

Movement for Canadian Literacy

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

Literacy is for Life: Strengthening Adult Literacy is Key to Canada's Economic and Social Prosperity

*“ We must raise the level of literacy in Canada because too many
Canadians lack the literacy levels necessary for the new economy.”*

*Prime Minister Chretien
Response to Speech from the
Throne, 2001*

Pre-budget Consultations
November 1, 2001

The Movement for Canadian Literacy

The **Movement for Canadian Literacy (MCL)** is a national non-profit organization representing literacy coalitions, organizations and individuals from every province and territory. Since 1978 MCL has worked to:

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

This document is a summary of MCL's input for the Pre-Budget Consultations leading up to the 2002 budget period.

Strengthening adult literacy is key to Canada's economic and social prosperity

Introduction

Canada's economic and social prosperity depends on the strengths and skills of our citizens. To prosper in the new economy, we must develop policies that nurture these skills and we must create a culture that values life-long learning. A sound literacy foundation is key to achieving both of these goals.

Addressing adult literacy is an urgent issue for national productivity as Canada faces a shortage of skilled workers now and in the coming years. Now more than ever, good literacy skills are a prerequisite for employment and for the specific training decent jobs require.

In addition, addressing literacy barriers is key to dealing with the most pressing issues of our time. Research shows that improved literacy pays off not only in labour market productivity, but also in lower healthcare costs, better outcomes for children, safer and more cohesive communities, more successful rehabilitation of offenders, and better integration of newcomers.

Yet, in Canada we face serious literacy challenges. 22% of Canadian adults do not read well, and another 26% do not have the literacy skills necessary to

contribute to the economic and social development of their communities and our country.¹

In the 2001 Speech from the Throne, the federal government recognized our literacy challenges, and promised to work with the provinces and territories and the voluntary sector to “launch” a “national literacy initiative, as part of a comprehensive Skills and Learning Agenda. Over the past months, the consultative, research and policy development phase of the Skills and Learning Agenda has been progressing. However, as of this date no substantial commitment a National Literacy Initiative has been made.

Although MCL recognizes that the events of September 11, 2001, have fundamentally changed the way that our governments must prioritize objectives and spending priorities, we hope that the promise made in this year’s Throne Speech is not forgotten.

If anything, the events of September 11th teach us to value education and the freedom of opportunity that is its dividend more than ever before. Furthermore, the severe economic ramifications of terrorism demand that we invest in policies and programs that nurture economic growth and productivity. Literacy programs do both.

In this brief, MCL makes the case for creating a spending envelope in the next federal budget dedicated to the development of a National Literacy Strategy, as part of a comprehensive Skills and Learning Initiative.

“A national effort to have the most talented and skilled labour force requires the support and collaboration of the provinces and the private and voluntary sectors. We will be inviting them to jointly launch with us a national literacy initiative.”

“We must raise the level of literacy in Canada because too many Canadians lack the literacy levels necessary for the new economy.”

Prime Minister Chretien
Response to the Speech
from the Throne,
January 31, 2001

¹ Statistics Canada, International Adult Literacy Survey (IALS), 1997.

Literacy investments today create economic and social payoffs tomorrow

Literacy investments increase economic prosperity

A commitment to literacy is crucial to our national prosperity and to our future competitiveness.²

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.

“The country’s economic well-being depends on its capacity to make the most effective use of people and to maintain the skills of its workforce.”

“More skilled, literate people are the key to increasing productivity”

Conference Board
of Canada, 1997

The millions of Canadians who have low literacy skills represent 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”, by focusing solely on “high end” skills, 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.¹

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 for social inclusion. Literacy is the foundation upon which these skills are built.

² The Economic Benefits of Improving Literacy in the Workplace, Conference Board of Canada (1997)

³ Bloom, Burrows, Lafleur and Squires, “The Economic Benefit of Improving Literacy Skills in the Workplace,” Conference Board of Canada, Ottawa, 1997”.

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

In addition, higher income generated through improved labour force participation contributes to higher government revenues. Even a relatively 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.⁵

In Canada, literacy has long been seen as 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 \$683,000.⁶ 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.⁷

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.⁸ 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.

Addressing literacy barriers is key to dealing with the most pressing social issues of our time.

Literacy has an important impact on some of the most pressing issues of our times. Jobs and the economy, child poverty, health, crime prevention, and social cohesion – literacy has implications for all of these. 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.

Investments in literacy programs bring long-term economic and social dividends.

⁵ Bloom, Burrows, Lafleur and Squires, "The Economic Benefit of Improving Literacy Skills in the Workplace," Conference Board of Canada, Ottawa, 1997

⁶ Bloom, Burrows, Lafleur and Squires, "The Economic Benefit of Improving Literacy Skills in the Workplace," Conference Board of Canada, Ottawa, 1997".

⁷ "Literacy, Numeracy and Labour Market Outcomes in Canada"

⁸ "The Value of Words: Literacy and Economic Security in Canada", pp 45.

Literacy investments reduce child poverty

Today, 1.3 million Canadian children live in low-income households.⁹ 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 the learning that takes place at school and the lifelong learning that follows.

