



## The Importance of Literacy and Essential Skill Training for the Canadian Workforce

Brief Submitted to:  
**House of Commons**  
**Standing Committee on**  
**Finance**  
 August 2011



## **Introduction:**

The Quebec English Literacy Alliance (QELA) is grateful for the opportunity to present its views to the House of Commons Standing Committee on Finance. This brief aims to provide insights on the importance of literacy and essential skill training for the Canadian workforce, as seen through the lens of an Official Minority Language organization, based in Quebec.

QELA, a not-for-profit organization serving the English-speaking community, consists of a network of literacy providers spanning 11 regions in province. We endeavour to heighten awareness of the importance of Essential Literacy Skill development for all adult Quebecers, so that they can contribute to their full potential both in the workplace and in their communities.

Global competitiveness is driving demand for a workforce proficient in all essential skills, from reading and writing to document use and digital literacy. Today, literacy is more than the ability to read or write; it concerns the set of skills people need to succeed in the labour market and to contribute to their communities and families.

Yet 42% of adult Canadians<sup>1</sup> do not have everyday reading skills, and countless others have not seen the inside of a classroom since their high school days decades ago. Many have difficulty with basic tasks such as understanding written instructions for taking a medication or operating equipment, or have difficulty deciphering bus schedules. They are forced to adopt coping skills to remain undetected.

Others are unaware of the degree to which their skills are out-of-date, or do not realize how much of what was once known has been forgotten. This becomes painfully clear when there is a change in the workplace that makes these “at risk” workers vulnerable to layoffs or replacement, with little hope of finding suitable employment.

Although QELA shares many of the same challenges faced by literacy and essential skills groups in other provinces, we operate in a province where the working language is French, proficiency in which is understandably considered by most as the “10th Essential Skill”. While we concentrate our efforts on first improving English reading and writing skills, once the learner is ready to move to the next step we provide all essential skill materials in both languages so that the learner may become familiar with the French terminology.

**Canada has always been viewed as a country rich in natural resources. These natural resources include a pivotal resource: our workforce.**

**To achieve a sustained economic recovery, we must be able to count on a renewable and sustainable workforce with portable skills, one that can react quickly to changes in both the workplace and the global marketplace.**

## **Recommendations:**

### **Work with the literacy and essential skills sector to build awareness of the importance of essential skills in the workplace**

Both industry and government have kept a watchful eye on changes in the global economy, steering us through a difficult global economic crisis. However, as we prepare to weather the next storm, it is now labour that must take the helm. We must count on labour to upgrade and/or refine their skills in order to help strengthen the local economy and to compete in the global marketplace. To this end, government and industry must work together to promote literacy and basic skills training so that all adult Canadians have the portable skills required to take full advantage of any labour market opportunities that may arise.

The challenge in Quebec is amplified, as an English-speaking worker with low literacy may feel overwhelmed by the challenge of upgrading their skill in two languages. Fortunately, research demonstrates how upgrading literacy in a mother tongue helps proficiency in other languages.

Studies show that with as little as 40 hours of literacy training<sup>2</sup>, a worker will demonstrate an improvement in their skill level, which in turn gives them the confidence to continue learning. As labour skills develop, industry will derive multiple benefits, including augmented productivity and increased profitability, fewer on-the-job accidents and less downtime, and quicker reaction to global and economic changes.

A national campaign such as HRSDC's "The workplace is changing. Do you have the skills to get ahead?" delivers an important pre-emptive message aimed precisely at these "at risk" workers. This powerful message must continue to be leveraged by all provincial literacy coalitions, which are well-positioned to help deliver the message to industry and community groups.

### **Provide a tax credit to employers that engage in literacy and essential skills training**

The workplace has truly changed over the past decade: truck drivers have computers on board and hospitality workers are expected to use touch-screen wireless tablets. With computers and other electronic devices becoming more commonplace in all toolkits, unskilled jobs are scarce or non-existent.

As the skills that are required in the Canadian workplace evolve, the many industries that contribute to our economic prosperity must be encouraged to adopt a culture of continuous learning for all levels of their workforce. Therefore, this effort must extend beyond the white and grey collar positions to include literacy and essential skills training for the rank and file and the "shop floor worker".

