

# Serving Up the Reality on Youth Unemployment

How rising unemployment among teens has skewed public perceptions about young people and work

Philip Cross

October 2015



CELEBRATING



MLI

*5 Years of True North  
in Canadian Public Policy*



## Board of Directors

---

### CHAIR

**Rob Wildeboer**

Executive Chairman, Martinrea International Inc.

### VICE CHAIR

**Jacquelyn Thayer Scott**

Past President and Professor,  
Cape Breton University, Sydney

### MANAGING DIRECTOR

**Brian Lee Crowley**

### SECRETARY

**Lincoln Caylor**

Partner, Bennett Jones LLP, Toronto

### TREASURER

**Martin MacKinnon**

CFO, Black Bull Resources Inc., Halifax

### DIRECTORS

**Pierre Casgrain**

Director and Corporate Secretary of Casgrain  
& Company Limited

**Erin Chutter**

President and CEO of Global Cobalt Corporation

**Laura Jones**

Executive Vice-President of the Canadian Federation  
of Independent Business (CFIB).

**Vaughn MacLellan**

DLA Piper (Canada) LLP

## Advisory Council

---

**John Beck**

Chairman and CEO, Aecon Construction Ltd., Toronto

**Navjeet (Bob) Dhillon**

President and CEO, Mainstreet Equity Corp., Calgary

**Jim Dinning**

Former Treasurer of Alberta

**Brian Flemming**

International lawyer, writer, and policy advisor

**Robert Fulford**

Former Editor of Saturday Night magazine, columnist with  
the National Post

**Wayne Gudbranson**

CEO, Branham Group Inc., Ottawa

**Stanley Hartt**

Counsel, Norton Rose LLP

**Calvin Helin**

International speaker, best-selling author, entrepreneur and  
lawyer.

**Peter John Nicholson**

Former President, Canadian Council of Academies, Ottawa

**Hon. Jim Peterson**

Former federal cabinet minister, Counsel at Fasken  
Martineau, Toronto

**Maurice B. Tobin**

the Tobin Foundation, Washington DC

## Research Advisory Board

---

**Janet Ajzenstat**

Professor Emeritus of Politics, McMaster University

**Brian Ferguson**

Professor, Health Care Economics, University of Guelph

**Jack Granatstein**

Historian and former head of the Canadian War Museum

**Patrick James**

Professor, University of Southern California

**Rainer Knopff**

Professor of Politics, University of Calgary

**Larry Martin**

Principal, Dr. Larry Martin and Associates and Partner,  
Agri-Food Management Excellence, Inc.

**Christopher Sands**

Senior Fellow, Hudson Institute, Washington DC

**William Watson**

Associate Professor of Economics, McGill University



# Table of Contents

|   |   |   |    |
|---|---|---|----|
| Executive Summary.....  | 2 | Teens Also Leaving<br>the US Labour Force ..... | 11 |
| Sommaire .....  | 4 | Conclusion .....                                | 12 |
| Introduction.....   | 5 | About the Author.....                           | 13 |
| Teens in Canada’s Labour Market .....                                     | 5 | References .....                                | 14 |
| Teens are Not Representative of Other<br>Youths in the Labour Force ..... | 7 | Endnotes .....                                  | 14 |
| Labour Market Behaviour of<br>15-Year Olds Changed After 1990 .....       | 9 |   |    |

*The author of this document has worked independently and is solely responsible for the views presented here. The opinions are not necessarily those of the Macdonald-Laurier Institute, its Directors or Supporters.*



## Executive Summary

Getting a job can be a great challenge for young people and the cause of much angst. Public commentators and politicians are worried, too. There is a common perception that youth unemployment today is at unacceptable levels.

In the recent federal election campaign, both the Liberals and New Democrats made the government's record on youth employment a major issue, pointing to unemployment levels for 15-to-24-year olds that are double the national average.

But what does a closer look at these figures reveal? One challenge to interpreting youth unemployment data is the inclusion of 15-year olds, whose employment patterns have changed dramatically in the last few decades.

On the bright side, deteriorating outcomes for teens have not carried over for young adults between 20 and 24 years old, whose integration into the labour market is quite close to the long-term average and is certainly better than the "Reality Bites" days of the early 1990s. Joblessness for young adults peaked at 12.2 percent in the recession year of 2008, compared to highs of 17.8 percent in 1983 and 15.0 percent in 1992. By 2014, unemployment for young adults had returned to 10.7 percent, just below the 20-year average.

Joblessness among teens was not above 16 percent in nearly half the years in the 1970s and 1980s. However, starting in the 1990s, the unemployment rate for teenagers rarely fell below 16 percent, hovering near 20 percent for prolonged periods during times of recession. The trend to higher

unemployment was most evident for 15-year olds, whose unemployment rate has soared above 30 percent in recent years, compared to 13.2 percent in 1990.

It is not surprising that teens do not fare as well in the labour market as young adults. They are still maturing and acquiring the knowledge and skills employers seek, and the vast majority live at home and attend school. There are many regulatory restraints on which industries can hire teenagers, the hours they can work, and how much they are paid. In the 1980s almost all governments removed the lower minimum wage for teens that took into account their lower productivity and made it easier for employers to hire them.

*Keeping 15-year olds in the labour force inflates youth unemployment figures.*

Those who decry poor labour market conditions for young people are implying these trends disadvantage all the 2.9 million youth in the labour force, when they mostly affect the one million teenagers between 15 and 19 years. This is an important distinction, since those affected are not the ones making the transition to full-time careers and independent households that young adults undertake.

Up until 1990, including 15-year olds in labour force statistics did not materially affect the overall estimates for youth unemployment because their results were similar to those for older teens. Since 1990, keeping 15-year olds in the labour force data distorts our assessment of the seriousness of the problem of youth unemployment and has inflated youth unemployment figures. Excluding them would knock at least a full percentage point off the unemployment rate for teens in most recent years, and would have lowered it by 1.4 points in 2011.

15-year olds' attachment to the labour force has become so tenuous, Statistics Canada should consider excluding them from the labour force survey, as the US Bureau of Labor Statistics has done. If employing more teenagers is a desirable policy goal, governments should consider revisiting a lower minimum wage for teens.

In today's society, it should not be surprising or alarming that less than one in five 15-year olds are employed. Indeed, provincial labour laws prevent children under 16 from working during school hours and severely restrict the work they can do after school. Canadians should view the noisy public debate about youth unemployment with this in mind.

