

# **BCTF Research Report**

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## **Adult education: An essential element in a poverty reduction plan to improve economic opportunities for low-income individuals and families**

*[www.bctf.ca/publications.aspx?id=5630](http://www.bctf.ca/publications.aspx?id=5630)*

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Part 1 provides evidence, drawing on Statistics Canada reports, that Canadians without a high-school certificate are most at-risk of unemployment, low earnings, and poverty. Young adults are especially hard hit, with significantly higher unemployment rates and lower average earnings than high-school graduates. Part 2 cites research that shows the high-school graduation rate in BC improves significantly after taking into account young adults (20 to 24 years) who complete high school, after the age of 19, in adult education programs. The data also show that some groups of young adults are at much higher risk of not graduating, suggesting they face multiple barriers to attending adult education courses. Part 3 concludes that adult education programs that are responsive to the needs of young adults facing multiple barriers to high-school graduation are essential to reducing the risk of high unemployment and low earnings that contribute to poverty.

## **Part 1: Education: Impact on earnings, unemployment, and poverty**

Research shows that young adults without a high-school diploma have lower average earnings and higher unemployment rates than graduates—both risk factors for poverty. And family poverty rates are significantly higher for families where a parent has less than a high-school education.

### **Family poverty rates and level of education**

There is considerable evidence that education buffers families against poverty. A 2008 Statistics Canada study found that higher levels of education of a parent protected families from persistent poverty, suggesting that pursuing further education can help families to move out of poverty (Fleury, 2008). The *Growing Up in North America* report (CCSD et al., 2008) shows that the child poverty rate in 2000 was five times higher for parents with less than a secondary education (27.6%), compared to those of parents who completed a university or college education (5.4%), and twice as high for families where a parent completed secondary/vocational or some post-secondary education.

### **Average earnings and level of education**

When young adults (20 to 24 years) with less than high school are employed, they work longer hours for less pay than high-school graduates, according to a recent Statistics Canada report<sup>1</sup>. In 2009–10, young adults without a high-school certificate working full-time worked 0.7 hours more per week and earned \$70 less per week, on average, than high-school graduates in the same age group. The gap in median weekly earnings for 20- to 24-year-old, full-time workers is even wider, with non-graduates earning \$97 less per week than high-school graduates. Over time, inflation-adjusted average earnings decreased for workers without a high-school diploma. Since 1997, the hourly wage in constant 2007 dollars decreased for workers with no high-school diploma, and increased by 5% for those with a post-secondary certificate (Statistics Canada, 2008).

### **Unemployment rates and level of education**

Young adults who do not complete high school are especially vulnerable to unemployment. In 2011, the unemployment rate of Canadians with less than high school was double that of high-school graduates, and four times as high as for those with a university degree<sup>2</sup>. This section draws on Statistics Canada reports to examine the impact of education on unemployment rates, and identify which groups are most at-risk of unemployment.

The figures in Table 1 show that the unemployment rate in Canada decreases steadily for each level of education. This relationship has been consistent over the last twenty years. Canadians with less than a high-school education had an unemployment rate about three times as high as those with a university degree in 1990, 2000, and 2010.

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<sup>1</sup> Gilmore, J. (2010, November). *Trends in drop-out rates and the labour market outcomes for young drop-outs*. Statistics Canada Catalogue no. 81-004-X.

<sup>2</sup> Wannell, T. and Usalcas, J. (2012). Labour Force Survey: 2011 year-end review, *Perspectives on Labour and Income*, Statistics Canada: March 23, 2012, p.11.

