

Confronting Canada's Literacy "Problem": New Insights from the Data Front

T. Scott Murray
dataangel@mac.com



What is needed to fix Canada's literacy "problem":

- **A unifying theme**
- **Debunking some very durable myths**
- **An \$6.4B investment by government**
- **A reduction in the proportion of secondary leavers with low literacy skills**
- **An efficient and effective adult literacy industry**
- **Policies to increase the demand for literacy skill**
- **Political courage**

A unifying theme:

- **Key message: Helping Canadians realize their full economic potential**
- **Rationale: Literacy is a tool that one needs to compete in the emerging global knowledge economy, one that 48% of adult Canadians do not possess**
- **Negative message: If we don't confront the issue we will pay an serious economic price**

Myth: Our literacy levels are as good as our competitors

- **Reality: Our average skill level is lower and we have larger proportions of adults with low skills than many of our competitors**

Myth: Our literacy levels are good enough to support our social and economic objectives

- **Reality: because we live by trade remaining competitive requires much higher levels of skills**
- **Profound changes in the global economy and the global supply of skill imply a need to turn to skills for productivity growth**

Myth: Literacy doesn't influence individual outcomes

- **Reality: literacy is the single most important determinant of valued individual outcomes**
 - **It explains 33% of explained wage variance**
 - **It influences health status**
 - **It influences access to educational opportunity**
 - **It influences the level of social engagement**

Myth: Literacy doesn't influence macro-economic performance

- **Reality: Literacy is the single most important determinant of macro-economic performance**
 - **Differences in average literacy explain over 55% of differences in the long term growth rate of GDP in the world's richest economies**
 - **Higher proportions of adults with Level 1 skills inhibit growth**
 - **These growth effects are independent of the strong positive impact of post-secondary participation upon growth**

Myth: There is no role for government in fixing the problem

- **Reality: only government has the tools to overcome the failure of the literacy market**
 - **Individuals do not appreciate that their skills are inadequate**
 - **Firms are unwilling to invest in literacy upgrading**

Myth: The issue is illiteracy

- **Reality: there are 6 different types of English literacy “problem” in Canada**
 - **Older male drop outs: 240,000/74 points/375 hours/\$2878 per student**
 - **Immigrant women with low levels of education: 279,000/100 points/375 hours/\$3020 per student**
 - **Men with only high school education: 350 hours: 48,000/82 points/\$2635 per student**
 - **Educated immigrant women: 430,000/71 points/350 hours/\$2777 per student**

Myth: The issue is illiteracy

- Adults with minor problems in decoding and comprehension: 1,914,000/42 points/75 hours/\$341 per student**
- Adults with no problems with the mechanics of reading (decoding or comprehension) but unable to master the Level 3 tasks that dominate jobs:3,161,000/16 points/40 hours/\$229 per student**

Myth: the cost of confronting the literacy problem is too large:

- **Reality: Raising all groups to Level 3 would cost an estimated \$6.4 billion**

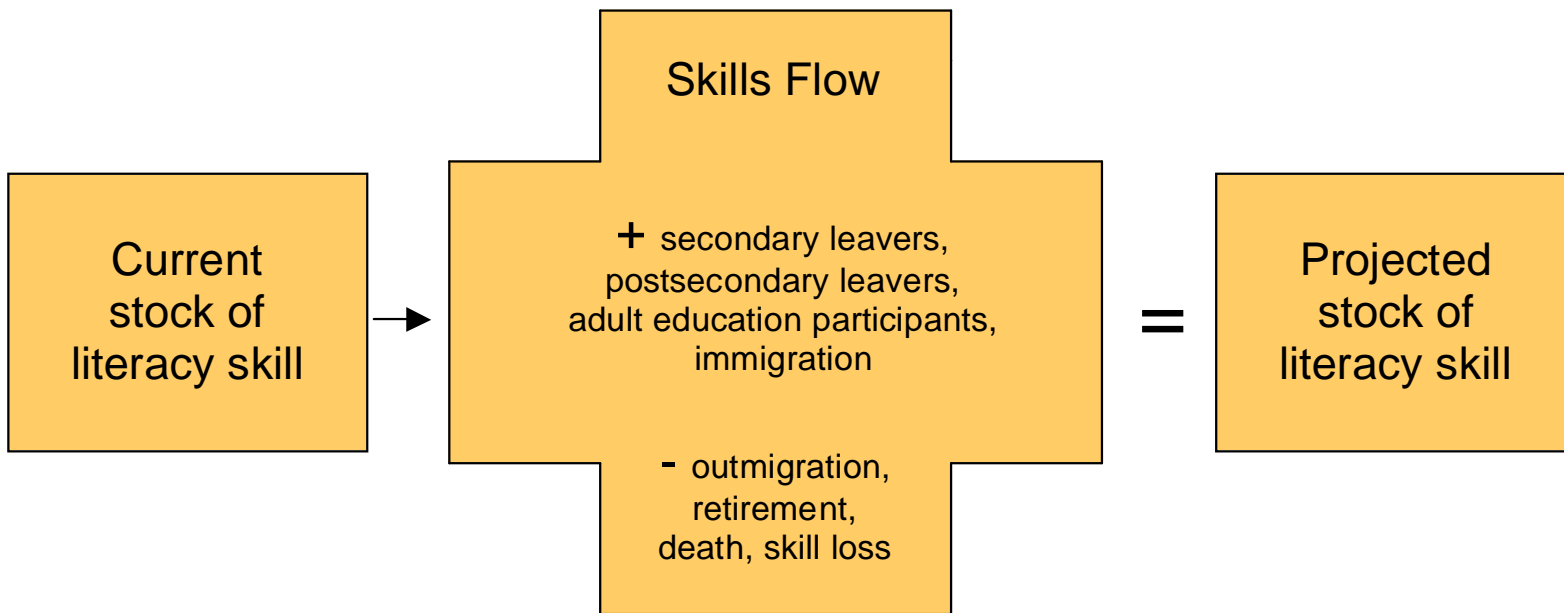
Myth: A literacy investment of this magnitude makes no economic sense

