Youth Employment: Opportunities and Challenges in the Local Economy

Jessica Jiang and Anoosh Noorizadeh-Kollou, 2014

A research project of “Youth Leadership for Change”, an initiative of the Social Planning Council of Ottawa
Youth Leadership for Change (YLC) is a collective of young researchers doing action-oriented analysis on issues that matter to them, supported by the Social Planning Council of Ottawa. The economic realities of the world today have changed and remain in tumultuous flux, leaving career development paths that worked for older generations increasingly irrelevant to new entrants to the labour market.

This report is part of YLC’s research on the topic of youth unemployment and under-employment in Ottawa. A report in 2013 looked at youth perspectives on youth employment difficulties. This year’s aim is to shift the perspective away from the characteristics of youth, to the challenging economic realities that make it impossible for today’s youth to replicate the kind of career trajectories their parents and workers currently in their mid-30s may have found successful. It comes alongside sustained engagement with service providers working in Employment Services for youth and others. Our hope is that increased coordination makes services more effective for the youth who use them and improves youth employment outcomes over the longer term – an outcome we all share!
Executive Summary

In the summer of 2014, researchers from Youth Leadership for Change (YLC) consulted with employers along Carling Avenue East of the Bayshore area in Ottawa, Ontario on their perceptions of young workers, the employment opportunities available to youth in the area and prospects for building careers in the area. Interview results are preceded by rigorous context in two forms: local labour market analysis showing youth versus adult discrepancies in employment and analysis of National Household Survey (NHS) data on a range of relevant socio-economic indicators in the study area.

We find the struggles employers describe confirmed in NHS data, and honest appraisal of their inability to provide good jobs for youth confirmed by local labour market data. American Neighbourhood Workforce Pipelines used to attain employment goals and a made-in-Canada ‘Escalator’ model by Toronto’s CivicAction are appraised for their relevance to the youth employment situation in Ottawa. The results of a workshop engaging Ottawa-area service providers on the content of this research and ways to move forward inform our modest, doable proposals for improving youth labour market participation while supporting fledgling businesses and neighbourhoods still recovering from the 2008 economic crash.
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Section 1: Brave New World of Youth Employment
1.1 Labour Market Realities for Ottawa Youth

This year’s research begins with a literature review that illustrates available employment prospects for Ottawa youth and highlights the gap between youth and adult employment trends. The information adds empirical support to the findings of the 2013 report, and suggests that more attention needs to be focused on the economic reality for employers as well as employees. The economic realities of fledging employers need to be improved in Ottawa to eventually catalyze youth employment over the long-term for those youth with formal training and youth who are new entrants to the workforce.

According to 2013 Statistics Canada data, the population of the City of Ottawa is approximately 800,000; of which 124,270 are youth between the ages of 15 to 24. Of all demographics, youth workers typically command the lowest wages. In 2011, the average hourly wage for Canadian workers 15-24 years was $13.75, whereas Ontario youth only received $13.40.

Continuing Trends from the 2010-2012 Ottawa Integrated Local Labour Market Plan

Research from Labour Market Ottawa shows that the labour market entry of youth 15-24 is suffering due to baby boomers taking longer to retire. This trend can be largely attributed to the 2009 Recession. Statistics Canada data showed that there was a dip in youth employment in 2009.

Suggested areas for further exploration include:

- **Limited jobs for untrained youth** - Youth entry in the labour market seems to be affected by fewer jobs being available for untrained youth, or those with just high school certificates. Around 15% of the Ottawa population have just a high-school certificate – the lowest of all major metros in the province. Yet, service providers and school boards often speak of a lack of jobs at entry-level for youth.

- **Declining apprenticeships** - Sectors such as construction need trained workers, but apprenticing has been on the decline. Stakeholders report few incentives for employers to hire apprentices.

- **Social, economic and cultural marginalization** - Youth from marginalized backgrounds, or vulnerable populations have a particularly difficult time in the labour market.
- **Underemployment of skilled youth** - Educated youth also report underemployment as a key concern. Many highly educated youth end up working in lower wage, low skill jobs.

- **Skills gaps** - Employers report youth employees as lacking specific skills; for example, writing, oral communication, and leadership skills.

**Challenges for Youth**

There are several key challenges that hinder youth in Ottawa from finding meaningful employment. According to the “Youth Unemployment Challenge and Solution” study undertaken by Manpower Group in 2012, these challenges include the lack of work-relevant skills and few professional sources from where they can acquire the appropriate skills and limited opportunities for entry-level work that is career oriented. In combination, these factors result in a discrepancy between the unemployment rate for adults and youth. When compared to adult job seekers, young workers experience disadvantages in several areas. First, youth do not have access to the information, networks and connections that are built through experience, especially for those youth who come from families who do not have significant social capital. Second, youth lack professional experience and training, increasing the risk for employers who take on new hires. Finally, there are few entry level jobs available with hiring requirements youth meet, positions that are critical to further career development.

Not only is it more difficult for youth to obtain meaningful employment in comparison to their adult counterparts, but it is often tougher for this group to retain their jobs as well. During the 2008 recession, Ontario youth were twice as likely to be laid off as adult workers, averaging an unemployment rate 10 percentage points higher. Another study by the Canadian Council of Alternative Policies suggests the phenomenon is especially critical in Ontario as the province’s youth unemployment rate vacillated between 16% and 17.1% in 2013, significantly higher than the Canadian averages of 13.5% to 14.5% for 2013. The lack of employment for this age group drives individuals out of Ontario to seek jobs in more lucrative and accommodating jobs markets. This out-migration results in individual financial loss for youth and stagnant provincial economic development.

