
Clearer Sightlines to Employment

What Works for Job-Seekers with Low Educational Attainment

Following the release of [Industry Shared Approaches](#), [Clearer Sightlines to Employment](#) is the second in a series of research briefs on [Becoming State of the Art](#), which encourages innovation in the delivery of literacy and essential skills to achieve results that matter. The series seeks to explore the role literacy and essential skills can play in supporting local economic and workforce development.

This brief explores the needs and solutions for Ontario's job-seekers with low educational attainment. It aims to initiate a discussion among government, business and literacy and essential skills practitioners to look for innovative and effective solutions that assist Ontarians in getting back to work.

As Ontario's economy improves, average employment rates are returning to their historical levels. Yet for those without a high school diploma, the recession has not ended. While there has always been a correlation between educational attainment and employment rates, at no time has the relationship been so apparent. Individuals without a high school diploma are now twice as likely to be unemployed as they were twenty years ago, downtime between jobs is greater, the hours worked are fewer and the probability of needing government income support is significantly higher. While Ontario has made significant gains in raising high school attainment rates, there are still over 900,000 working-age adults without high school diplomas.

The blunt reality—which the recent recession brought into stark relief—is that many of the jobs traditionally occupied by adults with low educational attainment have been forever changed by emerging technologies and inexpensive overseas labour. Until recently, some economists assumed that manual jobs such as truck driving, warehousing and food processing would remain isolated from technology since this activity was beyond the capacity of computers—but many economists underestimated the power of technology. "Technology can do things now that only a few years ago were thought to be beyond the reach of computers," notes Erik Brynjolfsson, co-author of *Race Against the Machine* (Lohr 2011). Google cars, Apple's Siri and warehouse robots are but a few examples of how we have to rethink what can and can not be automated. With this in mind, it would appear that the future employment landscape for those without a high school diploma holds little promise, regardless of how our economy might fare.

But the picture need not be so bleak. Other jurisdictions, such as the United States and the United Kingdom, are bringing industry together with basic skills providers, training agencies and community colleges to co-design training for lower-skilled individuals who have less than high school attainment.¹ These types of programs are *purposefully* designed around talent gaps in the community and the skill requirements of industries with projected growth. Such programs also understand the critical importance of complex problem solving and communications in technology-rich environments (TRE)—skills that can be paired with emergent technology and industry-specific skills. It is an approach that builds on the mutual interest of both workplace productivity and job-seekers. *And it seems to be working.*

An uncertain employment future

For those with low educational attainment levels, finding employment is a challenge. Since 1990 when Statistics Canada started collecting more robust employment data, we have been able to chart the relationships and trends between educational attainment levels and employment rates. In 1990, the employment rate for those without high school attainment was 56%; by 2011, however, that number dropped to 37.2%.

The recently released fact sheet from Statistics Canada, *Economic Downturn and Educational Attainment*, clearly spells out the relationship between educational attainment and employment rates. For the most part, individuals with postsecondary education or even a high school diploma are as likely to be employed now as they were before the recession. However, employment rates for individuals with less than high school attainment have *remained* poor despite the recent recovery and account for most job losses. They note that the current employment level for non-high school graduates is still 14.5% lower than it was in 2008 (Statistics Canada 2012). Indeed, if we look at employment rates of non-high school graduates over the last 20 years, the rates have been steadily declining each year by an average of 2%. What’s more, most labour market forecasts indicate that this secular trend will continue or become amplified in the coming decade.

The decline in employment rates for those without high school attainment virtually parallels the exponential growth in technology. This trend, often described by economists as *skills-biased technological change*, documents the increase in demand

Table 1: Employment Rate for those 15 Years and Over by Level of Educational Attainment: Ontario 1990 and 2011

Educational attainment	1990	2011	% Change
Some high school	55.7%	37.2%	-33.2%
High school graduate	69.4%	59.9%	-13.7%
Some postsecondary	70.3%	58.3%	-17.1%
Postsecondary certificate or diploma	76.3%	70.7%	-7.3%
University degree	83.2%	75.2%	-9.6%

Source: Statistics Canada. 2012. *Labour Force Survey Estimates (LFS)*, by Educational Attainment, Sex and Age Group. <http://www5.statcan.gc.ca/cansim/a05?lang=eng&id=2820004>

