

# No More Farewells:

Making a Place for Youth in Nova Scotia's Economy

## THE YOUTH LABOUR MARKET

Since 1976, Nova Scotia's unemployment rate (UR) for youth (ages 15-24) has typically been roughly twice the rate of the primary working age (PWA) population (ages 25-54)<sup>1</sup>. Consistent with this pattern, Nova Scotia's current youth UR sits at 16.6%, more than double the 7.6% PWA rate.

Importantly, the same pattern is generally true for Canada as a whole, except that the provincial youth UR consistently runs well above the national rate (average 3.5% higher but up to 9%). This difference largely mirrors overall economic conditions, with the Nova Scotian economy lagging behind the Canadian economy.

In the five years since the "Great Recession" of 2008/09, Nova Scotians under 25 have actually lost 7,100 more jobs than they have gained (see Table 1). Nova Scotians in the PWA cohort have also fared poorly – losing over 13,000 jobs in total – leaving the only positive job gains to workers 55 and older.<sup>2</sup>

**Table 1. Net Job Creation in Nova Scotia (2009-2014)**  
(in 1,000s)

	15-24	25-44	45-54	55-65	65+	SUM
HS or Less	-3.1	-12.1	-2.1	0.8	0.5	-16.0
PSE+	-4.0	3.0	-1.9	13.1	3.1	13.3
SUM	-7.1	-9.1	-4.0	13.9	3.6	-2.7

When we ignore job losses and focus only on total number of jobs added to the economy, the picture isn't much better for youth (see Table 2). Of the 41,000 jobs added since 2009, a paltry 2,300 have gone to those under 25, by far the lowest total of any age cohort.

Even when we factor in educational attainment, the lion's share of the 2,300 youth jobs added went to individuals with a high school diploma or less – only 300 added jobs went to youth with post-secondary credentials! In general, holding a university degree or college credential both confer labour market advantages - nearly 29,000 of the jobs added went to such

individuals, but again, these jobs overwhelmingly went to individuals 25 and over.

The job data described above are consistent with broader trends in the Canadian labour market indicating an increased prevalence of so-called precarious employment since 2008.<sup>3</sup>

**Table 2. Total Job Creation in Nova Scotia (2009-2014)**  
(in 1,000s)

	15-24	25-44	45-54	55-65	65+	SUM
HS or Less	2.0	-	3.8	4.8	1.4	12.0
Some PSE	-	-	-	-	0.1	0.1
Cert/ Dipl	-	-	-	4.6	0.4	5.0
Uni	0.3	8.1	3.5	9.3	2.6	23.8
SUM	2.3	8.1	7.3	18.7	4.5	40.9

These trends are illuminated by Statistics Canada's supplemental unemployment data, which show that the commonly reported UR drastically underestimates the number of youth that are not fully employed.<sup>4</sup> The total under/unemployment rate (including discouraged workers no longer seeking work, job seekers awaiting a call back, and involuntary part-timers) currently sits at approximately 25%, which is nearly 9% higher than the common youth UR (16.6%).

1 Statistics Canada, 2014, Cansim Table 282-0087

2 Statistics Canada, 2013-Table 282-003.

3 MacEwen, 2014

4 Statistics Canada, 2014, Cansim Table 282-0086

Notably, the under/unemployment rates for older Nova Scotians – 10.5% for 25-54 year olds and 11.5% for 55-64 year olds – are also higher than the base UR (by roughly 4% in both cases). When we compare the youth under/un-

### **STUDENT EMPLOYMENT**

Focusing on the student population only, the employment rate (ER) during in-study months (September-to-April) has increased slowly but steadily since 1976 (from 30% to just under 40%). This clearly shows that more students are working while studying, whether as a response to higher tuition and fees, broader participation in PSE, changing student employment norms, or some combination of the above.<sup>5</sup>

On the contrary, the average number of hours worked per week by Nova Scotia students during their studies has remained remarkably steady – averaging 20 hours per week since 1997.

Not surprisingly, there is a different student work pattern in the summer months, with more students working a larger average number of hours while not actively studying. The Nova Scotia student ER in summer Nova Scotia has fluctuated across a range between 50% and 65% since 1977; as of 2013, it currently sits in the middle of that range at approximately 68%.

Since 1997, average weekly work hours in summer have fluctuated over a slightly wider range (27-34 hours per week) relative to in-study work hours. Combined with the in-study data above, it is clear that student employment efforts have remained relatively stable despite large increases in tuition and fees over this period (1997-2011).<sup>6</sup>

These data – combined with the average costs of housing and tuition – suggest that the typical Nova Scotian student currently finds it extremely difficult to self-finance their educations through summer and part-time employment).

As of 2013, a student paying average tuition and sharing a two-bedroom apartment would retain only \$523 in employment income after paying these expenses. A similar student in a more expensive bachelor apartment would actually be \$1,900 short of meeting these two costs. Taken together, these data indicate many students must rely on significant other sources of income – government loans, private loans, parents, etc. – in order to meet basic educational and living costs.

5 Statscan, 2014, Labour Force Survey PUMF

6 MPHEC, 2014