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Part of the issue lies with the delayed retirement age of the older workforce. The same study explains that this was particularly evident during the 2008 recession when older workers had to work past their planned retirement dates. The competition between a skilled older workforce and untrained younger workforce often ended with youth being frozen out of the hiring process. Additionally, when there are layoffs, the younger employees are first to be let go since they are the group least likely to have seniority within their workplace. Similarly, this trend leaves older workers unable to find work with a pay grade that matches their experience, forcing them into low wage, part time jobs. It becomes increasingly necessary for adults to take “the kind of employment previously reserved for teenage students”\(^3\). The situation has progressed to the extent, that within the labour force, only one in two young people are employed. Even, those youth with jobs often experience high rates of underemployment, working in temporary positions with little opportunity for career growth\(^4\).

Where Are Youth in Ottawa Working?

In comparing the top ten industries for youth in 2006 and 2011, in Ottawa, little has changed. The ranking of industries shifted slightly in 2011. Retail sales continue to dominate and employ the largest portion of youth in the workforce. The most notable change between 2006 and 2011 is ‘Customer and information service representatives’ taking the place of ‘Library, correspondence and related information clerks’ in the top 10 industries roster. Since the 2011 ‘Customer and information services representatives’ includes the previous 2006 group for ‘Library, correspondence and related information clerks,’ the change is insignificant.

When observing the rates of change in the top ten industries between 2006 and 2011, six out of the ten industries experienced a decline in youth employed. Only the industries of ‘Cashiers’, ‘Food counter attendants, kitchen help and related occupations’, ‘Paralegals, social services workers and occupations in education and


religion, n.e.c.’ and ‘Athletes, coaches, referees and related occupations’ experienced growth.

<table>
<thead>
<tr>
<th>NOC 2011</th>
<th>Sector of Employment</th>
<th># of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>642</td>
<td>Retail salespersons</td>
<td>8090</td>
</tr>
<tr>
<td>671</td>
<td>Food counter attendants, kitchen helpers and related support occupations</td>
<td>5230</td>
</tr>
<tr>
<td>661</td>
<td>Cashiers</td>
<td>5195</td>
</tr>
<tr>
<td>651</td>
<td>Occupations in food and beverage service</td>
<td>3450</td>
</tr>
<tr>
<td>141</td>
<td>General office workers</td>
<td>3340</td>
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<tr>
<td>662</td>
<td>Other sales support and related occupations</td>
<td>2280</td>
</tr>
<tr>
<td>632</td>
<td>Chefs and cooks</td>
<td>1815</td>
</tr>
<tr>
<td>525</td>
<td>Athletes, coaches, referees and related occupations</td>
<td>1795</td>
</tr>
<tr>
<td>421</td>
<td>Paraprofessional occupations in legal, social, community and educational services</td>
<td>1755</td>
</tr>
<tr>
<td>655</td>
<td>Customer and information services representatives</td>
<td>1530</td>
</tr>
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</table>

National House Hold Survey 2011
Top Industries for Youth: Low Wages and Limited Advancement

Comparing the top ten industries for youth and for the total labour force in Ottawa shows a clear discrepancy between the types of employment. For youth, the prominent forms of employment are entry level positions that require minimal training, beget the lowest wages and have little opportunities for career growth. In contrast, the top ten industries listed for the total labour force include jobs that require formal education and training. The only industry shared by both groups is retail. This trend indicates that even for Ottawa, where a large portion of youth have formal education and most have at least a high school diploma, it is still difficult to obtain employment in a career oriented field.
### Top Ten Industries (2011)

<table>
<thead>
<tr>
<th>For Youths (15-24)</th>
<th>For Total Labour Force (15+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail salespersons</td>
<td>Construction</td>
</tr>
<tr>
<td>Food counter attendants, kitchen helpers and related support occupations</td>
<td>Professional, scientific and technical services</td>
</tr>
<tr>
<td>Cashiers</td>
<td>Hospitality and Tourism</td>
</tr>
<tr>
<td>Occupations in food and beverage service</td>
<td>Retail</td>
</tr>
<tr>
<td>General office workers</td>
<td>Public Administration</td>
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<tr>
<td>Other sales support and related occupations</td>
<td>Healthcare and social assistance</td>
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<tr>
<td>Chefs and cooks</td>
<td>Education</td>
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<tr>
<td>Athletes, coaches, referees and related occupations</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>Paraprofessional occupations in legal, social, community and educational services</td>
<td>Finance</td>
</tr>
<tr>
<td>Customer and information services, Film and TV</td>
<td></td>
</tr>
</tbody>
</table>

National House Hold Survey 2011

#### 1.2 Lessons from Youth Leadership for Change’s 2013 Report on Youth Unemployment and Under-employment in Ottawa, ON

In a 2013 exploratory research project conducted by the Social Planning Council of Ottawa (SPCO), youth and community agency stakeholders were consulted through semi-structured interviews and focus groups to identify the most significant barriers faced by new entrants to the workforce. The aim of this participatory-action project,
entitled “Youth Employment, Unemployment and Under-Employment”\(^5\), was to engage a large spectrum of stakeholders to develop workable community-based solutions to reduce systemic barriers to employment for young people.

Speaking with youth from a diversity of cultural, educational, and professional backgrounds, it was apparent that negative perceptions of their capabilities place them at a palpable disadvantage when competing for career-track jobs. Young people in general are struggling to move from precarious, low-paid work to long-term career-oriented positions; on top of this, age discrimination, race-related discrimination, language barriers and intergenerational economic disadvantage present intersecting challenges.

From many agency workers’ perspectives, youth tend to have unrealistic expectations about the job market. Some observed that youth are unwilling to take a “long-term” view, and when confronted with low-wage work, fail to understand how to use these opportunities to broaden employment networks, gain exposure to other jobs, and improve career prospects over time.

Considering this year’s research in conjunction with the long-term picture of youth underemployment, one alarming takeaway becomes clear: low-paid and no-benefit “survival jobs” have ceased to be temporary jobs. Youth are being instructed to recognize the value of precarious work that provides few opportunities for advancement, while being required to work harder to progress toward career-track jobs, which they lack the practical means to access.

