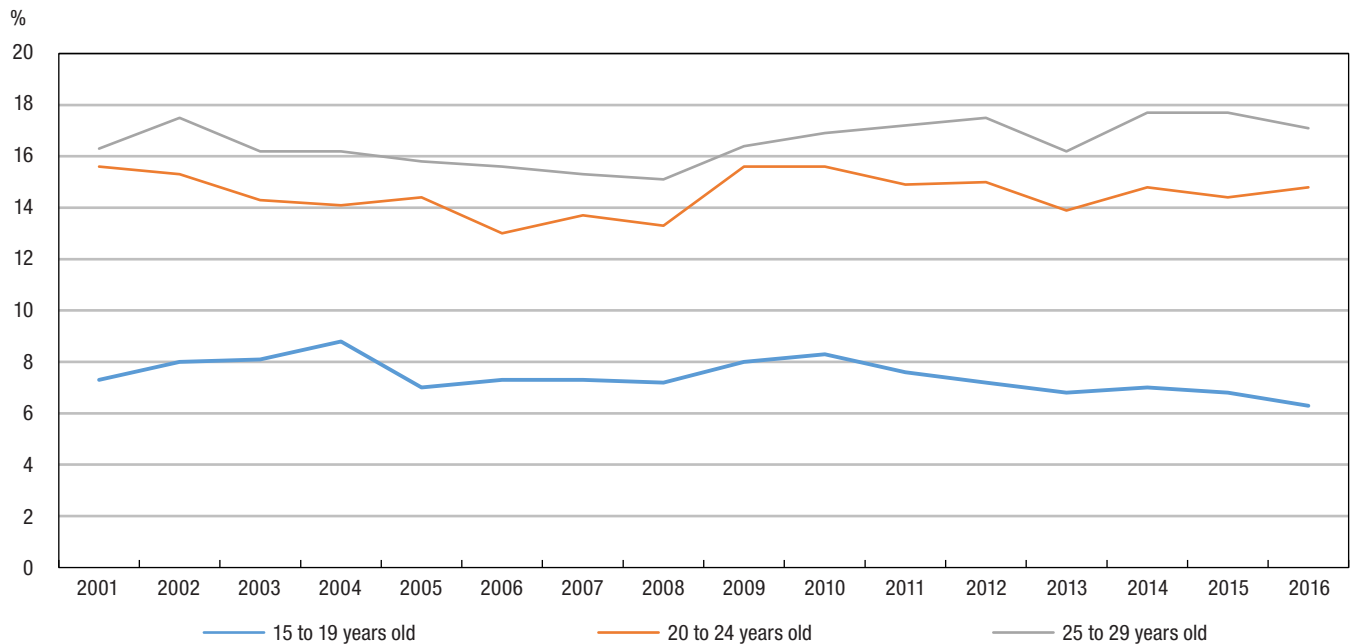
Chart 1 shows the rate of NEET among Canadian youth aged 15-29. NEET rates for the two older age groups, which will be explored in further fact sheets, tend to be higher than that for Canadians aged 15 – 19.

1. As these data come from the LFS, they do not cover on-reserve Aboriginal youth.

2. Following the OECD construction of this indicator, institutions other than these ones are not covered under 'in education'. As the LFS is a household survey, whatever respondents understand as a 'primary and secondary educational institution', 'college' or 'university' would be included.

Similarly, apart from a recent rise from 2014-2016, the NEET rate has also been declining for youth aged 20-24. Like the 15-19 year olds, participation rates in education have also been going up for this older age group ranging from 34% in 1995-1996 to 41% in recent years.³ However, this has not been true for the 25 to 29-year-olds, who experienced some of their highest NEET rates (almost 18%) in more recent years. While this age group also had a small increase in the proportion of youth were in education (11% in 2000 to 13% in 2015), the proportion of 25-29 year olds who were employed has also slightly decreased (72% in 2000 and 70% in 2016).

