

Movement for Canadian Literacy

**Submission to the House of Commons
Standing Committee on Finance**

Literacy Matters: Why Canada Should Make Adult Literacy and Essential Skills a Policy and Funding Priority

“Canada’s skills and learning challenge is a national priority. It’s about making sure that all of our citizens are in the best possible position to reach their goals. Canada is strong when its citizens are strong.”

“... nearly eight million Canadians – more than 40 percent of working age Canadians – lack the basic literacy skills required for successful participation in our rapidly changing economy.”

Excerpts from *Knowledge Matters:
Skills and Learning for Canadians*
Canada’s Innovation Strategy, 2002

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The Movement for Canadian Literacy

The **Movement for Canadian Literacy (MCL)** is a national non-profit charitable organization representing literacy coalitions, organizations and individuals from every province and territory. For twenty-five years, MCL has worked to:

- provide a national forum for provincial and territorial literacy organizations to work together to ensure that all Canadians have access to quality literacy education;
- inform the federal government and the general public about issues related to adult literacy in Canada;
- strengthen the adult learner voice in Canada; and
- support the development of a strong movement of people and organizations involved with adult literacy education.

In this brief, MCL calls on the government to ensure that the next federal budget fulfills past promises and paves the way for meaningful advances on literacy and essential skills development. Canada's economic and social prosperity will be served, if the federal government makes literacy a policy and funding priority.

We have serious literacy challenges in Canada.

According to Statistics Canada, the literacy skills of nearly half of Canada's adult population rank below the acceptable range: 22% have serious difficulty with reading, writing and math, and another 26% do not have the literacy skills necessary to prosper in the knowledge-based economy.¹ At a time when our nation faces serious economic and social challenges, we are losing the potential contribution of millions of Canadians.

Canada's future economic vitality is threatened by looming labour shortages. The average annual rate of labour force growth is expected to remain below one percent over the next three decades.² Now more than ever, we cannot afford the loss of potential, innovation, and productivity that stems from allowing millions of less-literate Canadians to sit on the sidelines. The Canada of the future will need all hands on deck. Yet without a national strategy for adult literacy, less than 10% of those who could benefit from literacy training are currently being helped.

At the same time, Canada also faces serious social challenges. Our healthcare system is in crisis. There is a growing gap between rich and poor, and more than a million Canadian children live in poverty. A disproportionately large percentage of Aboriginal peoples are poor and under skilled. Immigration must increase to address Canada's diminished population growth. Civic participation and voting rates are on the decline.

¹ International Adult Literacy Survey (IALS)

² Canadian Labour and Business Centre, "Skills and Skill Shortages: Trends in Demographics, Education and Training", May 2002.

Addressing literacy challenges is part of the solution to these and other pressing issues of our time. Improving the literacy skills of Canadians is an investment in a more prosperous, innovative, healthier, safer, more cohesive society. It's an investment in Canadians, and in the inclusive Canada that we all support.

In the past two Throne Speeches, the federal government acknowledged the extent and impact of low literacy in Canada. In the 2001 Throne Speech, the government promised to work with the provinces and territories and the voluntary sector to “launch a national literacy initiative”, as part of a comprehensive Innovation Agenda. In the 2002 Throne Speech, the government restated its commitment to advancing a literacy agenda. Over the past months, the consultative, research and policy development phase of the Innovation Agenda has been progressing. However, to date no substantial and national commitment to literacy has been made.

In this brief, MCL makes the case for creating a spending envelope in the next federal budget dedicated to the development of a pan-Canadian Literacy and Essential Skills Strategy that includes intergovernmental and community partnerships, standards, commitments and increased investments.

Our goal must be to ensure that Canada and all Canadians are equipped to face the challenges of a new, complex world. To help reach that goal, governments must make literacy a policy and funding priority. We cannot truly move forward as a nation if we leave almost half of the Canadian population behind.

Literacy investments are investments in Canada's economy.

A commitment to literacy is crucial to our national prosperity and future competitiveness. This is especially true in an age when barriers to trade are disappearing, capital can be moved quickly, and natural resources are comparatively less valued. Today, a skilled workforce is our greatest asset.³ Unfortunately, Canada's supply of skilled labour is in serious decline. By the year 2020, labour shortages are expected to reach 950,000.⁴ Clearly, the development of a more skilled workforce is increasing in urgency.