## Sommaire

Pour un jeune, chercher à obtenir un emploi peut représenter un grand défi et une importante source d'anxiété. Les commentateurs et les politiciens sont également préoccupés. Le chômage des jeunes d'aujourd'hui est généralement perçu comme se situant à des niveaux inacceptables.

Au cours de la récente campagne électorale fédérale, tant les libéraux que les néo-démocrates ont fait du bilan du gouvernement sur l'emploi des jeunes un enjeu majeur, en accordant beaucoup d'importance au fait que les niveaux de chômage chez les jeunes âgés de 15 à 24 ans sont deux fois plus élevés que la moyenne nationale.

Mais que révèlent ces chiffres lorsqu'on les examine de plus près? Une des difficultés à interpréter les données sur le chômage des jeunes, c'est l'inclusion des jeunes de 15 ans, dont les profils d'emploi ont changé de façon radicale au cours des dernières décennies.

D'abord la bonne nouvelle. La détérioration des résultats chez les adolescents ne s'est pas étendue aux jeunes adultes âgés de 20 à 24 ans, qui rejoignent les rangs du marché du travail à un rythme assez proche de la moyenne à long terme, ce qui est certainement mieux qu'au début des années 1990 : une réalité qui a fait mal. La proportion de jeunes adultes sans emploi a culminé à 12,2 p. cent en 2008, une année de récession, comparativement aux sommets précédents de 17,8 p. cent en 1983 et de 15,0 p. cent en 1992. En 2014, le taux de chômage des jeunes adultes était redescendu à 10,7 p. cent, juste en dessous de la moyenne établie sur 20 ans.

La proportion de jeunes sans emploi n'a pas dépassé 16 p. cent pendant près de la moitié des années 1970 et 1980. Toutefois, à partir des années 1990, cette proportion a rarement été inférieure à 16 p. cent, se situant même de façon persistante aux environs de 20 p. cent durant les périodes de récession. La tendance élevée du chômage a été la plus évidente pour les jeunes de 15 ans, leur taux de chômage ayant grimpé en flèche pour dépasser 30 p. cent au cours des dernières années, comparativement à 13,2 p. cent en 1990.

Il n'est pas étonnant que les ados n'obtiennent pas d'aussi bons résultats sur le marché du travail que les jeunes adultes. Ils n'ont pas encore acquis leur pleine maturité ni les connaissances et compétences recherchées par les employeurs. La grande majorité d'entre eux vivent à la maison et sont étudiants. En outre, de nombreuses contraintes réglementaires empêchent les industries d'embaucher les

*La proportion de jeunes sans emploi n'a pas dépassé 16 p. cent pendant près de la moitié des années 1970 et 1980.*

adolescents, limitent leurs heures de travail et influent sur leur rémunération. Au cours des années 1980, presque tous les gouvernements ont aboli le seuil inférieur du salaire minimum qui tenait compte de la productivité moins grande des adolescents et qui facilitait leur embauche.

Ceux qui dénoncent les mauvaises conditions du marché du travail pour les jeunes supposent qu'elles nuisent aux 2,9 millions d'entre eux qui sont à la recherche d'un travail, alors qu'elles

touchent principalement un million d'adolescents âgés de 15 à 19 ans. Il s'agit d'une distinction importante, car ces jeunes ne sont pas ceux qui passent des études à la carrière à temps plein tout en formant un nouveau ménage autonome.

Jusqu'en 1990, le chômage du groupe des 15 ans a eu peu d'effet sur les statistiques globales de l'emploi chez les jeunes, car il était assez semblable à celui des adolescents plus âgés. Depuis 1990, la présence du groupe des 15 ans dans les données de la main-d'œuvre fausse notre évaluation de la gravité du problème du chômage chez les jeunes, car elle gonfle les chiffres globaux. Exclure ce groupe des données sur la main-d'œuvre ferait diminuer d'au moins un point entier de pourcentage le taux de chômage des adolescents au cours des dernières années et de 1,4 point de pourcentage en 2011.

La participation à la main-d'œuvre des jeunes de 15 ans est devenue si faible que Statistique Canada devrait envisager de les exclure de l'Enquête sur la population active, à l'instar du *US Bureau of Labor Statistics* (bureau américain des statistiques sur le travail). En revanche, si le travail des adolescents est un objectif politique souhaitable, les gouvernements devraient songer à abaisser le salaire minimum applicable aux adolescents.

Dans la société d'aujourd'hui, on ne peut plus s'étonner ou s'alarmer du fait qu'un jeune de 15 ans sur cinq seulement occupe un emploi. En effet, les lois provinciales empêchent les enfants de moins de 16 ans de travailler pendant les heures de classe et limitent sérieusement le genre d'emploi qu'ils peuvent occuper hors de ces heures. Les Canadiens doivent garder ces considérations à l'esprit lorsqu'ils écoutent les débats publics enflammés au sujet du chômage chez les jeunes.

# Introduction

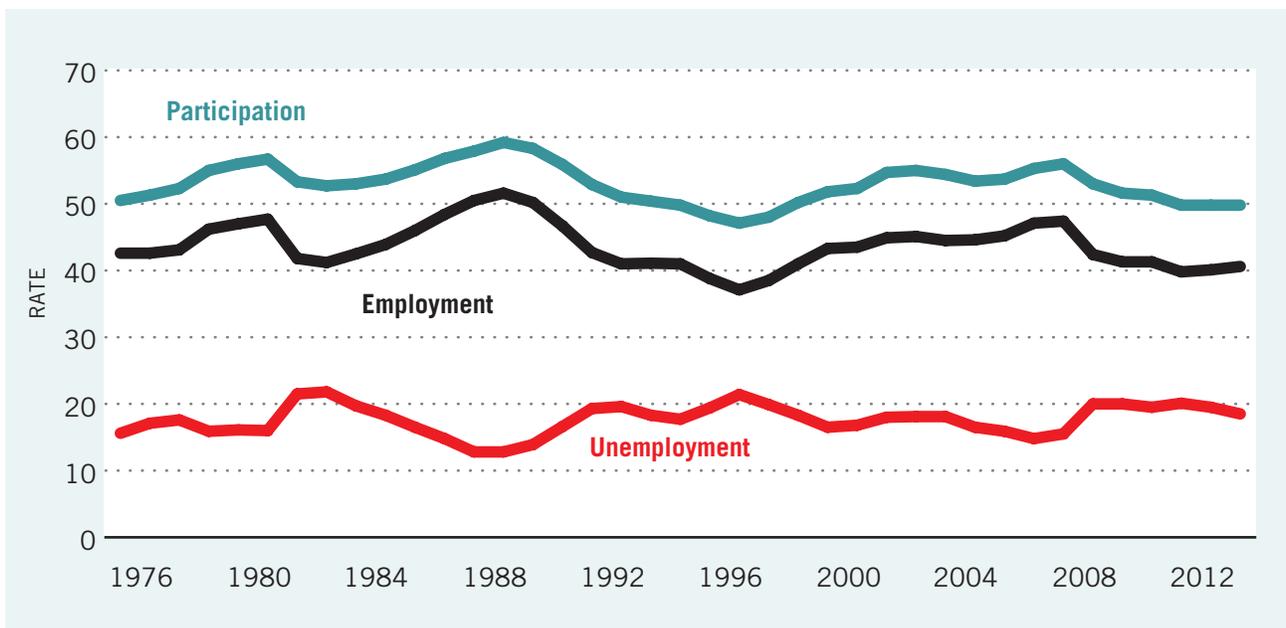
High youth unemployment is often cited as one of Canada's leading economic and social problems. However, such sweeping statements about youths do not differentiate between the diverging outcomes for teenagers and other young adults in the labour market. Deteriorating outcomes for teens in the labour market have not carried over for young adults between 20 and 24 years old, whose integration into the labour market is quite close to their long-term average.<sup>1</sup> The problem of higher youth unemployment is confined to teenagers, which has different social ramifications since the vast majority live at home and attend school. Teenagers no longer benefit from a lower minimum wage rate, which used to recognize the severe restrictions on hiring them, especially young teens. More students today stay active in the labour force even though school constrains their ability to work.