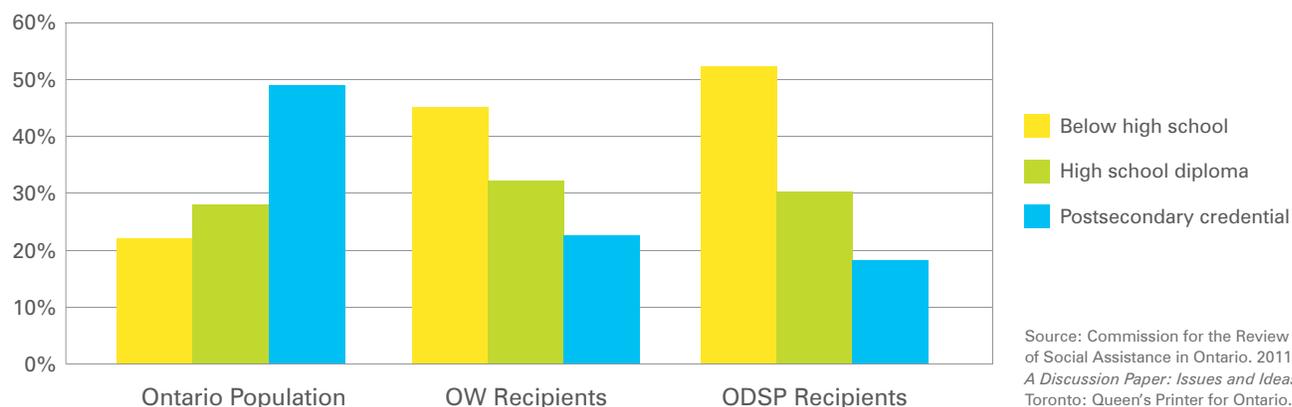
for higher-level thinking skills and the decrease in repetitive and manual activities. For instance, much of industry automation falls into this category, as repetitive tasks are turned over to machines—while more complex problem solving, communication and decision-making elements of jobs are handled by employees. While a high school diploma is certainly not synonymous with these emerging skill sets, for employers it is one of the most readily apparent indicators of ability. In the wake of skills-biased technological change, the employment opportunities for those without a diploma diminish with every passing year. In this context, while these changes make our businesses more productive and internationally competitive, there is an individual and social cost.

Education and income support

Given the strong association between employment, perceived and required skill sets and levels of educational attainment, it is not surprising that we see a corresponding relationship to education levels and reliance on government-sponsored income supports.

While there are wide-ranging factors that contribute to an individual’s likelihood of being on income support, one characteristic predominant among income support recipients is the lack of a high school diploma. The Commission for the Review of Social Assistance in Ontario recently conducted a study that

¹The Canadian results of the International Adult Literacy Survey (IALS) reveal a clear (although not exclusive) relationship between educational attainment and literacy levels. Most adults with an education of high school or less are at Level 1 or Level 2 of IALS, while the majority of adults who hold a high school diploma or completed community college, at IALS Level 3. Most adults with a university degree have an IALS Level 4/5.

Diagram 1: Educational Attainment of Ontario Population and Individuals on OW or ODSP

clearly spells out the association between educational attainment levels and social assistance (2011). According to this study, nearly half of Ontario Works (OW) recipients and over half of Ontario Disability Support Program (ODSP) recipients did not complete high school or its equivalent, as compared to just over 20% of Ontario's overall population. Data from Employment Insurance (EI) reflects similar demographics, with almost half of male repeat claimants (48.5%) having less than high school attainment (Schwartz and Nicholson 2001).

There are significant socio-economic consequences aside from the cost of government-sponsored income support. The majority of individuals living on OW or ODSP are either living in poverty or at the risk of poverty—the total annual income for a single adult on OW is \$7,952 and \$13,600 if they are on ODSP. A recent study by the Wellesley Institute found that these individuals “carry an overwhelmingly high burden of ill health” (Wilson 2009). Compared to the non-poor, these adults had significantly higher rates of poor health and chronic conditions on 38 of 39 health measures—rates as much as 7.2 times higher than those in the non-poor group (Wilson 2009).

