

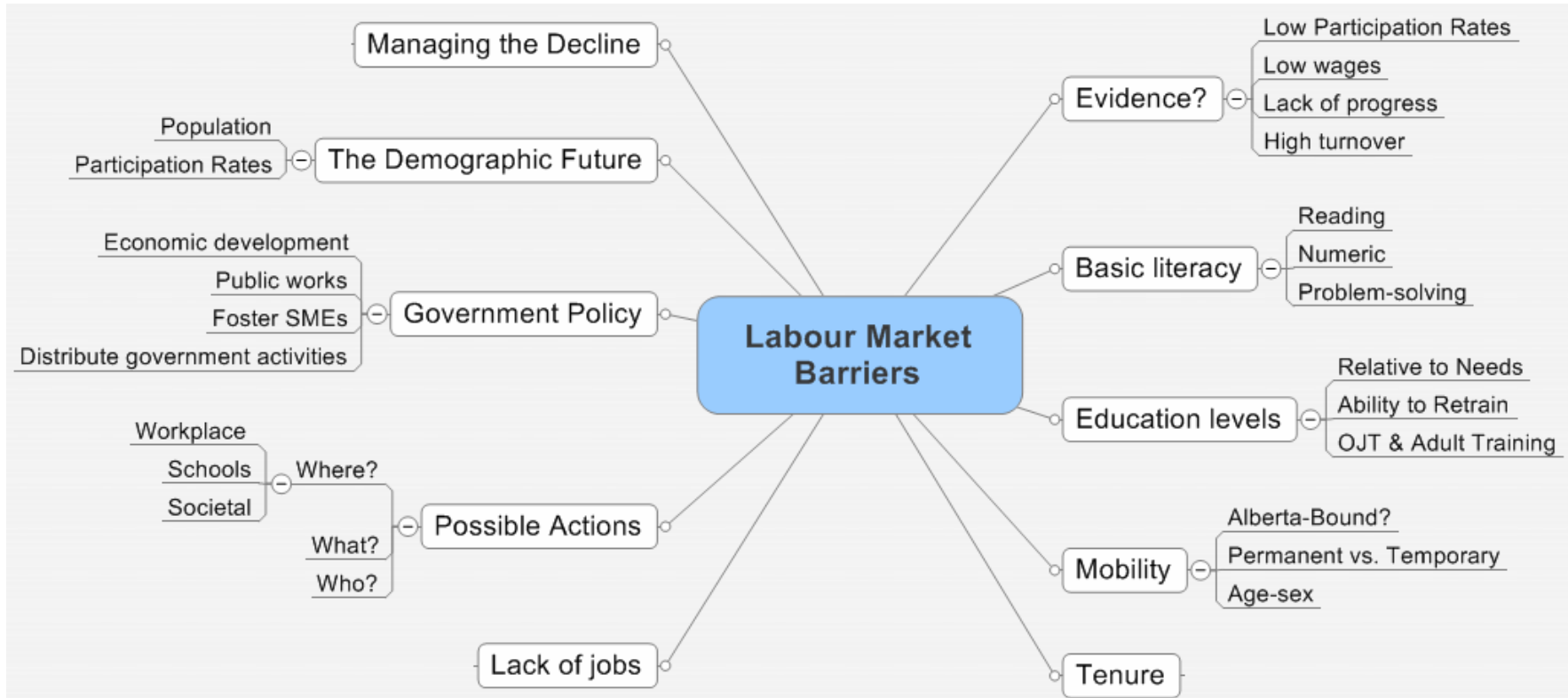
# Increasing Participation and Overcoming Barriers

Building Healthy Labour Markets

St. John's, Newfoundland

October 30-31, 2006

# Labour Market Barriers



# Evidence?

- Population Decline
- Low Participation Rates
- Low wages
- Lack of progress
- High turnover

# Basic Adult Literacy

- Reading (Prose and Document), Numeric, Problem-solving
- Newfoundland at the bottom of provinces
- Strong link between employment status and literacy level
- Provincial differences among young less pronounced

# IALSS Scores

<b>Category</b>	<b>Canada</b>	<b>N&amp;L</b>
Prose	272	<b>263</b>
Document	271	<b>261</b>
Numeracy	263	<b>251</b>
Problem solving	266	<b>255</b>

# Benefits of Literacy

## Improvement – Individual

- Higher earned income
- Inclusion in society
- Mobility

# Literacy & Productivity

- Enhanced Social Cohesion
- Improved Skills through Training
- Safety
- Higher Earned Income

# Literacy & Competitiveness

- Literate Consumer
- Consumers able to do more “free work”
  - Some assembly required
  - ATM
  - Automatic checkout at supermarket
- Broader options for consumers

