

# **Movement for Canadian Literacy**

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

## **Standing up for Literacy**

**Pre-budget Consultations  
April 19, 2006**

## ***The Movement for Canadian Literacy***

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The Movement for Canadian Literacy (MCL) is a national non-profit charitable organization representing literacy coalitions, organizations and individuals from every province and territory. Since 1978 MCL has worked with partners to increase access to quality literacy education for Canadians who need it.

This is MCL's submission to the federal Pre-Budget Consultations of April 2006.

## ***The Need for Action on Literacy***

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In today's information age, good literacy skills are the foundation for success. Yet, in Canada, 20% of adults have serious problems dealing with print materials. An additional 28% fall below the literacy skill level needed to thrive in today's world. Numeracy and problem-solving skill shortages are even greater<sup>1</sup>. The extent of these challenges, and their impact on our economic and social potential, deserve attention.

Strategic progress towards a more fully literate society is in the national interest. Labour market development, innovation, and productivity hinge on the capacity of Canadian workers to develop and harness their skills. Without a strong literacy foundation, higher-level skills cannot develop. Literacy is also a cross-cutting issue that is connected to many other federal priorities.

The economic and social dividends to be gained from strengthening the literacy skills of Canadians are huge. Yet despite the clear benefits of action, the existing literacy system cannot begin to handle the need. The lack of consistent and adequate funding, vision, strategy, and coordination has meant that literacy needs 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.<sup>2</sup>

In the face of these realities, the need for action has been widely acknowledged. Government leaders from across jurisdictions, parliamentarians, and stakeholders from business, labour and the community sector, have all called for action on a literacy agenda. The Council of the Federation and the Council of Ministers of Education Canada (CMEC) have identified literacy as a key priority for this and coming years. In 2002, a national summit of 500 Canadian leaders from all sectors identified literacy as Canada's number one learning priority. In 2003, an all-party Parliamentary Standing Committee called for urgent action on a pan-Canadian literacy strategy.

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<sup>1</sup> *Building on our Competencies: Canadian Results of the International Adult Literacy and Skills Survey*, Human Resources and Skills Development Canada and Statistics Canada, 2003. Online at <http://www.nald.ca/fulltext/booc/cover.htm>

<sup>2</sup> *Who Wants to Learn? Patterns of Participation in Canadian Literacy and Upgrading Programs*, ABC Canada/Literacy BC, 2001

Meanwhile, the literacy community has worked to consolidate its own contribution to the planning process. In 2002, the community widely endorsed a *National Literacy Action Agenda*.<sup>3</sup> In 2005, national literacy organizations built on this agenda to draft a *10-year Results-Based National Literacy Action Plan*.<sup>4</sup> In November 2005, national literacy organizations and other stakeholder groups (including employers, labour, and libraries), educators and adult learners came together to produce *Towards a Fully Literate Canada: Achieving National Goals Through a Comprehensive Pan-Canadian Literacy Strategy*.<sup>5</sup>

Canadians from many sectors participated in this planning at the request of government and in good faith. However, the momentum appears to be slowing at the federal level. The Finance Committee has the capacity to ensure that the critical work of the past few years will be carried forward and acted upon in this coming Parliament. In doing so, you will be serving the national interest.

## ***Connecting Literacy to the Government's Priorities***

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The Throne Speech of April 4, 2006 emphasized the government's focus on five priorities identified during the recent election campaign, including: improving accountability; cutting the GST; tackling crime; supporting families; and improving health. Other areas addressed in the speech were strengthening our democracy, building our economy and improving opportunity.

Connections can be made between literacy and many of the government's stated priorities. Advancing literacy is directly linked to economic competitiveness and productivity, and is key to creating opportunity. Literacy advances are also linked to success in other federal policy areas, for example, improving prospects for Aboriginal peoples and new Canadians. The community has long recognized these connections, and has developed programs and practices that are generating real economic and social progress. The following sections illustrate how literacy impacts on the government's identified priorities.

### **Literacy is crucial to our national economy.**

A commitment to literacy is crucial to our national prosperity and future competitiveness, especially 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.<sup>6</sup> Unfortunately, Canada's supply of skilled labour is in serious decline. By the year 2020, labour shortages are expected to reach 950,000.<sup>7</sup> Clearly, the development of a more skilled workforce is increasing in urgency.

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<sup>3</sup> Online at [www.literacy.ca/govrel/agenda.htm](http://www.literacy.ca/govrel/agenda.htm)

<sup>4</sup> Online at [www.literacy.ca](http://www.literacy.ca)

<sup>5</sup> at <http://www.nald.ca/fulltext/towards/cover.htm>

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

<sup>7</sup> *Labour Market Development Agreements: Their Impact on Education and Training*, Discussion Series, Canadian Alliance of Education and Training Organizations, 2001.