The barriers that many of these individuals face, coupled with low educational attainment levels, suggest that they have a difficult task in obtaining long-term employment. For example, recent Canada-wide studies have highlighted the great instability associated with the transition from income support to work. Returning to social assistance is very common among past recipients, with approximately 33% returning within one year and 50% returning within five years (Lightman and Herd 2008). Moreover, most former recipients are found not to be working after five years (Lightman and Herd 2008). A Toronto Social Services commissioned report noted that in the context of Toronto's economy, few former

recipients actually find sustainable work, with most returning to social assistance (Herd 2006).

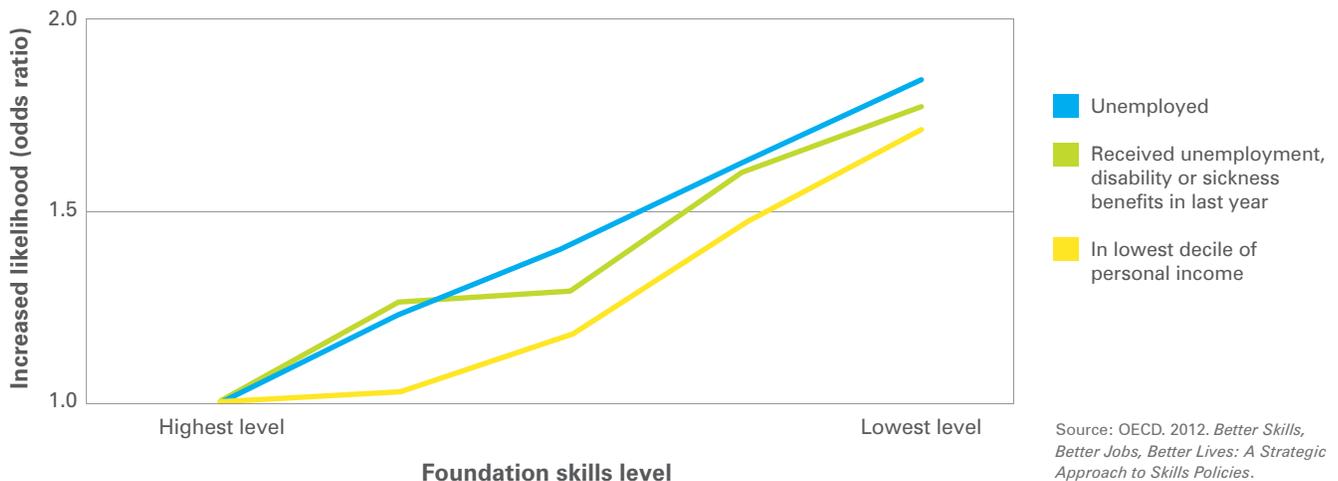
Despite being characterized by low rates of attachment to the labour market, Statistics Canada further notes that these individuals are also the least likely to receive effective job-related training (2012). The lack of effective training means that vulnerable individuals are likely to remain perpetually vulnerable. A recent Organisation for Economic Co-operation and Development (OECD) paper *Better Skills, Better Jobs, Better Lives: A Strategic Approach to Skills Policies*, analyzes the relationship between the level of basic, or 'foundation', skills of individuals and economic and social disadvantage. The study finds that those with lower levels of basic skills not only face greater economic disadvantages (in terms of personal income, benefits and rates of unemployment), but also a significant number of social disadvantages (related to health and social participation).

Aside from the immediate and longer-term social costs, we also need to consider the other side of the ledger. Our aging population puts a strain on our public finances in two ways: first, in terms of expenditures, social programs for seniors will cost more; and second, in terms of generating tax revenue, there will be fewer individuals in the workforce relative to those who are not. We also need to recognize that business and industry are greatly concerned about Ontario's projected labour deficit of over one million workers by 2031 (Mowat Centre and Ontario Chamber of Commerce 2012).

The association of employment barriers with low educational attainment levels presents challenges and opportunities for both government policy analysts and our skills training system. *The Commission on the Reform of Ontario's Public Services* (Drummond Report) echoed a similar theme when it observed

Diagram 2: Foundation Skills and Economic Advantage

The increased likelihood of experiencing economic disadvantage, by foundation skills level, individuals aged 16 to 65, country average



that while a majority of unemployed Ontarians currently served by Employment Ontario (EO) only require minimal assistance, those with more complex needs often require more substantive assistance (2012). The Drummond Report argued that EO should place a larger emphasis on designing services for these individuals as many of them have become dependent on income support at an ongoing cost to the provincial government (2012).