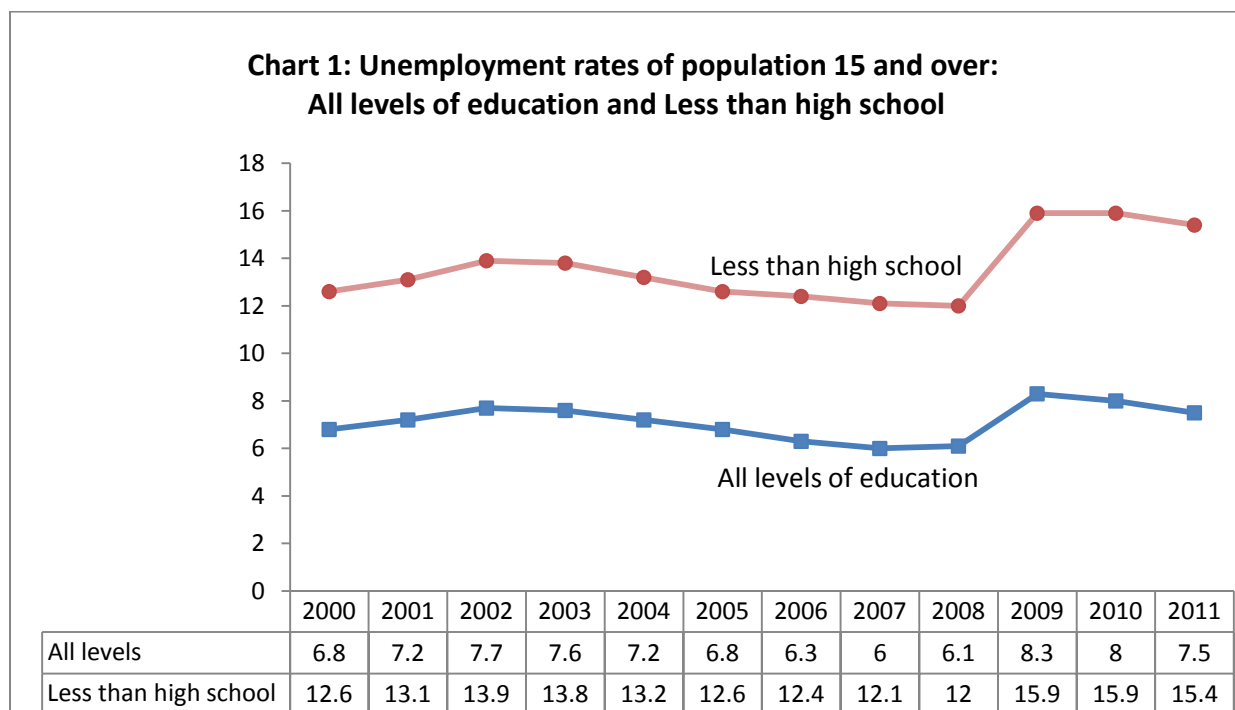
**Table 1: Unemployment rate by level of education, Canada: Select years—1990 to 2010**

	All levels	Less than high school	High school	College or Trade	University
1990	<b>8.1</b>	12.4	7.8	6.3	3.8
1995	<b>9.5</b>	15.1	9.6	7.9	5.0
2000	<b>6.8</b>	12.6	7.0	5.2	3.8
2005	<b>6.8</b>	12.6	7.1	5.3	4.6
2010	<b>8.0</b>	15.9	9.0	6.5	5.2

BCTF Research table with data from Statistics Canada (2012). Table E.3.1, Unemployment rates of population aged 15 and over, by educational attainment, Canada, 1990 to 2011; <http://www.statcan.gc.ca/pub/81-582-x/2012001/tbl/tble3.1-eng.htm>

What appears to be worsening is the unemployment rate for those with less than high school relative to all levels of education. Chart 1 graphs the unemployment rate for individuals with less than high school and the average unemployment rate (all levels of education) between 2000 and 2011 (Statistics Canada, 2012a).

Between 2000 and 2008, the unemployment rate for individuals with less than high school was about 6% higher than for all levels of education. At the start of the global recession, unemployment rates increased for all groups, but more-so for those with less than high school. The gap in the unemployment rate widened at the start of the recession and has remained so since then. By 2011, the unemployment rate for individuals with less than high school was almost 8% higher than for all levels of education.



BCTF Research chart with data from Statistics Canada (2012). Table E.3.1, Unemployment rates of population aged 15 and over, by educational attainment, Canada, 1990 to 2011; <http://www.statcan.gc.ca/pub/81-582-x/2012001/tbl/tble3.1-eng.htm>

## Aboriginal unemployment rate for non-graduates three times the national average

Aboriginal (Off-reserve) individuals are especially vulnerable to unemployment. Table 2 shows the unemployment rate by education level for All Canadians and for the Off-reserve Aboriginal population. In 2011, the unemployment rate for Aboriginal people was 12.9% compared to 7.5% for all Canadians. The unemployment rate for Aboriginals with less than high school (22.5%) was considerably higher than for all Canadians with less than high school (15.4%), and three times as high as the national unemployment rate (7.5%). While the Aboriginal unemployment rate decreases with each level of education, it is higher than the average, except for university.