Chart 1
NEET rate for youth aged 15 to 19, 20 to 24 and 25 to 29, Canada, 2001 to 2016



Note: Labour Force Survey (LFS) estimates for Canada are generated using LFS data collected in the provinces; LFS results for the territories are not considered in the national estimates.
Source: Statistics Canada, Labour Force Survey, 2001 to 2016.

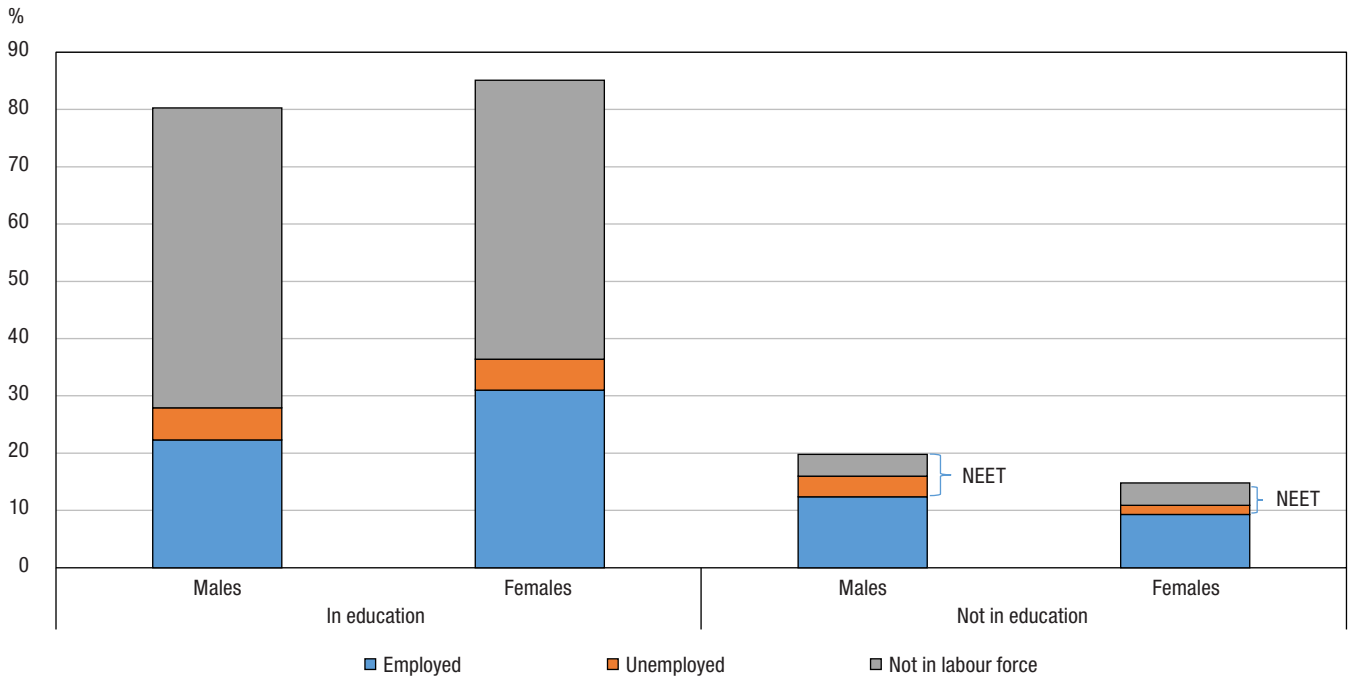
Young women more likely to be in school, young men more likely to have entered the labour force

Within the 15 to 19 year old age group, there are some differences in NEET rates between young men and young women. As shown in Chart 2, 85.4% of young women were in school, and a higher proportion of these young women combined work and school than was the case for their male counterparts. Among young men, 80.6% were in school, and 15.8% were already out of school and into the labour force (12.2% employed and 3.6% unemployed). Young women were less likely to have left school to join the labour force, with a proportion of 10.7% (9.2% employed, 1.5% unemployed).

In terms of NEET rates, young men had a higher NEET rate at 7.2%, while the NEET rate for young women was 5.4%.

