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# Canada & Alberta Essential Skills Challenge

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Our mission: Dedicated to building a better future for Canadians by making our economy and society more dynamic and competitive

Our work: Empowers Canadians and decision makers with key insights and knowledge in three key areas:

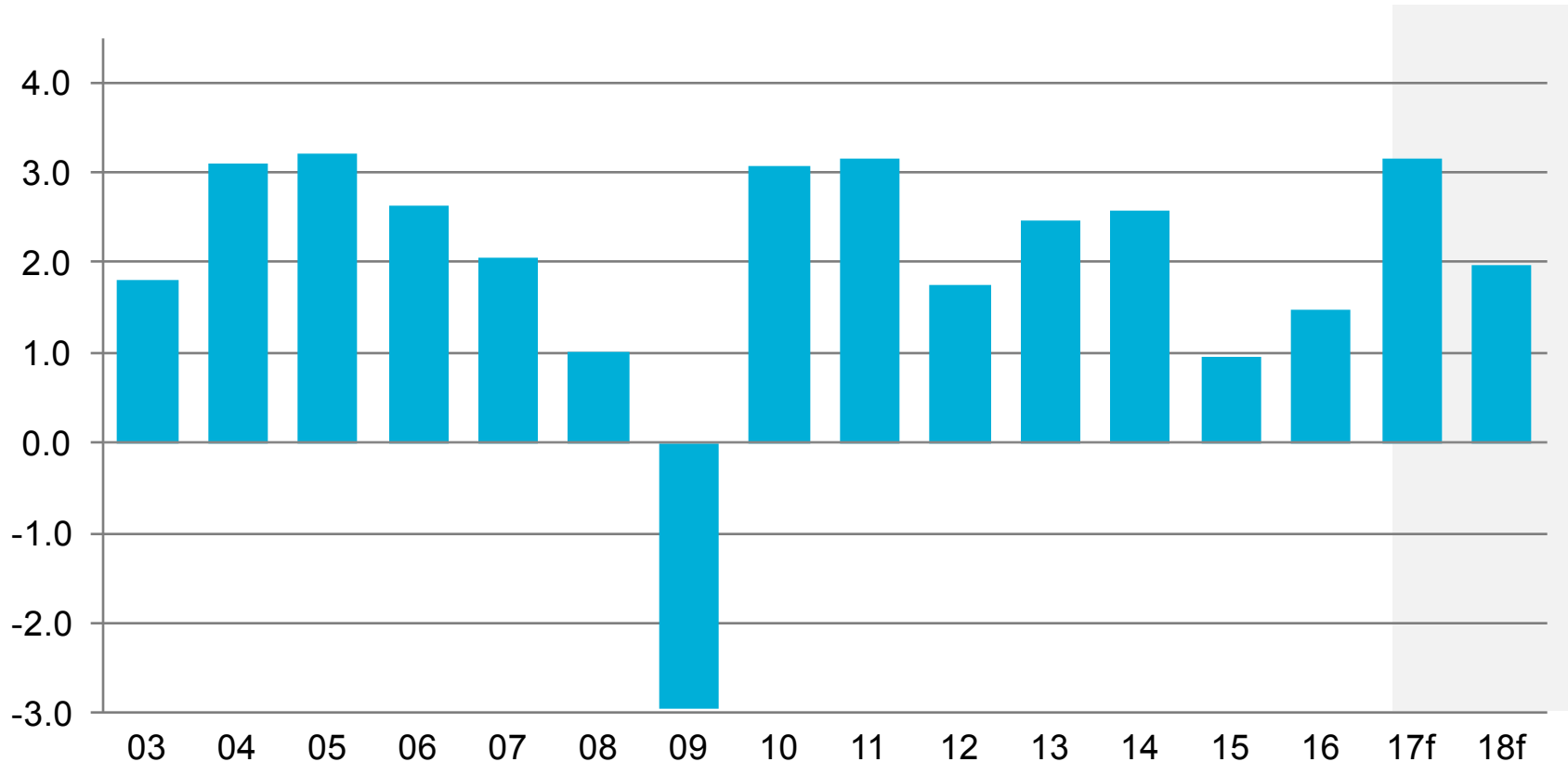
Economic analysis and forecasting

Industrial strategy and public policy

Organizational performance

# Canadian Economy Rebounding From Commodity Shock

Canada real GDP, per cent change



Sources: Statistics Canada; The Conference Board of Canada.

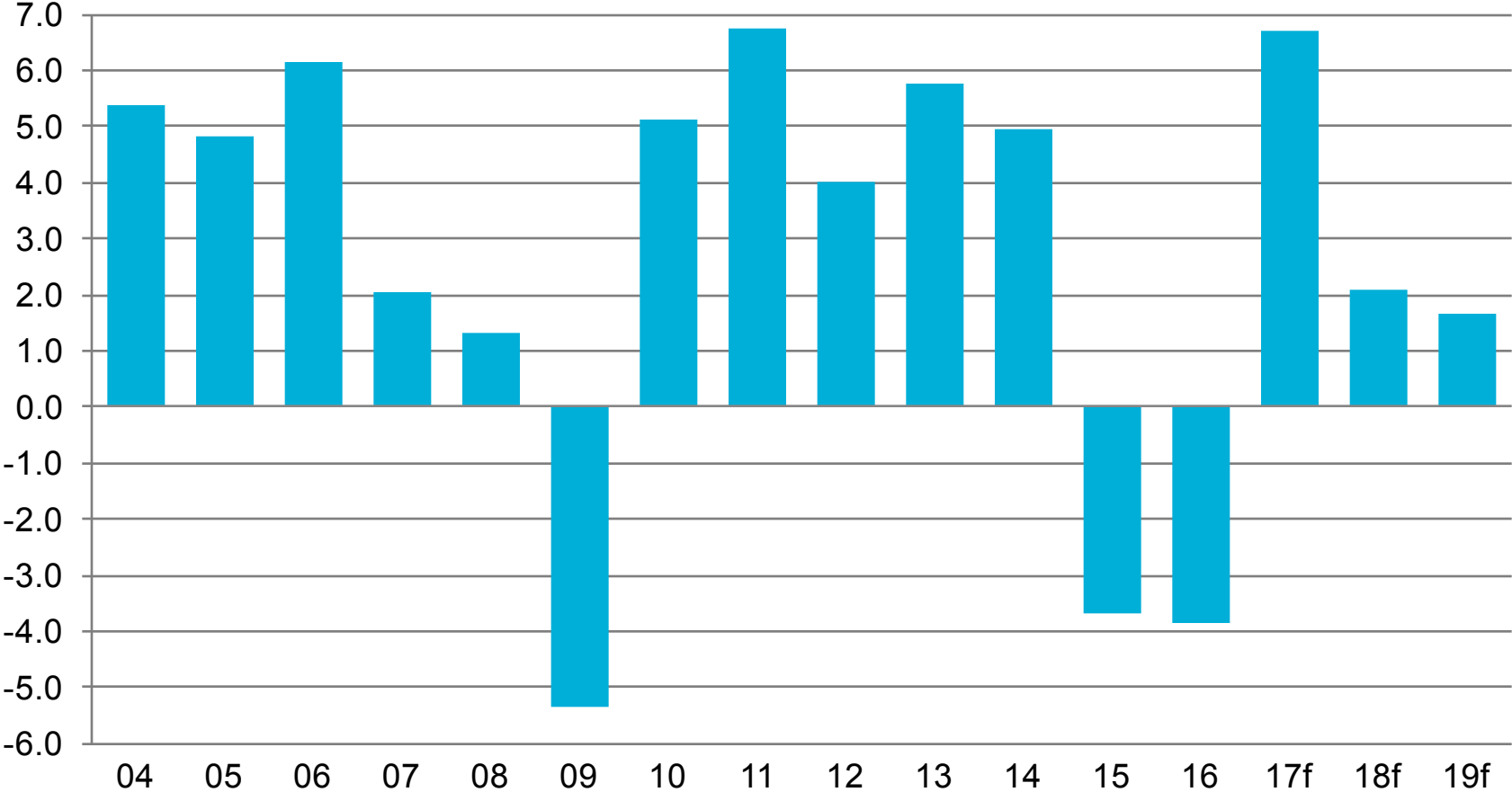


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# Alberta's Economic Recovery Underway

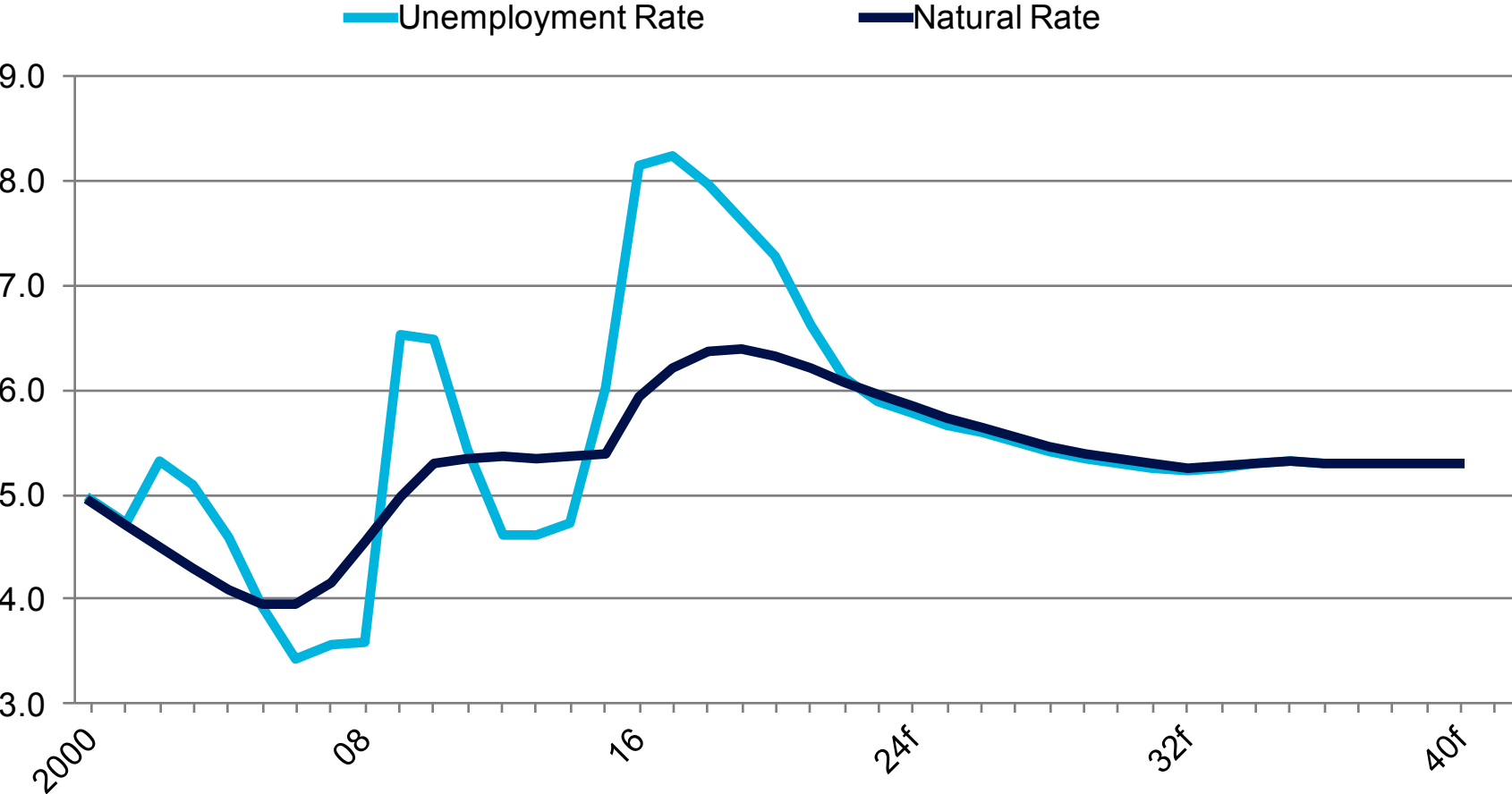
Real GDP growth per cent change



Sources: Bureau of Economic Analysis The Conference Board of Canada.