Because we can no longer afford to let millions of less-literate Canadians sit on the sidelines, the focus on “high-end” learning must not overshadow the need for advances 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.

Literacy is the foundation for the education, training, and workplace skills that the new economy demands. Recent studies show that a 1% increase in adult literacy skills would generate a 1.5 % permanent increase in GDP – approximately \$18 billion per year. 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 on which these skills are built.

Literacy is also key to an individual’s success in the labour market. People with poor literacy skills are more likely to be unemployed, work in lower-paying jobs and live in low-income households.<sup>8</sup> The unemployment rate for people at the lowest literacy level is 26% compared with 4% for those at the highest levels.<sup>9</sup> 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.<sup>10</sup> 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.<sup>11</sup>

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% increase in wages and earnings from improvements in national literacy would provide approximately a 1.8% increase in revenue in a country that is dependent primarily on value-added tax.<sup>12</sup>

For Canadians with low literacy skills, literacy training is a stepping stone to being able to contribute to the economic development of their communities and our country. Investments in literacy today have economic payoffs tomorrow.

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

Today, 1.3 million Canadian children live in low-income households.<sup>13</sup> They are poor because their parents are poor, and often their parents are poor because they lack the literacy skills they need to find decent, well-paying work. Undereducation is a key contributor to poverty, which in

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<sup>8</sup> *The Value of Words: Literacy and Economic Security in Canada*, The Centre for International Statistics, Canadian Council on Social Development (CCSD), 1998

<sup>9</sup> Table 2.5 (page 47) of *Reading the Future: A Portrait of Literacy in Canada*, 1996, Ottawa: Statistics Canada.

<sup>10</sup> *The Economic Benefits of Improving Literacy in the Workplace*, Conference Board of Canada (1997)

<sup>11</sup> *Literacy, Numeracy and Labour Market Outcomes in Canada*, Statistics Canada, 2001

<sup>12</sup> *The Economic Benefits of Improving Literacy in the Workplace*, Conference Board of Canada (1997)

<sup>13</sup> *1998 Poverty Profiles*, National Council of Welfare

turn has a dramatic impact on children's school readiness and school achievement rates. A solid literacy foundation allows parents to foster a positive learning environment in the home, providing their children with the foundation for success at school and throughout their lives.

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

The situation is critical in Aboriginal communities.<sup>14</sup> For example, over half of the Aboriginal peoples living in the Yukon, 69% living in the Northwest Territories, and 88% living in Nunavut do not have the literacy skills that are necessary to meet the demands of today's information based society and economy.<sup>15</sup>

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, while the Aboriginal population increased on average by 3.6% - more than twice as rapidly.<sup>16</sup> We must work together to address issues of economic and social equity, 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. Investment in Aboriginal literacy development is a crucial step towards this goal.

## **Literacy investments reduce the strain on our Healthcare System.**

Our healthcare system is in crisis, and any solutions that can help alleviate the strain should be explored. Less-literate Canadians tend to place greater demands on our health care system, due in part to their relative poverty and poorer overall health; as well as to the likelihood of misunderstanding health information and inappropriate use of medication and/or health services including emergency care. Also, people with literacy issues often don't seek medical help until a health problem has reached a crisis state.<sup>17</sup>

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.<sup>18</sup>

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<sup>14</sup> The IALSS data is not representative of Aboriginal populations in Canada – it is representative of Aboriginal people living in urban areas in Manitoba and Saskatchewan, and Aboriginal peoples living in selected communities in the territories.

<sup>15</sup> It should be noted that the Inuit population in Nunavut performed at a significantly lower level of literacy proficiency than other Aboriginal Populations surveyed. However, IALSS testing was carried out only in English or French, and the majority of Nunavut Inuit do not use either of those languages in their daily lives.

<sup>16</sup> *Canadian Labour and Business Centre Handbook, Skills and Skill Shortages: trends in demographics, education and training*, May 2002.

<sup>17</sup> *How does literacy affect the health of Canadians?* Burt Perrin, Health Canada, 1998.

<sup>18</sup> *Health Literacy*: Report of the Council on Scientific Affairs

## **Literacy investments reduce crime and the costs of crime.**

While poverty, unemployment, isolation, and desperation can push some into 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.<sup>19</sup> The evidence points out a clear need to focus crime prevention efforts on children living at risk of delinquency, and on the factors that place them at risk. Literacy training provides families at risk with the skills they need to find decent jobs and escape from poverty.