There has been a structural shift in the relationship teenagers have with the labour market, the focus of this short paper. They are less likely both to be in the labour force looking for a job and to be employed. These trends are most accentuated for 15-year olds, whose attachment to the labour force has become so marginal that Statistics Canada should consider following the lead of the US Bureau of Labor Statistics (BLS) and exclude them from the labour force survey. Statistics Canada previously responded to changing societal norms in 1976 when it excluded 14-year olds from the survey.

## Teens in Canada's Labour Market

There has been a long-term withdrawal of teenagers from the labour force, with cyclical ups and downs oscillating around this downward participation trend (see chart 1).

CHART 1 Labour force status of 15–19 year olds, 1976–2012



Source: Statistics Canada, Cansim Table 282-0002

The participation rate (the share active in the labour force) for adolescents hit a record high of 59.2 percent in 1989. However, their participation rate quickly fell to 50 percent during the 1990–1992 recession and stayed below 50 percent until 1998 due to persistently high unemployment for adolescents in the recovery (their unemployment did not peak until 1997, five years after the recession officially ended). Then the adolescent participation rate recovered to 56.0 percent by 2008, when their unemployment rate stood at a 20-year low of 14.8 percent. With the subsequent recession sending teen unemployment to 20.0 percent, their participation rate fell further to 49.8 percent for three consecutive years starting in 2012. The drop was led by 15-year olds, whose labour force participation rate hit a record low of 22.4 percent.

Lower teenage participation in the labour force accompanied a long-term trend to higher unemployment (see chart 2).

**CHART 2 Unemployment among 15–19 year olds, 1976–2012**



Source: Statistics Canada, CANSIM Table 282-0002

Joblessness among teens was not above 16 percent in nearly half the years in the 1970s and 1980s, despite a spike in unemployment around the severe 1981–1982 recession. However, starting in the 1990s, the unemployment rate for teenagers rarely fell below 16 percent, hovering near 20 percent for prolonged periods associated with the recessions that began in 1990 and 2008. The trend to higher unemployment was most evident for 15-year olds, whose unemployment rate has soared above 30 percent.

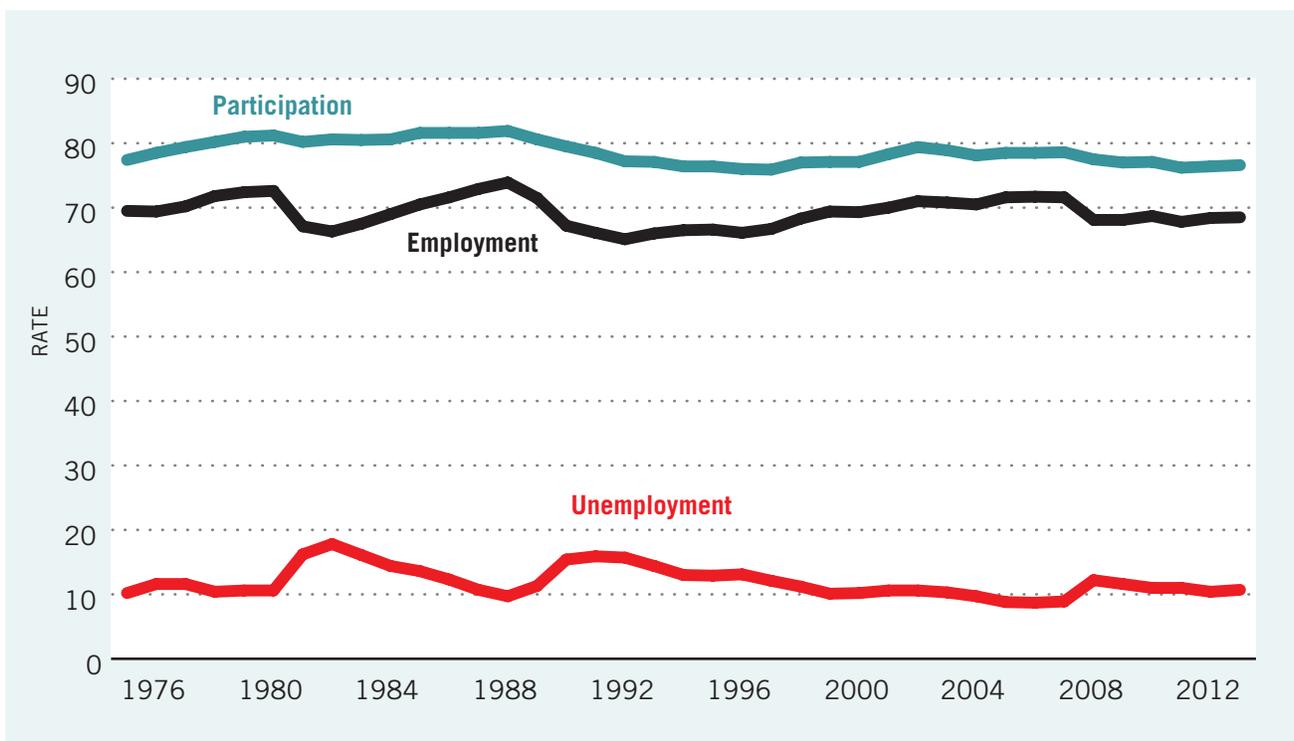
The interaction of persistently high unemployment among teenagers and a lower participation rate has depressed their employment rate (the share of all teenagers holding a job). The employment rate for adolescents peaked at 51.6 percent in 1989, and stood at 47.4 percent on the brink of the 2008 recession. It fell to 40 percent in 2012 and has remained near the lows set when teen joblessness proliferated in the mid-1990s.