# Alberta Labour Markets Tightening

per cent



Sources: Statistics Canada; The Conference Board of Canada.

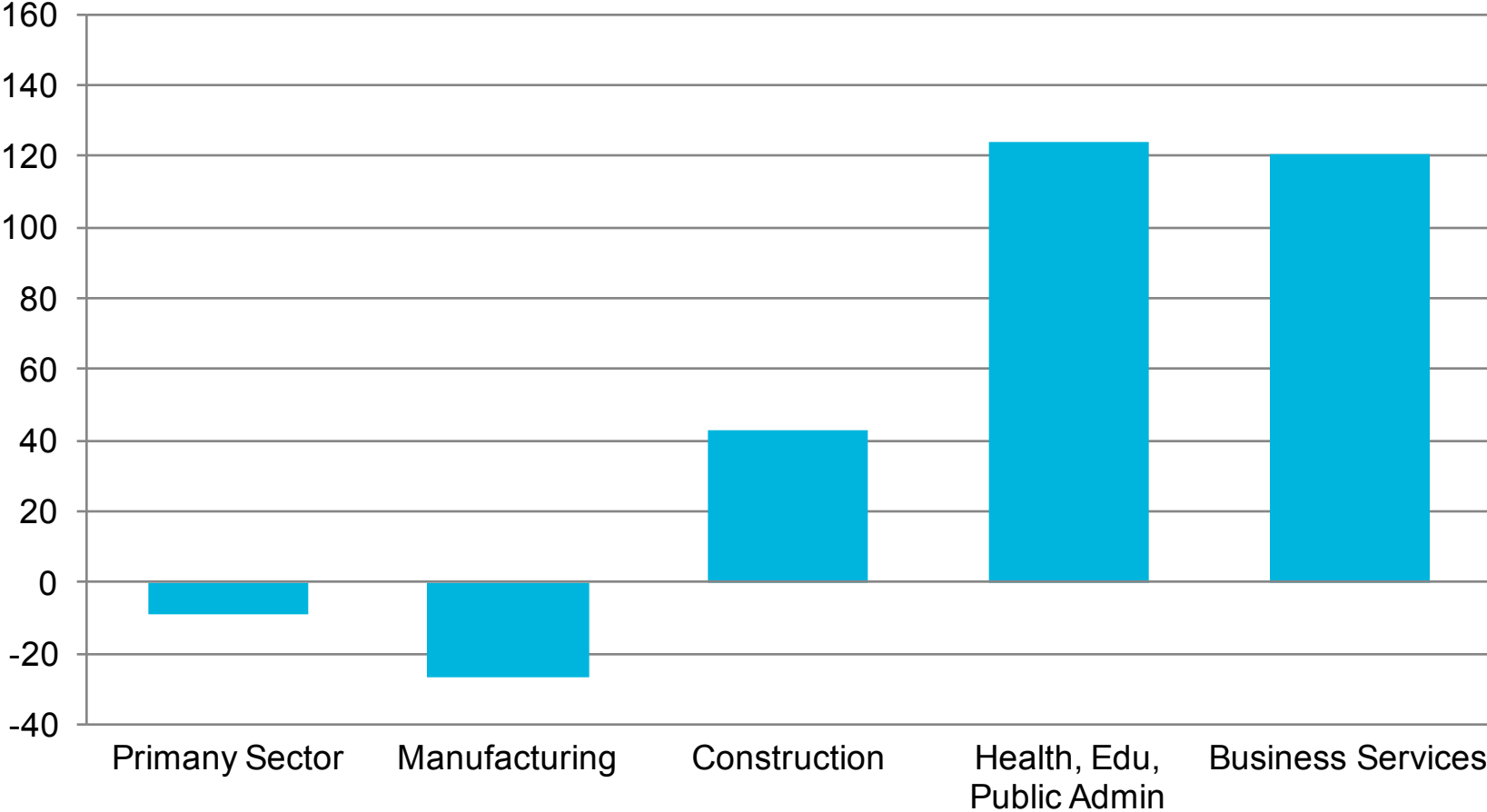
# Labour Markets are Being Transformed

- Globalization
- Technical Change
- Leading to Shifts in Labour Demand
  - Deindustrialization
  - Decline in unionization
  - Increase in high skill jobs, decrease in middle skill jobs
- Aging Demographics
- Urbanization
- Climate Change



# Alberta's Employment Gains 2007 to 2017

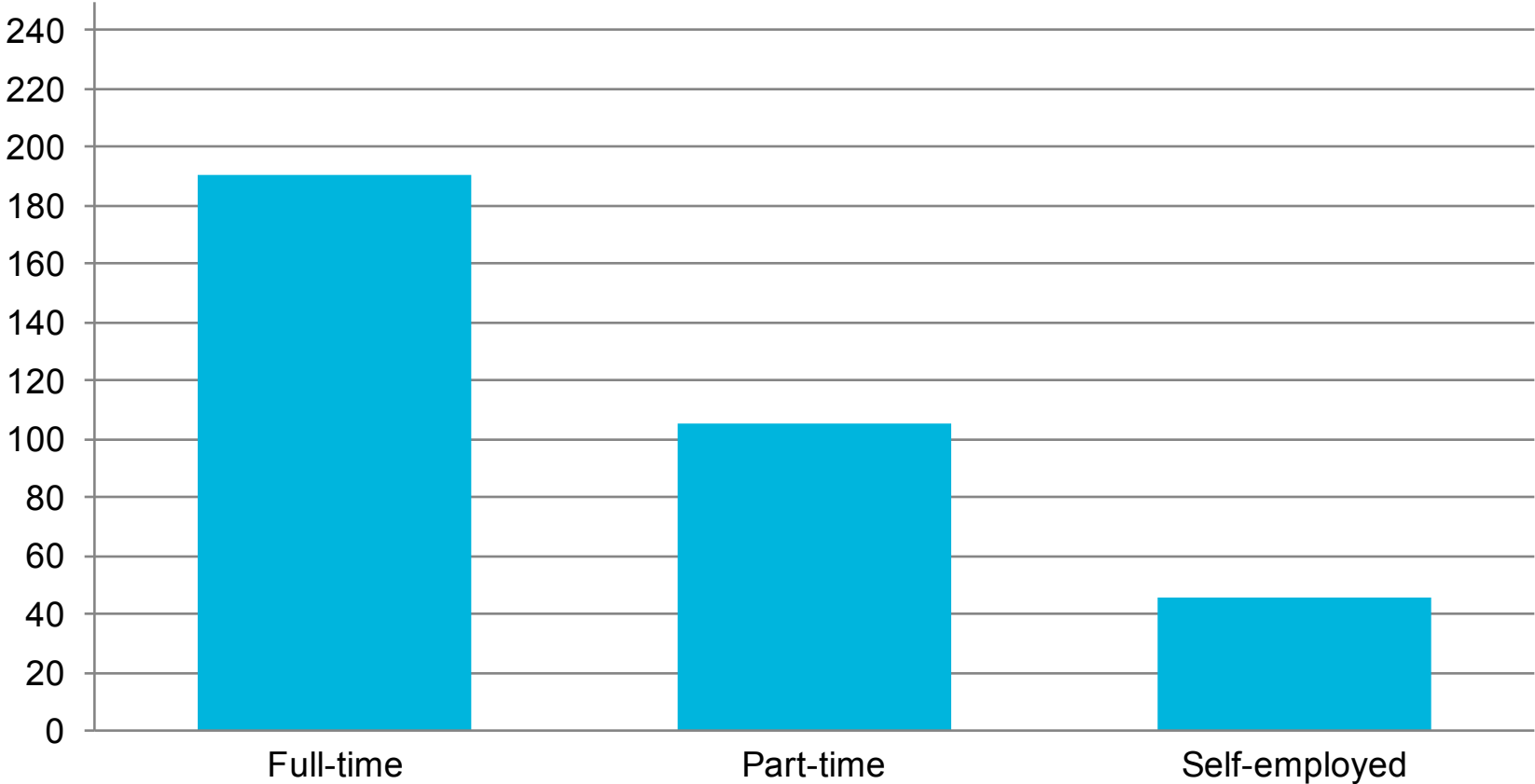
level change in 000's by industry



Sources: Statistics Canada; The Conference Board of Canada.

# Alberta's Employment Gains 2007 to 2017

level change in 000's by tenure

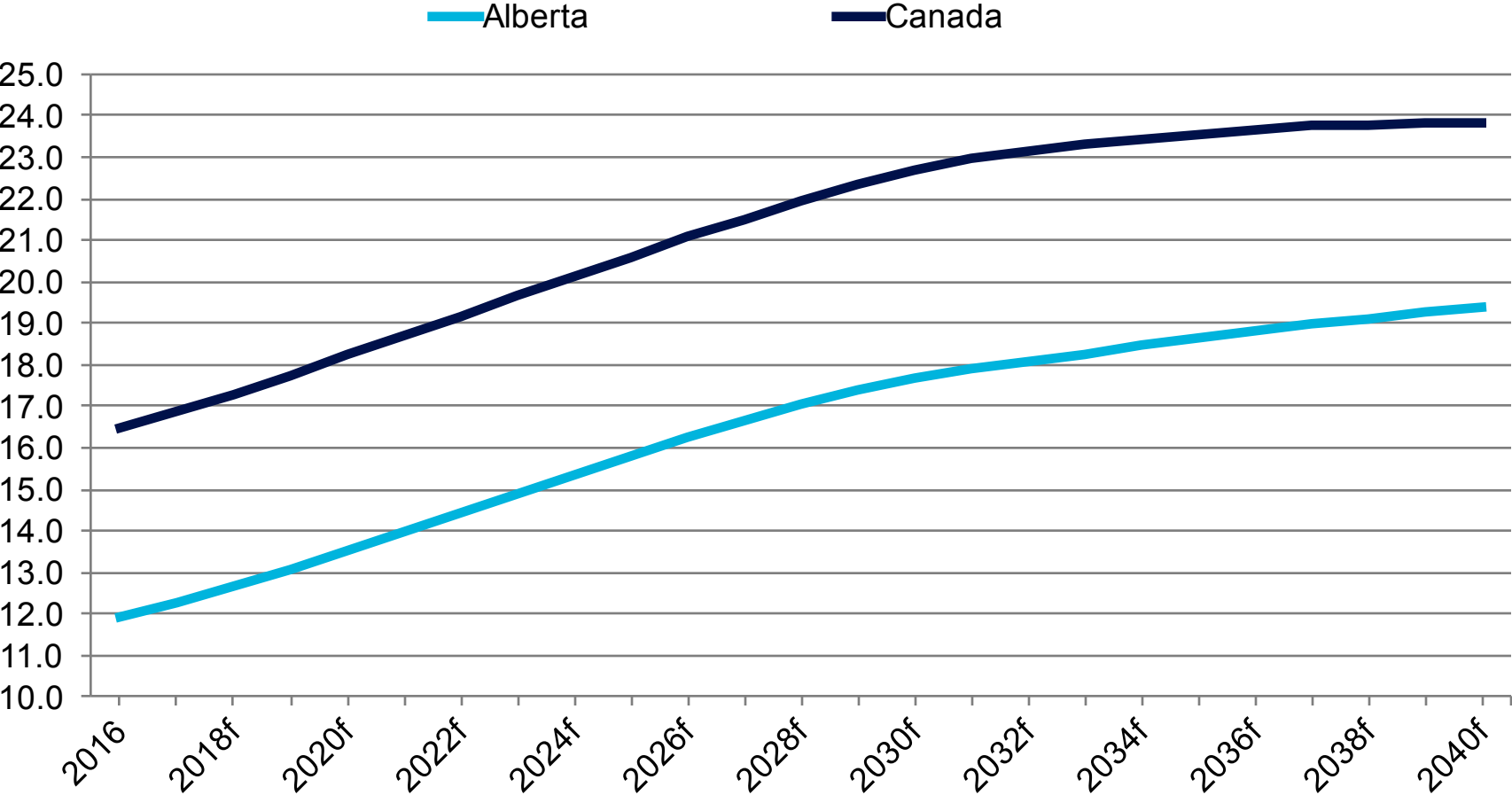


Sources: Statistics Canada; The Conference Board of Canada.