**Table 2: Unemployment rate and educational attainment—Canada (All) and Off-reserve Aboriginal population (Ab): 2007 to 2011**

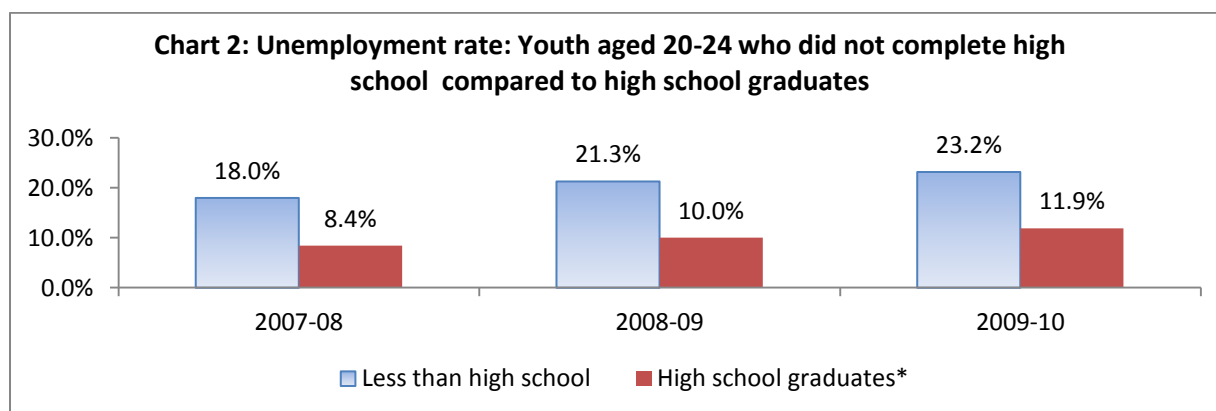
	Less than high school		High school		College or Trade		University		All levels of education	
	All	Ab	All	Ab	All	Ab	All	Ab	All	Ab
2007	12.1	17.1	6.4	9.5	4.9	8.4	3.7	5.1E	6.0	10.7
2008	12.0	16.3	6.6	9.9	4.8	7.5	4.1	5.7E	6.1	10.3
2009	15.9	23.6	9.3	13.9	6.8	10.4	5.0	3.7	8.3	13.8
2010	15.9	24.1	9.0	13.8	6.5	10.8	5.2	5.5	8.0	14.3
2011	15.4	22.5	8.4	13.6	5.9	9.1	4.9	4.4E	7.5	12.9

Note: “E” is a notation used by Statistics Canada to denote “Use with caution”.

Figures are from Statistics Canada (2012). Table E.3.3, Unemployment rates of population aged 15 and over, by educational attainment, off-reserve Aboriginal population, 2004 to 2011, and Table E.3.1, Unemployment rates of population aged 15 and over, by educational attainment, Canada, 1990 to 2011.

## Young adults with less than high school are most vulnerable to unemployment

Young adults (20 to 24 years) with less than a high-school education are most vulnerable to unemployment. Chart 2 shows that before the global recession (2007–08), the unemployment rate was double for young adults aged 20 to 24 years with less than high school (18%) compared to high-school graduates (8.4%). By 2009–10, the unemployment rate increased for both groups, but more-so for young adults with less than high school (to 23.2%, an increase of 5.2%) compared to high-school graduates (to 11.9%, an increase of 3.5%). (Gilmore, 2010)



\* Defined as “high school graduates of the same age who were not enrolled in an educational institution”.

BCTF Research chart with figures from Gilmore, J. (2010, November). *Trends in dropout rates and the labour market outcomes of young dropouts*, Statistics Canada Catalogue no. 81-004-X.

## Part 2: Adult education programs make a difference

Although typical high school graduates will finish their secondary education by the age of 18, some do not, for a variety of reasons. Some return to school, taking advantage of ‘second chance’ opportunities for completing high school that are available across the country. However, by the age of 20 to 24, they typically have decided to return to complete their high school education or not.

Jason Gilmore, Statistics Canada (2010)

### Adult education opportunities boost the overall graduation rate

Statistics Canada data<sup>3</sup> show that many students who do not complete high school by 19 years do so by the age of 24 years. In British Columbia, 80.5% of youth aged 18–19 years graduated from high school in 2009–10. But this measure does not take into account the young adults who successfully complete high-school requirements after 19 years of age. For this reason, Statistics Canada calculates “the share of 20- to 24-year-olds who are not attending school and who have not graduated from high school”.

Using this measure, Statistics Canada figures for British Columbia (Table 3) show that 92.7% of young adults (20–24 years) are “high-school graduates”, 6.3% are “not a high-school graduate and are not attending school”, and 1% are “not a high-school graduate and are attending school”.