The traditional approach to counter this problem is to improve access to more traditional sequencing of education and training while individuals are on income support. Indeed, throughout Canada there have been numerous initiatives and pathways designed to re-engage adults through high school diploma programs. The results of these efforts however, have been decidedly mixed. Mélanie Raymond's recent paper, *High School Dropouts Returning to School*, notes that "the fact that high proportions of returnees fail to complete their schooling the second time around suggests that individuals face other hurdles to completion than just getting back to class" (2012). Evidence around adult student persistence strongly suggests that income support recipients face 'hurdles' aside from returning to school—and these difficulties often hinder a successful route to traditional or more linear forms of education attainment.

Given that returning to school to get a high school diploma may not work for everyone, we are left with an overarching question: What works for job-seekers with low educational attainment?

What works for job-seekers with low educational attainment?

Globally, we see a shift away from sequential to integrated models of workforce development for individuals with low educational attainment. It signals an innovative shift in workforce development thinking—from a prescriptive top-down approach, to an approach that recognizes and gives participants the supports they need. Involving business and industry representatives in the design and delivery of training ensures that individuals with low educational attainment are equipped with the skills they need to attain and succeed in those jobs that are looking to be filled.

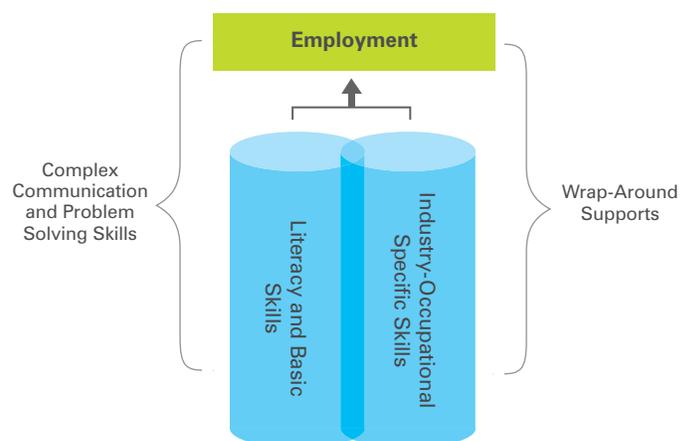
Over the past two decades, employment support interventions that focus on 'work-first' strategies have dominated labour market policy and approaches across both Canada and other developed nations. These approaches favour rapid labour force strategies focusing on job-search and employment counselling over longer-term education and training focusing on high-wage jobs. Indeed, research indicates that for a significant portion of job-seekers, work-first approaches have had immediate benefits. However, while work-first strategies have significantly reduced caseloads, they have not been successful for approximately 40% of income support recipients who face multiple barriers, aside from low educational attainment.

Table 2: Successful Program Characteristics for those on Income Support with Low Educational Attainment in Other Jurisdictions

ELEMENT	CHARACTERISTICS	IMPACTS
Target Group	<ul style="list-style-type: none"> • High school dropouts • Young adults (18-34) • Single parents • Offenders • Tenuous employment history • Household income is below the Low Income Measure (LIM) • Poor mental and physical health conditions 	<ul style="list-style-type: none"> • Increased labour market attachment • Reduction in government support • Higher earnings compared to control groups
Program Model	<ul style="list-style-type: none"> • Integrates literacy and essential skills (LES) with job-specific training • Training models are stackable into industry-specific career ladders • Provides addition wrap-around supports 	<ul style="list-style-type: none"> • Accelerated delivery times • Higher program completion • Improved program persistence • Supports students in other life areas
Curriculum	<ul style="list-style-type: none"> • Industry recognized certificate and/or high school equivalency • Complex problem solving in technology-rich environments 	<ul style="list-style-type: none"> • Programs provide student credentials that have currency in the labour market • Programming provides students with the skill sets needed to operate in workplaces with advanced technology
Instruction	<ul style="list-style-type: none"> • Team coaching • Vocational and LES instructors practice together 	<ul style="list-style-type: none"> • Builds and increases both LES levels and skills needed for specific occupations
Industry Sectors	<ul style="list-style-type: none"> • Retail • Food Processing • Logistics • Hospitality • Healthcare • Mining • Advanced Manufacturing 	<ul style="list-style-type: none"> • Aligns local workforce supply and demand • Reduces skills and labour market shortages • Provides accessible career opportunities for students