# Literacy & Society

- Fiscal Benefits to Government
- Healthcare
- Less Crime
- Literate Citizens

# Per Capita Income Measures

- Significant benefits to society of increasing literacy mean of working age population
- Increasing literacy mean by 10 points = 7.3% increase in income per capita.  
(Serge Coulombe, 2005)

# Cost Elements

- $T$  = annual cost for improving group literacy
- $N$  = Number of people in group
- $S$  = Standard to be achieved
- $L$  = Literacy Score currently
- $\lambda$  = fraction of gap closed in a given year
- $C$  = Cost of increasing literacy score by one point

$$T = N * (S - L) * \lambda * C$$

# Simple Benefit-Cost Example



## Raising National Literacy Mean by 10 points

GDP 2005	1,166,387,000,000
New GDP from Increased Literacy Mean (7.3%)	1,251,533,251,000
Benefit	85,146,251,000
Literacy Cost	35,706,836,392
<b>Net Benefit</b>	<b>49,439,414,608</b>

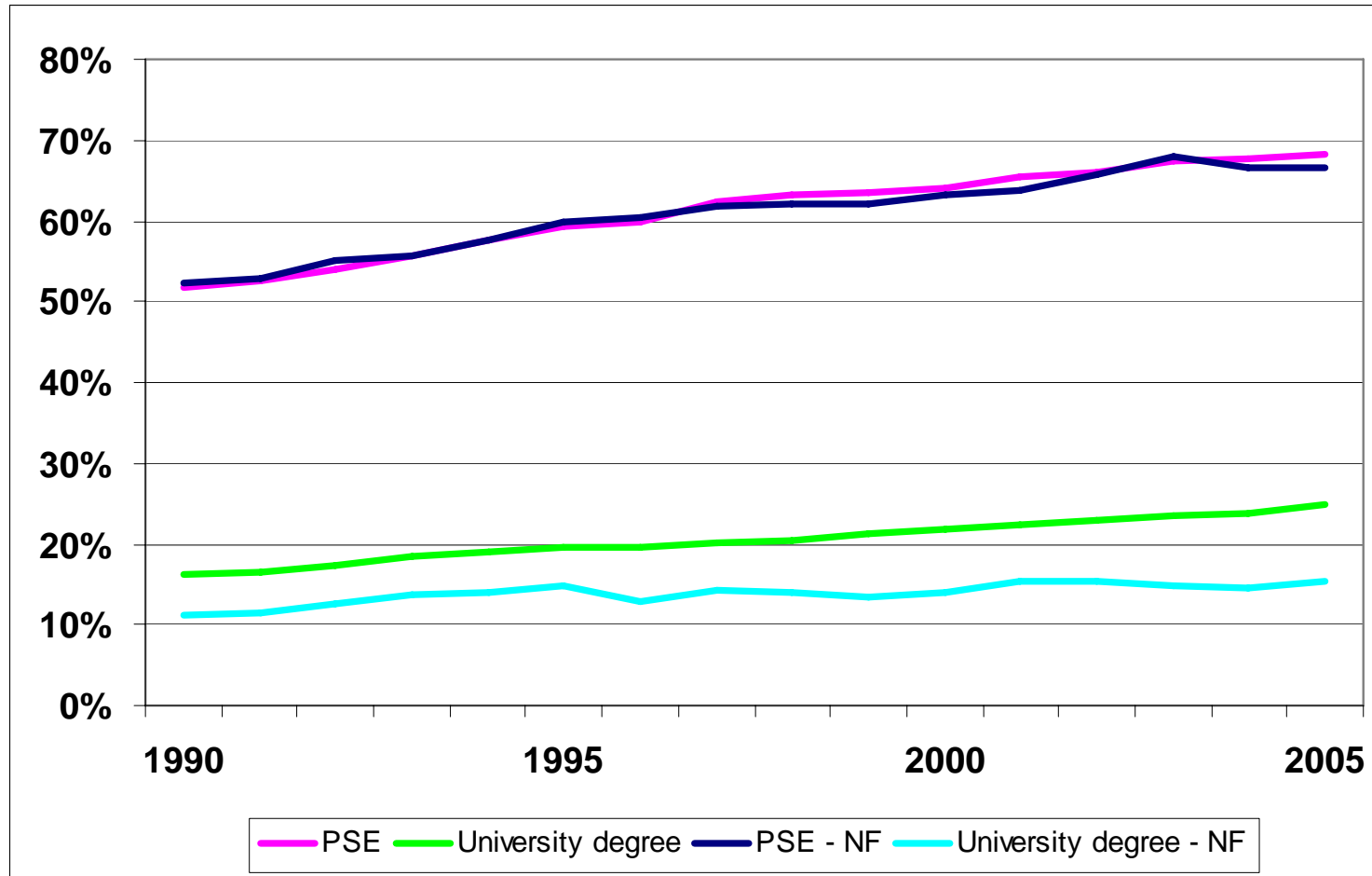
# Simple Message

- Improving Literacy pays off in:
  - Higher productivity
  - Improved Competitiveness
  - Societal Improvements
- Benefits greater than Costs