# Alberta's Aging Demography

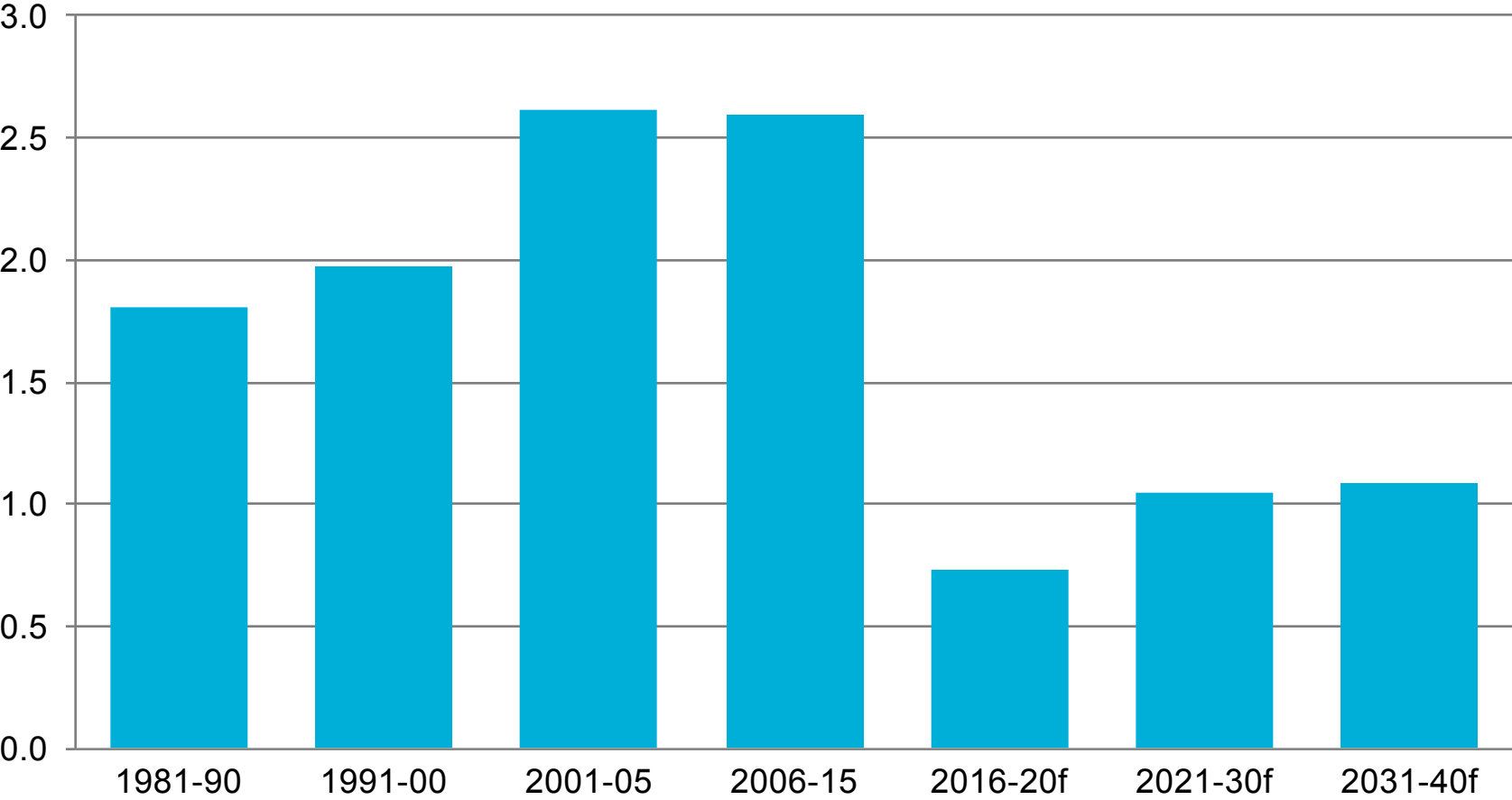
share of population aged 65 and older



Sources: Statistics Canada; The Conference Board of Canada.

# Alberta's Labour Force Growth

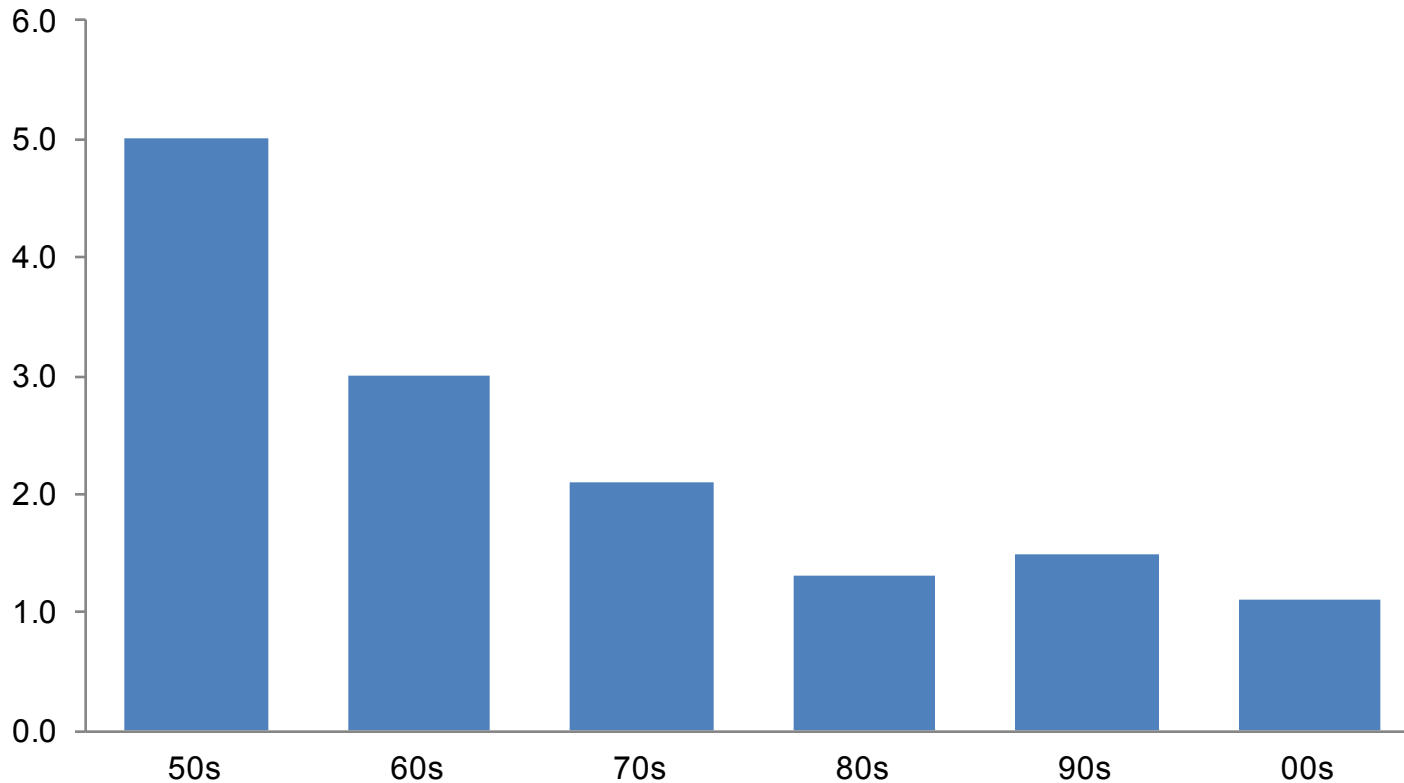
average annual compound growth, per cent



Sources: Statistics Canada; The Conference Board of Canada.

# Canada Has A Productivity Problem

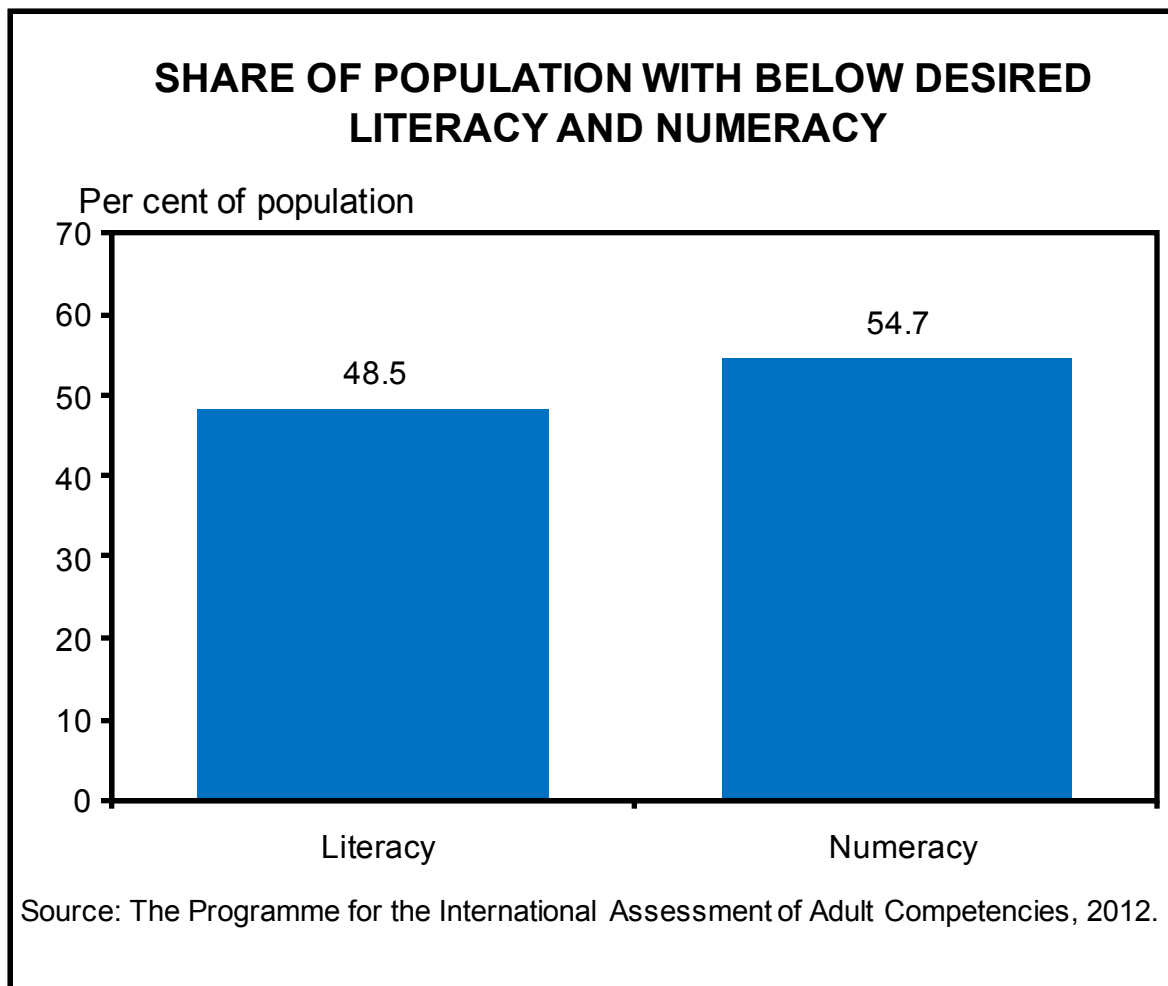
## Business Labour Productivity, Year-over-Year % Change