These issues suggest that a broader network approach is needed to improve youth employment outcomes. If youth lack access to professional networks as well as the skills to navigate these networks, employment agencies will need to expand their relevant programming. This will mean generalizing best practices and connecting to existing programs, which emphasize ‘first jobs’ for youth. Community health centres report that their mentorship programs are in high demand. However, service providers emphasizing first jobs note that youth in these programs need to be committed to getting the most they can out of any opportunity. The key challenge is to address the

lack of career-oriented experience (which employers will recognize when hiring for career-oriented positions) and contacts amongst new entrants to the workforce.

**Unemployment and under-employment of post-secondary graduates**

Accessing professional contacts in organizations that offer employment opportunities is a key concern for post-secondary students and graduates, who face difficulties in finding career-oriented positions that pay living wages and present realistic opportunities for advancement.

Programs that introduce individuals to the working world through placements, training and counselling are important in their provision of basic support. They raise awareness among new workforce entrants about interview etiquette, resume writing, government grant programs and online job boards. However, these types of services do not meet the needs of youth who seek to develop their careers past a first job, or even a third or fourth job in entry-level customer service, food retail or sales. Throughout the SPCO’s work with youth, the majority of youth job seekers who are unemployed and underemployed have already held jobs in the past and possess post-secondary education and workplace experience.

The issue is that given the dearth of entry-level positions currently available in career-oriented fields, the downsizing of organizations, and the increased competition with older workers and other underemployed youth, it remains extremely difficult to break out of low-wage or temporary work. When jobs are limited, heightened competition for finite career-oriented employment opportunities limits the ability of younger, skilled workers to build experience in positions that utilize their abilities.

These are “deficiencies” that cannot be rectified solely with supplementary training or reworked resumes. In this sense, the current mode of employment service programming places the weight of responsibility on youth, failing to connect with employers rather than current economic realities of straggling local industries. This year’s research explores labour demand from the perspectives of local businesses along Carling Avenue in Ottawa, just east of Bayshore Shopping Centre, as a pilot.

To contribute to broadening conversations about youth unemployment, this year’s analysis shifts focus to the employer’s reality, identifying the challenges faced when connecting the needs of their businesses to the skilled labour pool. By assessing the way employers see themselves in the community, what their plans for growth are and how they hire, the opportunities and challenges associated with youth employment outcomes can be identified.
Section 2:
Listening to the Struggles of Local Employers
2.1 Introduction

During the summer of 2014, an environmental scan of businesses was conducted along the Carling corridor (see study area on previous page). In recognizing the collective interest of employers in improving the area, two research priorities were determined. First, employers were approached to determine their stance on the role of youth in improving the area. Second, the barriers that employers face in hiring youth were explored.

The boundaries of this research were from Grenon Avenue to Maplehurst Avenue, just northeast of Bayshore shopping centre. The area surveyed suffers from income polarization, with a significantly racialized low-income population seeking jobs. The area falls within the catchment area of the Pinecrest-Queensway Community Health Centre, which houses both provincially-certified employment services for youth (and others seeking work) and community economic development officers who have relationships with local businesses. In 2013, the City of Ottawa created a Community Improvement Plan (CIP) for the area to bolster the growth of business in this neighbourhood. From the City’s research, it was also identified that local businesses have expressed interest in forming a business improvement association (BIA), however a formal committee have yet to come into fruition.

2.2 Community Profile

In the Ottawa Neighbourhood Survey, the target area lies within the Bayshore community. The neighbourhood has fewer amenities (grocery stores, healthy financial resources) than the Ottawa average. There are more fast food restaurants and ethnic food stores than in other neighbourhoods per 1000 residents, though the proportion is not significant when compared to city averages. The ethnic food stores cater to palates of immigrant communities, indicative of the area’s diverse demographics. As shown in figure 3, eleven types of businesses were identified out of the 46 existing businesses in the study area. They are: food, health, retail, aesthetic, pharmaceutical, automotive, cultural, social services, educational, tourism and media. In these 46 businesses, 34.78% are food retail; 17.39% are health services; 13.04% are retail; 10.87% are aesthetic services and 6.5% are pharmaceutical retail.
The population demographic of the area features a larger proportion of youth than the rest of Ottawa. The proportion of 20-29 year-olds in the neighbourhood is 18% to a 14% city average. Residents nearing retirement ages are slightly lower with 50-59 year-olds contributing to 10% of the neighbourhood population, compared to a 15% city average. 60-69 year-olds represented 7% of the population in the neighbourhood, against the 11% city average. Overall, this indicates a higher portion of younger job-seekers in the surveyed area than in the city at large.

The area also exhibits lower rates of English and French as the primary language, with 8% of the population identifying as Francophone (to a 16% city average) and five times the rate of non-English speakers (5% to 1%). At home, English is the language most spoken 59% of the time to a 79% city average. Non-official languages are spoken in 36% of homes, in comparison to a 10% city average.

According to Canadian Business Data as well as the data provided by the interview analysis, survival jobs are less likely to provide youth with contacts with access or advice on making the jump into career-oriented positions.
Canadian Business Data: Tracking workplace fluctuation over time

Canadian business data provides the approximate size of local businesses based on annual payroll information. However, it is unable to provide information regarding the nature of the work—whether it is contract, temporary, part-time/full-time—but it has the potential to provide a reference for changes over time.

Unfortunately, there are also high indeterminacy rates in this data because many businesses do not report this information. As a result, this information cannot be solely relied upon for a complete picture. This partial snapshot of the business environment was included, given its remarkable illustration of the concerns heard from employers during the interviews conducted with local businesses. For future research, further consultations with business owners is encouraged, in order to build a qualitative record of what needs and struggles cause workplaces to expand or contract.

There are two key Census Tract (CT) data sets for the area of Carling Avenue West. One CT with determinacy rates between 60-65% covers Cineplex, Bayshore Shopping Centre and parts of the target area south of Carling Avenue. The other tract corresponds better with the majority of the businesses in the target area on the North side of Carling Avenue and contains large residential areas not included in the city’s by-law plan but has lower determinacy rates of around 40%. Analysis was performed on the CT that corresponded geographically to the CIP for Carling Avenue, as well as the businesses that were interviewed.