Yet millions of less-literate Canadians remain a massive untapped resource. We can no longer afford to let them sit on the sidelines. This is why a focus on “high-end” learning must not overshadow the need for policy development on a basic literacy agenda. Policies that “train the best and forget the rest” will result in wasted potential for individuals and for our society. In 1988, for example, the Canadian Business Task Force on Literacy estimated that low literacy costs business \$4 billion each year in lost productivity.⁵

³ *The Economic Benefits of Improving Literacy in the Workplace*, Conference Board of Canada (1997)

⁴ *Labour Market Development Agreements: Their Impact on Education and Training*, Discussion Series, Canadian Alliance of Education and Training Organizations, 2001.

⁵ *Measuring the Costs of Illiteracy in Canada*, Canadian Business task Force on Literacy, 1988.

Sustained and sustainable prosperity requires a significant increase in the productivity of Canadian workers, which in turn depends on building skills for the knowledge-based economy and society. Literacy is the foundation upon which these skills are built.

In addition, higher income generated through improved labour force participation contributes to higher government revenues. Even a small increase in national productivity through improved literacy will have a relatively large impact on public revenues. For example, a 2 percent increase in wages and earnings from improvements in national literacy would provide approximately a 1.8 percent increase in revenue in a country that is dependent primarily on value-added tax.⁶

Literacy is key to an individual's success in the labour market. Peoples' earnings rise with their literacy rate. A man with higher literacy skills makes an extra \$585,000 over his lifetime. For a woman, the amount is \$683,000.⁷ Each additional year of education raises annual earnings by about 8.3%. Of that, about 3.1 percentage points result from the combined influences of education on literacy and, in turn, literacy on earnings.⁸

People with poor literacy skills who do not access the help they need are more likely to be unemployed, work in lower-paying jobs and live in low-income households.⁹ The unemployment rate for people at the lowest literacy level is 26% compared with 4% for those at the highest levels.

Literacy training gives Canadians with low literacy skills the opportunity to contribute to the economic development of their communities and our country. Investments in literacy today have economic payoffs tomorrow.

Literacy investments pay social dividends too.

Research shows that improved literacy pays off not only in labour market productivity, but also in better outcomes for children; lower healthcare costs; Aboriginal development; better integration of newcomers; safer and more cohesive communities; more successful rehabilitation of offenders; greater civic participation; and more. Improving literacy not only improves outcomes for individuals, families and communities; it alleviates the economic strain that many social problems pose on our society as a whole.

⁶ *The Economic Benefits of Improving Literacy in the Workplace*, Conference Board of Canada (1997)

⁷ *The Economic Benefits of Improving Literacy in the Workplace*, Conference Board of Canada (1997)

⁸ *Literacy, Numeracy and Labour Market Outcomes in Canada*, Statistics Canada, 2001

⁹ *The Value of Words: Literacy and Economic Security in Canada*, The Centre for International Statistics, Canadian Council on Social Development (CCSD), 1998

Literacy investments reduce child poverty and improve children's prospects for success.

Today, 1.3 million Canadian children live in low-income households.¹⁰ They're poor because their parents are poor, and their parents are often poor because they lack the literacy skills they need to find decent, well-paying work. Indeed, under-education is a key contributor to poverty, which in turn has a dramatic impact on the extent to which children enter school ready-to-learn and their achievement rates once in school. Parents who acquire a solid literacy foundation provide a positive learning environment in the home, providing their children with the foundation for learning at school and throughout their lives.

Literacy investments reduce the strain on our Healthcare System.

Our healthcare system is in crisis, and any solutions to help alleviate the strain should be explored. People with limited literacy skills tend to place more of a strain on our health care system, and this strain has an expense attached. These increased costs are in part due to the generally poorer overall health of people with low literacy skills, the misuse of medication or misunderstanding of health information, and the inappropriate use of health services, including emergency care. Also, because of low self-confidence and limited resources, people with low literacy skills often wait to seek medical help until a health problem has reached a crisis state.¹¹

According to one study conducted by the Journal of the American Medical Association, patients with the lowest literacy levels had average annual health care costs of \$12,974 compared with \$2,969 (US) for the overall population studied. In another study, recorded by the Council on Scientific Affairs, of the 958 low-income patients that the study followed over 2 years, patients with inadequate literacy were nearly twice as likely to have been hospitalized during the previous year (31.5% vs 14.9%), a relationship that persisted after adjustment for health status and various socio-economic indicators.¹²

Literacy investments are investments in the development of Canada's Aboriginal peoples.