# Education levels

- Relative to Needs
- Ability to Retrain
- No reflection of OJT or adult training outside degree courses

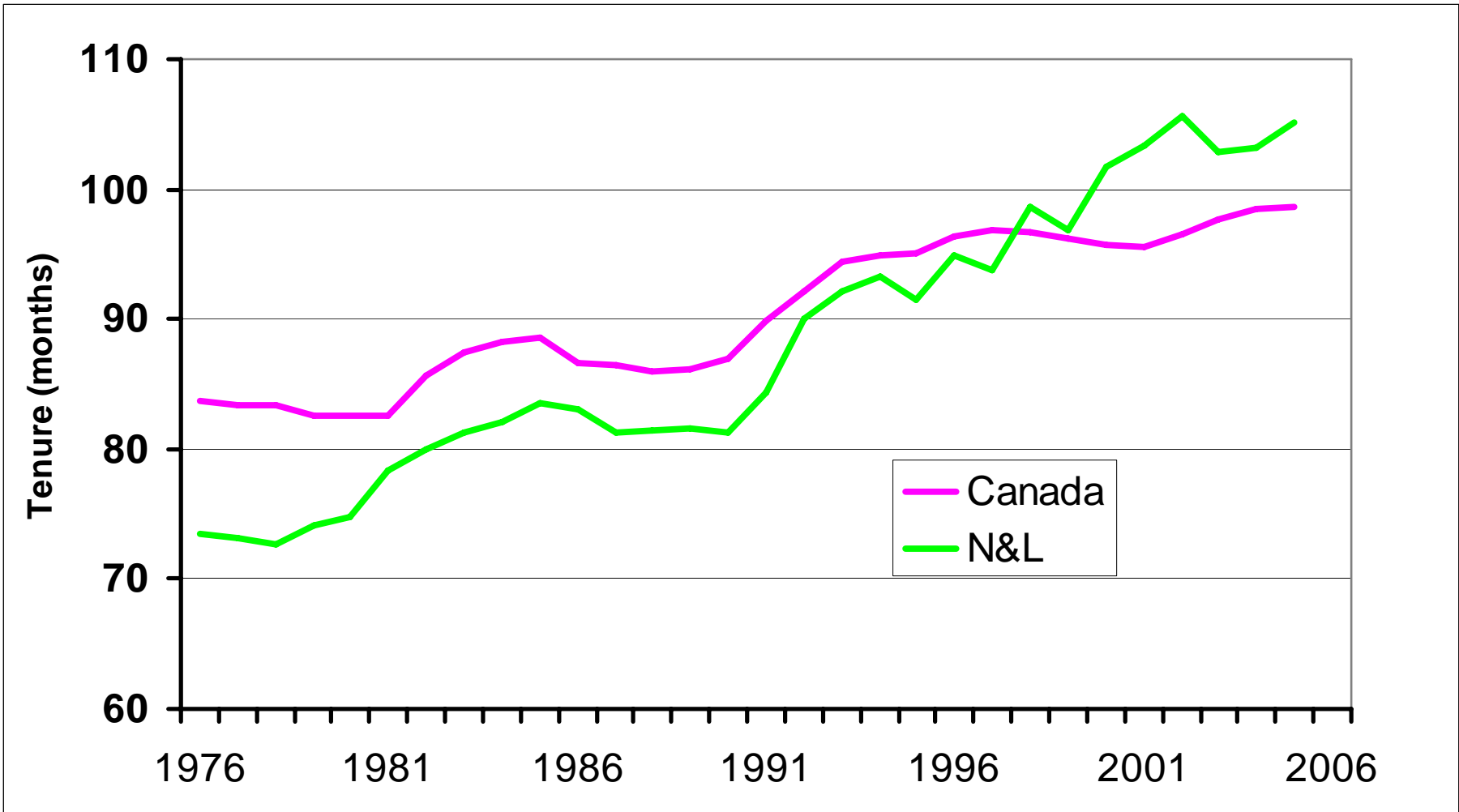
# Education Levels



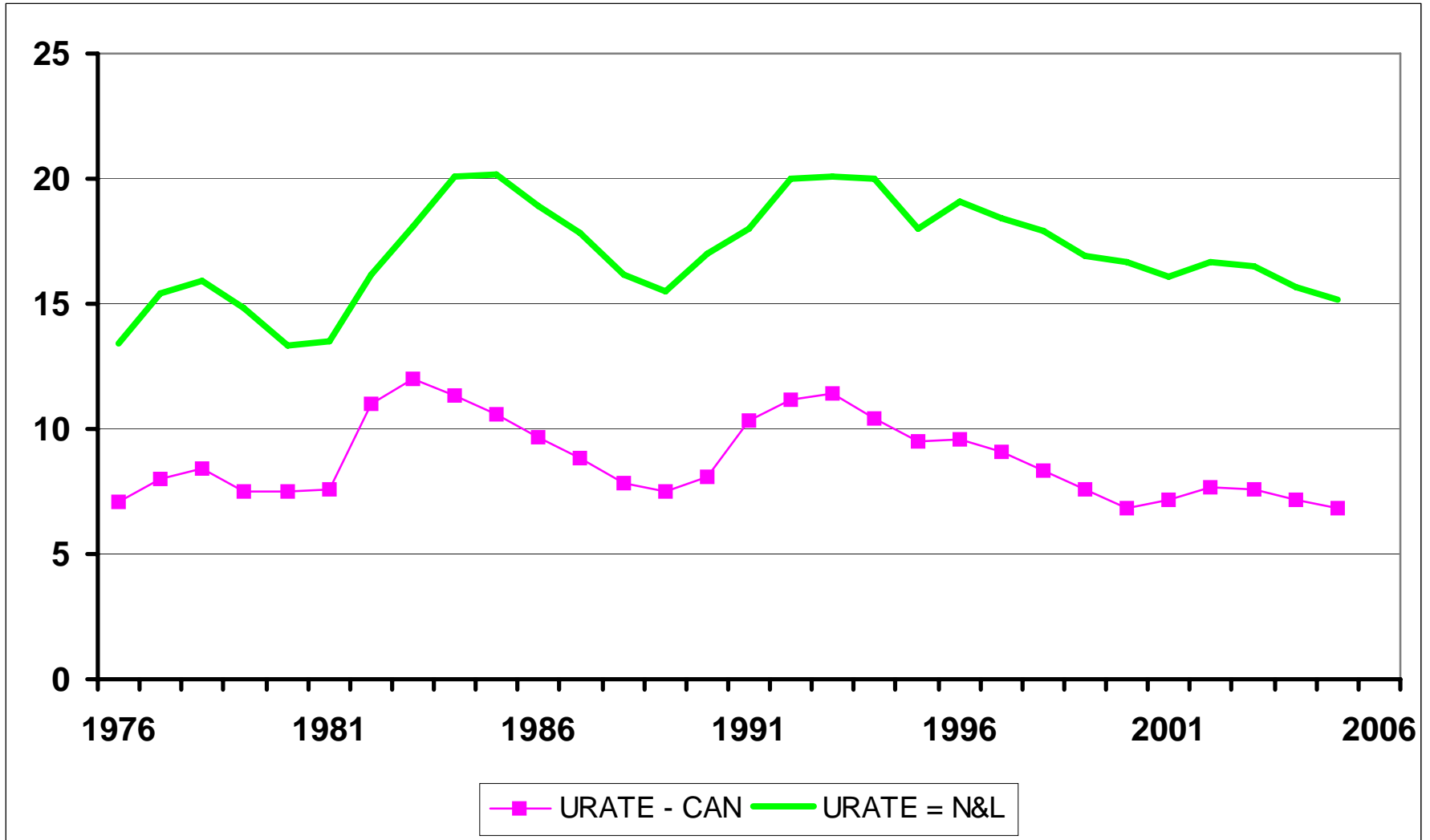