3. See CANSIM table 477-0098.

Chart 2
Education and employment status of 15-19 year olds, by sex, Canada, 2016



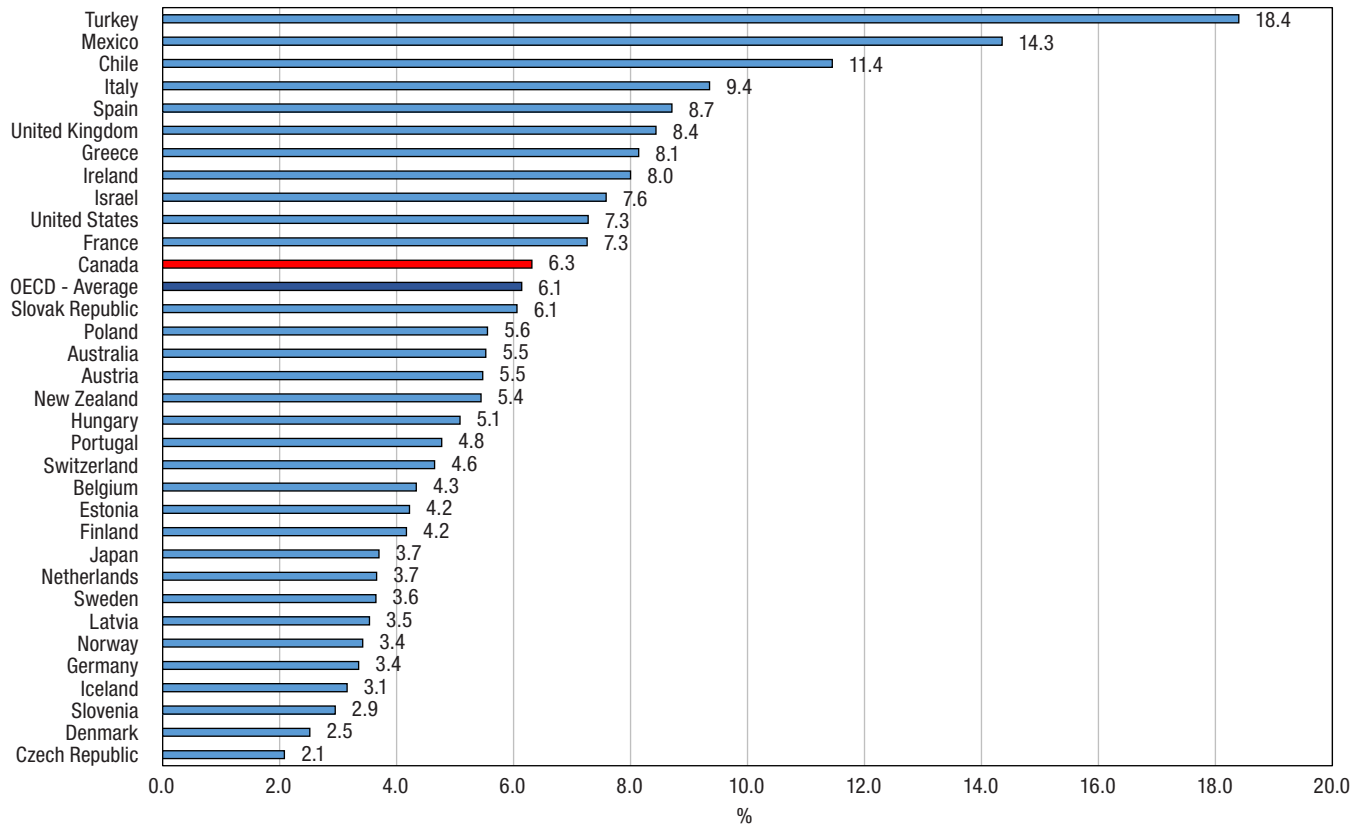
NEET: Not in employment, education or training

Source: Statistics Canada, Labour Force Survey, 2016.

NEET rate in OECD countries linked to typical age of high school graduation

In 2016, the average NEET rate in Canada was 6.3% for youth aged 15 to 19, which was very similar to the OECD average of 6.1%. The NEET rate for 15 to 19 year olds varied throughout OECD reporting countries, ranging from 18.4% in Turkey to 2.5% in Denmark. The NEET rate for 15 to 19 year olds in the United States was slightly higher than Canada's at 7.3%.