Source: Statistics Canada, Centre for Study of Living



# Need High Skilled Workers, but Many Canadians Have Inadequate Literacy



# Literacy is Not a Binary Outcome

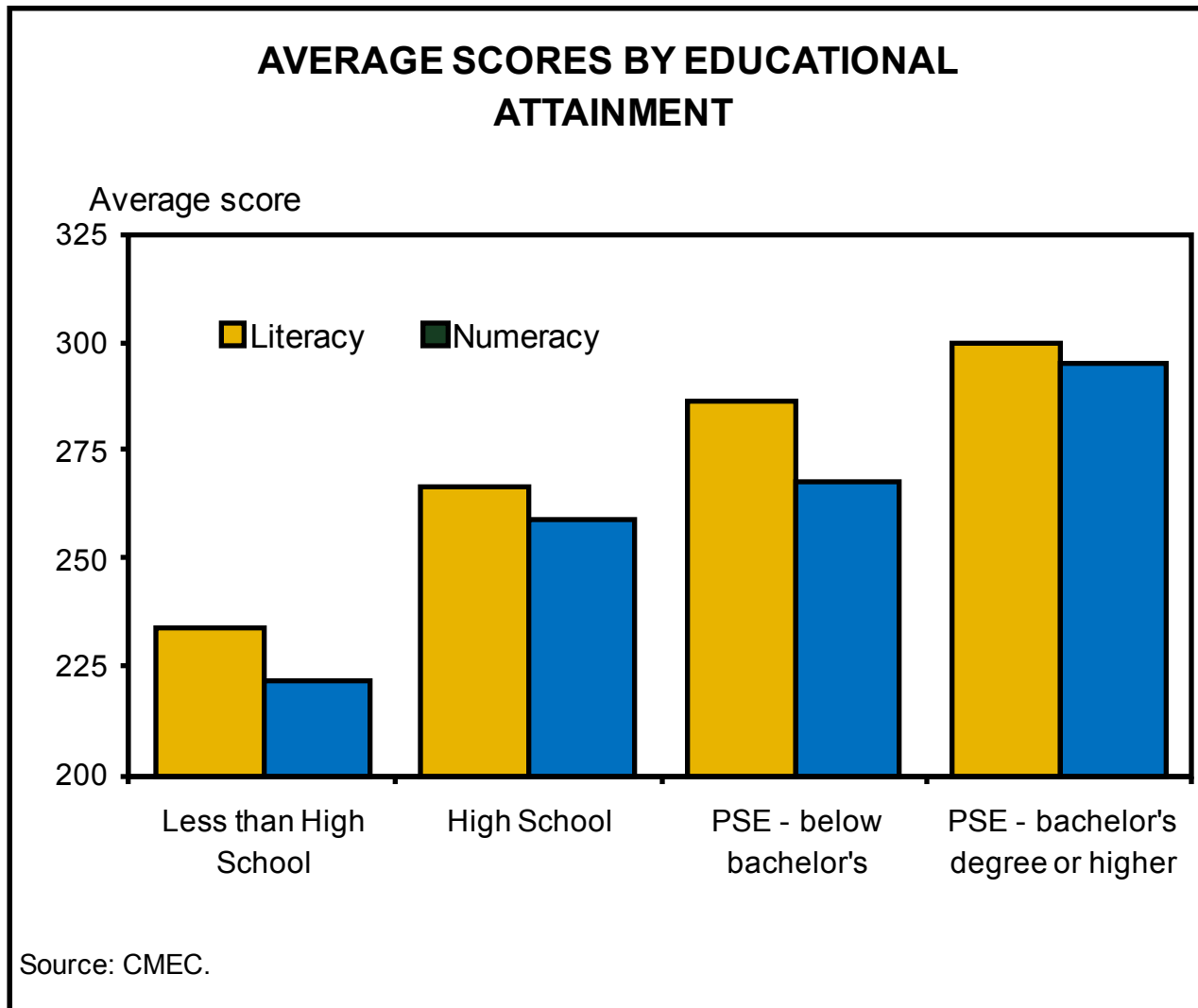
“Literacy is the ability to identify, understand, interpret, create, communicate and compute, using printed and written materials associated with varying contexts.”

“Literacy involves a continuum of learning to enable an individual to achieve his or her goals, to develop his or her knowledge and potential, and to participate fully in the wider society.”

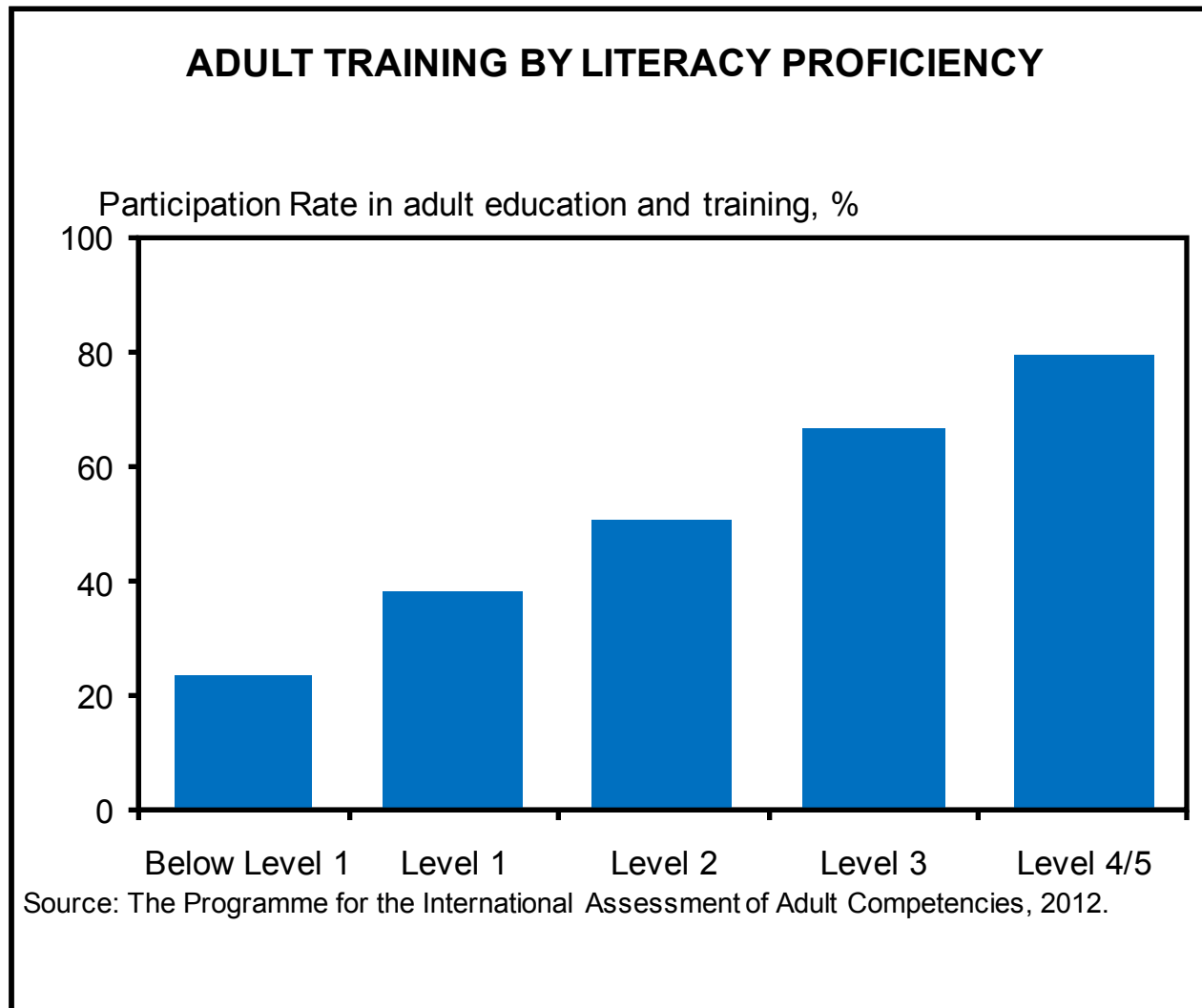
United Nations Educational, Scientific and Cultural Organization (UNESCO)



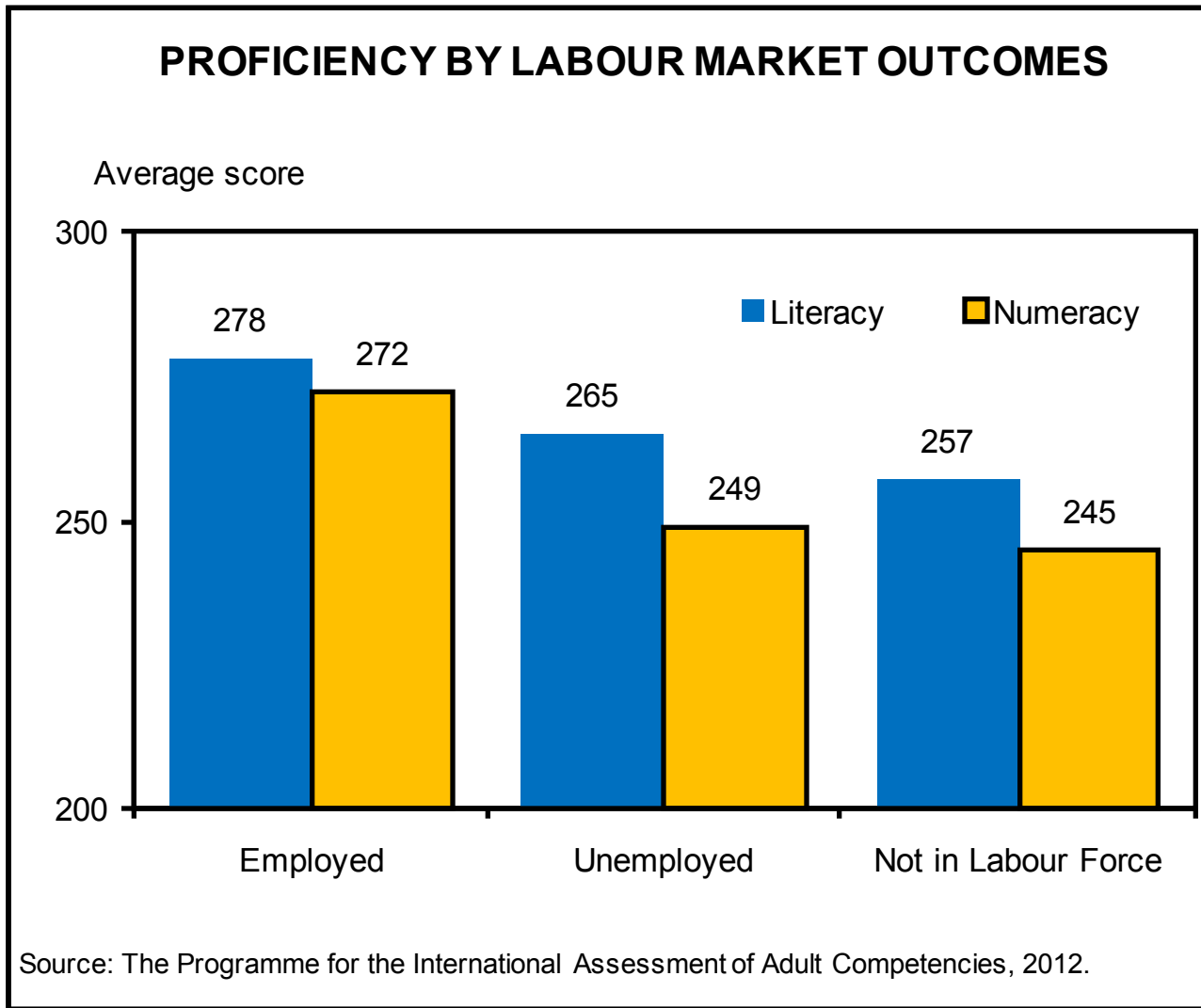
# Literacy & Education a Virtuous Circle