# Mobility

- Alberta-Bound?
- Permanent vs. Temporary
- Tenure in Employment

# Tenure



# Lack of jobs



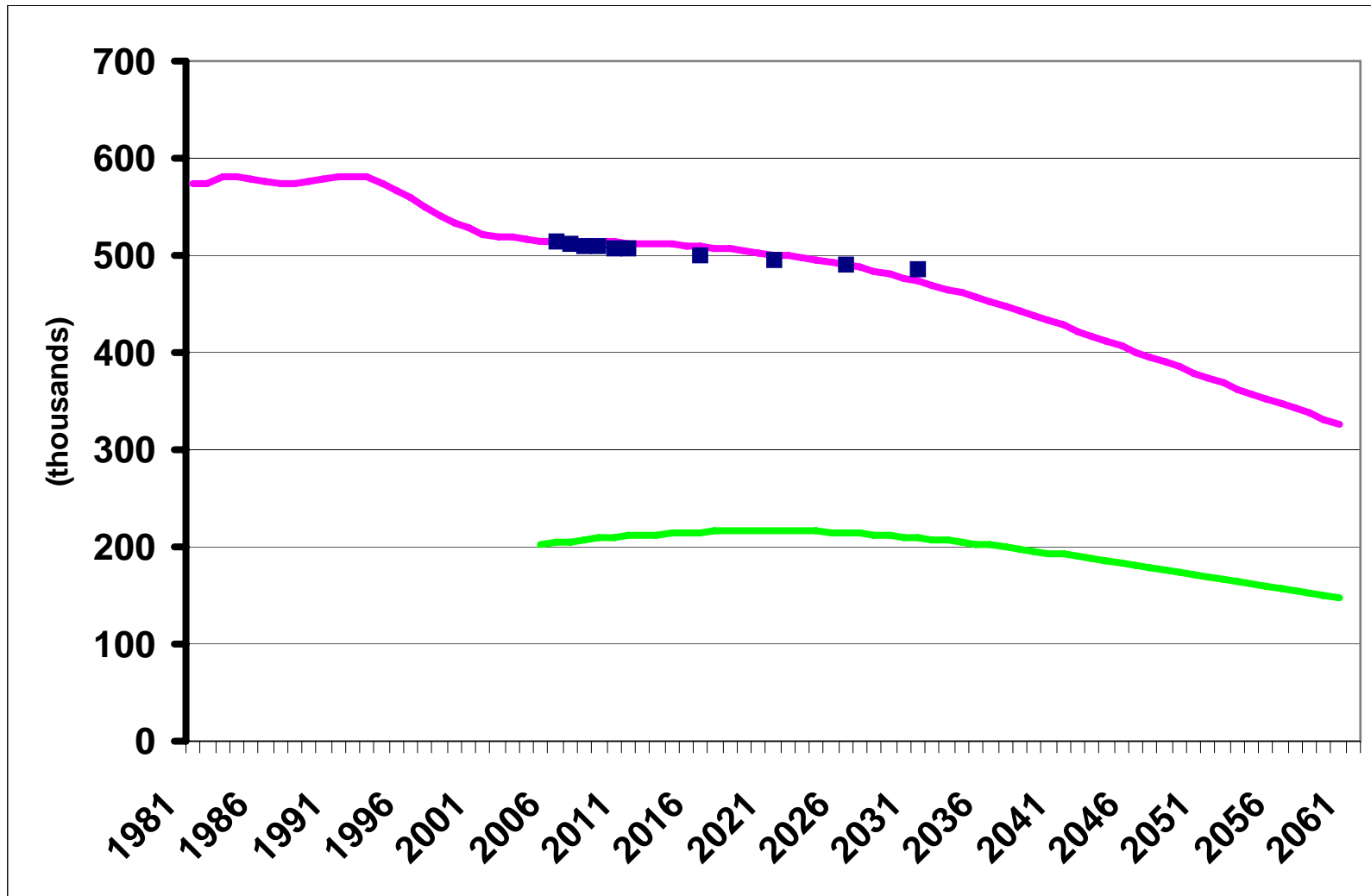
# Possible Actions

- Where?
  - Workplace
  - Schools
  - Societal
- What?
- Who?