# Teens are Not Representative of Other Youths in the Labour Force

The long-term trend of adolescents withdrawing from the labour force, and struggling to find employment when they do participate, cannot be dismissed as symptomatic of a generally weak labour market for youths. Labour market outcomes for young adults, defined as between 20 and 24 years, are in line with their historical averages.

To start, the participation rate for young adults of 76.6 percent in 2014 is quite close to its average of 77.4 percent over the previous two decades (see chart 3).

**CHART 3 Various labour force status of 20–24 year olds, 1976–2012**



Source: Statistics Canada, special tabulation, CANSIM Table 282-0002

One reason they are staying in the labour force is that they have not experienced the higher unemployment felt by teens. Unemployment among young adults was much lower in the last recession than in previous downturns. Joblessness peaked at 12.2 percent in 2008, less than their highs of 17.8 percent in 1983 and 15.9 percent in 1992. By 2014, unemployment for young adults had returned to 10.7 percent, close to their 20-year average of 11.0 percent. With their participation rate and unemployment rate both near historical averages, it follows that the 68.5 percent employment rate for 20-to-24-year olds is almost exactly equal to their average of 68.9 percent over the past two decades.

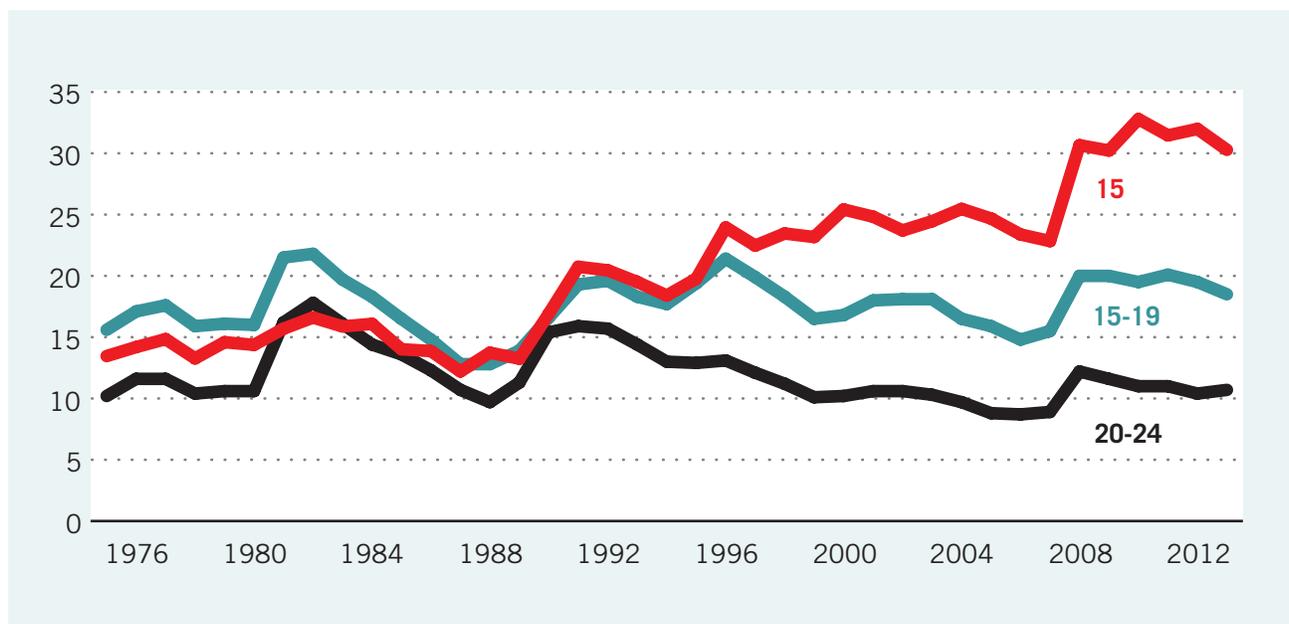
It is important to understand how different labour market conditions are for teenagers and young adults. A deteriorating labour market for teens is driving the weaker results for all youths aged 15 to

24. Commentators such as the University of Ottawa’s Miles Corak, who said poor job prospects are “likely to leave a permanent scar” (quoted in Kirby 2015), imply this trend disadvantages all the 2.9 million youths in the labour force, when it mostly affects the 1 million teenagers between 15 and 19 years. Concern about youth unemployment led the NDP to promise to spend \$200 million to create jobs for youths (CBC News 2015a), while the Liberals promised to spend three times as much (CBC News 2015b). This is an important distinction, since teens are mostly still attending school and being cared for by parents rather than making the transition young adults undertake to full-time careers and independent households.

The social ramifications of youth unemployment have also changed because a growing share of young people are living with their parents. A large majority of teenagers have always lived at home (88 percent in 1981 and 93 percent in 2011 according to Census data). However, young adults 20 to 24 years old increasingly live at home, with the share rising from 41.5 percent in 1981 to 59.3 percent in 2011 (Statistics Canada 2013). Living with their parents provides a safety net for those who are unemployed or studying.

It is not surprising that teens do not fare as well in the labour market as young adults (see chart 4).

**CHART 4 Unemployment rate by age, 1976–2012**



Source: Statistics Canada, special tabulation, CANSIM Table 282-0002

They are still maturing physically and acquiring the knowledge and skills employers seek. As well, there are many regulatory restraints on hiring teenagers, with all provinces restricting both the industries that can employ teens less than 18 years old and the hours they can work.

The large number of regulations governing the employment of young teens explicitly acknowledges they are not ready to be productive full-time members of the labour force. Yet starting in the early 1980s, almost all governments removed the lower minimum wage for teens that took account of their lower productivity “presumably because these could be deemed contrary to the Charter of Rights and Freedoms which prohibits discrimination on the basis of age” according to the federal government. However, Ontario maintains a 65-cent-an-hour discount for teens, showing such concerns were

unfounded and suggesting the policy of a lower minimum wage for teens could be revisited (Labour Program 2015).