Accommodation and Food Services (NAICS 72) and Retail Trade (NAICS 44-45) are two sectors with high response rates and consistently high numbers of employers, confirming concerns that most opportunities in the neighbourhood do not provide career-oriented experience. Health Care and Social Assistance (NAICS 62) and Construction (NAICS 23) are sectors that could provide career-track experience, and which have a presence in the area. Unfortunately, there was limited employer growth in the Health Care and Social Assistance sector, and the low response rates leaves a vague snapshot at best.

Amongst the sectors with some response rates, there is an indication that Real Estate (NAICS 53), Professional, Scientific and Technical Services (NAICS 54), and Administrative and Support, Waste Management and Remediation Services (NAICS 56) have a presence in the area. Professional, Scientific and Technical Services lists between 35 and 45 employers but has a response rate of just over 25%. Administrative and Support, Waste Management and Remediation Services has just over 10 employers, and Real Estate and Rental and Leasing has around/under 10 employers.
Consumer and business bankruptcies, proposals and insolvencies

The business climate in the area is stabilizing, but this has not yet been reflected in an increase of jobs. Business contractions and closures have curbed, but there is a lack of data regarding start-ups and little indication of overall expansion. Many interviewed employers indicated a desire to see improvements to the area to improve business opportunities. There was also an expression of willingness to invest locally and help out youth if businesses had more resources and stability.

Data is available on insolvency rates, defined as the sum of bankruptcies and proposals, by postal code locations. This reflects the relative stability of businesses and individual consumers in the area, and provides numbers on defaulting and debt consolidation. A proposal is a situation in which an individual or business agrees to a legally binding fixed-payment rate for a period of time, which allows them to pay a portion of their debts tied to their income and expenses and allows the rest of their debt to be written off at the end of the period. This permits the person or business to retain their assets (which would be sold in a bankruptcy) – and in the case of a business – stay open, allowing for a greater portion of debts collected by creditors than if assets were sold and divided amongst all those owed money.

The trend towards fewer bankruptcies and more proposals indicates that consumers are able to retain their assets, having some sort of base from which to re-build long-term financial success. Business bankruptcies have decreased and proposals have increased in the last two years of available data (2010 and 2011).

Carling Avenue West: Availability of career-oriented employment

The published data on Carling Avenue suggests a presence of career-track employers in the area, but interviews with employers from sectors that provide this experience were not achieved. Several employers in pharmacy were interviewed, as well as in dentistry, health services and barbershops. However, interviews were not conducted with any employers in professional services, realty, consulting, or cultural industries – all of which exist in the area.

By situating interviews with businesses within the census data and wider youth employment literature, two significant findings were developed. Firstly, among the surveys completed, employers that have the potential to provide career-track experiences exist in pharmacy, dentistry, health services and hairdressing. However, these employers – with the exception of barbershops interested in mentoring more
youth where government funding is available for it – were also most likely to state that they were not offering employment or internship opportunities at the entry level, either paid or unpaid. In fact, the analysis will note that interviewed employers believe youth in the neighbourhood need to move out for better opportunities.

Secondly, employers who are offering the low-paid and low-skill jobs, particularly in food service, food retail and in a movie theatre, are not connected to employers who offer career-track work in the area. Thus, when developing career development strategies, it is not feasible for youth who are working survival jobs to rely on their employer to expand their professional network.

2.3 Interview Results

Given the deep-rooted structural factors that underpin and sustain pervasive youth unemployment and underemployment, work contracts that are most accessible to youth are typically lower paid, short-term and/or provide limited career development and advancement possibilities. Shrinking youth-hiring industries, hiring freezes, delayed worker retirement, increasing tuition and living costs, increasing specialization of training programs, narrowing definitions of “high demand” fields⁶, followed by the perceived irrelevance of other university and college programs, all maintain large cohorts of youth in chronic instability.

Against the backdrop of literature, census information and Canadian business data, SPCO interviewers consulted with local business owners, social service providers, and community and interest-based associations on Carling Avenue West to build a qualitative account of the role of local employment actors in youth employment.

These conversations gave shape to five key themes:

- Networking
- Community engagement and business improvement
- Views on youth
- Hiring
- Attending to business needs

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Networking

Discussions surrounding unemployed and underemployed youth from government economic development perspectives focus on modifying the individual actions, skills and choices of youth. In particular, youth are encouraged to consult contacts gained through memberships, job fairs, volunteer experiences and current and past employers to seek upward employment opportunities. Conversation-driving topics included the possibilities of networking within the target area and how networking could be practically employed to achieve concrete results for job search success.

Our key finding from interviews with employers is that the possibilities for professional networking that lead to upward employment mobility are limited. Employers who have recently taken on new hires overwhelmingly offer low-paid and part-time jobs, namely in food service, food retail and in the area’s corporate multiplex movie theatre. They are not connected to employers who offer career-track work in the area or elsewhere. Thus, when developing career development strategies, it is not always feasible for youth who are working survival jobs to rely on their employer to expand their professional network, as is suggested⁷.

Secondly, local employers in the business environment had limited employment contacts in general, unless they had family ties to other business owners. While there is a general interest in community revitalization, there is a lack of awareness regarding the current work of local service agencies that strive to put youth in work.