Chart 3
Percentage of NEET youth aged 15 to 19, Canada, OECD countries and OECD average, 2016

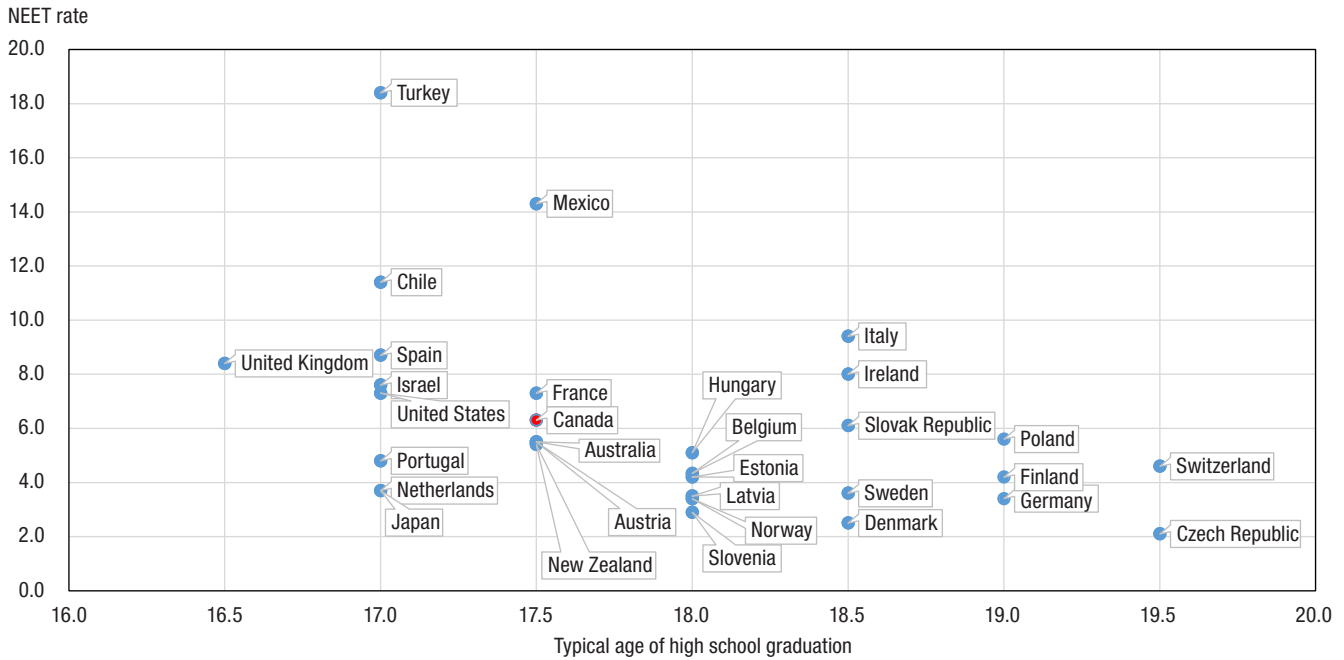


Source: OECD (2017), Youth not in employment, education or training (NEET) (indicator). Data extracted on 04 Oct 2017 17:57 UTC (GMT) from OECD. Stat.

The present study examined two characteristics of an education system that could have an effect on the NEET rate for this age group – the ending age of compulsory education and the typical age of high school graduation. These two ages vary somewhat amongst OECD countries (see Appendix A: Ending age for students in compulsory education and Appendix B: Typical graduation from general upper secondary level programmes). There appears to be no clear relationship between the age when compulsory schooling is completed and the NEET rate – for example, Slovenia has one of the youngest ending ages for compulsory schooling at 14 years old, but still a relatively low NEET rate (2.9%). Conversely, the ending age of compulsory schooling in Chile is 18, but the NEET rate is fairly high at 11.4%.