- **Reality: a \$6.4B investment would yield at least a 251% return on investment if the economy could absorb all the new skills**
- **Reality: assuming that the economy is only able to absorb new skill at the rate it has over the past 50 years such an investment would yield an 83% return**

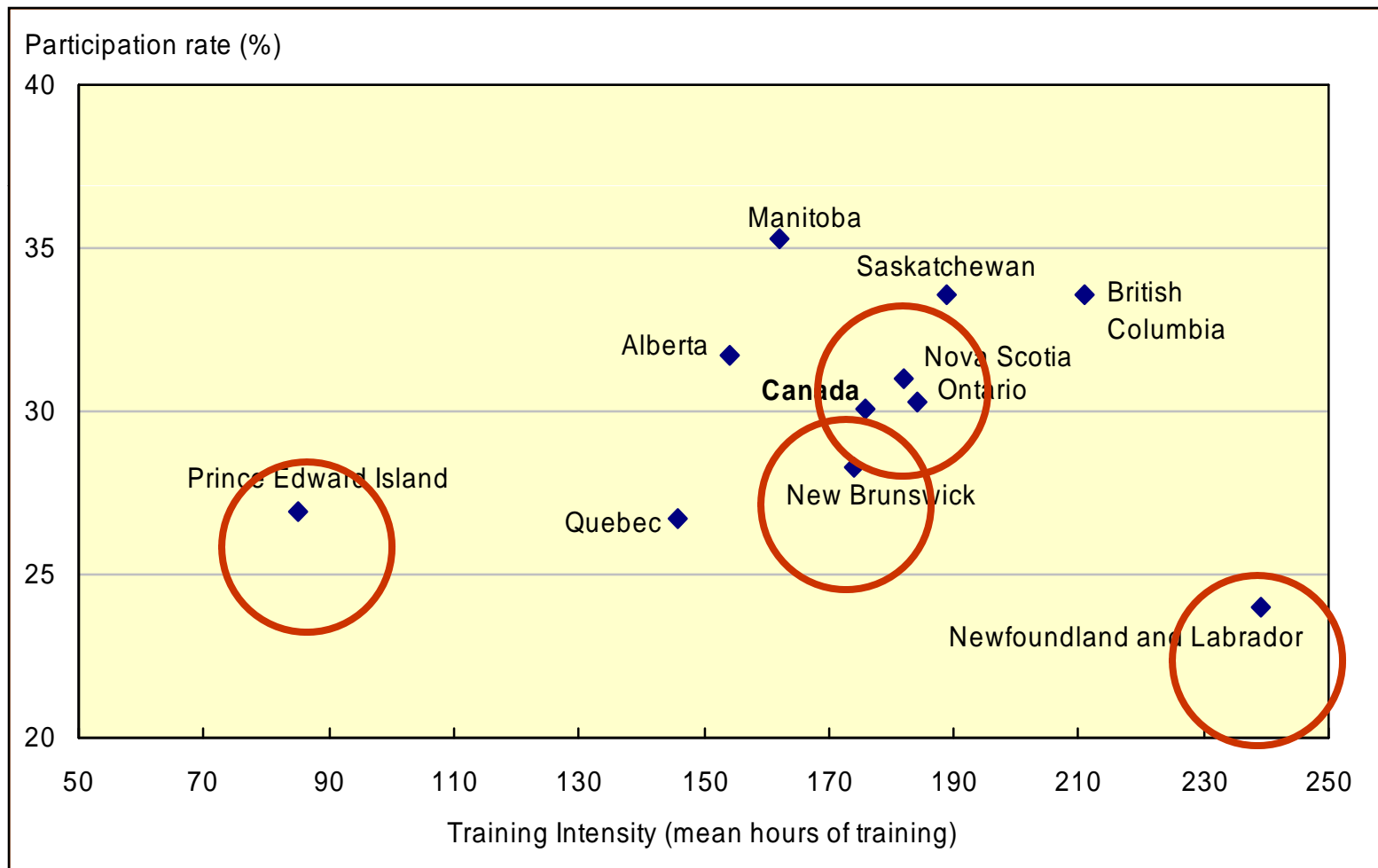
Myth: Improving the quality of primary and secondary education will be enough to solve the problem