Community engagement and business improvement

Business owners were asked if they saw community engagement as a way to improve business or give back to their neighbourhoods. About half the interviewed business owners affirmed that they feel rooted in and connected to the community. Some smaller business owners expressed satisfaction with their business levels or function. One business owner believed community engagement was unnecessary as the establishment provides an essential service. One owner brought years of management experience and was confident that he can run a successful business. Several family-

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⁷ See: http://www.youth.gc.ca/eng/topics/jobs/looking.shtml, and note the “other resources” at the bottom are soft skills (résumé and cover letter primers) or subtle encouragement of self-employment (start your own business). The Government of Canada Job Bank website used to have a page of its own, but now the “How do I search for jobs” page (http://www.jobbank.gc.ca/content_pieces-eng.do?cid=203) says “Networking is the way to search for jobs in the hidden job market” and links to the youth page above.
owned establishments were happy with their level of business, fearing that expansion was unnecessarily risky and would hurt work-life balance.

Others owners expressed more interested in community. Some had relations or agreements with other businesses. Several hiring managers said it was important to hire from within the geographical area. Informal networking was discussed as a strategy for local business owners to discuss mutual improvement of the area, in addition to using advertising for certain businesses. Many that cannot afford full-time marketing must meet these needs informally and use word of mouth to increase business. Prominent street signs along Carling Avenue are seen as important for attracting new customers to independent businesses.

**Views on youth**

Many employers expressed empathy with the difficult situation today’s youth face while maintaining discriminatory attitudes, showing the stubborn resilience of stigma surrounding young employees. Youth are seen as risky. Some employers reported bad experiences with youth who used social media at work and broke delicate equipment. Training youth is perceived to be more difficult than training older, experienced workers and some employers claim it is too draining.

Many employers recognize that youth are over-qualified for the work employers have to offer, and do not receive benefits beyond their pay. Several managers of service and food establishments believe that youth need to go outside the community to find better economic opportunities. Under these circumstances, it seems highly unlikely that the contacts youth gain in low-wage, low-skilled survival jobs can be used to gain access into networks for career-oriented jobs, as is often suggested.

**Hiring**

Large franchises, corporate-owned chains and city-owned facilities have online hiring systems. Candidates must go through standardized procedures (often involving behavioural testing) before receiving interviews. Hiring decisions are sometimes made elsewhere, as with a shelter that receives candidates from the city without input. Businesses not operating by contract or on a corporate model use word of mouth, social media or websites such as Kijiji and Craigslist. Some ethnic specialty food stores and restaurants limit their hiring to the specific communities they serve to ensure linguistic and cultural competence.

8 See footnote 14 above
Attending to business needs

There are two patterns for attending to business needs. Firstly, franchised and corporate-owned businesses have their needs taken care of by legally-binding franchise agreements or corporate headquarters, where career-oriented opportunities lie. The contracting out of minute tasks requires approval where there is not an official policy or designation in place already. While there is varying room for advancement within large corporations, career-track opportunities require out-migration from the neighbourhood. In general, these establishments expect high staff turnover and steadily receive in-store and online applications.

Non-franchise businesses looking to expand have needs but indicated a lack of resources to pay for them. They are unsure if enhancements or refurbishments will bring added value, and cannot risk investing too much into them (resources that would be removed, however temporarily, from daily operations). Some have needs that are tied to bringing in more business, lacking the resources to pay upfront. Many of these businesses express worry about the quality of piecemeal work, they are hesitant to offer contracts to those whose commitment to their establishment is not proven.

Establishments that are satisfied with their level of business are not looking to bring on outsiders for small tasks and tend to use family and close friends for piecemeal work.

2.4 The take-away: leveraging youth to support employers

Our conversations with employers were coloured by the struggles they are facing. Most are struggling financially and not hiring for full-time positions as a result. Their needs are both erratic and timely, so they often have difficulty filling them and focus on getting by rather than on making risky bids for expansion. Retail and food service establishments have links to youth that help with low-wage, low-skill jobs, but the focus of this report lies in further career development.

Unemployment due to staggering competition between youths and experienced job seekers cannot be effectively addressed by increasing networking or retraining, when every competitor is taking the same self-improvement measures and tapping into the same networks.
Looking forward: Moving beyond soft skills, networking and added training

Given the limited career-track opportunities known to local employers in the Carling Avenue area, the suggestions of service providers and relevant literature to focus on soft skills to gain professional contacts is not a strategy that youth at the neighbourhood level could effectively use to enter into career-track work. In terms of soft skills, while better self-marketing may ease employer anxieties about investing in young hires over time, it will not give employers the financial resources required to take on inexperienced hires. Nor will the HR expertise of the voluntary sector necessarily help employers make more efficient and growth-oriented use of the labour (young, old, full-time and precarious alike) they currently have access to.

Our conversations with employers confirm that networking for youth struggling to move from low-wage, low-skill jobs into career-oriented positions remains a challenge. Employers of low-wage, low-skill work are not connected to employers of career-oriented opportunities. Thus, the survival work youth use to provide for themselves while undergoing professional development and paying off training-related or education-related debt is not useful for expanding professional networking opportunities. Work for struggling businesses is demanding of employees and requires their entire focus so that their shifts are profitable and the business can stay afloat.

Rethinking job creation

The SPCO’s analysis shows one potential economic opportunity that requires exploration and innovation – namely, the just in time needs of businesses that are not being met. There is no existing network to connect the pool of skilled youth with a need that a small business will have later this week that it could not have foreseen two weeks ago. For instance, small business owners indicated that they would benefit from marketing and social media campaigns. They could not pay a full-time developer to manage an ongoing project, but a concrete, one-time product to advertise an anniversary sale, special event, fundraiser or charity event would be affordable. This would provide experience to youth and value to business owners who would have the value-added resources at appropriate times.

The creation and enlargement of existing pools of precarious workers engaged in unstable, temporary work is not supported. Rather, it is felt that within a community context, there are opportunities for employment and youth services to develop sustained relationships with local businesses to expose youth to short-term labour requirements. In turn, local employers have access to skilled youth who have had the benefit of being pre-screened by a referral agency.
Perhaps long-term career development at this point in time is not viable in the sectors that youth within the study area desire to work. However, a greater emphasis on skills transferability, as well as creating the means to recognize initiative, flexibility, and innovation is critical for career building. This includes the ability to understand and anticipate employer needs within paid work contexts. One benefit of these shorter contracts is to instil entrepreneurial skills. However, it should not be assumed that skilled youth would be encouraged to launch freelance careers, as these generally require extensive contacts (gained through work experience), in today’s context where self-employment pays lower than working for a company.