# Literacy Encourages Life Long Learning

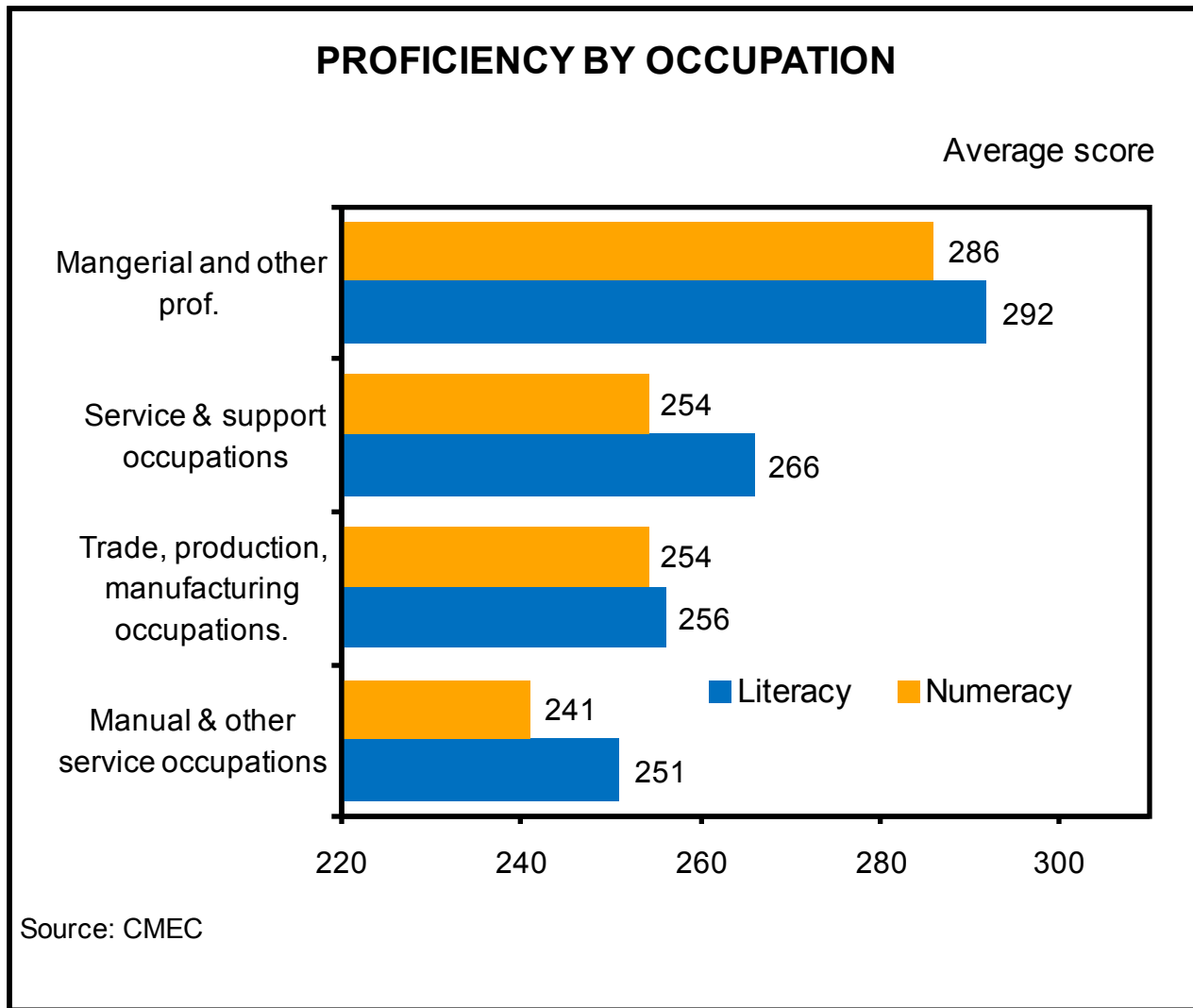


# Literacy Improves Labour Market Outcomes

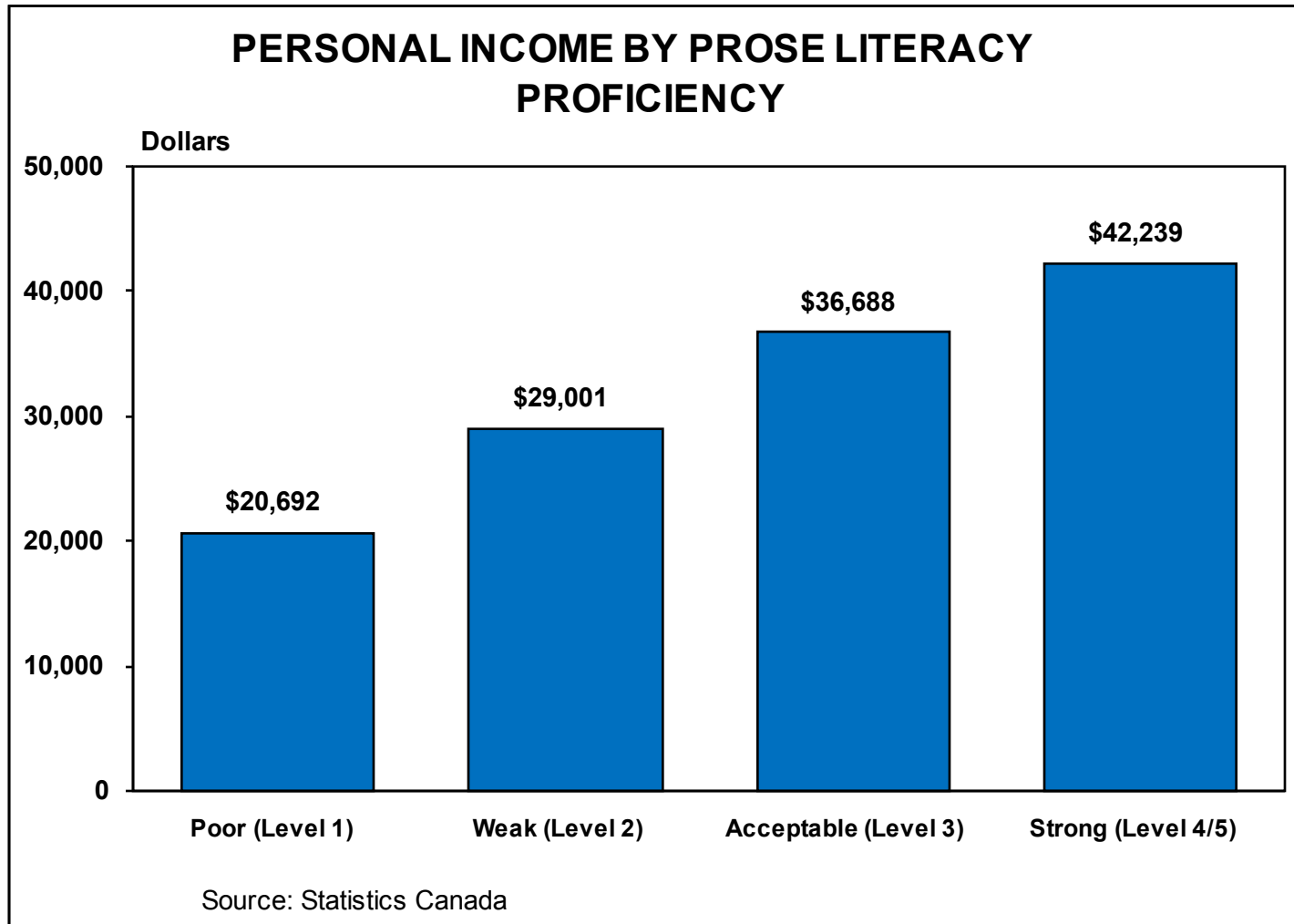




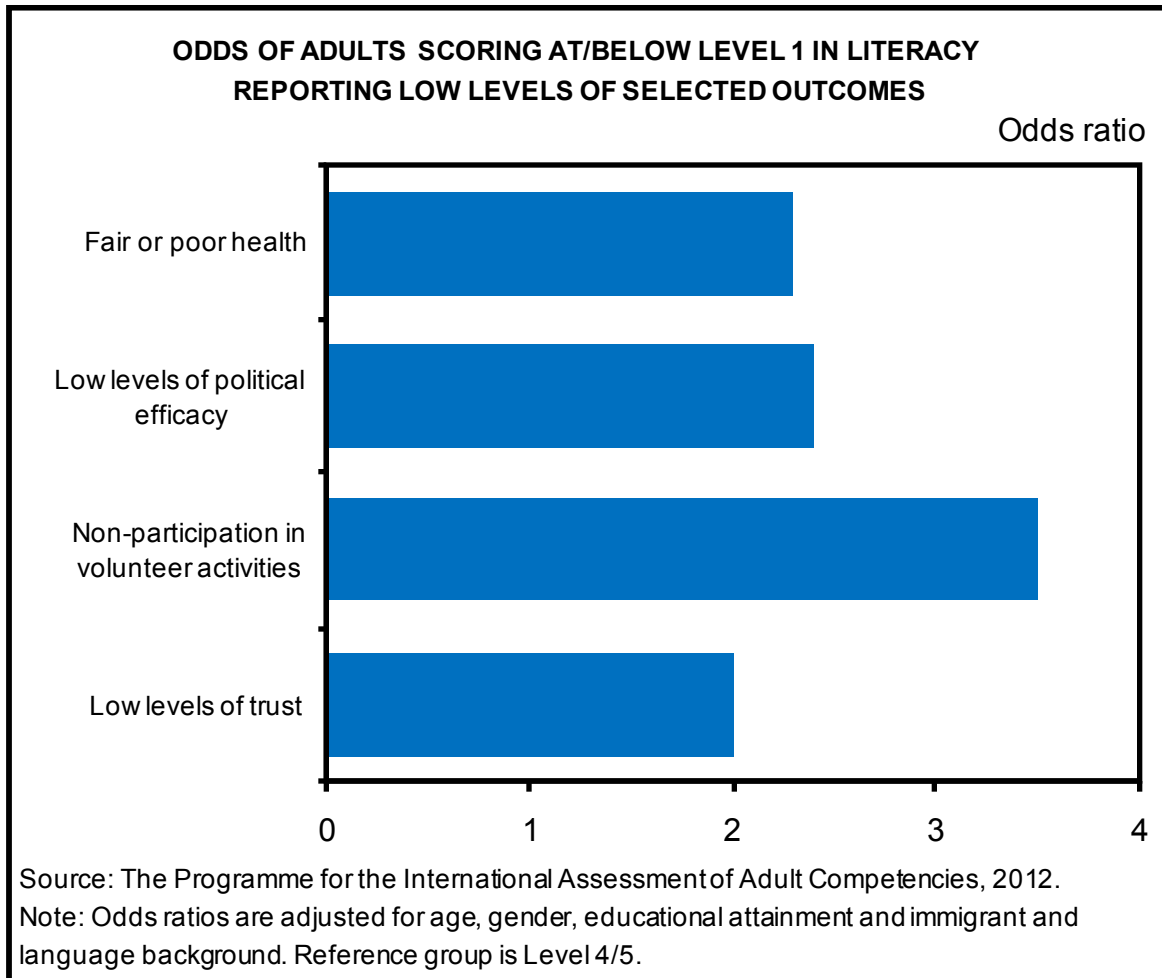
# Literacy Creates Better Job Opportunities



# All of Which Boosts Income



# Higher Literacy Leads to Better Socioeconomic Outcomes



# Economic Benefits of Higher Literacy

- Raising literacy scores of those with poor and weak by one level could create as many as 800,000 additional jobs – 3.5 years worth of annual job creation
- It could also lower the national unemployment rate by more than 1 percentage point
- A Statistics Canada survey found that lifting literacy scores by 1% could lift labour productivity by 2.5% and raise output per capita by 1.5%
- This suggests that a 1% increase in literacy could boost national income by \$32 billion
- Raising literacy scores to adequate could create a payoff of \$80-\$100 billion