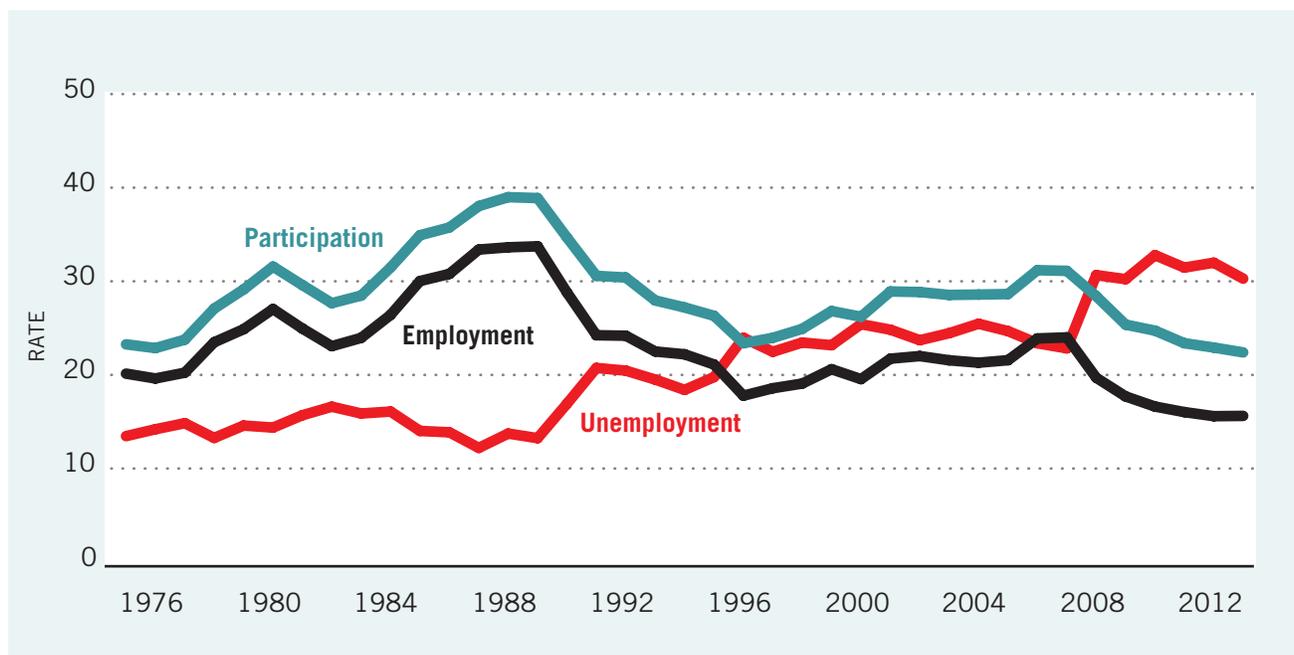
One reason unemployment remains high for youths is that they stay in the labour force while still attending school. Increasingly, students look for work, with their participation rate rising from 32.0 percent in 1976 to 45.3 percent in 2014, led by full-time students. The difficulty of fitting paid work into a full-time student's school schedule is reflected in a higher unemployment rate.

## Labour Market Behaviour of 15-Year Olds Changed After 1990

Up until 1990, including 15-year olds did not materially affect the overall estimates for youth unemployment. This is because the unemployment rate for 15-year olds was quite close to teens between 16 and 19 years old. The unemployment rate for 15-year olds was actually lower than other teens from 1976 to 1988, and even below young adults for three years starting in 1982, a remarkable contrast with recent trends. This anomaly of lower joblessness for 15-year olds than other teenagers appears to reflect that many only participated in the labour force if they were sure of getting a job. As a result of lower participation rates, the increase in the unemployment rate for 15-year olds during the 1981-1982 recession was the smallest of any age group under 65 years old (it rose from 14.4 percent to 16.6 percent). In this respect, their behaviour used to be comparable to workers over 65 years, who until recently left the labour force when unemployment rose.

Since 1990, the labour market behaviour of 15-year olds has changed markedly (see chart 5).

**CHART 5** Various labor force status for 15-year olds, 1976–2012



Source: Statistics Canada, special tabulation, CANSIM Table 282-0002

Their unemployment rate has more than doubled, from 13.2 percent to 30.3 percent. While the largest annual increases occurred during the recession years of 1991 and 2009, their unemployment rate also rose most years when the economy was growing. At the peak of growth in 2008, the 22.8 percent unemployment rate for 15-year olds was higher than during the worst of the recessions in 1982 and 1992. This makes their unemployment rate increasingly atypical of every other group in our society, including other teenagers. For example, the unemployment rate for youths between 16 and

*The unemployment rate of 15-year olds is increasingly atypical of every other group in our society, including other teenagers.*

19 years old jumped to 16.0 percent during the recession in the early 1990s, but then declined steadily to 10.6 percent on the eve of the next recession in 2007.

Faced with persistently high and steadily rising unemployment, it is not surprising that 15-year olds are more reluctant to join the labour force and search for a job. Just before the recession that began in 1990, 39.0 percent of 15-year olds were in the labour force. Their participation rate

fell steadily until 1998, when the brief boom sparked by high-tech apparently induced some to return to the labour force. The participation rate of 15-year olds then hovered around 30 percent until the recession struck in 2008. With their unemployment rate consistently surpassing 30 percent in each of the last six years, the participation rate has fallen steadily in each of the last six years to a record low of 22.4 percent in 2014. The only surprise is that the participation rate of 15-year olds is not lower, given that nearly one-third have been unemployed since 2008. No longer do 15-year olds automatically leave the labour force when faced with joblessness.