Throughout the course of SPCO’s work on youth unemployment, teachers, parents, young people and employers have all voiced that education and volunteer work are not as valuable as real work experience. Creating one-off, small project contracts that allow youth to make tangible contributions to local businesses will not significantly reduce income disparity between youth and older workers. However, it will work to create an environment of paid labour, where youth are compensated for their work, and where past work can be properly recognized by future hiring managers.

If career development requires “stepping stones”, it is anticipated that at least some of these stones are located directly where people live. Where employers are cautious of contracting work out piecemeal, this survey has located an opportunity for agencies to capitalize on their deep ties to neighbourhoods to advocate for the capabilities of skilled youth in the bid for small-scale projects that improve the local business environment.
Section 3: 
What can we learn from other models?

Learning from communities mobilizing resources to improve the employment outcomes of demographics of concern
Mobilizing community resources to build local economies

This section focuses on two employment models that integrate building local economies with youth employment: the Workforce Pipeline Model and Escalator Model.

3.1 Neighbourhood Workforce Pipelines: what can we learn from the American experience?

Introduction

The pipeline approach identifies and responds to inadequate access to employment-related resources, including access to professional networks and early workplace experience, by developing robust partnerships between service providers, community organizations, businesses, key industries and residents, to create pathways to gainful employment. The number of participating partners will vary depending on available resources, socioeconomic conditions of a target neighbourhood, and the demography of residents. Clearly identifying the expectations, goals and concrete roles of all partners are critical to pipeline success.

Holistic services

Workforce pipelines work to supply a continuum of service by initiating and maintaining partnerships between actors and organizations to provide all necessary employment-related supports, from culturally appropriate and accessible services, language training and affordable childcare, to field-specific employment training services\(^9\). Workforce pipelines are more than simple service directories, but actual networks of individuals and organizations that work to mitigate as many structural barriers to stable and sustainable work as possible.

Workforce pipelines as community development

The pipeline model works by building on methods of community development that focus on mapping community assets, developing cross-sectorial partnerships, working across “silo” departments, and creating shared governance structures whereby key actors invested in youth employment determine and coordinate their role in the

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initiative. Decision-making power can be strictly shared between partners, or a central organization can take a lead role in directing pipeline implementation.

Because the pipeline model emphasizes the continuous strengthening of relationships between key stakeholders, it does not focus exclusively on at-risk or “most disadvantaged” youth populations, but rather on the strengthening of relationships between all community stakeholders. It expands the deployment of resources beyond singularly addressing the skills deficits of individual youth and moves toward building community capacity to meet present and future challenges of local economic development.

**Addressing systemic barriers to employment**

Workforce pipelines strive to supply and increase access to a range of services and benefits, not just training programs that make individuals more employable. This is essential because unemployment and underemployment are linked not only to skills mismatches and inadequate work experience. They are also tied to employment barriers caused by discrimination affected by race, gender, sexuality, disability, having an accent, country of educational attainment and work history, use of social assistance and employment insurance, and challenges tied to adapting to new industry cultures due to downsizing.

These barriers are considered structural and systemic because they impact employability consistently across different employers, and they impact the determination of employment eligibility in ways that are beyond an individual’s control. The American experiments in improving employment outcomes for ‘rough’ neighbourhoods grapple with anti-black racism, xenophobia against Latin Americans and stigmas against previously incarcerated individuals – in particular and in tandem with other barriers.\(^{10}\)

**The challenges of intersecting barriers**

Barriers are commonly discussed as intersectional because they act upon and reinforce one another in specific ways, shaping the individual experience of a young job seeker; experiencing more than one barrier compounds the difficulty of securing work.

For instance, employment programs that require clients to take on additional training before they can qualify for career-track opportunities do not take into account the fact

\(^{10}\) Ibid
that low-income youth facing difficulties advancing in employment are prevented from participating in unpaid training because they contribute to their household income through "survival jobs". Current mandates result in Ottawa area service providers focusing on landing – not maintaining – first jobs for youth and services for people with multiple barriers. Funders need to expand mandates to address meaningful career-development and advancement after the first job is attained – and held.

Some barriers arise out of societal prejudices that predetermine a young person’s ability, attitude towards work and "job readiness". For example, after adjusting for equal educational attainment, immigrant youth within OECD countries are less successful overall in the labour market than native-born youth, which suggests that employment success is linked to factors other than formal education. Immigrant youth also tend more often to be overqualified for the employment positions that they hold than native-born youth\textsuperscript{11}.

Structural barriers are pervasive because they are not automatically reduced when neighbourhoods experience economic prosperity. Societal attitudes that bolster and justify discriminatory employment environments and hiring practices tend to be deeply entrenched and difficult to change, even as economic activity increases and material conditions improve. For instance, young women who network and work in male-dominated sectors face specific risks and challenges rooted in patriarchal systems of dominance and resource accumulation that require concerted and explicit effort, policies and shifts in societal behaviours to dismantle.

Despite anti-discrimination policy, economic development and individualized interventions, short of providing actual job experience with significant supportive resources, oversight and accountability, are alone not enough to dismantle structural inequalities for unemployed youth.

\textit{Creating professional networks accessible to youth}

Employment programs aimed at improving the employment and economic outcomes of immigrants in Canada are providing insight into the benefits of using a network approach and creating professional networks for individuals who do not otherwise have access to social networks, resources and opportunities, such as the hidden job

market. With the existence of databases and job posting aggregates that create candidate profiles based on stored resumes, and websites such as LinkedIn that provide access to detailed profiles of job candidates, it is routinely claimed that most new jobs are offered directly to candidates and never make it to open postings. Data to confirm specific numbers does not exist, but the anecdote has a life of its own and is included on the Government of Canada webpages for both young and adult job-seekers.