In the context of Ontario, we have generally moved to a work-first or demand-side strategy through Employment Ontario (EO) and Ontario Works (OW). Conversely, our literacy and essential skills system generally applies a supply-side approach in the form of sequential literacy and basic skills geared towards longer-term educational goals. This has led to an incongruity between the policies and mandates of employment services that attempt to quickly move clients off of income support, and the adult literacy and essential skills programs that are generally geared towards a multi-year plan for the student. Facing similar challenges, other jurisdictions have bridged the divide between work-first and adult basic skills through hybrid models that blend adult learning with more *clearly defined and immediate employment opportunities*. This entails purposeful program design that incorporates direct relationships with employers and the provision of hands-on technology skills that employers value.

Diagram 3: Integrated Adult Education and Training Approach with Wrap-Around Supports



Metro Bridge Academy

Alisa, a single mother of eight children, found it tough to find a stable job without a high school diploma. She lived in hotels, paying with vouchers and only ever had irregular work. She desperately wanted a job that would provide security for her family.

Alisa enrolled in the Metro Bridge Academy in 2009. The Academy, based in Los Angeles, began as an effort between L.A.'s Metro system, the Los Angeles Valley College (LAVC), the L.A. Workforce Investment Board and the Greater L.A. Literacy Network to address job vacancies in the L.A. transit system by designing a skills training program to help potential bus operators boost their skills.

Source: Metro Bridge Academy. <http://www.beametrobusoperator.com/index.html>

Classes prepared candidates with modules in basic reading and math skills, customer service, DMV Class B licensing, thinking and technology skills. Since it began, over 1,000 individuals have gone through the program. Most participants have been hired by Metro, and management indicates that bus operator service and productivity has improved as a result of the program.

Alisa started in the L.A. transit system in 2010 and is now a professional Metro bus operator where she earns \$14.59 per hour with full benefits. She has moved from a small apartment to a house, continues to study towards her GED, and has a renewed sense of optimism about her family's future.

These hybrid models have found varying expressions in each jurisdiction, yet invariably models that target clients with low educational attainment and provide balanced elements of work-specific technology skills integrated with literacy and essential skills training appear to have the most substantial impacts for clients, governments and employers.

These employment and training systems have learned that, in order to increase client persistence in literacy and basic skills delivery, there needs to be a clearer sightline to an immediate job and a chance at a career. More often than not, adults with low educational attainment and low income do not have the time or the necessary means to spend many years in the employment and training system. An 'education-first' approach is often far too removed from employment for the vast majority of adults for whom high school was not the 'right fit' in the first place. To have a system that requires adults to return to a setting that has not worked for them before is unhelpful because it does not direct them towards anything new. The fact that most adults in this situation will have to spend two to five years completing educational requirements *before* they can move to employment is discouraging and leads to weak student persistence.

Unlike a longer-term strategy, a hybrid approach to workforce development manages to contextualize essential skills with job-specific skills with the aim of securing more immediate employment. Knowing that training will prepare them for employment provides assurance that it will require less time to get the right mix of literacy and essential skills, hands-on skills and a job. In the context of Ontario, this means broadening the perspective of adult literacy and basic skills delivery, whereby essential skills training is

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embedded into skills training. Evidence and data from U.S.-based programs such as SkillWorks (Boston), Integrated Basic Education and Skills Training [I-BEST] (Washington State) and FastTRAC (Minnesota) suggest that rather than 'return-to-school' programs, hands-on activities combined with basic skills or a GED have stronger relationships to employers, show significantly higher rates of program completion, immediate participant employment and future earnings (Foster and Duke-Benfield 2011). In short, training can go further, faster.

What would further, faster look like?