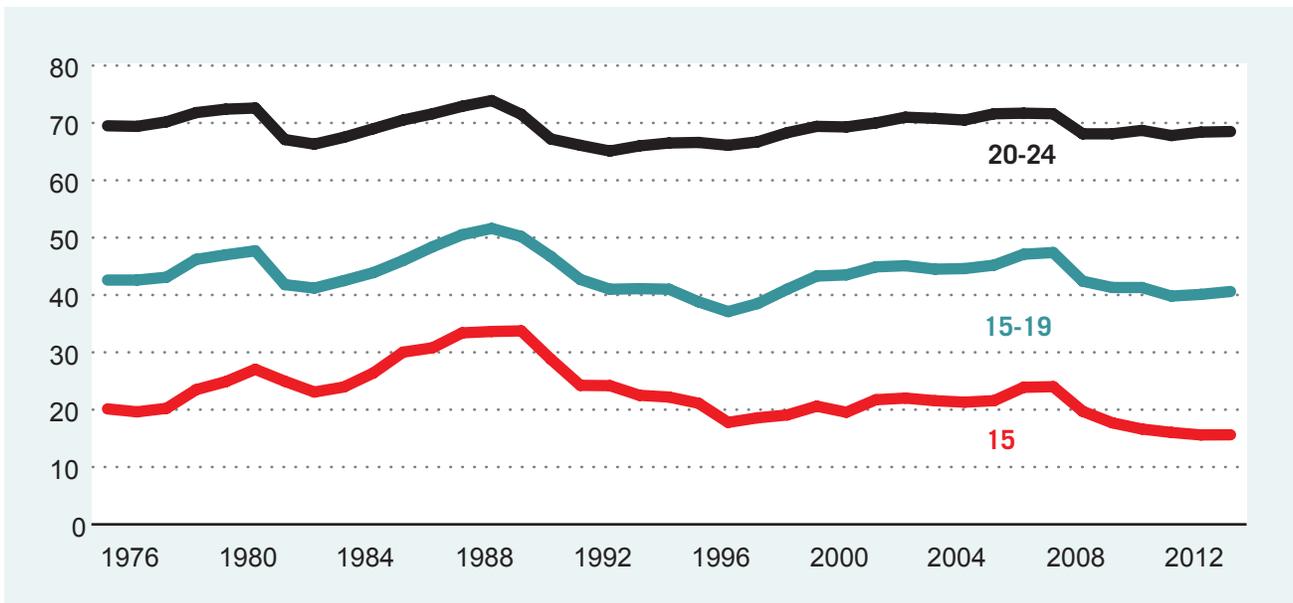
The unemployment rate for 15-year olds is twice as high as their employment rate. A record low of only 15.6 percent of all 15-year olds had a job in 2014, less than half their high of 33.7 percent in 1990. Meanwhile, their unemployment rate has done the opposite, more than doubling from 13.2 percent to 30.3 percent. It is difficult to justify why Statistics Canada goes to the bother and expense of tracking monthly a group with such a marginal attachment to the labour force and so little chance of finding employment.

There is a precedent for Statistics Canada raising the age of youths included in its labour force survey. In the decades after the Second World War, 14-year olds were covered by the survey as it was common for this group to help out with family work, especially on the farm. As fewer people worked on farms and society mandated attending school, it became rare for these youths to be active in the labour force. As a result, starting in 1976 Statistics Canada excluded 14-year olds from its survey of the labour force. As our society continues to evolve, with higher incomes encouraging youths to stay in school rather than look for work, the time has now come for Statistics Canada to again update its conventions by excluding 15-year olds from its labour force survey.

Keeping 15-year olds in the labour force data distorts our assessment of the seriousness of the problem of teenage unemployment. Starting in 1989, 15-year olds started to have slightly higher unemployment than other teens. The initial gap was small, but grew rapidly in the late 1990s when 15-year olds added nearly a full percentage point to teenage unemployment rates. Since then, including 15-year olds inflated youth unemployment by at least a full point in most years, peaking at 1.4 points in 2011 (when the unemployment rate for 15-to-19-year olds was 19.5 percent versus 18.1 percent for teens between 16 and 19 years).

It is not surprising that less than one in five 15-year olds are employed (chart 6).

CHART 6 Employment rate by age, 1976–2012



Source: Statistics Canada, special tabulation, CANSIM Table 282-0002

All jurisdictions in Canada put more severe restrictions on employers hiring 15-year olds than older teenagers. Quebec forbids the employment of teens below 16 years old or those who turn 16 during the school year during school hours. Almost all provinces restrict night work, require adult supervision, and most forbid employment before 18 years of age in mining, forestry, manufacturing, construction, and industries that involve serving alcohol. These restrictions reflect that most jurisdictions mandate that teenagers remain in school at least until they are 16 years old (17 in Ontario). This implies that 15-year olds cannot work full-time and are severely restricted in the part-time work they can accept after school hours.

## Teens Also Leaving the US Labour Force

The withdrawal of adolescents from the labour market is even more pronounced in the US than in Canada. The participation rate of US teenagers in the labour force has fallen over 20 percentage points, from 55 percent in 1989 to 35 percent in 2014 (note that the US survey only covers teens between 16 and 19 years old, as the BLS excludes 15-year olds).<sup>2</sup> A slow, intermittent decline in the 1990s became a steady withdrawal from the labour force after 2000. This is a much faster decline than for Canadian teens between 16 and 19 years (15-year olds are excluded to allow comparability with US data). Canada usually has a higher level of labour force participation as Statistics Canada allows a more passive job search than the BLS, but this should not affect the trend of stable participation rates in Canada compared with declines in the US.

With far fewer US teens actively looking for work, their employment rate plunged from 46.3 percent

in 2000 to 27 percent in 2014, with about half of this decline occurring during the last recession and little recovery since. Teens in Canada were spared such steep losses in the recession, with their employment rate falling from 53 percent to 46 percent (slightly above the lows of 45 percent hit in 1983 and 1993). This is another manifestation of how the 2008–2009 recession caused much deeper and longer-lasting damage in the US labour market than in Canada (Cross 2015).

*The withdrawal of adolescents from the labour market is even more pronounced in the US than in Canada.*

The much larger withdrawal of teens from the labour force in the US did not cap their unemployment rate compared with Canada. Unemployment among teenagers in the US nearly doubled during the recession from 14

percent to 27 percent. Since then unemployment has fallen to 18 percent as teens left the labour force. By comparison, unemployment among teens between 16 and 19 years old in Canada rose from 13.9 percent to 19 percent during the recent recession, easing to 17.4 percent during the recovery (again, unemployment should be higher in Canada because of the broader definition of job search in the labour force survey).

## Conclusion

This study shows that using broad brush strokes to paint a picture of widespread problems for young people in the labour market is misleading. Young adults 20 to 24 years old are integrating into the labour market as well as before the 2008–2009 recession. It is the behaviour and outcomes for teenagers that has changed, notably 15-year olds.