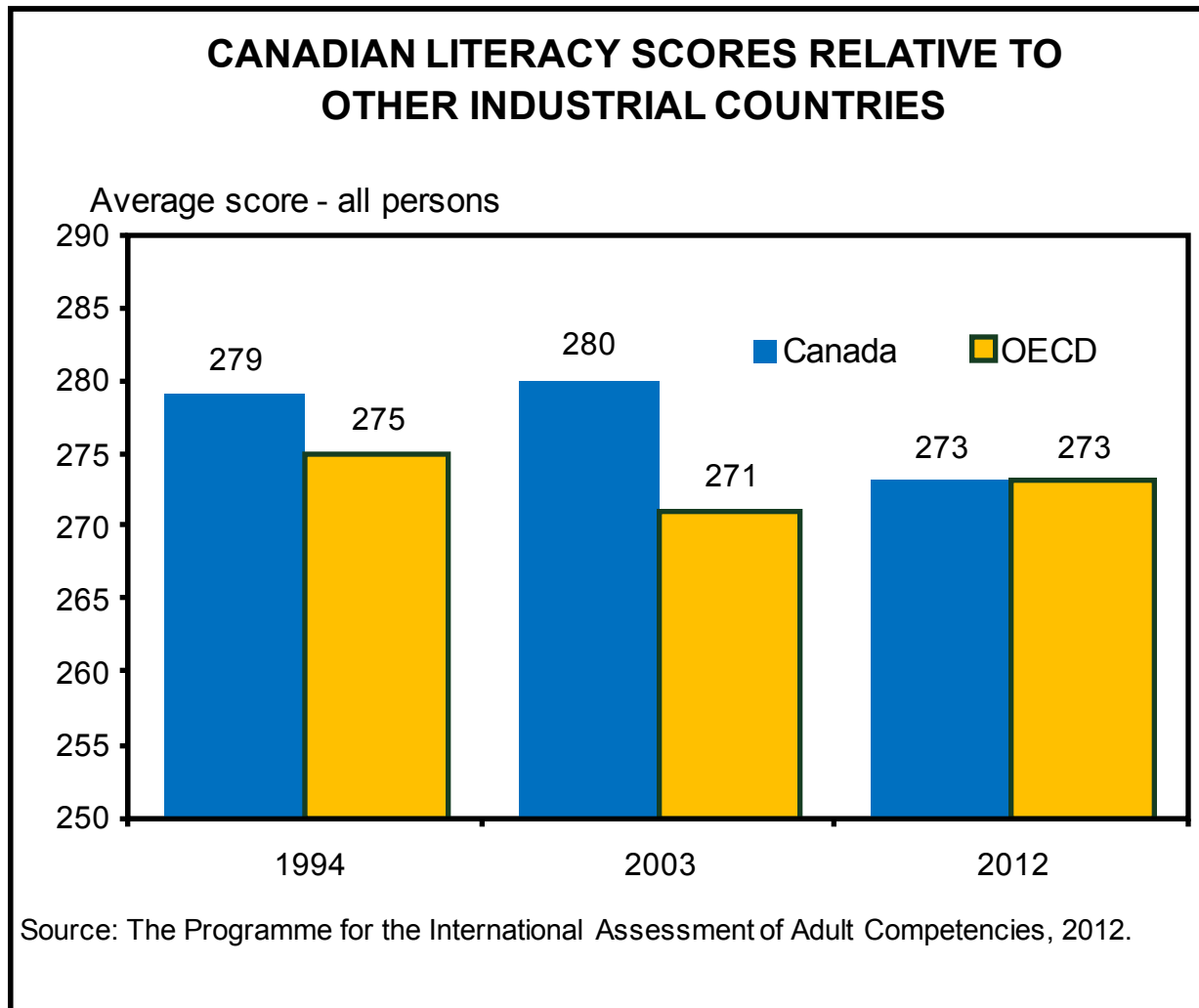


# Businesses Should Champion Literacy

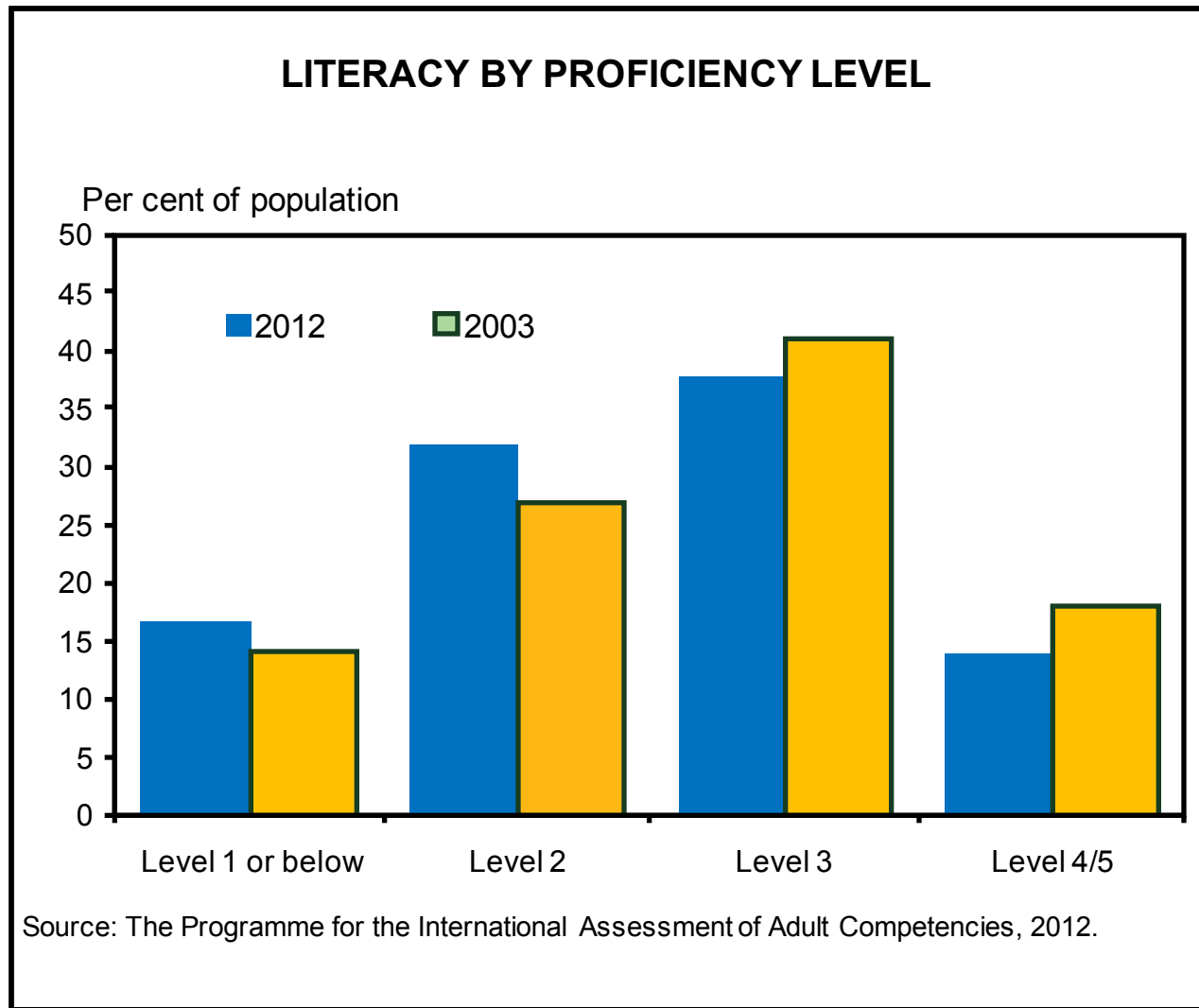
- Increased output and profitability
- Lower error rates
- Increased ability to do on-the-job training
- Better team performance
- Improved labour relations
- Increased quality of work
- Reduced time per task
- Better health and safety records
- Better employee and customer retention



