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Research Brief

Double Cohort:
Implications for Work-bound Youth

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Purpose

This document outlines the issues and implications of the 'double cohort' phenomenon for work-bound youth and OAYEC member agencies.

More Youth Looking for Work

The double cohort refers to the double graduating class of 2003. Both students from the newly revised four-year Ontario secondary school curriculum and the old five-year curriculum will graduate in 2003. The result of this double graduating class will be an increase in the number of youth entering post-secondary education and entering the labour market around the time of the double cohort. This paper will discuss the factors affecting the magnitude of this increase.

The Ontario University and College sector and the media have raised awareness about the need to accommodate an increased number of students entering post-secondary education.¹ The post-secondary education sector has prepared analyses calculating anticipated costs based on projected increases to enrolment.²

Less attention is been given to youth who do not go directly to post-secondary education but chose to work. Yet, we also expect the number of youth entering the labour market to increase with the double cohort. OAYEC member agencies in the community sector have experience and success helping work-bound youth, particularly those with less than college or university education, find employment and/ or career direction. Extra resources will be required to continue the work of providing high-quality employment services to an increased number of youth

¹ "Enrolment at colleges set to surge", Toronto Star, November 8, 1999, p.A7

clients. There is also rationale for building on existing school-to-work transition partnerships with schools, and assisting students with employment needs during the summer months and year-round based on youth school and work participation trends.

In the backgrounder "Preparing for the Increase Graduating Class," (May 2000) the Ministry of Training Colleges and Universities (MTCU) confirms its commitment to both youth entering post-secondary education and youth entering the workplace directly from high school.

Factors Contributing to an Increase in Work-bound Youth

Current trends in school and labour market participation for youth may exacerbate the effect of the double cohort for work bound youth and provide rationale for resources and attention to this group.

Growth of the Youth Population

In 2001, there are about 1.55 million youth age 15 to 24 in Ontario. This population will grow to 1.65 million by 2005 for an average growth rate of 1.6% a year.

Year	Ontario Youth Population (15 to 24 year olds)
2001	1,550,100
2002	1,573,120
2003	1,595,150
2004	1,619,300
2005	1,646,650

• Source: Ontario Population Projections 1999-2028, Ontario Ministry of Finance, July 2000

Labour Force Participation Trends

Labour force participation for youth has increased in the last years of 1990s. Even assuming participation rates remain at the level of the year 2000, more youth will be in the labour market because of the increase in youth population.

² "Universities face penny-pinchers" Toronto Star, December 15, 1999, p.A33.

Year	Youth (15 to 24 year olds), Ontario		
	Population	Labour Force	Labour Force Participation Rate
1998	1,477,000	929,000	62.9%
1999	1,495,000	972,000	65.0%
2000	1,516,000	1,002,000	66.1%

• Source: Labour Force Survey, Statistics Canada

Effect of the Economy on Labour Force Participation

Down turns in the economy tend to decrease labour force participation. However, in the present period of economic growth, more youth will be encouraged to look for work. Ontario experienced 6.1% growth in real GDP in 1999; more than 5% growth is expected for 2000³. Economists predict sustained growth at lower rates, above 3%, through to 2004⁴.

Double Cohort Effect

The Ontario province is not currently conducting longitudinal studies which track students through high school; therefore, we can only estimate very roughly the number of school leavers entering the labour force due to double cohort, based on some broad assumptions⁵.

Baseline estimate using 1999 data:

- Approximately 100,000 students graduated from high school in 1999, in Ontario.
- Assuming a drop-out rate of 16% of grade 9 students (previous cohort studies find drop-out rates in the range of 16-18%⁶, the lower rate is applied given that drop-out rates are falling), roughly 25,000 youth drop-out. Then the total number of school leavers for 1999 was about 125,000 (sum of graduating students plus drop-outs).

³ 2000 *Economic Outlook and Fiscal Review*, Ontario Ministry of Finance, December 2000

⁴ Bank of Montreal, Economic Research and Analysis, *Regional Outlook, 2000*, <http://www.bmo.com/economic/regular/regont.htm>

⁵ Drop-out and graduation rates that provide a measure for one point in time are available but are not useful for determining on average how many youth drop-out or go to post-secondary, over a period of time. Drop-out rates for youth at typical age of graduation tend to be higher than for older youth, since some youth will return after dropping out.