The Canadian portion of the International Adult Literacy Survey conducted in 1994/96 did not include Canada's Aboriginal population. As noted earlier, this study revealed that the literacy skills of almost half of Canadian adults rank below the acceptable range. The reality is that Canada's Aboriginal peoples have even lower literacy rates. One indicator of this is that the proportion of Registered Indians with less than Grade 9 education in 1996 was

¹⁰ *1998 Poverty Profiles*, National Council of Welfare

¹¹ *How does literacy affect the health of Canadians?* Burt Perrin, Health Promotions branch, Health Canada, 1998.

¹² *Health Literacy: Report of the Council on Scientific Affairs*

approximately double that of other Canadians.¹³ This disadvantage is compounded by the inter-connectedness of literacy to poverty, poor health and unemployment.

We must work together to address this education gap. Canada's Aboriginal population is growing more quickly than the overall Canadian population. Between 1991 and 1996, the Canadian population grew on average by 1.6% every year.¹⁴ The Aboriginal population increased on average by 3.6% - more than twice as rapidly. We must work together to address issues of economic and social inequity, to ensure that Canada's Aboriginal peoples have the resources they need to thrive as communities, and as full participants and contributors to Canada's future economic and social prosperity. Investments in Aboriginal literacy programs – programs that are maintained and owned by Aboriginal people - are crucial steps towards this goal.

Literacy investments reduce crime and the costs of crime.

While poverty, unemployment, isolation, and desperation can lead some to a life of crime, literacy training can provide many youth and adults with a first chance at a brighter future. At least 75% of incarcerated adults were persistent offenders in their youth.¹⁵ The evidence points out a clear need to focus crime prevention efforts on children living at-risk, on the factors that place them at risk, and on those efforts that can reduce risk of delinquency. Literacy training provides families and children at risk with the skills they need to find decent jobs and an escape from poverty.

For offenders, who experience literacy problems at a rate three times that of the general population, literacy training provides a new chance at a constructive, productive life. Study after study has confirmed the link. Prison-based education and literacy programs pay off in reduced recidivism rates and economic and social returns that far outweigh the original investments. With basic education and training, offenders return to their communities with a more positive self-image, pride in their accomplishments and a plan to avoid one of the main motivators of criminal activity – unemployment.¹⁶

According to the American-based Rand Corporation, \$1 million invested in prison space for career criminals prevents 60 crimes a year. The same million invested in incentives to graduate from High School, would prevent 258 crimes a year!¹⁷

¹³ Canadian Labour and Business Centre Handbook, *Skills and Skill Shortages: trends in demographics, education and training*, May 2002.

¹⁴ Canadian Labour and Business Centre Handbook, *Skills and Skill Shortages: trends in demographics, education and training*, May 2002.

¹⁵ *Money Well Spent: Investing in Preventing Crime*, The National Crime Prevention Centre, 1996.

¹⁶ *Education programming for offenders*, Dennis J. Stevens, College of Public and Community Service, University of Massachusetts.

¹⁷ *Money Well Spent: Investing in Preventing Crime*, The National Crime Prevention Centre, 1996.

Literacy investments support integration of newcomers.

Literacy training is a key to including immigrants and newcomers in Canadian life. It is projected that within the next five to ten years, immigration will account for all of Canada's net labour force growth.¹⁸ Proficiency in one of Canada's official languages, and the literacy that this proficiency demands, allows new Canadians to access services, training and employment so that they can benefit and contribute fully to Canadian society. Having a more literate and tolerant population also allows diversity to thrive.

Literacy investments ensure the strength and vitality of our democracy.

A fully engaged, participant citizenry is key to social and economic strength and vitality. But to participate fully in civic life, citizens must have the skills necessary to access and to act upon information. Whether casting a ballot in an election, participating in a community forum, accessing programs and services, defending their civic or human rights, or advocating for needed change, an effective democracy requires its citizens to be informed and engaged. Unfortunately, poor literacy skills effectively bar a large percentage of our population, both Canadian-born and newcomers, from participating in civic life. Literacy training provides people with the skills they need as a foundation for their full participation as citizens.