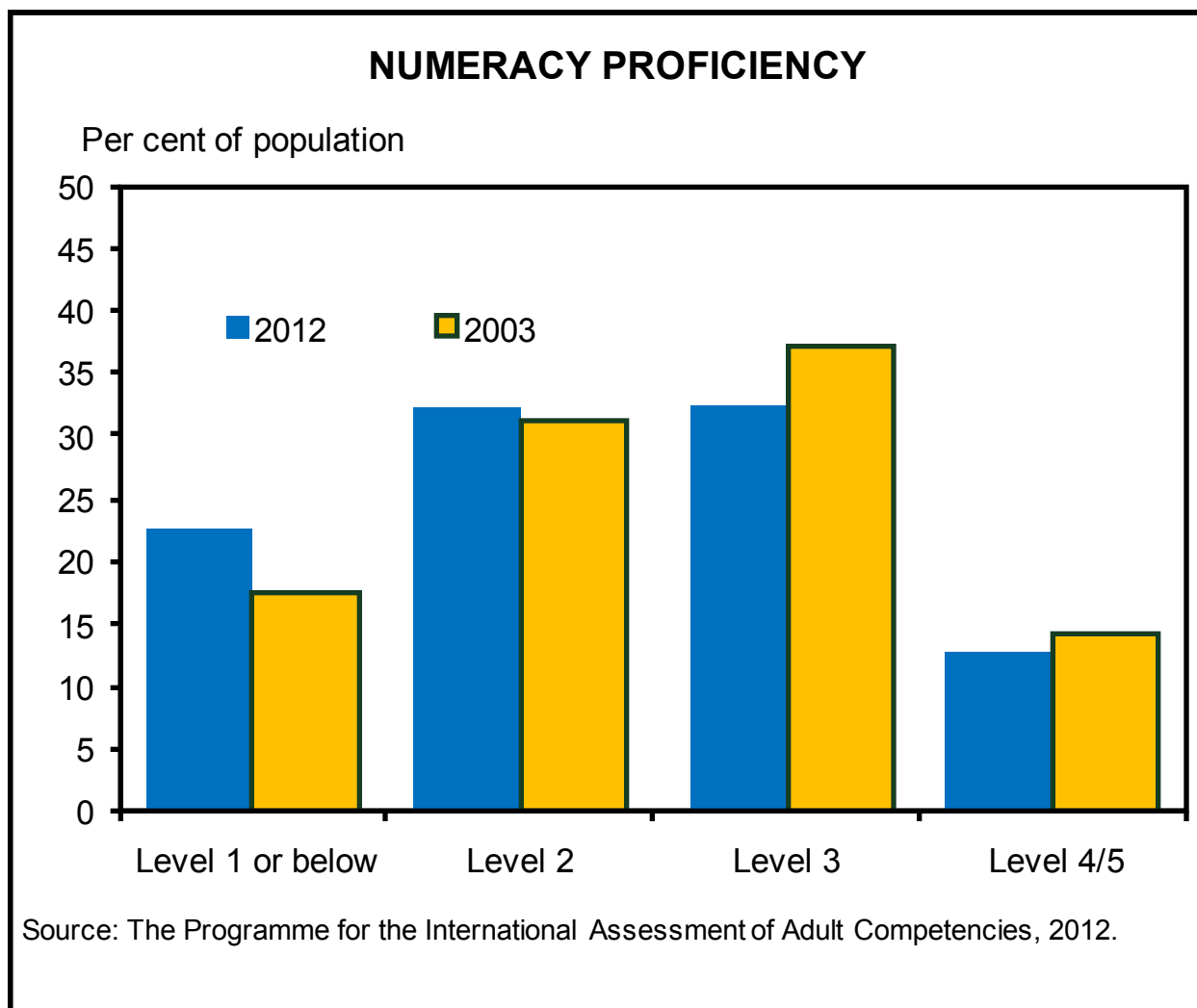
# No Signs of Improvement



# In Fact, Fewer at Desired Level 3 and Above

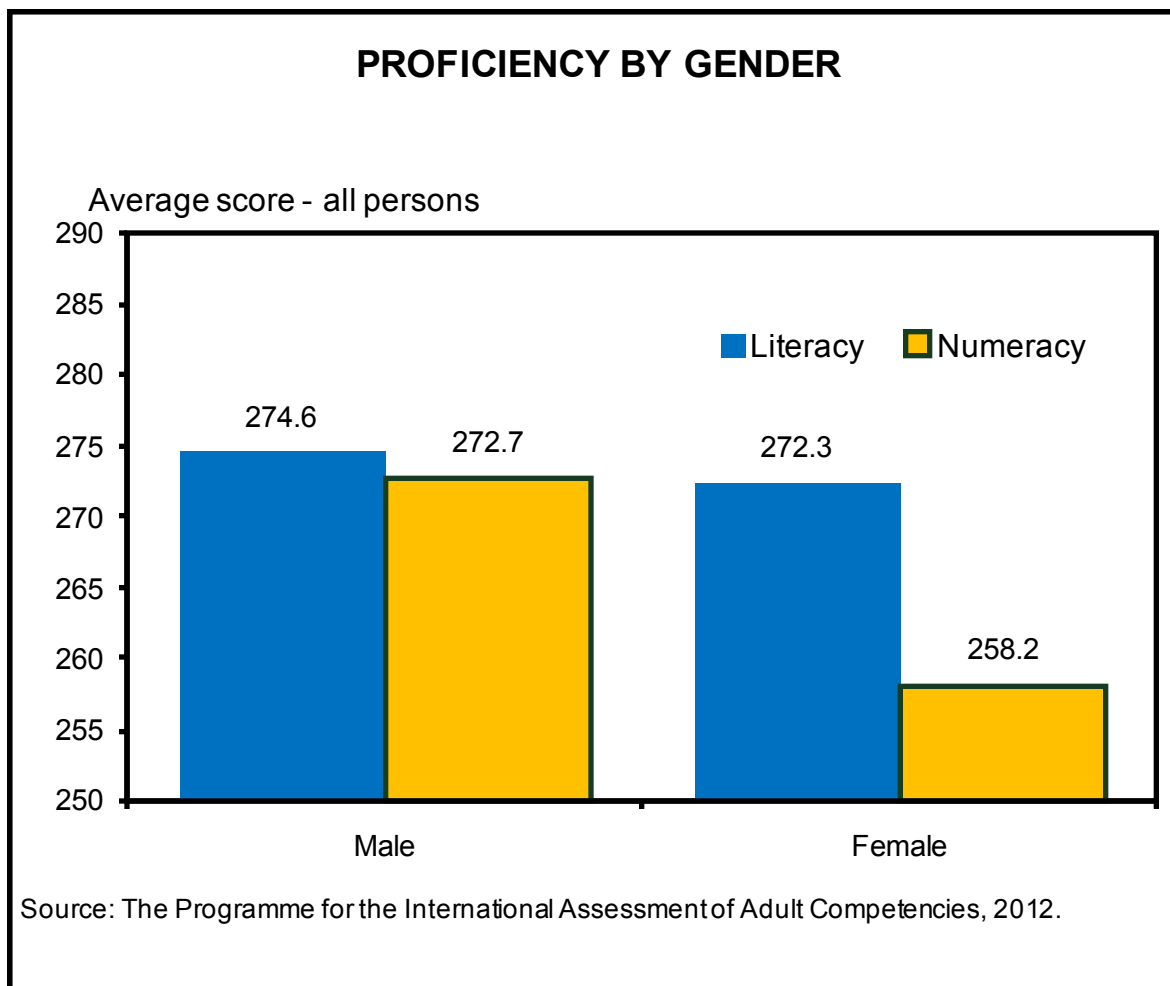


# Numeracy Skills Have Declined

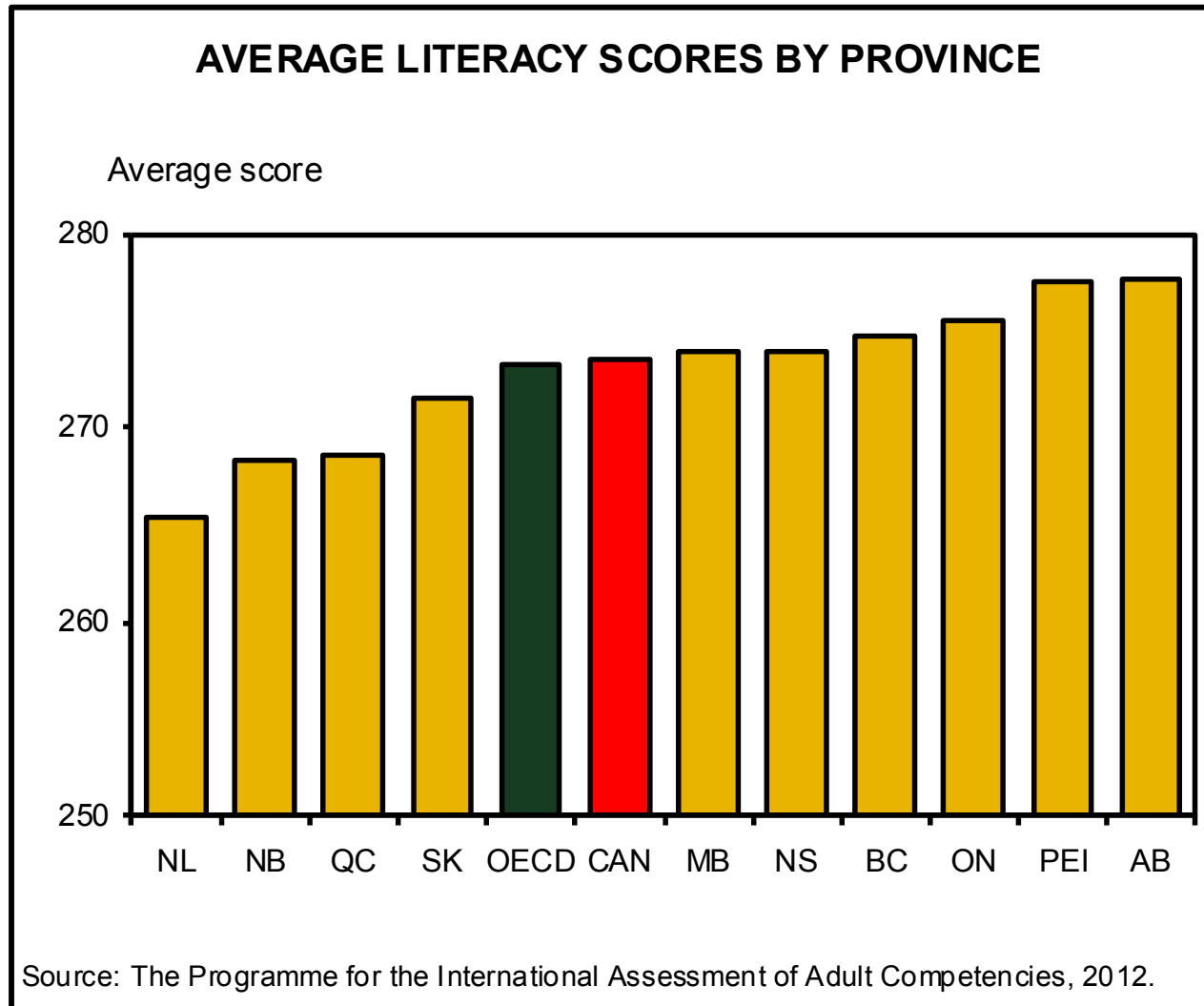




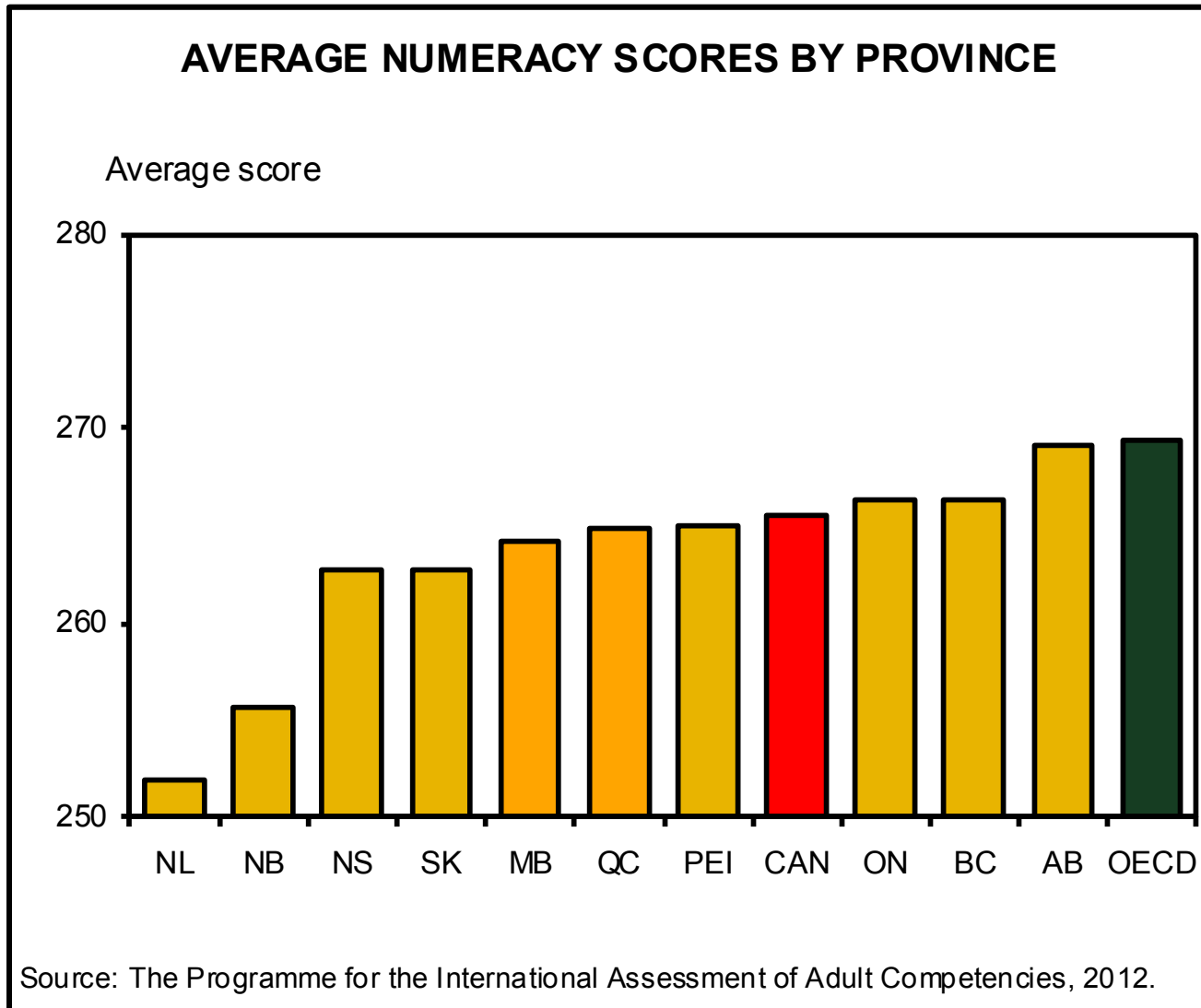
# No Gender Difference on Literacy, But Women Weaker on Numeracy