Literacy investments reduce the strain on our Healthcare System

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.¹⁰

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.¹¹

Literacy investments reduce crime and the costs of crime

Poverty, unemployment, isolation, and desperation can lead to crime, but for some literacy training can provide a first chance at a brighter future.

⁹ 1998 Poverty Profiles, National Council of Welfare

¹⁰ Burt Perrin, 1998.

¹¹ Health Literacy: Report of the Council on Scientific Affairs.

At least 75% of incarcerated adults were persistent offenders in their youth. Criminal behaviour often begins early.¹² 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 a life-line to families and children at risk, giving them 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 second chance at an honest, 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 renewed sense of self-image, pride in their accomplishments and a plan to avoid one of the main stimulators of criminal activity – unemployment.¹³

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!¹⁴

Literacy investments ensure the strength and vitality of our democracy

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 change, an effective democracy demands that its citizens are informed and engaged.

Unfortunately, poor literacy skills effectively bar a large percentage of our population, Canadian-born, immigrants, or refugees, from participating in civic life. Literacy programs provide people with the skills they need to fully participate as citizens. A fully engaged, participant citizenry are key to social and economic strength and vitality.

¹² The National Crime Prevention Centre, “Money Well Spent: Investing in Preventing Crime,” 1996.

¹³ Dennis J. Stevens, “Education programming for offenders”, College of Public and Community Service, University of Massachusetts.

¹⁴ The National Crime Prevention Centre, “Money Well Spent: Investing in Preventing Crime”, 1996.

Making the case for a National Literacy 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 tangled web of provincial and federal mechanisms. Provinces and territories take the lead in direct funding and delivery of literacy programs, but the federal government also plays a role in developing policy directions and in supporting literacy initiatives.

The federal government develops policy directions and provides support for literacy initiatives mainly through provincial transfer payments, Labour Market Development Agreements, and the National Literacy Secretariat (NLS), which is part of Human Resources Development Canada (HRDC).¹⁵ With an annual budget of \$28-\$30 million, the NLS supports a number of projects and initiatives to develop learning materials; improve access to programs; increase public awareness on literacy issues; improve co-ordination of information among literacy partners, and advance literacy research. **The NLS is the only federal secretariat whose mandate focuses on literacy, however it does not fund the delivery of direct, ongoing literacy training.**

The delivery of literacy training programs is mainly funded and co-ordinated by the provinces and territories. This is often done 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 core literacy programs.** 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.

Provinces deliver literacy programs through education ministries in some provinces, through social services ministries in others. In Alberta, the provincial government charges a fee for literacy programs. In Ontario, funding has been cut completely for adult day schools. In several provinces a comprehensive literacy strategy exists; in others it does not.

The lack of consistent and adequate funding, vision, strategy, and coordination has meant that literacy services have tended to fall between jurisdictional "cracks". Less than 10% of Canadians who could benefit from literacy programs are being helped. Of those who do enroll, over 30% drop out due mainly to

¹⁵ Some funds for literacy initiatives are also delivered through specialized federal programs, for example Correctional Services Canada funds literacy programs within federal correctional facilities.

socio-economic factors like job-related pressures, money problems and family responsibilities.¹⁶

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

In this year's Speech from the Throne, the federal government 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 is hoping to see that commitment met in the next federal budget.

Federal Budget Priorities and Recommendations

In the January 2001 Speech from the Throne, Her Excellency Madame Clarkson articulated the will of the federal government to initiate a comprehensive Skills and Learning Initiative, in which enhancing adult literacy skills would be a priority. Madame Clarkson said: "Canada will only realize its full potential by investing aggressively in the skills and talents of its people".

The Movement for Canadian Literacy agrees whole-heartedly with the sentiments articulated in the Throne Speech. Furthermore, we agree with the Prime Minister in his response to the Speech from the Throne, when he committed the federal government to working with provincial and territorial governments, as well as voluntary sectors, to launch a *national literacy initiative*.

MCL believes a national literacy initiative is crucial to: enhancing skills, to ensuring health and shared opportunity, and to fostering Canada's position as a world leader in the knowledge economy. **The federal government cannot act unilaterally on literacy, but it can play a leadership role by committing adequate funds in this federal budget to the development of a National Literacy Strategy.**

¹⁶ *Who Wants to Learn? Patterns of Participation in Canadian Literacy and Upgrading Programs*, ABC Canada/Literacy BC, 2001

Recommendation 1

MCL calls on the Minister of Finance to commit funds in the next federal budget to the development of a National Literacy Strategy, as part of a broader national initiative on skills and learning. The federal commitment to a National Literacy Strategy must have adequate funds to ensure:

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

Recommendation 2

MCL calls on the Minister of Finance to commit funds in the next federal budget for wide scale consultations on a National Literacy Strategy, to ensure that key literacy stakeholders are involved in the design of a strategy that incorporates: best practices; principles; targets and standards.

Recommendation 3

In support of a National Literacy Strategy, MCL calls on the Minister of Finance to announce in the next federal budget policies and practices that support lifelong learning as an essential element of Canadian society.