There does seem to be a relationship between the typical age of high school graduation and the NEET rate, however (see Chart 3). Unlike the law-based measure (age of compulsory education), the typical age of high school graduation is a measure of the behaviour of young people that may reflect the labour market requirements or social expectations for educational attainment in a given country. In general the NEET rate for ages 15 to 19 is lower in the countries presented that have a higher typical age of graduation. For example, Switzerland (4.6%), the Czech Republic (2.1%) and Germany (3.4%) are countries that have a higher typical age of high school graduation and lower NEET rates than countries with a lower age of high school graduation such as Canada (6.3%), the United States (7.3%) and France (7.3%). Similarly, countries that have typically younger ages of graduation than Canada such as the United Kingdom (8.4%), Spain (8.7%) or Chile (11.4%) tend to have a higher NEET rate for this age group.

Chart 4
Typical age of high school graduation by the NEET rate for youth aged 15 to 19, OECD countries, 2016



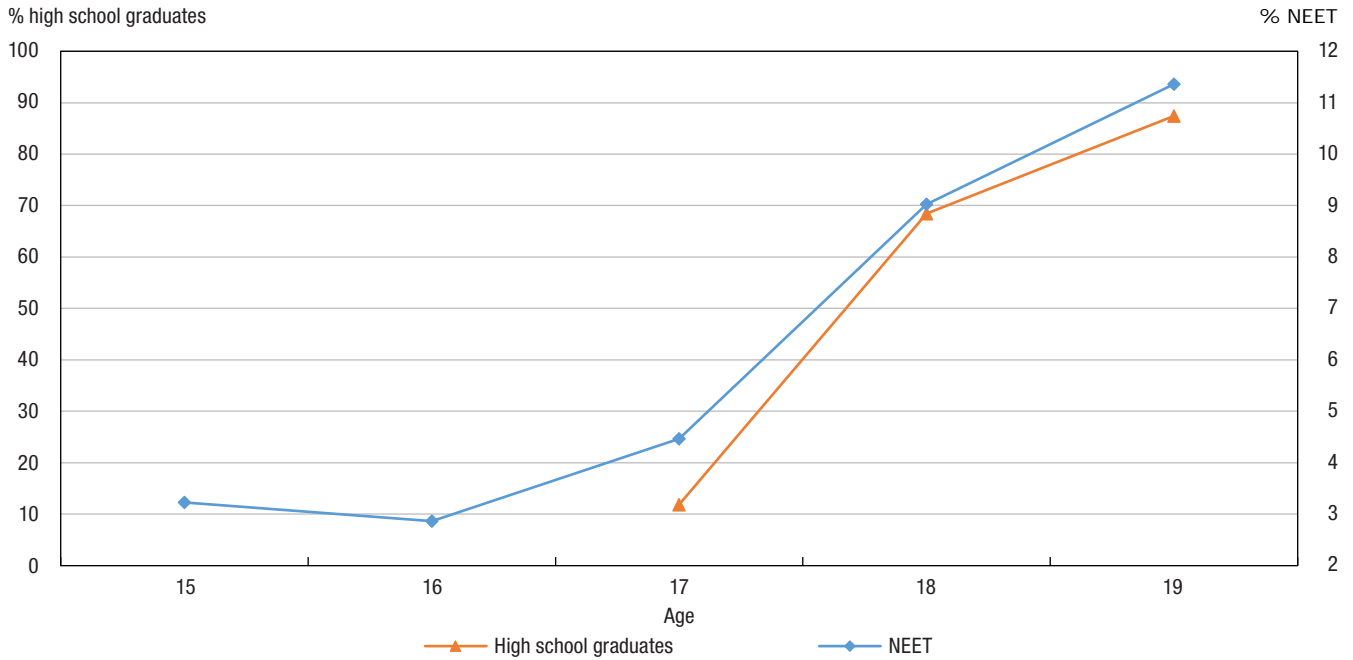
NEET: Not in employment, education or training
 Source: Organization for Economic Cooperation and Development (OECD), Education at a Glance, 2017.