Exposing youth to hiring practices and workplace cultures

Consultations with employers during this project and prior research with youth indicate that youth who are currently not employed in career-track fields are disadvantaged by their relative unfamiliarity with the hiring and workplace cultures of sectors in which they aspire to work. Workplace cultural fluency is an issue that newcomer Canadians face when seeking work.

Employer preference for “Canadian experience” is a prevalent barrier experienced by newcomers, including newcomer youth. While working and living in new cultural environments presents real challenges, this preference becomes a form of discrimination when individuals who have education and work experiences developed outside of Canada are perceived to be inherently difficult to train or less likely to succeed in a position.

Studies have shown that preference for Canadian experience tends to be tacit for familiarity with Canadian workplace culture. For this reason, mentorship opportunities with working professionals, rather than additional skills training, have been effective in permanently integrating newcomers into positions in their field.

The success of mentorship points to the fact that job search and job retention success hinge on hands-on job experience and access to guidance in the workplace. Even though youth experience the added barrier of limited work experience, the success of

12 See footnote 14 above


this network-based approach for immigrants facing barriers to establishing professional networks provides an important takeaway for youth employment programs.

**Implementing workforce pipelines in Ottawa**

A major barrier to implementing an American-style neighbourhood workforce pipeline is the lack of accessible key industries within Ottawa neighbourhoods of concern. High-tech companies in downtown Ottawa and Kanata and the city’s public sector require experienced workers and cannot be tapped on a large scale for programs that are prepared to accept and train annual contingents of local youth. While the Federal Student Work Experience Program (FSWEP) has helped young professionals navigate and launch careers in the public service, public sector downsizing\(^{15}\) means that it is crucial that we recognize opportunities outside of the civil service.

Though workforce pipelines require a degree of industry capacity and investment in youth we do not see matched in the Carling and Bayshore area, there are key lessons to be learned from the benefits of supporting integrated and connected services that place socioeconomic well-being at their center, and from employment as an integral component of supporting resilient neighbourhoods.

Implementing a workforce pipeline will not remedy all barriers against young job seekers, but pipelines demonstrate by example that unemployment and underemployment are embedded within specific cultural contexts that require multi-dimensional, long-term community development strategies. Pipeline models offer guides rather than set policies. They recognize the goals of different community stakeholders and actively engage agencies and service providers to work towards those goals.

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3.2 Does the made-in-Canada “Escalator” model provide guidance16?

Introduction

A September 2014 report by Toronto’s Civic Action outlines a pipeline-style plan to improve youth employment outcomes in Southern Ontario, named “Escalators” to highlight the steps required to land youth first jobs and the twin goals of moving both youth and companies up in the world. The report highlights the need to attend to at-risk groups including youth who are not in education, employment or training (dubbed “NEET” by media), and shares pipeline model proponents’ concerns that government activities are not enough. Developing closer links to business will ensure that programming meets employer needs, helping youth get the experience from jobs required to break into careers.

The soft skills youth need to land jobs are not the same ones they will need in order to succeed as workers in diverse fields. Shortages reported by employers are sometimes core skills, but are also credentials and workers at the right time – some ‘skill’ gaps may in fact be experience shortages. Young workers need access to entry level experiences so employers will recognize them as having career-relevant skills. Soft job-hunting skills alone will not help youth overcome these barriers to getting hired. Bringing employers in will ensure that the soft skills youth are being taught will actually lead to jobs with career-track experience, simultaneously equipping companies with a new generation poised to increase their global competitiveness.

Employers need to be brought in as key stakeholders to improve youth employment outcomes. The function of business is not youth or community outreach, but businesses contain both the skills that youth need and people who are eager to contribute back to their communities in different ways. Bringing in business will shift the focus from what youth are doing wrong to aligning youth talent and interest with employer needs.

The report recommends simultaneous actions, two of which are relevant to the present case study:

- Regional Mentorship Initiative: Connecting Youth with Role Models
- Employer-Designed Training & Initiatives: Closing the Skills Gap

• Engaging SMEs: Bringing Job Opportunities into the Open
• Transparency of the Job Market: Connecting the Dots between Supply and Demand

**Mentorship:** Mentors provide unique forms of assistance. They combine knowledge of where jobs are and how to find them with the skills that will be required for successfully keeping said jobs. In particular, mentors drawn from the older millennium demographic experienced many changes to the economy early in their careers. These individuals can provide young job-seekers with knowledge of how to get career-track experience that leads to work in today’s economy. While millennials have not accumulated as much workplace experience as older workers, they have the benefit of knowing how to land jobs in today’s economy and can help pass that knowledge along. Ottawa area service providers consistently note the popularity of their mentorship programs. These programs are ripe for best-practises analyses and generalization to connect more new entrants to the job market with experienced workers who can provide invaluable advice on post-first-job career development.

**Improving transparency of jobs and economic opportunities:** The majority of new jobs are being created in smaller and medium enterprises (SMEs). Lacking large Human Resources departments and incredibly careful of the resources spent on training new hires, SMEs tend to shy away from job boards and agencies to recruit youth. Getting SMEs to be more transparent with hires will provide them with the next generation of workers, but also has ancillary benefits to enterprises and service providers alike. For SMEs, this can be a great chance to benefit from low-cost Human Resources supports. For service providers, there is an opportunity to learn more about the needs of employers involved in the ‘hidden job market’ so frequently alluded to. Stronger ties between these groups will help facilitate the transfer of youth into these job networks.

From interviews with Ottawa area employers, many who were not in a position to hire had difficulty fulfilling periodic needs that could add value to their businesses. Many of these needs are too short term to provide new jobs for youth – but could provide involuntarily part-time under-employed youth with entrepreneurial skills and symbiotically bolster local businesses. Over time this could boost neighbourhood economies, creating jobs and providing youth with contracts for career-oriented experience that utilizes freelance skills.