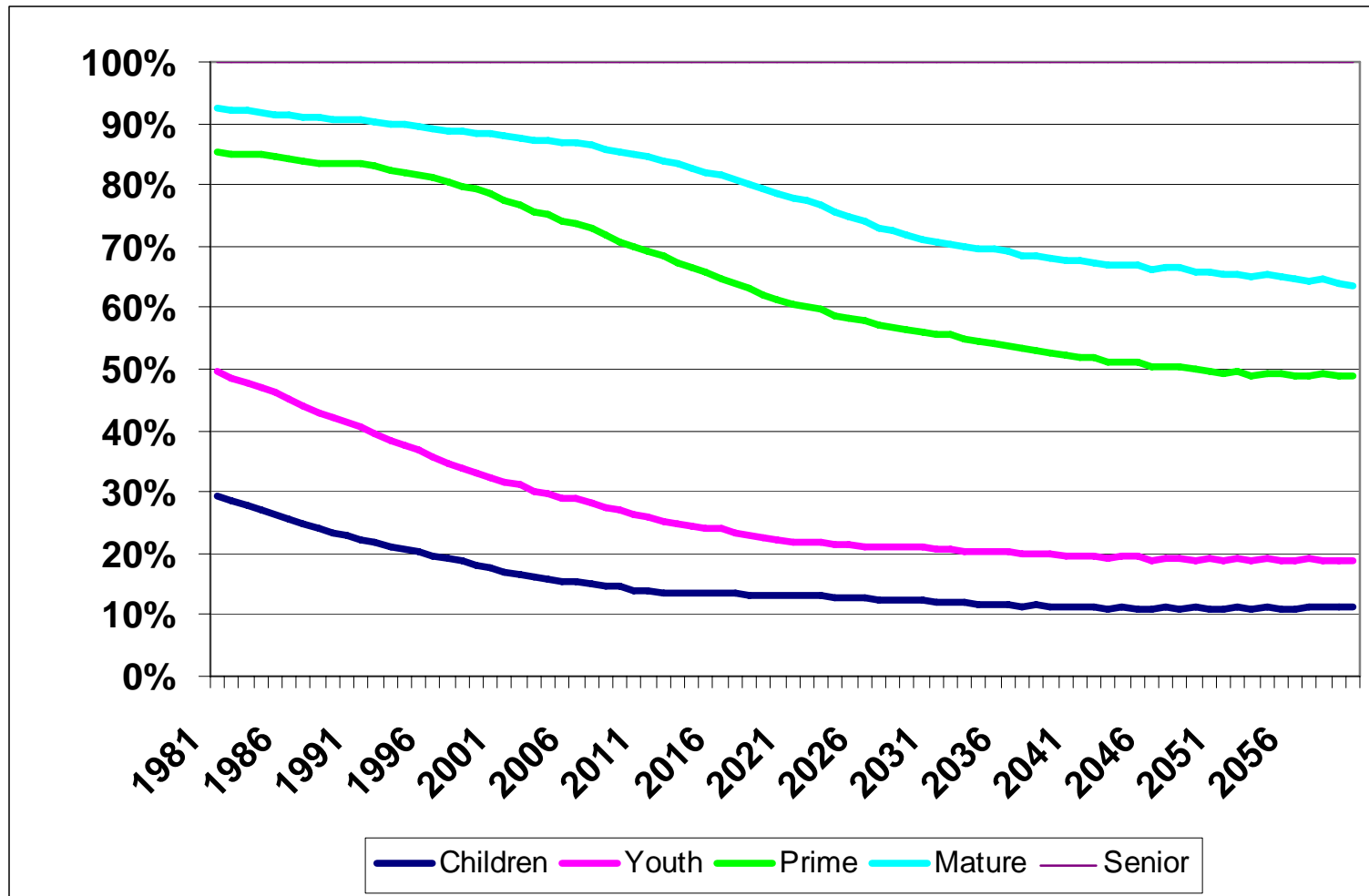
# Government Policy

- Economic development
  - Major projects
  - Other local development
- Adult literacy training
- Foster SMEs
- Distribute government activities
- Public works