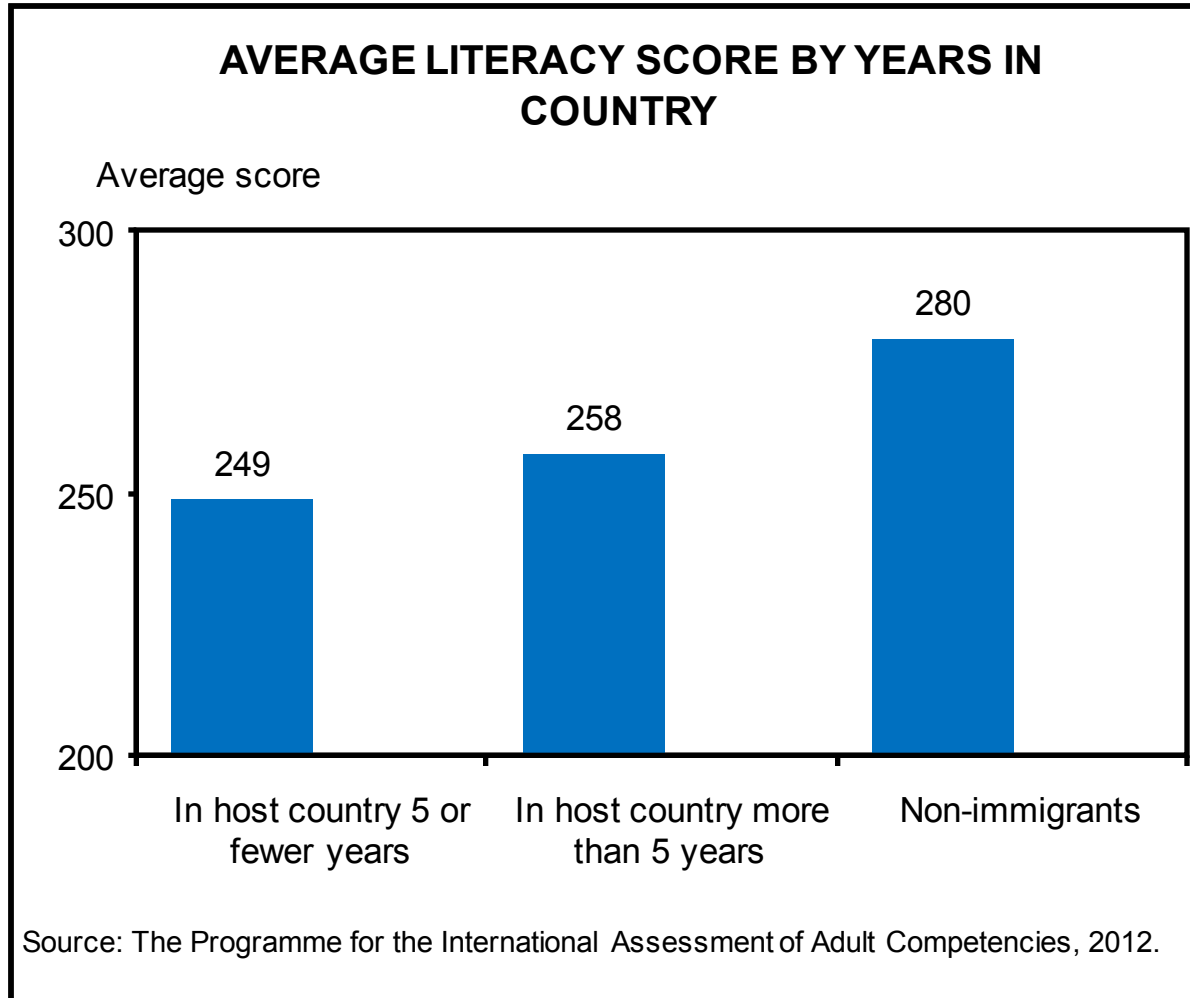
# Alberta Does Better Than Average, But Still Scope to Improve



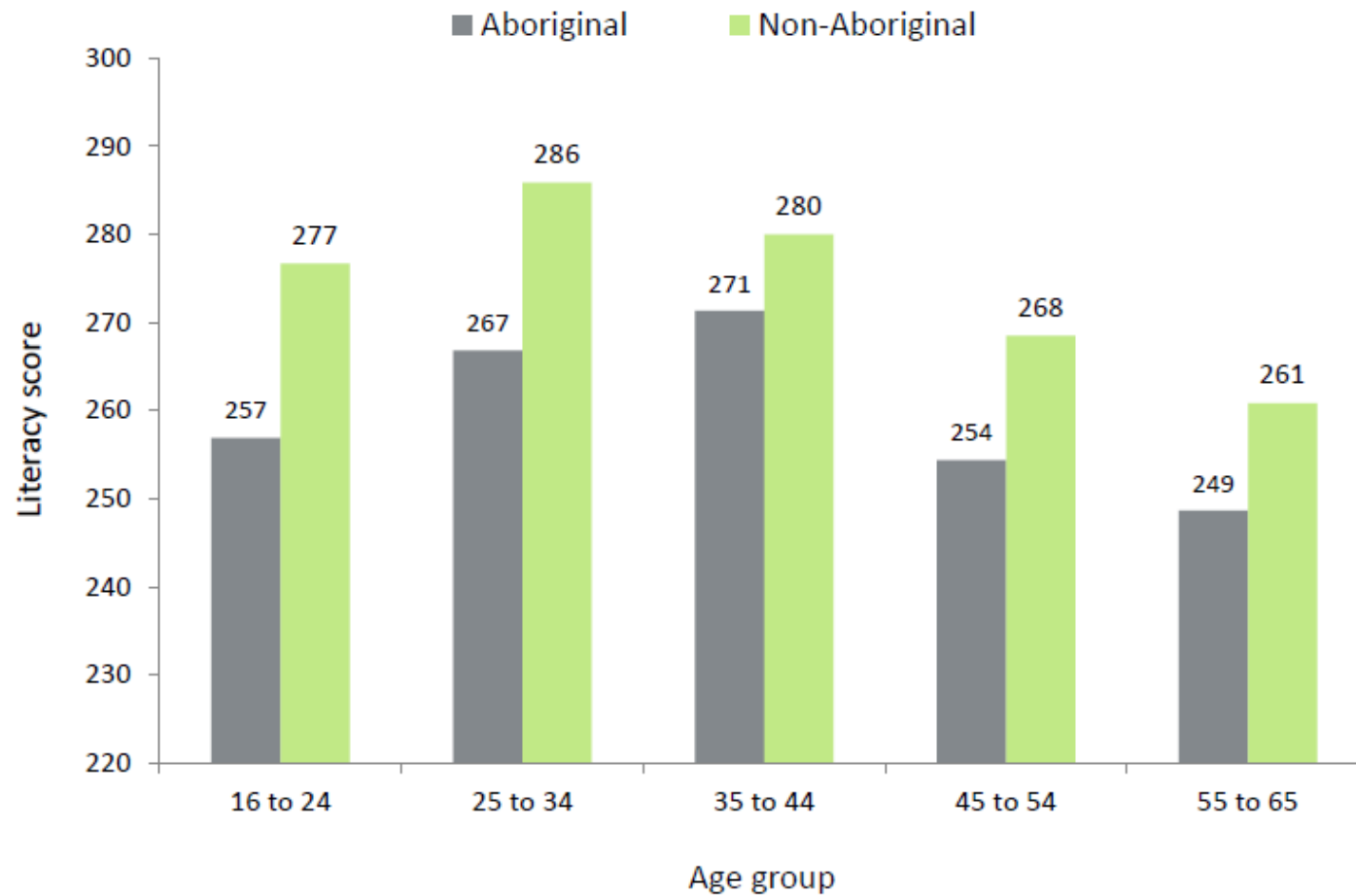
# Alberta Average to OECD on Numeracy



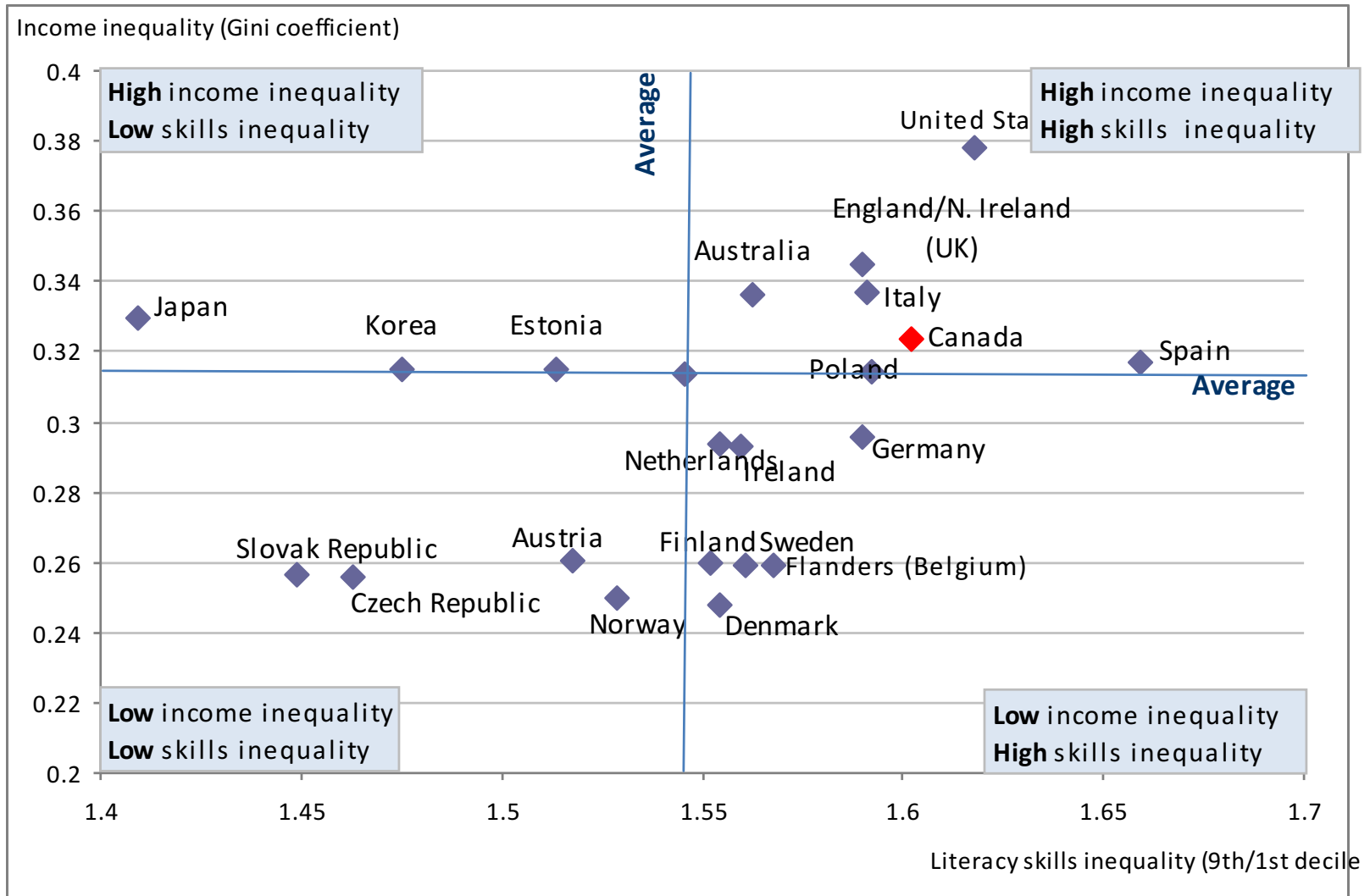
# Immigrants Face Challenges in Official Language Literacy



# Aboriginal & First Nations At-risk Population



# Weak Literacy Contributing to Income Inequality



# Summary

- Canadian and Alberta labour markets are improving, but many workers will need more support.
- Labour market disruption from technology likely to accelerate amid aging workforce.
- Need most skilled workers possible.
- Higher literacy brings sustainable gains to individuals, businesses, economy, society, and democracy
- Raising literacy can help alleviate a wide range of socio-economic problems, such as poverty
- It is hard to identify one single issue that can have such a far-ranging impact
- Literacy should be a key public policy initiative
- Businesses need to become champions of literacy, as it can raise productivity and profitability





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