The results of this study support the following policy recommendations:

- First, governments should consider returning to a separate and lower minimum wage for teenagers to address their high unemployment. Failing to account for the lower productivity of teens and the higher cost of regulations on their employment contributes to their chronically higher joblessness.
- Second, Statistics Canada should follow the US Bureau of Labor Statistics in excluding 15-year olds from its labour force survey. And what is true of 15-year olds is increasingly true for all teenagers, with falling participation in the labour force and lower odds of finding a job. These structural forces for teenagers are distorting the overall unemployment numbers, so Statistics Canada should at least make available another supplemental unemployment rate (it publishes eight already) that exclude teenagers between 16 and 19 years old from its calculations.

It has become the accepted wisdom in Canada that this generation of young people has a harder time getting a job than generations past. A closer look at the numbers, however, shows that things have in fact improved slightly for young adults since the “Reality Bites” days of the early 1990s, with unemployment in 2014 at 10.7 percent, just below the 20-year average.

What has changed is that teenagers, particularly 15-year olds, appear to be staying at home and in school in greater numbers than in the past, and have a harder time finding a job. If this is a problem, it is certainly a different one from the problems facing those young adults who are entering the workforce in earnest and preparing for careers, homes, families, and the other challenges of adulthood.

## About the Author



Philip Cross is a Senior Fellow at the Macdonald-Laurier Institute, a non-partisan Ottawa think tank that promotes better public policy. He is also a member of the Business Cycle Dating Committee at the CD Howe Institute. Before that, he spent 36 years at Statistics Canada, the last few as its Chief Economic Analyst. He wrote Statistics Canada's monthly assessment of the economy for years, as well as many feature articles for the *Canadian Economic Observer*.

# References

CBC News. 2015a. “Tom Mulcair Promises \$200M to Boost Youth Employment.” *CBCNews*, September 10. Available at <http://www.cbc.ca/news/politics/canada-election-2015-mulcair-youth-internships-jobs-1.3222513>.

———. 2015b. “Justin Trudeau Lays Out \$1.5B Youth Employment Strategy.” *CBCNews*, September 11. Available at <http://www.cbc.ca/news/politics/canada-election-2015-trudeau-youth-employment-jobs-1.3224237>.

Cross, Philip. 2015. “The Recession’s Impact on Canada’s Labour Market.” *University of Calgary School of Public Policy Research Papers* 8 (28), July.

Kirby, Jason. 2015. “35 Ways to Look at the Economy on Budget Day.” *Macleans*, April 20. Available at <http://www.macleans.ca/economy/economicanalysis/the-charts-every-canadian-should-watch-in-2015/>.

Labour Program. 2015. “Minimum Wage Database Information.” Labour Program, Government of Canada. Available at <http://srv116.services.gc.ca/dimt-wid/sm-mw/intro.aspx?lang+eng>.

Statistics Canada. 2013. “Living Arrangements of Young Adults Aged 20 to 29.” Catalogue 98-312-X-2011003, December. Available at [https://www12.statcan.gc.ca/census-recensement/2011/as-sa/98-312-x/98-312-x2011003\\_3-eng.cfm](https://www12.statcan.gc.ca/census-recensement/2011/as-sa/98-312-x/98-312-x2011003_3-eng.cfm).

———. 2015. *Table 282-0002 – Labour force survey estimates (LFS), by sex and detailed age group, annual (persons unless otherwise noted)*.

# Endnotes

- 1 All data comes from Statistics Canada’s labour force survey. The data are publicly available from Statistics Canada Cansim Table 282-0002. The data for 15 year olds are available on request from the Labour Statistics Division.
- 2 Data for the US is available from the Bureau of Labor Statistics.

CELEBRATING



MLI

# 5 Years of True North in Canadian Public Policy

## Critically Acclaimed, Award-Winning Institute

**The Macdonald-Laurier Institute fills a gap in Canada's democratic infrastructure by focusing our work on the full range of issues that fall under Ottawa's jurisdiction.**

- The Macdonald-Laurier Institute fills a gap in Canada's democratic infrastructure by focusing our work on the full range of issues that fall under Ottawa's jurisdiction.
- One of the top three new think tanks in the world according to the University of Pennsylvania.
- Cited by five present and former Canadian Prime Ministers, as well as by David Cameron, the British Prime Minister.
- First book, *The Canadian Century: Moving out of America's Shadow*, won the Sir Antony Fisher International Memorial Award in 2011.
- *Hill Times* says Brian Lee Crowley is one of the 100 most influential people in Ottawa.
- The *Wall Street Journal*, the *Economist*, the *Globe and Mail*, the *National Post* and many other leading national and international publications have quoted the Institute's work.



"The study by Brian Lee Crowley and Ken Coates is a 'home run'. The analysis by Douglas Bland will make many uncomfortable but it is a wake up call that must be read."

FORMER CANADIAN PRIME MINISTER PAUL MARTIN ON MLI'S PROJECT ON ABORIGINAL PEOPLE AND THE NATURAL RESOURCE ECONOMY.

## Ideas Change the World

Independent and non-partisan, the Macdonald-Laurier Institute is increasingly recognized as the thought leader on national issues in Canada, prodding governments, opinion leaders and the general public to accept nothing but the very best public policy solutions for the challenges Canada faces.



# About the Macdonald-Laurier Institute

## What Do We Do?

**When you change how people think, you change what they want and how they act.** That is why thought leadership is essential in every field. At MLI, we strip away the complexity that makes policy issues unintelligible and present them in a way that leads to action, to better quality policy decisions, to more effective government, and to a more focused pursuit of the national interest of all Canadians. MLI is the only non-partisan, independent national public policy think tank based in Ottawa that focuses on the full range of issues that fall under the jurisdiction of the federal government.

## What Is in a Name?

**The Macdonald-Laurier Institute exists not merely to burnish the splendid legacy of two towering figures in Canadian history – Sir John A. Macdonald and Sir Wilfrid Laurier – but to renew that legacy.** A Tory and a Grit, an English speaker and a French speaker – these two men represent the very best of Canada's fine political tradition. As prime minister, each championed the values that led to Canada assuming her place as one of the world's leading democracies.

We will continue to vigorously uphold these values, the cornerstones of our nation.



## Working for a Better Canada

**Good policy doesn't just happen; it requires good ideas, hard work, and being in the right place at the right time.** In other words, it requires MLI.