⁶ Alan King, Queen's University, personal communication

- The Ontario college and university application centres accepted a total of 82,000 applications from secondary school students.
- Therefore, the number of school leavers directly entering the labour force in 1999 was approximately 43,000 (difference between the number of total school leavers and those going to post-secondary education). About one-third (34%) of school leavers go straight to work.

Forecast of Increase of Work-bound Youth in 2003

The Ministry of Education co-sponsored a forum on secondary school enrollment planning with school board officials in December 2000, which looked at the impact of the double cohort. It was estimated that potentially 16,000 additional youth would enter the workforce because of the double cohort over the next four to seven years. The Ministry derived its model from examining other jurisdictions that have a four-year high school curriculum.

The effect of the double cohort for a particular year is highly variable. A high impact scenario estimates that the majority of the work-bound youth will enter the workforce in two years (2003 to 2004), whereas a low impact scenario presumes a slower, more even transition over five years (2003 to 2007). This means anywhere from 1,600 to 8,000 additional youth will enter the workforce in 2003, the double cohort year. Intuitively, the low impact scenario seems more likely, accounting for the lag from policy development to implementation. However, it may be advisable to take a 'middle of the road' approach by preparing for an average of 5,000 work-bound youth due to the double cohort in 2003 plus 43,000 estimated baseline number of work-bound school-leavers, and also to expect a lower, steady rate of increase to 2007. The obvious goal is to ensure adequate resources and services are available to youth.

Access to post-secondary education and the revised high school curriculum will affect the size of the double cohort entering the labour force.

Access to Post-Secondary Students

Space at College and Universities

The Council of Ontario Universities estimate enrollment will increase by 88,900 students over the next ten years due to pressures from the double cohort, increases in population, and post-secondary participation rates. The bulk of the increase will occur between 2003 and 2005. The Ministry of Training, Colleges and Universities (MTCU) will create more than 73,000 new student spaces in Ontario's colleges and universities through the SuperBuild initiative. From these figures, there appears to be a shortfall of 16,000 spaces.

The accuracy of the enrollment forecast is questionable given numerous factors that interact to influence demand for post-secondary education⁷. However, the 73,000 new spaces are likely available for both secondary school graduates and mature students. At least for colleges, returning or mature students may make up the bulk of the predicted enrollment growth since only 43% of first-year college students come directly from high school⁸. Increasingly fierce competition for college and university space, whether real or perceived, may deter students from applying directly from high school.

Tuition Fees

Rising tuition fees may deter or delay youth from entering post-secondary education. In 2000/01, the average tuition fee for college students was \$1,720; for university undergraduate student in a general arts program, it was \$3,950⁹. The Ontario government announced a limit of 2% increase to tuition fees for 5 years, starting in 2000; however, deregulated programs (post-diploma and professional programs) do not have a cap. More students will likely work part-time or full-time to finance their education.

⁷ "Undergraduate enrolment forecasts: A tricky science" by Herb O'Heron, Association of Universities and Colleges of Canada

⁸ *2001 Environmental Scan*, Association of Colleges of Applied Arts and Technology of Ontario

⁹ *Ibid.*

Secondary Education Trends

Recent secondary school curriculum reforms may have an effect on student drop-out rates and school-to-work transitions. Generally, drop-out rates have been decreasing and graduation rates, increasing; thus, young people have higher levels of education entering the labour force than in previous years.

Effects of Secondary School Reforms on Early School Leavers

There is concern that Ontario may witness an increase to the previously declining drop-out rates due to the higher expectations of the new high school curriculum on students to graduate in four years. Alternatively, students may take longer than four years to graduate; in which case, the double cohort effect will not be as large as anticipated in 2003, but a steady increase in the number of graduates should occur after 2003. The full effects of the reforms on student performance, particularly for those in the transitional years, require further monitoring. Stronger partnerships between OAYEC agencies and schools and school boards would facilitate smoother school-to-work transitions.