# Newfoundland and Labrador Population and Households



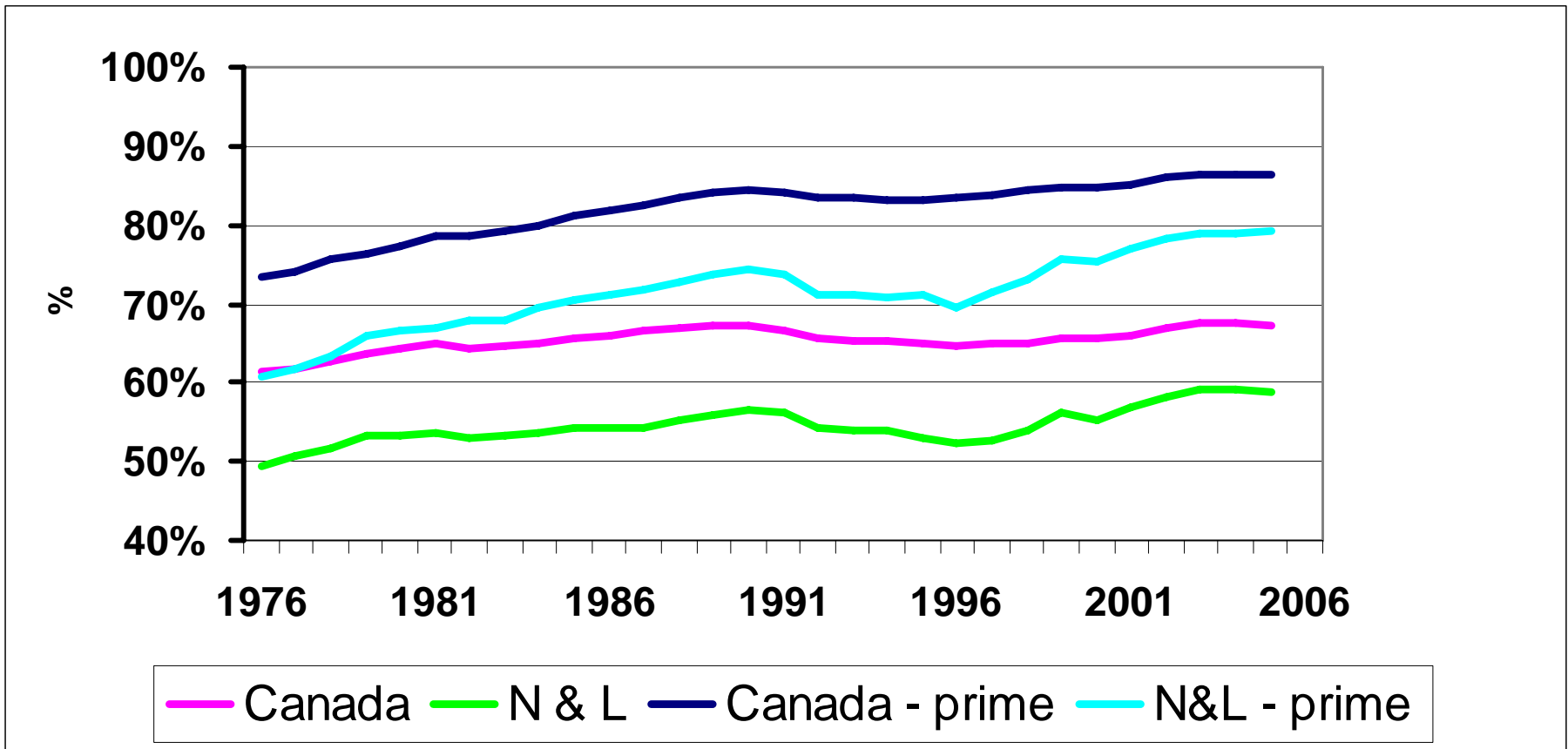
# Population by Age Group, N&L



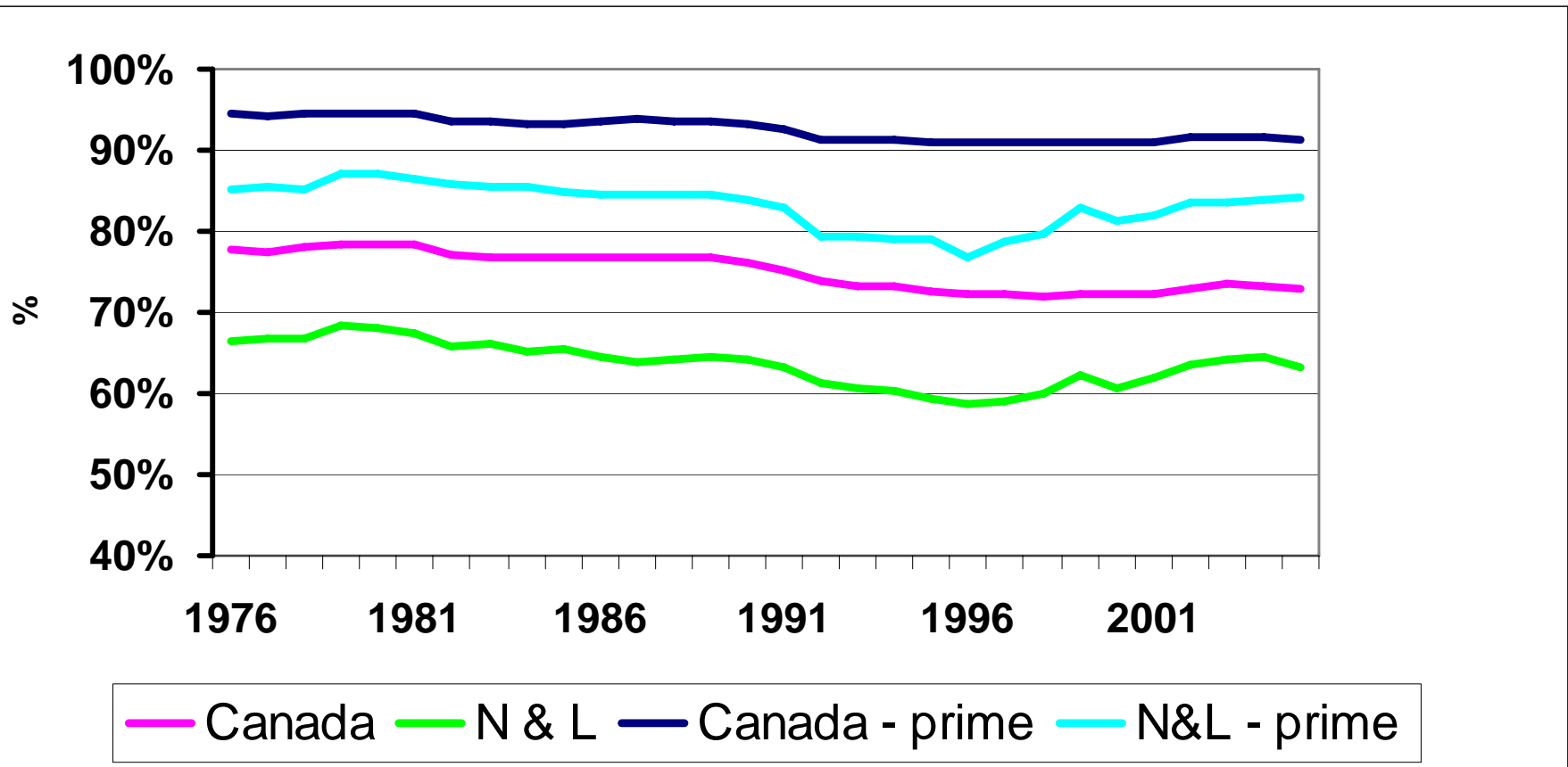
# Managing Population Decline

- Less resources required for housing, water treatment, roads, and other components linked to population growth
- Ageing Population
- Room for participation rates to rise – foster labour force growth even as population declines