NEET rates by single year of age closely track high school graduation

The relationship between typical age of graduation and the NEET rate is more apparent when examining graduation and NEET rates by single year of age. According to 2016 LFS data, 12% of Canadian youth had graduated from high school by the age of 17 (see Chart 4). This percentage increased to 68% among youth 18 years of age and continued to increase among youth who were 19 years of age (87%).

As can be seen in Chart 4, the NEET rate follows a strikingly similar pattern. At 15 or 16 years of age, an age when most youth have not yet graduated high school, the NEET rate was low (3%). Between the ages of 17 and 18, the percentage of youth who have graduated rises sharply, as does the percentage of NEET youth. Thus, it can be observed that the age group 15-19 is fairly heterogeneous, containing two sub-groups: 15-16 year olds and 17-19 year olds.

Chart 5
Percentage of high school graduates and NEET rate by age, Canada, 2016



NEET: Not in employment, education or training

Notes: Labour Force Survey (LFS) estimates for Canada are generated using LFS data collected in the provinces; LFS results for the territories are not considered in the national estimates. Data are not available for percentage of high school graduates at 15 and 16 years of age, as there were too few observations to produce a reliable estimate.

Source: Statistics Canada, Labour Force Survey, 2016.

The majority of NEET Canadians aged 15 and 16 are not in the labour force

With the effect of high school graduation in mind, we now take a closer look at NEET Canadians aged 15 to 19 in finer age groups.

In 2016, 3% of the youngest Canadians were in NEET. Of these NEET youth, most of them (2.5% of all 15-16 year olds or 83% of NEET 15-16 year olds) were not in the labour force. For 15-16 year old Canadians in this group, we note that a very small proportion of youth were either employed (1.6%) or unemployed (0.6%). NEET youth who are not in the labour market may be of concern as these youth would not have any high school credential and have not left school to join the labour market.

For older youth, the composition of this group differs as a higher proportion of youth aged 17-18 and 19-20 year olds who are out of school have entered or are attempting to enter the labour market. While the proportion of youth who are not in the labour force does continue to increase with age, the proportion of youth who are in the labour market, either being employed or unemployed also increases but at a greater rate.

Table 1
Percentage of youth in school and not in school, by age group and labour force status, Canada, 2016

	In school	Not in school				Total not in school
	Total in school	Employed	Unemployed	Not in the labour force	Subtotal, NEET	
	percent					
15 and 16 years	95.3	1.6	0.6 ^E	2.5	3.0	4.7
17 and 18 years	81.1	12.2	3.0	3.7	6.7	18.9
19 and 20 years	60.0	27.6	5.6	6.8	12.4	40.0
15 to 19 years	82.9	10.8	2.6	3.7	6.3	17.1

^E use with caution

Source: Statistics Canada, Labour Force Survey, 2016.

Provincial NEET rates are fairly similar

Within Canada in 2016, the differences in NEET rates for 15 to 19 year olds between the provinces were generally not statistically significant, and this was also true for the finer age groups. This means that any differences observed between the rates could be due to sampling variability, and not to an actual difference between the rates. The one exception to this was that the NEET rate for 15-19 year olds in Saskatchewan was higher (8.5%) than the rate in Ontario (5.2%) and this difference was statistically significant.

Table 2
NEET rate by age and province, 2016

	Age group				
	15 to 16 years old	17 to 18 years old	19 years old	20 years old	15-19 years old
Newfoundland and Labrador	x	6.9 ^E	11.5 ^E	30.3 ^E	5.6 ^E
Prince Edward Island	x	8.4 ^E	x	24.2 ^E	6.0 ^E
Nova Scotia	3.6 ^E	9.6 ^E	14.0 ^E	17.4 ^E	8.3
New Brunswick	x	6.2 ^E	16.8 ^E	23.9 ^E	6.8 ^E
Québec	2.8 ^E	8.7	12.5 ^E	14.8 ^E	7.3
Ontario	3.1	5.2	9.2	11.2	5.2
Manitoba	2.5 ^E	7.6 ^E	12.5 ^E	17.5 ^E	6.7
Saskatchewan	3.8 ^E	8.0 ^E	18.3 ^E	14.8 ^E	8.5
Alberta	2.3 ^E	7.5 ^E	11.4 ^E	14.2 ^E	6.2
British Columbia	4.4 ^E	6.4 ^E	12.7 ^E	11.3 ^E	7.1
Canada ¹	3.0	6.7	11.4	13.3	6.3