This represents a shift for employment agencies and service providers. For CivicAction, the idea is to target employers that do not have access to larger networks for potential
employees, databases of their own or costly recruitment services that can process large pools of candidates. Adaptation of this concept to Ottawa conditions can be reasonably started by searching out smaller economic opportunities that bridge the gap between local business needs and underutilized youth skills.

**The long-term goal:** Over time, this concept will be part of an integrated system where job creators and seekers alike will have access to more abundant and accurate information regarding the skills and qualifications of youth as well as employer skill and hiring needs. Rigorous monitoring and evaluation will influence the confidence of employers who will come for a reliable source of keen young workers with whom to build their companies.

**Considering these models for the present case study**

**Limits:** While Ottawa is perhaps not viable for implementing an American-style Neighbourhood Workforce Pipeline, the rich variety of service providers are well-advised to work more directly with employers to match the skills of under-employed youth to their just-in-time needs as a way of moving forward in regards to the two steps borrowed from the Escalator report.

Throughout the report, it has been suggested that youth can be leveraged to support business needs while building a portfolio of career-oriented experience.

**Wanting to support youth:** Employer empathy with youth can be leveraged, especially with employers who believe it is important to hire from within their neighbourhood. There are trust and perceptional issues that need to be overcome, where employers have had bad prior experiences with youth and need to be reassured about the quality of candidates or where perceptions make employers cautious about new hires without “Canadian” experience. It is also worth repeating that some small business owners are aware of the over qualification of their young workers and grapple with underemployment they feel unable to address. While Ottawa service providers are starting to provide simultaneous programming for youth and their parents, there is a lack of avenues to rigorously gauge and intervene in employer perspectives on youth.
Section 4:
Moving forward in Ottawa
4.1 Presenting our research to service providers

In October 20\textsuperscript{th} of 2014, the Social Planning Council hosted a forum titled “Tackling Youth Unemployment and Underemployment” that brought together various agencies working on different aspects of youth unemployment and underemployment under one roof to discuss collaboration to improve youth employment outcomes.

Members of Youth Leadership for Change presented a brief of the facts in this report and suggested as takeaway that soft skills training and advice (general or minutely detailed) on the hidden job market is limited in its ability to help youth land career-track employment as long as employers are having difficulty hiring and looking for concrete work experience in their fields. Keeping the conversations focused was a challenge, and many agency workers insisted that the sorts of soft skills that are the mainstay of employment services for youth are the very skills they used to take advantage of mentorship opportunities and land their current jobs.

Subsequent meetings found service providers increasingly receptive to the message of the heavy burden career-seeking youth are expected to carry. Youth are expected to work whatever part-time, low-skill/low-wage work we are able to find to pay bills, student debt and finance further career development; stay on top of new technologies and enroll in additional training to get credentials that show employers we have skills they need; be constantly on the lookout for mentors and networking opportunities to apply our soft skills; and engage in volunteer and unpaid labour to gain the experience necessary to start our paid post-barista careers.

Despite initial resistance to this idea, many service providers reported that they “got lucky in finding good guidance and mentorship” early on in their careers. This admission is relevant to improving youth employment outcomes, given the multitude of tasks youth are expected to juggle to land careers. Today’s youth are offered a variety of soft skills training, yet the idea remains that even hard workers willing to go through periods of unpaid or underpaid menial labour require a lucky break to make the disjointed jump from low-skill to career-oriented work. Many employers also cited chance in being able to fill their just-in-time needs, with their businesses sometimes struggling or underperforming as a result. The solution posited by the SPCO relies on better connecting these key groups to symbiotically fill gaps.
4.2 Leveraging the skills of unemployed and underemployed youth in portfolio-building work to meet small business needs

Several employers referenced occasional needs. These employers have explored various marketing techniques including websites and social media presence, and some are interested in business-expanding projects such as the pursuit of catering clientele. Many employers have been unable to find workers to fill these needs and have lacked the resources needed to purchase professional services. Kijiji, Craigslist or other online boards are cited as useful tools for locating labour, but hesitation is expressed surrounding the expected quality of work. Likewise, there are youth working part-time low wage jobs while looking for career-oriented work, paying off student debt and looking into other professional development or career paths.

These groups can be fruitfully connected by:

- Choosing neighbourhoods with businesses (perhaps local, independent) that will be receptive to working with service providers and youth to meet their business needs but that are lacking business improvement associations. Employers can be surveyed for the specific needs they have or have had in the past and anticipate in the future.
- Analysing the data to obtain a sense of the sort of skilled youth that could fill these needs in portfolio-building contracts, paying attention to the anticipated size of projects and the ability of businesses to remunerate workers they have faith in.
- Working with the voluntary sector to screen youth who will form a pool of contractors for business.
- Using an app or listserv to inform youth in the pool when jobs arise so they are able to complete relevant, income-patching work that fits their schedule and adds economic value to their neighbourhoods.

If neighbourhood economies are bolstered sufficiently with youth working with career-oriented jobs, the revitalization may create career-oriented jobs that allow Ottawa youth to find meaningful work in their neighbourhoods. Furthermore, this is an exercise in practical advocacy – by pooling youth for employer needs, stereotypes surrounding youth can be transformed: youth can be seen as willing and able to make positive impacts on local businesses. The hidden job market may remain difficult for youth to access, but providing practical experience by enabling them to meet local business needs is a step towards unmasking it.
Finally, it is necessary while moving forward to regard youth unemployment as part of a larger problem: that of structural shifts in the economy, which systematically disadvantage new entrants to the labour market and exclude them from many industries. This, rather than as a reflection of problems of the youth themselves. In 2015 the economy is not full of large, relatively stable workplaces where a young person can reasonably expect to get their ‘foot in the door’ and build a career. If youth are to work, new narratives and pathways for career development will need to be developed—starting with taking inventory and advantage of existing unfilled opportunities with local businesses.