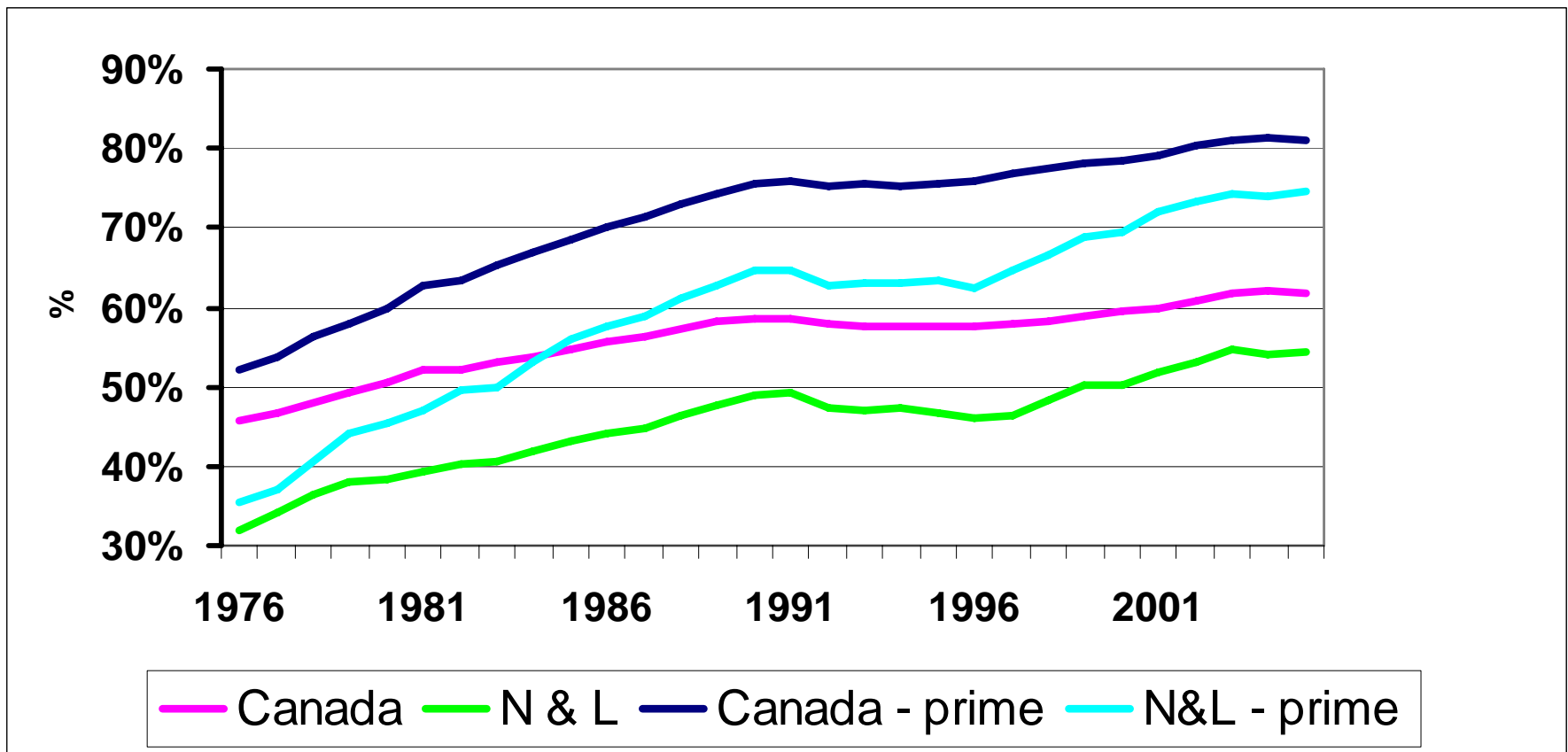
# Labour Force Participation Rates



# Male PRATEs



# Female PRATEs



# The Demographic Future

- Declining Population
- Deaths exceed Births from 2006
- Source population (15+) declines from 2007
- Net out-migration may continue
- Little immigration
- Population decline by 0.3% per year until 2030 and -1.3% through 2060