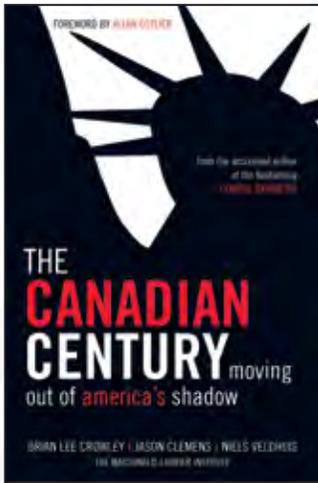
We pride ourselves on independence, and accept no funding from the government for our research. If you value our work and if you believe in the possibility of a better Canada, consider making a tax-deductible donation. The Macdonald-Laurier Institute is a registered charity.

## Our Issues

**The Institute undertakes an impressive programme of thought leadership on public policy. Some of the issues we have tackled recently include:**

- Aboriginal people and the management of our natural resources;
- Getting the most out of our petroleum resources;
- Ensuring students have the skills employers need;
- Controlling government debt at all levels;
- The vulnerability of Canada's critical infrastructure;
- Ottawa's regulation of foreign investment; and
- How to fix Canadian health care.

# Macdonald-Laurier Institute Publications

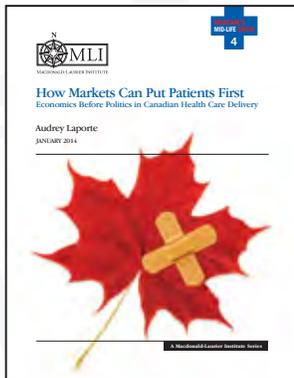


Winner of the Sir Antony Fisher International Memorial Award BEST THINK TANK BOOK IN 2011, as awarded by the Atlas Economic Research Foundation.

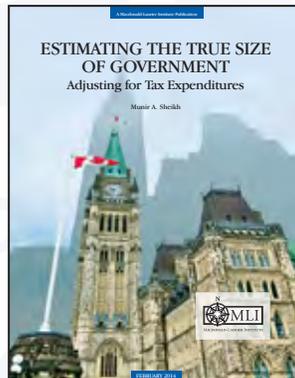
**The Canadian Century**  
By Brian Lee Crowley,  
Jason Clemens, and Niels Veldhuis

Do you want to be first to hear about new policy initiatives? Get the inside scoop on upcoming events? Visit our website [www.MacdonaldLaurier.ca](http://www.MacdonaldLaurier.ca) and sign up for our newsletter.

## RESEARCH PAPERS



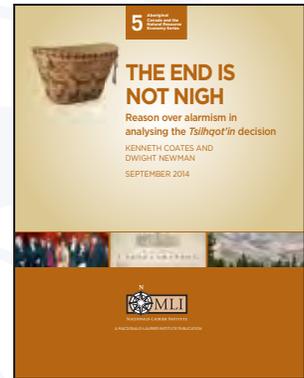
**How Markets Can Put Patients First**  
Audrey Laporte



**Estimating the True Size of Government**  
Munir A. Sheikh



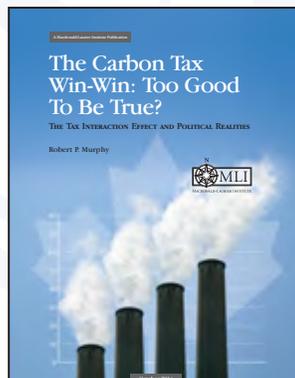
**A Defence of Mandatory Minimum Sentences**  
Lincoln Caylor and Gannon G. Beaulne



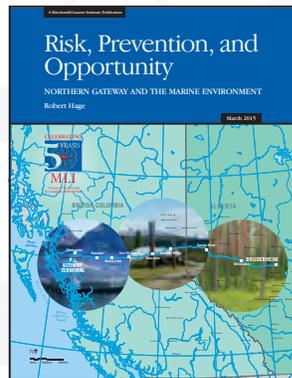
**The Rule and Role of Law**  
Dwight Newman



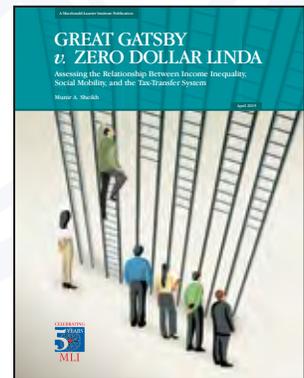
**Sharing the Wealth**  
Kenneth S. Coates



**The Carbon Tax Win-Win: Too Good to be True**  
Robert P. Murphy



**Risk, Prevention and Opportunity: Northern Gateway and the Marine Environment**  
Robert Hage



**Great Gatsby v. Zero Dollar Linda**  
Munir A. Sheikh

CELEBRATING



MLI

*5 years of True North in Canadian Public Policy*

---

**CONTACT US:** Macdonald-Laurier Institute  
8 York Street, Suite 200  
Ottawa, Ontario, Canada K1N 5S6

**TELEPHONE:** (613) 482-8327

**WEBSITE:** [www.MacdonaldLaurier.ca](http://www.MacdonaldLaurier.ca)

**CONNECT  
WITH US:**



@MLInstitute



[www.facebook.com/  
MacdonaldLaurierInstitute](http://www.facebook.com/MacdonaldLaurierInstitute)



[www.youtube.com/  
MLInstitute](http://www.youtube.com/MLInstitute)

---

## What people are saying about the Macdonald- Laurier Institute

---

*In five short years, the institute has established itself as a steady source of high-quality research and thoughtful policy analysis here in our nation's capital. Inspired by Canada's deep-rooted intellectual tradition of ordered liberty – as exemplified by Macdonald and Laurier – the institute is making unique contributions to federal public policy and discourse. Please accept my best wishes for a memorable anniversary celebration and continued success.*

THE RT. HON. STEPHEN HARPER,  
PRIME MINISTER OF CANADA

---

*The Macdonald-Laurier Institute is an important source of fact and opinion for so many, including me. Everything they tackle is accomplished in great depth and furthers the public policy debate in Canada. Happy Anniversary, this is but the beginning.*

THE RIGHT HONOURABLE PAUL MARTIN

---

*In its mere five years of existence, the Macdonald-Laurier Institute, under the erudite Brian Lee Crowley's vibrant leadership, has, through its various publications and public events, forged a reputation for brilliance and originality in areas of vital concern to Canadians: from all aspects of the economy to health care reform, aboriginal affairs, justice, and national security.*

BARBARA KAY, NATIONAL POST COLUMNIST

---

*Intelligent and informed debate contributes to a stronger, healthier and more competitive Canadian society. In five short years the Macdonald-Laurier Institute has emerged as a significant and respected voice in the shaping of public policy. On a wide range of issues important to our country's future, Brian Lee Crowley and his team are making a difference.*

JOHN MANLEY, CEO COUNCIL

---