- **Reality: youth cohorts are so small that they will have little impact on the quality of the literacy skill supply over the medium term - so small in fact that at current rates of investment the proportion of low skilled adults remains the same out to 2031**

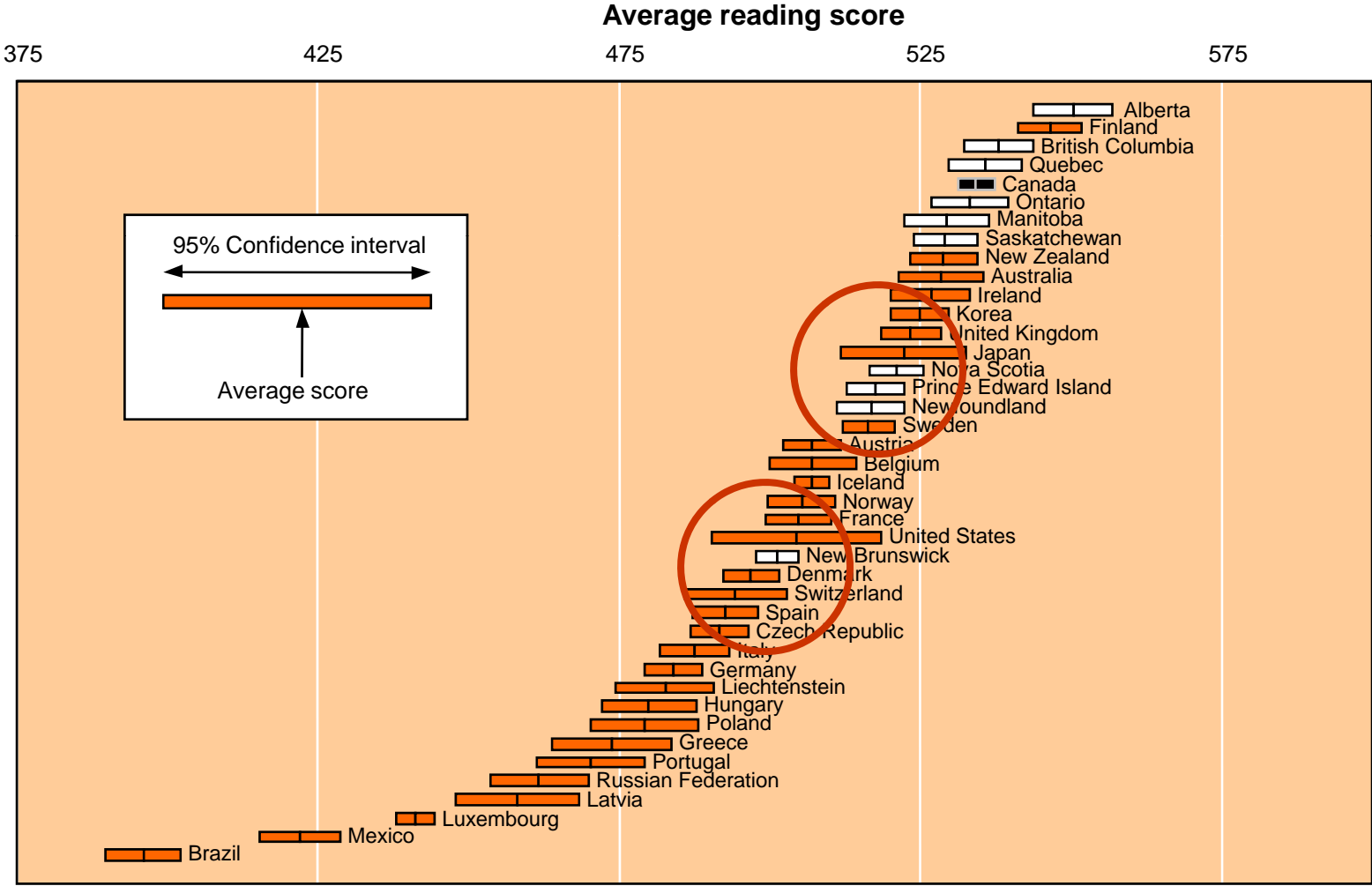
The evolution of skill supply: understanding the flows