In recent years there has been significant innovation in the design and delivery of employment training programs targeted for job-seekers with low educational attainment. Integrated Basic Education and Skills Training (I-BEST) in Washington State is perhaps the best known and most studied integrated training

model in North America. The initiative was started in 2006 to address emerging data from the state's literacy and basic skills delivery system. Policy makers were concerned that less than one-third of adult basic education students of traditional Adult Basic Education (ABE) made the transition to college-level courses or employment. Only 4% of students with postsecondary goals actually earned a diploma within five years.

To achieve better results for job-seekers with low educational attainment, I-BEST tested the traditional notion that students must first complete all levels of Adult Basic Education before they advanced in training or college degree programs. The program delivery model was purposefully designed for those with less than Grade 9 skills and who lacked a high school diploma. Although it is too early to know the full long-term impacts of I-BEST, early independent evaluations of this model are documenting its effectiveness. To date, when compared to control groups, I-BEST students earn an average of 14 to 18 more college credits than non-I-BEST students and they are 29 to 35% more likely to earn a postsecondary credential. I-BEST students also make higher average gains on basic skills tests and have been five times more likely to gain direct employment.

Since 2006, many other U.S. policymakers and educators have been motivated by the success of I-BEST and its approach. Its elements are now encouraged via specific provisions in the federal Workforce Investment Act (WIA) and through The Joyce Foundation's *Shifting Gears* initiative. Programs such as SkillWorks (Boston), FastTRAC (Minnesota), Job Training Los Angeles Valley College (LAVC) and Regional Industry Skills Education [RISE] (Wisconsin) are improving student attraction and retention while increasing the economic opportunities for individuals without high school attainment. Across these initiatives, there are a number of key features that are integral to each initiative, which:

1. **Blend work-specific technology skills with basic skills** to get the most out of each.
2. **Make sure participants get what matters most—** technology skills and an industry-supported credential.
3. **Target occupations and industries** that are projected to be in high demand locally. Act as a supply chain for local businesses for entry-level jobs and higher.
4. **Work with employers to purposefully design programs and** provide wrap-around supports pertaining to the needs of those *without* a high school diploma, especially those who are on income support.
5. **Develop career ladders** based on industry sectors. Design and develop a systematic framework and the appropriate delivery mechanisms which assist adults to progress as quickly as possible through a continuum of industry-recognized education and training credentials.
6. **Use data to measure participant labour market success** and to determine ways of strengthening program design.

Going forward in Ontario

The trends around educational attainment and employment rates issue a challenge to both policy makers and educational providers alike. Tapping into the talents of non-high school graduates is crucial in meeting the labour force challenges of the coming decades. So what approaches are most likely to meet those challenges?

Other jurisdictions have made significant progress in strengthening literacy and essential skills training to help adults on income support with low educational attainment develop the skills they need to advance in the labour market. While we cannot be certain that these initiatives will be equally effective within the context of Ontario, there may be valuable lessons to consider in moving forward and developing the integrated services and supports our clients require. The most successful hybrid literacy and job skills initiatives were purposefully designed to address the dual challenges of attracting participants into literacy programs and to achieve better student persistence.

The success that participants are having in integrated basic skills programs elsewhere can inspire us to actively integrate basic skills, technology and skills training. Policy makers and community leaders can look for ways of encouraging solid, evidence-based strategies that specifically help job-seekers without high school attainment. Locally, literacy and essential skills delivery agencies can 'pair up' with skills training organizations or work with regional industry to design programs that can concurrently give students both literacy and job skills while creating direct pipelines to employers.

We have the possibility of a triple success: success for industry by creating a new pipeline to address future skills shortages; success for government by creating savings in the long-term; and—most importantly—success for adults with low educational attainment by providing services that create clearer sightlines to employment.

Together we can help promote a vision that can change mindsets about what is possible for individuals with low educational attainment and low income and encourage others to re-evaluate the status quo. Such a vision should emphasize how employers and local communities will benefit from greater alignment among education, workforce development, social service and economic development agencies. Lessons from other jurisdictions teach us

that it is possible to align initiatives to address the untapped labour market resource of adults without high school attainment and on income support in order to achieve regional economic growth and improve the employment prospects of these potential workers.

By doing so, we have the possibility of a triple success: success for industry by creating a new pipeline to address future skills shortages; success for government by creating savings in the long-term; and—most importantly—success for adults with low educational attainment by providing services that create clearer sightlines to employment.

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