x suppressed to meet the confidentiality requirements of the *Statistics Act*

^E use with caution

1. Labour Force Survey (LFS) estimates for Canada are generated using LFS data collected in the provinces; LFS results for the territories are not considered in the national estimates.

Source: Statistics Canada, Labour Force Survey, 2016.

Conclusion

The OECD presents data for NEET youth aged 15 to 19 to compare education and labour market statuses in this age group amongst OECD countries. In this report, it has been shown that in Canada this group is quite heterogeneous in terms of education and labour market status. It includes youth who are still in the process of completing their high school education (15 to 16 year olds) and youth who are facing their first major transition out of school (17 to 19 year olds). We have also drawn attention to the fact that there appears to be a relationship between the typical age of graduation in a country and the rate of NEET youth aged 15 to 19. In this way, using the 15 to 19 year old age group for the purpose of international comparisons becomes, as the OECD has noted, more a comparison of systems of schooling between countries. In Canada, as the group is heterogeneous, it makes this indicator difficult to interpret and is somewhat limited in terms of what it can tell us about youth who are potentially at risk.

It becomes easier to interpret this indicator in Canada, however, if smaller sub-groups are examined. Identifying youth aged 15 to 16 who are not in school quantifies the proportion of youth who are not in school when they should be by law and also, can measure the proportion of youth who have probably left school before high school graduation. A significant increase in the NEET rate for this group may indicate a problem, since those who are NEET before they have graduated from high school are highly vulnerable to future socioeconomic difficulties (Hango 2011).

The NEET rate for youth aged 18 to 19 may be used to measure the direct transition between high school and postsecondary studies and direct transitions to the labour market. Further research would be useful to determine what factors influence adults of this age being in NEET and could provide insight into participation of these youth in postsecondary education, any potential problems with access to postsecondary education programs, as well as the labour market facing young high school graduates who have no further education.

Annexes

Table A1
Ending age for compulsory schooling, OECD countries, 2015

Country	Age
Korea	14
Slovenia	14
Greece	14-15
Austria	15
Czech Republic	15
Japan	15
Mexico	15
Switzerland	15
Denmark	16
Estonia	16
Finland	16
France	16
Hungary	16
Iceland	16
Ireland	16
Italy	16
Latvia	16
Luxembourg	16
New Zealand	16
Norway	16
Poland	16
Slovak Republic	16
Spain	16
Sweden	16
United Kingdom	16
OECD average	16
Canada	16-18
Australia	17
Israel	17
Turkey	17
United States	17
Belgium	18
Chile	18
Germany	18
Netherlands	18
Portugal	18

Source: Organization for Economic Cooperation and Development (OECD), Education at a Glance, 2017, Table X1.3.

Table A2
Typical age at graduation from a general upper secondary program, OECD countries, 2015

Country	Age
United Kingdom	16-17
Netherlands	16-18
Chile	17-17
Israel	17-17
Japan	17-17
Portugal	17-17
Spain	17-17
Turkey	17-17
United States	17-17
Australia	17-18
Austria	17-18
Canada	17-18
France	17-18
Mexico	17-18
New Zealand	17-18
Hungary	17-19
Luxembourg	17-19
Belgium	18-18
Estonia	18-18
Korea	18-18
Latvia	18-18
Norway	18-18
Slovenia	18-18
Denmark	18-19
Ireland	18-19
Italy	18-19
Slovak Republic	18-19
Sweden	18-19
Germany	18-20
Finland	19-19
Poland	19-19
Czech Republic	19-20
Switzerland	19-20

Source: Organization for Economic Cooperation and Development (OECD), Education at a Glance, 2017, Table X1.1a.



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