For offenders, who are three times as likely as the general population to have literacy problems, 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 literacy and other training, offenders return to their communities with a more positive self-image, pride in their accomplishments and tools for avoiding one of the main motivators of criminal activity – unemployment.<sup>20</sup> 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!<sup>21</sup>

## **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. Becoming proficient – and literate – in one of Canada's official languages allows new Canadians to access services, training and employment so that they can benefit and contribute fully to Canadian society. A more literate population is also a more tolerant and cohesive population, in which diversity can thrive.

However, many immigrants don't score as well as the Canadian-born population on literacy tests. Overall about 60% of immigrants don't have the literacy skills that experts say are necessary in today's world. This compares to 37% of the Canadian-born population.

## **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 newcomers with the skills they need as a foundation for their full participation as citizens.

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<sup>19</sup> *Money Well Spent: Investing in Preventing Crime*, The National Crime Prevention Centre, 1996.

<sup>20</sup> *Education programming for offenders*, Dennis J. Stevens, College of Public and Community Service, University of Massachusetts.

<sup>21</sup> *Money Well Spent: Investing in Preventing Crime*, The National Crime Prevention Centre, 1996.

## ***Making the case for an increased federal commitment***

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Literacy is too important to our nation not to have national leadership and a national vision. The Committee could play an important role by reiterating the necessity of a strong federal presence in literacy.

Canada is one of only a few industrialized countries without a national system or strategy for adult literacy / basic education. Instead of being treated as an important and necessary education subsector (like the K-12 and post-secondary systems), adult literacy has been marginalized, with a number of unfortunate results.

Of the millions of Canadians with low literacy, only a small percentage are in training programs to improve their foundational skills. There are huge gaps in learner reach and program capacity, and Canada's current literacy infrastructure is not equipped to fill these gaps. As a result, access to literacy services varies widely depending on location and personal circumstances. This is unacceptable in a nation that prides itself on its quality of life and its belief in social equity.

If we want a more literate Canada, we will have to build a system that has the capacity to ensure that all Canadians have the basic literacy skills necessary to participate fully in today's society. While the federal government cannot act unilaterally on literacy, it can play a leadership role by ensuring that literacy is recognized as a national priority and that adequate attention and resources are dedicated to the creation of a pan-Canadian Literacy Strategy. Indeed the federal government has promised to do so. Now we look to you to deliver on that promise.

## ***Recommendations***

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In our recommendations, we have highlighted areas that we believe the federal government can and should address immediately. Movement on these recommendations is a crucial first step to the creation of a broader, long-term pan-Canadian literacy strategy that will involve all levels of governments and sectors of society in tackling our literacy challenges.

**Recommendation 1:** Recommend that the federal government position literacy as a policy and funding priority and resume its efforts to develop a comprehensive Pan-Canadian Literacy Strategy in cooperation with the provinces and territories and other stakeholders.

**Recommendation 2:** Immediately assign additional federal funds to literacy, as recommended by the all-party Parliamentary Standing Committee on Human Resources Development and the Status of Persons with Disabilities in its 2003 report. The report recommended an initial investment of about \$150 million to boost federal supports to literacy development, *as a down payment* toward a comprehensive pan-Canadian strategy. *A Ten-Year, Results-based Literacy Action Plan 2006-2016*, online at [www.literacy.ca](http://www.literacy.ca), outlines the literacy community's perspective on what needs to be included in a comprehensive literacy strategy.

**Recommendation 3:** Recommend that Human Resources and Social Development Canada continue to provide federal leadership and action around literacy across jurisdictions and across federal departments. In the past, the department has provided leadership by funding the National Literacy Secretariat (NLS), and other initiatives. This important federal agency is in transition. It is crucial to the national interest to maintain a strong federal agency with a central focus on literacy.

**Recommendation 4:** Recommend that all federal departments review their policies and programs through a “literacy lens” to maximize their potential to support adult literacy and essential skills development. For example, strategies for immigrant and refugee integration must take literacy needs and challenges into consideration.

**Recommendation 5:** Recommend that the federal government ensure that all vital information is accessible to less-literate Canadians by using and promoting the use of clear language in all public communications.

**Recommendation 6:** Assign funds to support the development of a multi-government Aboriginal Literacy Strategy.

**Recommendation 7:** Recommend that the federal government supports workforce literacy by developing tax incentives, infrastructure development and support, public awareness campaigns and supportive policies to ensure accessibility of literacy and numeracy skills training to unemployed and employed individuals who need it, regardless of their attachment to Employment Insurance.

**Recommendation 8:** Recommend that intergenerational literacy issues be taken into account as the federal government develops childcare strategies. Improving parent's literacy is an investment in their families' economic and social prospects; and lack of affordable childcare is consistently cited as a barrier to enrollment in literacy programs.