



Making the Links:  
Literacy and the Labour Market

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## What is Literacy?

- More than just ability to read and write
- Ability to identify, understand, interpret, create, communicate and compute
- Issue is not literate/illiterate
- Skill level



## Influences participation in...

- Home and family
- Community
- Education and learning
- Labour force, workplace
  - Individual employability/success

## Essential Skills

- Reading text
  - Document use
  - Numeracy
  - Writing
  - Oral Communications
  - Computer Use
  - Working with others
- Thinking skills:
    - problem solving
    - decision making
    - critical thinking
    - task planning/organizing
    - finding of information

Literacy is *THE* essential skill

## Increasingly higher skill levels are required

- Technology and advanced processes have changed nature of work
- Need to adapt, be flexible and learn new skills
- Information age/knowledge-based economy



## Literacy Levels in NL

- IALSS data released November 2005
- HRSDC and Stats Canada
- ‘Literacy proficiency’
  - Prose, Document, Numeracy, Problem Solving
- Level 3 required to ‘function well’

## Literacy Levels in NL

- 50.4% of adults aged 16-65 in our province scored below Level 3 (18.8% at Level 1 and 31.6% at Level 2)
- 43% of youth (aged 16-25) scored below Level 3
- 61.1% of the population scored below Level 3 in the numeracy domain (about half at Level 1)

# Literacy Levels and Employment

- Link between proficiency levels and employment
- Canada: Level 1 57%, Level 4/5 80%
- Notable increase in employment between Levels 1 and 2
  - Level 1: 39% employed (NL)
  - Level 2: 52% employed (NL)

## Literacy Levels in NL Labour Force

- Workers at Level 1 and 2 were concentrated in:
  - Trade, finance, insurance, real estate and leasing
  - Health care and social assistance
  - Manufacturing
  - Transport and warehousing
  - Forestry, fishing, mining, oil and gas
- Only 36% workers participated in training in NL, as compared to 50% in Canada

## Some Implications

- 50.4% of adults (16-65) in NL below Level 3
- Employers desperately need skilled labour - significant percentage of our people below required skill level and remain unemployed
- Beware the Yukon!

## Some Implications

- Those with lower average literacy scores
  - Less likely to be employed
  - Earn less \$
  - Less likely to participate in training, learning opportunities
  - Fewer options if job changes or ends
- 16-65 year olds in poor health had lower average literacy scores

**BUT!**

- We can significantly raise literacy rates through a determined and collaborative effort
- Correlation between increased literacy rates in a province and + higher personal incomes, higher GDP

*A 1% increase in average literacy rates would yield a permanent 1.5% increase in GDP – which would equal \$18 billion a year.*

- C.D. Howe Institute, 2005

*Investment in human capital, such as education – including literacy education – and skills training, is three times as important to economic growth over the long run as investment in physical capital*

- “Literacy scores, human capital and growth across 14 OECD countries” Stats Canada, 2004

## What Needs to Happen

- Recognize the urgency of this problem and tackle it
  - Literacy is a foundational issue
- Strategic and targeted approach
  - Multi-sectoral, maximize all resources
- Comprehensive approach

## Comprehensive Approach

- Formal Adult Basic Education (ABE)
- Range of flexible learning opportunities
- Community outreach and engagement
- Workplace learning initiative (embed literacy training)
- Public awareness campaign
- 1-stop-shop for people to connect
- Strong connect to K-12 and postsecondary systems
- All connected through a common framework

## Outcomes?

- Expanded labour pool of people who want to work here and who are ready to learn
- Increased ability to embrace use technology
- Greater employee self-confidence and productivity
- Increased uptake in other training/learning
- Improved labour-management relations
- People better able to help their children in school
- More likely to get more involved in their communities
- Enhanced health
- Strengthened human capital to lead our province



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