School Leavers Still Need Help

Education levels have an effect on labour market outcomes. Youth with higher levels of education generally have lower rates unemployment and will eventually earn higher incomes (see tables below).

Education Level	Unemployment Rate , Youth 15 to 24 years old, Ontario, 2000
All levels	11.7%
Some high school	16.6%
High school graduate	10.7%
Some post-secondary	9.6%
University degree	7.3%

• Unemployment Rate by Education Level, Labour Force Survey

Education Level	Employment Income 15 years and over, Ontario, (1995 \$ rounded)
All levels	\$28,800
Some high school	\$19,600
High school graduate	\$24,100
Some post-secondary	\$28,000
University degree	\$45,000

• Income by Education Level, Census of Canada, 1996

We need to ensure that youth who may be less technically or academically inclined can still contribute in a knowledge-based economy, which places a premium on information and technical processes

Role for OAYEC in School-to-Work Transitions

It is difficult to estimate the actual magnitude of the double cohort because of the number of interacting variables (discussed above) and various unknown factors. We do expect an increase in the number of youth entering the workforce, if for no reason other than the projected population increase. Even if there were enough spaces for willing and qualified students going on to post-secondary education, the effect of raising tuition and availability of student loans and grants may be a barrier. There will always be youth who do not choose university or college. The effects of high school curriculum reforms, especially for youth who tend to be less academically oriented, is also for the most part, uncertain.

The transition from school to work for Canadian youth has become more complex and has taken longer in recent years. In 1985, the average length of transition was 6 years; in 1998, it was 8 years¹⁰. Youth will combine school and work in many ways. Regardless of the actual size of the double cohort, initiatives that OAYEC and members agencies undertake to facilitate this transition will target and benefit youth who have fewer skills and resources to negotiate employment opportunities.

¹⁰ Labour Force Update: Youths and the Labour Market, 1998-99, Statistics Canada, Autumn 1999. Organization of Economic Development and Cooperation (OECD) 'school to work transitions' take place from the age at which young people are no longer predominately studying without working, to the age at which the majority are working without studying.

Conclusions / Recommendations

Much of the discussion about the double cohort has focussed on implications for youth going to post-secondary education. Of equal importance are the implications for work-bound youth who may have high school graduation or less.

In their business plan and other documents, Ministry of Training, Colleges and Universities (MTCU), is committed to “ensuring a smooth transition from the classroom to the workplace and from job to job.”

It is recommended that starting in the 2002/03 fiscal year;

1. MTCU provide general increases in funding to expand the capacity of the Job Connect (JC) program relative to projected increases in the youth population (about 1.6% increase per year to 2005).
2. MTCU provide additional transitional funds under the JC program from 2002 to 2007, in anticipation of an increase in work-bound youth due to the double cohort. These funds should be targeted specifically to support school-to-work transition programs for all school leavers.
 - Incentive funding, which rewards the high performance in delivery agencies, does not necessarily ensure school leavers are a target client group.
 - These funds should be allocated across the three JC interventions, and not limited to Information and Referral Services (IRS), as school leavers will still require more in-depth interventions.
3. MTCU temporarily suspend the JC profile factor which favours 6 month wait after youth is out of school before s/he can access more in-depth JC interventions (i.e. Employment Planning and Preparation (EPP), and Job Development Placement Support (JDPS)). The age weighting factor is not sufficient for capturing older school leavers. Lower levels of education limit

opportunities for youth in the labour force. Youth need to be engaged in career and/ or job search activities immediately upon leaving school, or even before they leave, so that they are not without service and support for prolonged periods. It is important to 'catch' these school leavers who are 'at-risk' before they experience failure in their job search.

4. MTCU provide additional funds to the IRS component of Job Connect, Summer Jobs Service and maintain year-round student centres to assist a greater number of students who finance their secondary and post-secondary education through part-time or full-time work. Youth who work while going to school gain valuable experience which ease their school-to-work transition.
5. MET systemically monitor and track the number of school-leavers and the provincial drop-out rates to ensure youth with grade 12 or less will have adequate access to resources and services to help them attain meaningful employment.