Making the case for a Pan-Canadian Literacy and Essential Skills Strategy

Canada is one of only a few industrialized countries without a national strategy for adult literacy.

Adult literacy services are delivered and funded through a complex web of provincial and federal mechanisms. Provinces and territories take the lead in direct funding and delivery of literacy programs, but the federal government plays an important role in developing policy directions and in supporting some literacy initiatives.

The federal government develops policy directions and provides support for literacy initiatives mainly through the National Literacy Secretariat (NLS)¹⁹. With an annual budget of \$28-\$30 million, the NLS is the only federal secretariat whose mandate focuses on literacy, yet it has a budget comparable to just one of the larger high schools in metro Toronto. Furthermore, the NLS has not had a budget increase since 1997. Despite limited resources, the NLS plays a crucial role in advancing literacy in Canada. The Secretariat has developed invaluable expertise as well as effective working relationships with the provinces and territories, non-government organizations, literacy groups, business associations, labour

¹⁸ Ibid, May 2002

¹⁹ Some funds for literacy initiatives are also delivered through other federal programs. For example Correctional Services Canada funds literacy programs within federal correctional facilities.

unions and academics. It has fostered exemplary programs, public awareness, research and coordination. We believe the government should build on this foundation by expanding the mandate and resources of the NLS.

The delivery of literacy training programs is mainly funded and co-ordinated by the provinces and territories, often in partnership with voluntary organizations, formal educational institutions, business and labour. However, provinces and territories are under no obligation to designate specific funds in support of literacy delivery. In several provinces a comprehensive literacy strategy exists; in others it does not. As a result, there is wide variation in access and conditions across the country. In other words, your chances of getting literacy help depend on where you live.

The lack of consistent and adequate funding, vision, strategy, and coordination has meant that literacy services have tended to “fall through the cracks”. Less than 10% of Canadians who could benefit from literacy programs are receiving training. Of those who do enroll, over 30% drop out due mainly to socio-economic factors like job-related pressures, money problems and family responsibilities.²⁰

We need a national literacy strategy.

Literacy is far too important to the social and economic fabric of the nation not to have a national vision and strategy that applies to all Canadians. We need adequate resources to support a pan-Canadian Literacy and Essential Skills Strategy, developed in partnership with federal, provincial and territorial governments, national and provincial literacy organizations, and other stakeholders. This pan-Canadian Literacy and Essential Skills strategy should ensure:

- access and quality of literacy services across the country;
- research and infrastructure to inform and support a national literacy network; and
- comprehensive measures to address the barriers that prevent the recruitment and retention of adult learners in literacy programs.

In the past two Speeches from the Throne and throughout the consultative phase of the Innovation Agenda, the federal government has articulated the importance of literacy to Canada and acknowledged the vital role that the federal government can and must play in developing a National Literacy Initiative. MCL hopes to see past promises backed up with meaningful policy and funding commitments in the next federal budget.

²⁰ *Who Wants to Learn? Patterns of Participation in Canadian Literacy and Upgrading Programs*, ABC Canada/Literacy BC, 2001

Federal Budget Priorities and Recommendations

The Movement for Canadian Literacy agrees whole-heartedly with the sentiments and commitments articulated in the past two Throne Speeches and throughout the consultative and policy development phase of the federal Innovation Agenda. Furthermore, we agree with the Prime Minister when he committed the federal government to working with provincial and territorial governments, as well as voluntary sectors, to launch a national literacy initiative.²¹

MCL believes that developing a Pan-Canadian Strategy on Literacy and Essential Skills is crucial to enhancing skills and productivity, to ensuring a healthy, inclusive society, and to fostering Canada's position as a world leader in the knowledge economy. ***While the federal government cannot act unilaterally on literacy, it can play a leadership role by committing adequate funds in this federal budget to the development of a pan-Canadian Literacy and Essential Skills Strategy.***

Action Recommendations for the Federal Government

Recommendation 1: MCL calls on the Minister of Finance to commit funds in the next federal budget to the development of a Pan-Canadian Literacy and Essential Skills Strategy.²²

Action 1.1: In the next federal budget, the federal government should declare that adult literacy and essential skills development is a national public policy priority that requires intergovernmental cooperation and increased investment.