**Table 3: High-school graduation status, by age group, British Columbia, 2009–10**

	<b>16 to 17 years old</b>	<b>18 to 19 years old</b>	<b>20 to 24 years old</b>
High-school graduate	7.8%	80.5%	92.7%
Not a high-school graduate, attending school	88.1%	13.4%	1.0%E
Not a high-school graduate, <i>not</i> attending school	4.1%	6.1%	6.3%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Note: “E” is a notation used by Statistics Canada to denote “Use with caution”.

Source: BCTF Research table with figures from a Statistics Canada report by McMullen and Gilmore (2010).

*A note on high school graduation and school attendance, by age and province, 2009/10, Appendix–Table A.1.*

<sup>3</sup> McMullen, K. and Gilmore, J. Statistics Canada (2010). A note on high school graduation and school attendance, by age and province, 2009/2010; <http://www.statcan.gc.ca/pub/81-004-x/2010004/article/11360-eng.htm>

## BC has the highest graduation rate for young adults 20 to 24 years

Table 4 shows that the percentage of 20- to 24-year-olds who are high-school graduates is significantly higher than the graduation rate of 18- to 19-year-olds for all provinces, notably so for Nova Scotia. British Columbia (92.7%) has the highest percentage of young adults (20 to 24 years) who are high-school graduates of all provinces, based on 2009–10 figures.

**Table 4: High-school graduation rate: 20 to 24 years old by province, 2009–10**

Province	18 to 19 years old	20 to 24 years old
Newfoundland and Labrador	81.2%	92.5%
Prince Edward Island	78.6%	91.2%
Nova Scotia	68.5%	88.7%
New Brunswick	77.0%	90.2%
Quebec	80.6%	85.4%
Ontario	75.5%	91.0%
Manitoba	73.9%	86.9%
Saskatchewan	72.1%	88.3%
Alberta	73.7%	89.0%
British Columbia	80.5%	92.7%
<b>Canada (national average)</b>	<b>76.9%</b>	<b>89.5%</b>

Source: BCTF Research table with figures from a Statistics Canada report by McMullen and Gilmore (2010), *A note on high school graduation and school attendance, by age and province, 2009/10*, Appendix-Table A.1.

## Some young adults are more vulnerable to not completing high school

In 2009–10, 8.5% of young adults aged 20 to 24 years in Canada were not high-school graduates, with a slightly higher rate for young men (10.3%) and lower for young women (6.6%). First Nations people living off-reserve (25.8%) and Métis (18.9%) aged 20–24 years show the highest non-completion rate. Richards (2011) reported the “dropout” rate for those living in rural areas (15.5%) was almost double that of those living in large cities (7.9%) between 2007–08 and 2009–10.

Statistics Canada data (Gilmore, 2010) shows that 6.2% of young adults in immigrant families were non-graduates in 2009–10, considerably lower than the rate for young adults born in Canada (9.1%). Research suggests this varies by country of origin. Richards (2011) cites data that shows the proportion of youth aged 15 to 24 years with incomplete secondary studies is above the national average for Haitian, Portuguese, and Jamaican youth and below the national average for youth from East and South Asia.

## Part 3: Discussion and implications

This report provides evidence that adult education programs can make a significant difference in improving the high-school completion rate, removing a significant barrier to overcoming poverty. Many young adults take courses leading to graduation after the age of 19, and graduate between the ages of 20 to 24 years. These data also tell us that young adults who live in rural areas, or who are First Nations or Métis, or are members of some immigrant groups, face the most barriers to enrolling in and completing high-school requirements. Offering adult education programs for non-graduated adults that are flexible and responsive to the needs of these young adults so they can complete high school and pursue further education can remove a significant barrier to moving out of poverty.

Many adults have completed a high-school certificate but do not have the course requirements to apply to post-secondary programs. Completing a post-secondary education further increases labour market opportunities and average earnings, and reduces the risk of unemployment. Data cited in this report show that the unemployment rate decreases with each level of education, and over time, inflation-adjusted earnings increase for individuals with a post-secondary certificate but decrease for those with less than high school. The authors of *Growing Up in North America* (CCSD et al., 2008) conclude that a lack of post-secondary education poses a significant barrier to moving between the low-wage labour market and the higher-paid jobs associated with the knowledge economy.

Providing opportunities through adult education for young adults to complete high school, and/or requirements to enter post-secondary training, is an essential element of a poverty reduction plan. More needs to be done to identify and address barriers that prevent young adults from attending and completing adult education courses, especially young adults who are much-less likely to complete high school, such as those living in rural areas, those who are Aboriginal, and immigrants from countries of origin with low graduation rates.

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