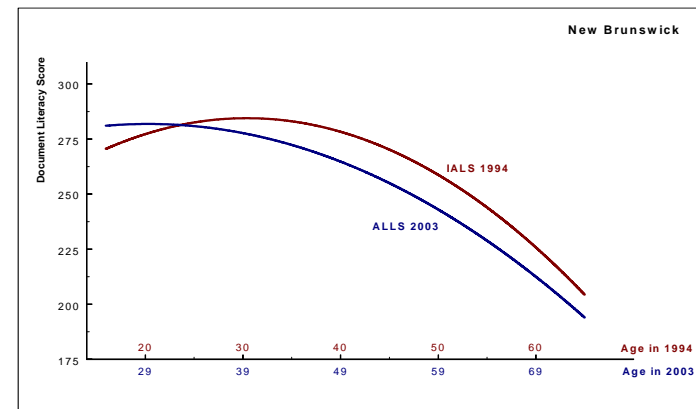
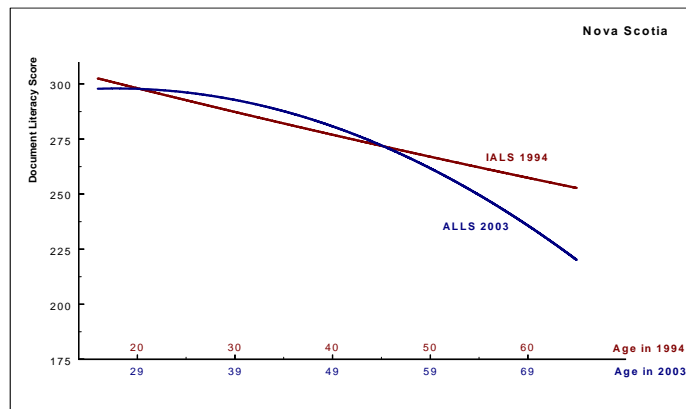
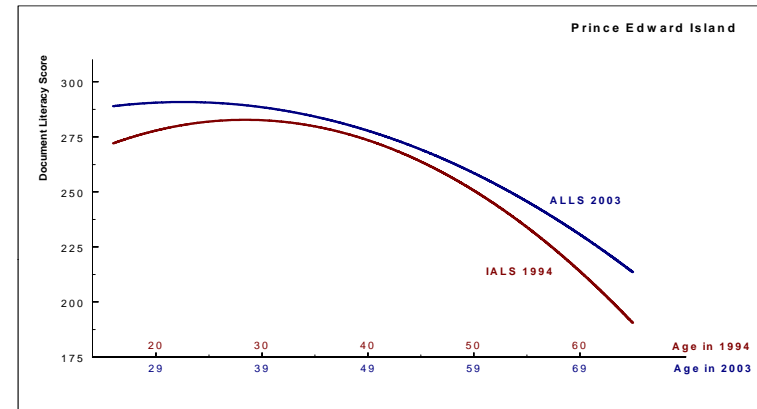
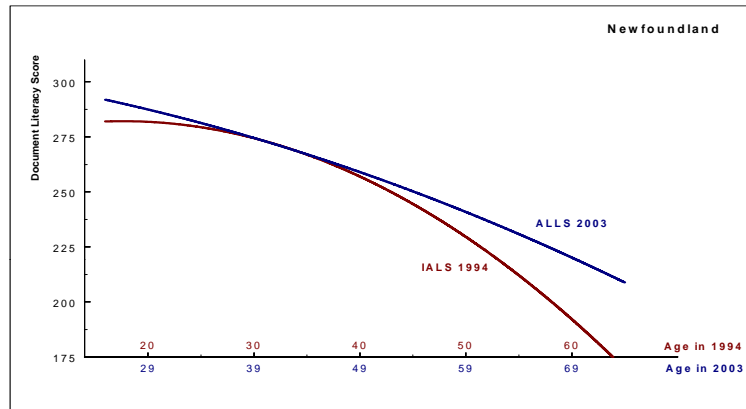
Skill gain from adult education and training will be modest in the Atlantic provinces:



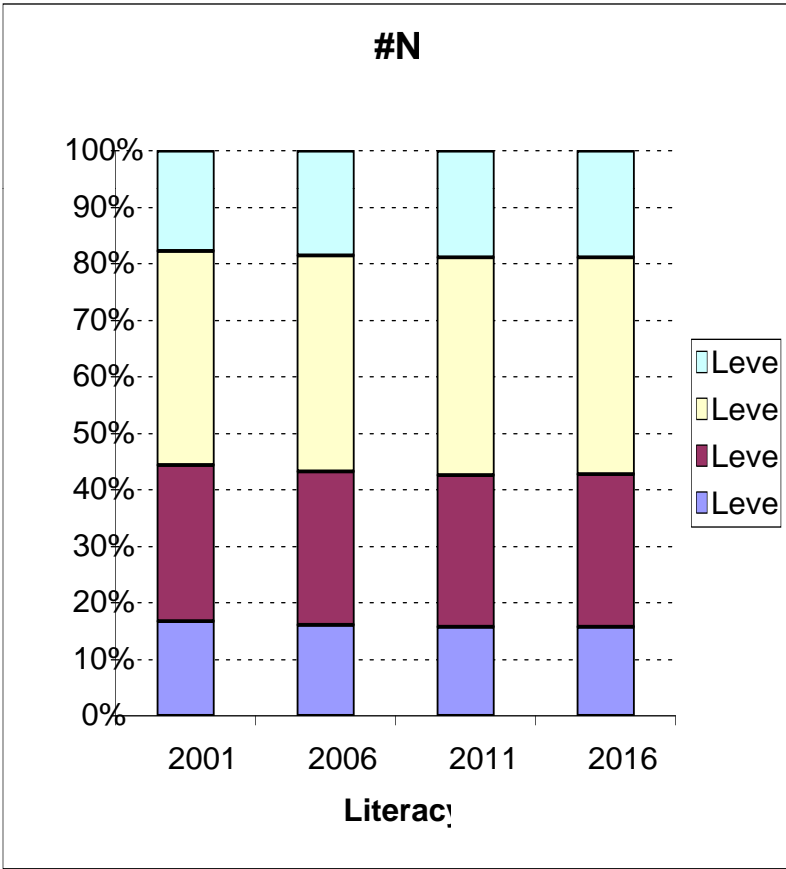
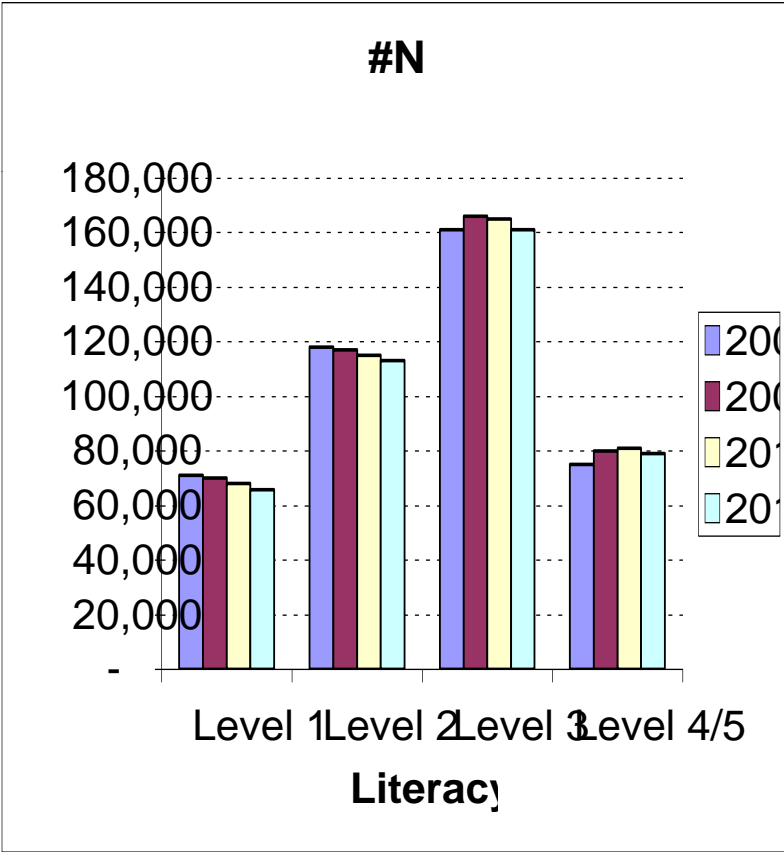
Skill gain from secondary leavers is relatively low in the Atlantic provinces:



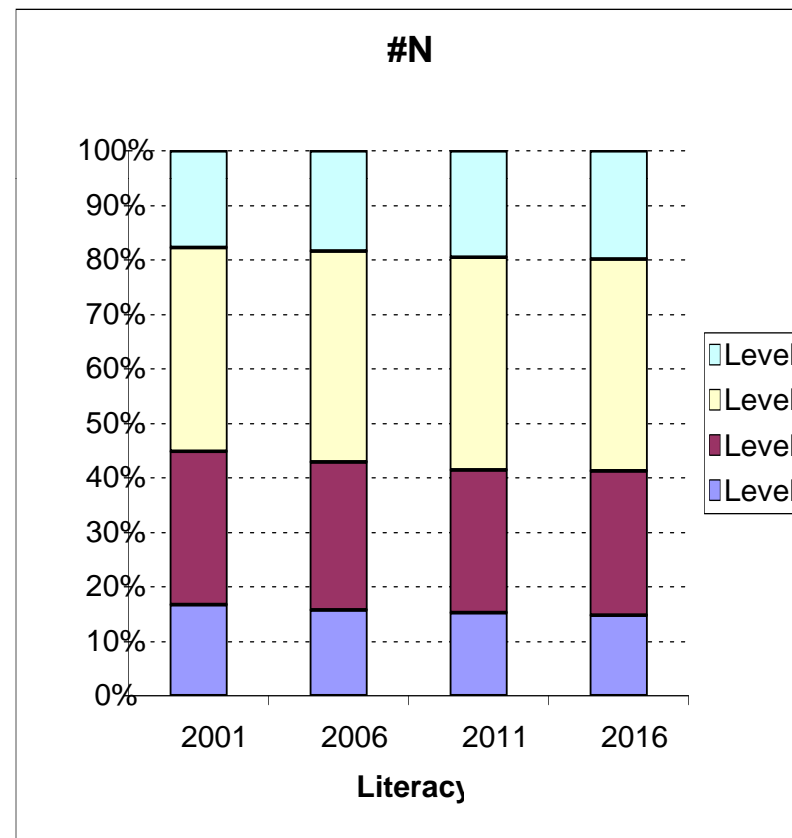
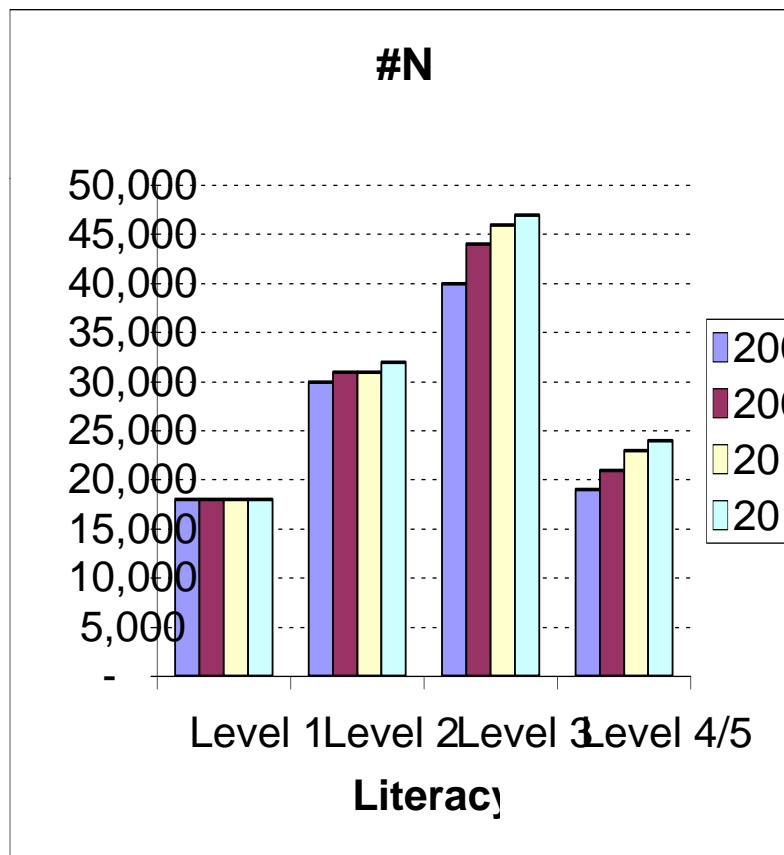
Skill loss is only evident in New Brunswick:



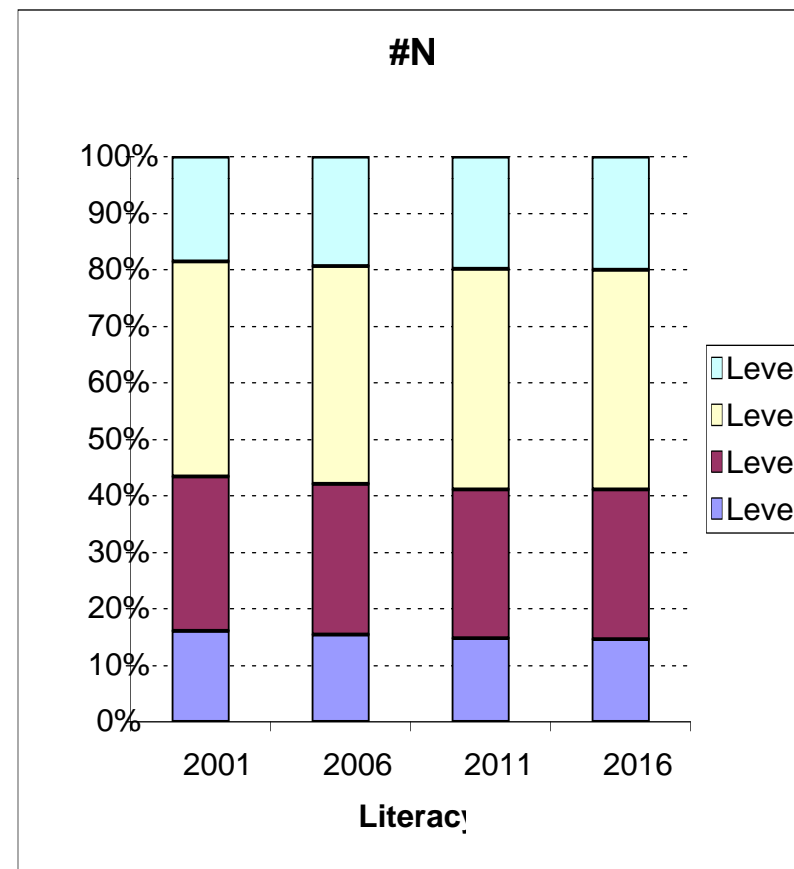
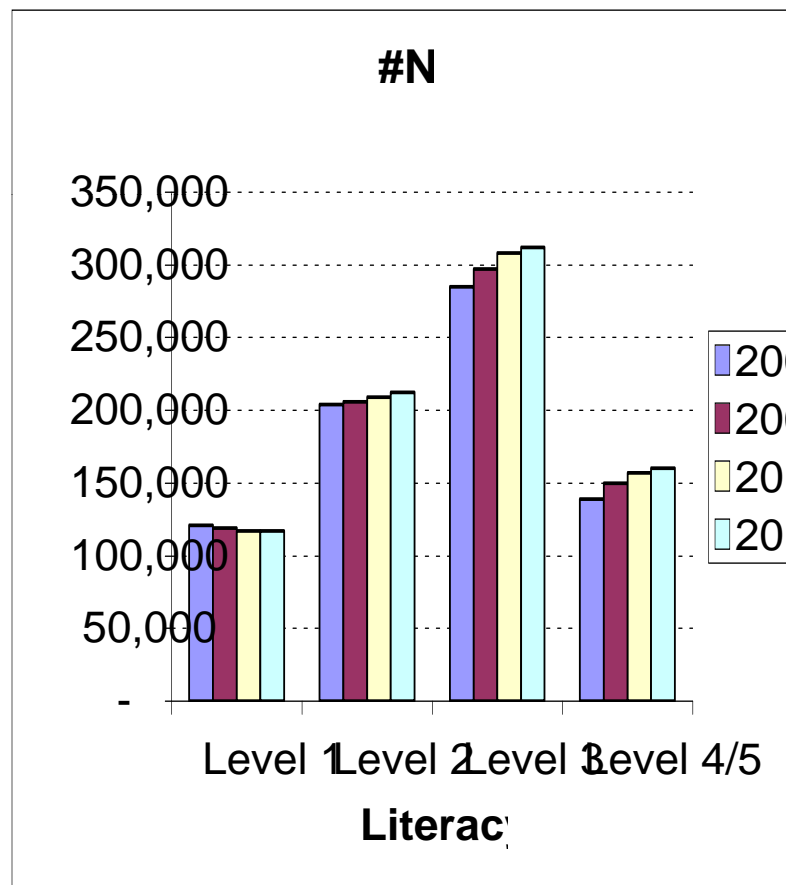
Newfoundland: Numbers and proportions below Level 3 marginally smaller:



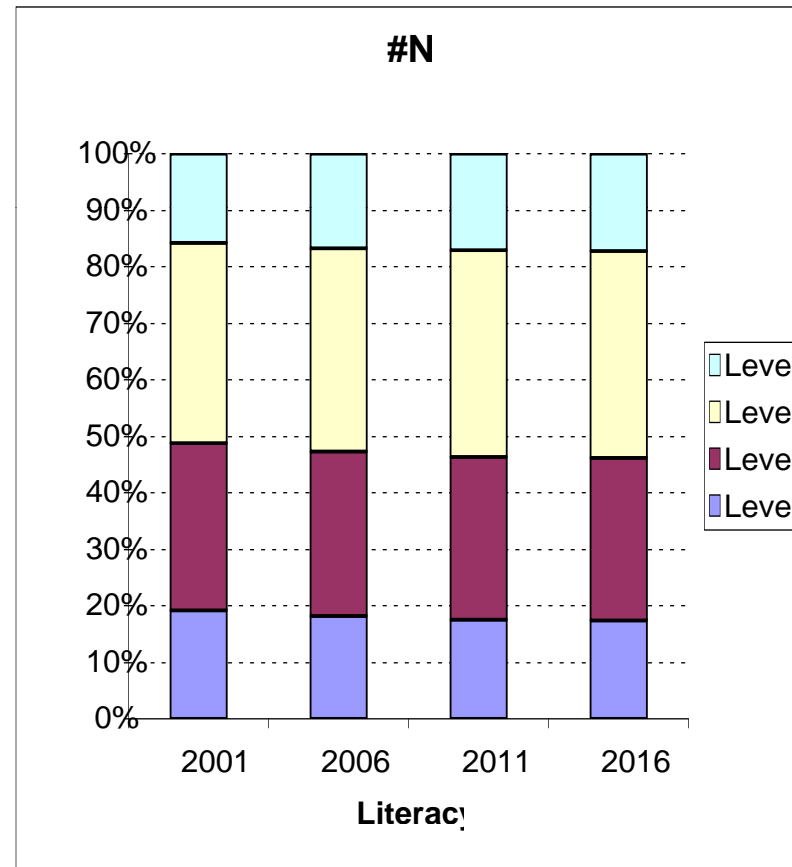
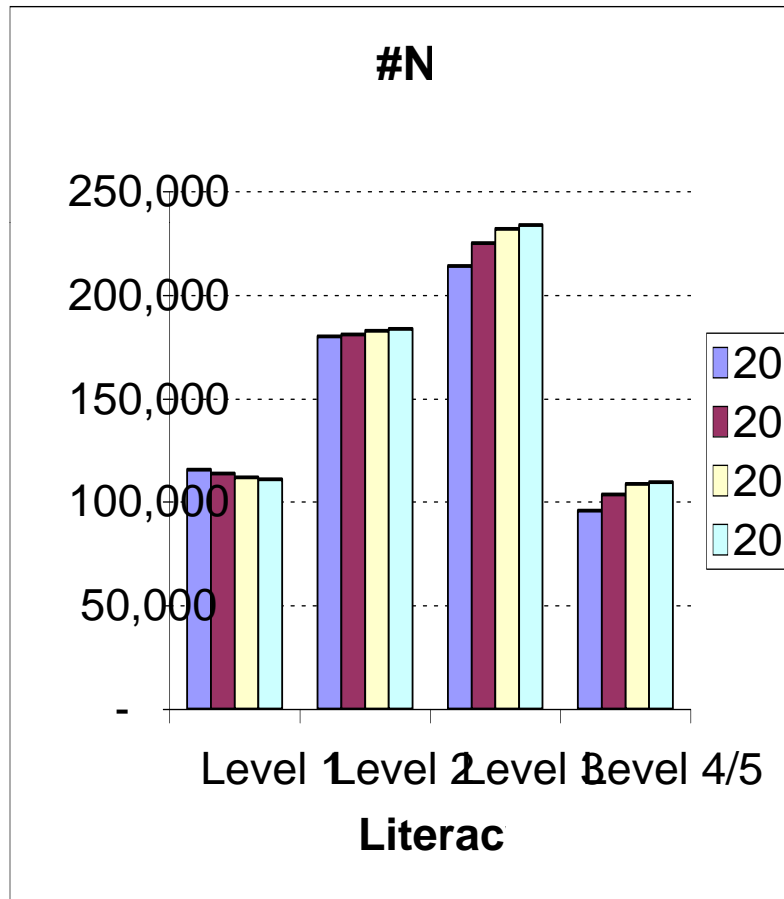
PEI: Numbers below Level 3 marginally larger, proportion marginally smaller:



Nova Scotia: Numbers below Level 3 marginally larger, proportion slightly smaller:



New Brunswick: Numbers below Level 3 marginally larger, proportion marginally smaller:



What it will take to get government to invest:

- **Some options for diverting existing expenditures on passive income support and employment creation to skill enhancement**
- **A clear sense of the cost of doing nothing**
- **Assurance that the system has the capacity to deliver**
- **A way to monitor progress**

Political courage:

- **Leadership**
- **Seeing beyond the urgent to the important**
- **Resisting some of the competing interests**

A political rallying cry:

- **A minimum skill guarantee to ensure that all Canadian's can realize their full potential**