Action 1.2: As part of a Pan-Canadian Strategy on Literacy and Essential Skills Development, the federal government should allot funds for developing a national accord that would ensure sustained funding for literacy and essential skills program delivery. The level of per-student spending should be upgraded to levels comparable to K-12 and post-secondary per-student investment.

Recommendation 2: The federal government should significantly expand the funding²³ and mandate of the National Literacy Secretariat to allow it to take a leadership role in developing and facilitating a pan-Canadian Literacy Strategy.

²¹ Prime Minister Chretien, Response to the 2001 Speech from the Throne, Hansard.

²² For more detailed recommendations see *Building a Pan-Canadian Strategy on Literacy and Essential Skills: Recommendations for the Federal Government*, submitted to HRDC Minister Jane Stewart by the Movement for Canadian Literacy and five other national literacy organizations. (contact MCL at 563-2464)

²³ The annual budget of the NLS has been \$28-\$30 million since 1997.

Action 2.1: With increased resources, the NLS can take a lead role in facilitating the development of a pan-Canadian strategy, built on renewed partnerships between federal, provincial, and territorial governments; national and provincial literacy organizations; and community stakeholders.

Action 2.2: With increased resources, the NLS can be even more effective in ensuring that literacy and essential skills development are integrated, or understood as a “horizontal issue”, throughout the federal government.

Action 2.3: With increased resources, the NLS can work with the literacy community and other partners to build the infrastructure necessary to support quality literacy and essential skills programming.

Recommendation 3: The federal government should take a leadership role in supporting family literacy development, in collaboration with family literacy organizations, and provincial/territorial government initiatives.

Action 3.1: The federal government should increase support for family literacy programs that enhance the oral language and early literacy skills of children from birth to age six. Family literacy investments provide double the return on investment because while improving children’s social and educational outcomes, they also help adult to improve their skills as parents, workers and community members.

Action 3.2: As advances in family literacy are crucial to the success of the National Children’s Agenda, federal funds delivered through NCA initiatives should be increased and targeted at family literacy projects. This should include, but not be limited to investments delivered through the Early Childhood Development Initiative and Child Tax Benefit re-investment funds, targeted by the provinces for social support.

Recommendation 4: The federal government should support current best practices in workplace literacy and expand upon those best practices by developing tax incentives, infrastructure development and support, public awareness campaigns and supportive policies.

Action 4.1: The workforce literacy community has already developed a wide body of research, knowledge and expertise. Through the NLS, and in partnership with the literacy community, the federal government should continue to identify and fund best practices and develop innovative new initiatives related to workplace literacy.

Action 4.2: The federal government should create tax incentives to encourage small- and medium-sized businesses to provide workplace literacy and essential skills training for their employees.

Action 4.3: The federal government should use increased funding for sector councils as leverage to urge councils to develop strategies for essential skills development within the workplace skills development specific to their sector.

Action 4.4: HRDC should enhance existing partnerships with organized labour to support delivery of workplace literacy and essential skills training that is worker/learner-centred.

Recommendation 5: The federal government should support the development of a multi-government Aboriginal Literacy Action Plan that is maintained and owned by Aboriginal people.

Action 5.1: The federal government should support and fund a forum where representatives from First Nations, Inuit, and Metis communities, as well as relevant Ministers from provincial and territorial governments, and the federal Ministers responsible for HRDC and Indian and Northern Affairs can come together to develop a multi-government Aboriginal Literacy Action Plan. This Aboriginal Literacy Action Plan should build on knowledge and best practices that respect Aboriginal cultures and languages, with the goal of creating healthy, literate communities, integrated programming, meaningful educational experiences, and programs and policies to address learning and educational gaps.

Action 5.2: The federal government should make ongoing support and funding available to contribute to the provision of autonomous, stable Aboriginal Literacy programs.

Action 5.3: The federal government should review Aboriginal Human Resource Development Agreements to determine whether AHRDA's have the potential to be a funding vehicle for community based Aboriginal literacy skills development.

Recommendation 6: The federal government should fund strategies and programs to support literacy and essential skills training for immigrant and refugee populations.