The payback for all Canadians is evident. According to TD Bank Financial Group estimates,<sup>3</sup> "a one per cent increase in literacy rates could boost the national income by as much as \$32 billion", the Group further noting that "an economic payoff of more than \$80 billion could be achieved if all Canadians reached the desired level of literacy."

The need for a renewable supply of English-speaking workers of all levels in Quebec industry is all the more pressing when one factors in the demand for companies that can operate in the global marketplace, where English dominates as the lingua franca of business. This is evidenced by a study<sup>4</sup> that shows English-speaking workers indexing higher than

their French counterparts in such sectors as the management of companies, the wholesale trade, professional and technical services, transportation and warehousing, accommodation and food service, and manufacturing. If these companies are to continue growing, management must be able to rely on a workforce that operates effectively as its backbone.

To gain support for such a workplace literacy and essential skills program, the Canadian government can provide an incentive in the form of a tax credit for companies that either set up a workplace literacy and essential skill in-house training facility, or that provide incentives to their employees to seek training at accredited facilities. As stated by Frank McKenna, Deputy Chair, TD Bank Financial Group, "Even little things, such as having a flexible workplace environment that permits workers to attend literacy programs during work hours, might go a long way to increasing participation."<sup>5</sup>

This tax credit would be of particular interest to small and medium-sized businesses that have to "watch their pennies" in a period of economic uncertainty. These companies represent an important growth opportunity for our economy, and must be able to rely on an effective workforce with literacy and other portable skills.

Larger companies currently offering training programs to their employees would be encouraged to consult with literacy and essential skills providers on how to integrate literacy training into their existing programs. Such integration could include modules focusing on various essential skills (e.g., numeracy, document handling, using computers), but would be delivered in the "context of work", using relevant examples based on the company's procedures and processes.

## **Integrate literacy and essential skills training into a national Financial Literacy Strategy**

In its December 2010 report, *Canadians and Their Money: Building a brighter financial future*, Canada's Task Force on Financial Literacy recommends, among other things, that the Government "include financial literacy as an essential skill in its Essential Skills Framework."

The expected Financial Literacy Strategy is a welcome development. Canada, once a country of "savers", now has a debt-to-disposable income ratio higher than that of the United States<sup>6</sup>, reaching a record high of 146.9% in the first quarter of 2011.

Two segments of the Canadian population at greatest risk are households with lower family incomes and those aged 55 and over. These segments are of particular interest to literacy and essential skills providers, since they are often most in need of training and skill upgrading.

Establishing financial literacy as one of the Essential Skills is an important step to unifying the effort to reach Canadians who are most vulnerable to economic downturns. As stated by the chair of the Task Force, "Increasing the knowledge, skills and confidence of Canadians to make responsible financial decisions will help them meet their personal goals, enhance their quality of life and make Canada more competitive."

## Summary

To achieve a sustained economic recovery for our country, a collaborative effort between labour, industry and government is crucial. Each has an important role to play in ensuring that sustainable employment is available for all Canadians.

1. Labour must recognize the importance of essential skill upgrading and take action to ensure they keep their skills current by enrolling in provincial programs in their communities.
2. Industry must foster a culture that values and supports continuous learning for all employees. Establishing programs directed at employees who struggle with low literacy or require other essential skill upgrades is of greatest importance.
3. Government must support literacy and essential skill programs by:
  - a. Continuing to build awareness of the need for essential skill upgrades
  - b. Providing incentives to industry to participate in the upgrading process
  - c. Helping evolve the Canadian definition of Essential Skills

<sup>1</sup>Adult Literacy and Life Skills Survey 2003, Statistics Canada, 2003

<sup>2</sup>Addressing Canada's Literacy Challenge: A Cost/Benefit Analysis, DataAngel Policy Research Incorporated, p. 57

<sup>3</sup>Canada's well-being relies on improved literacy skills: TD Bank, September 2007

<sup>4</sup>Where Do the Anglos Work?- a review of statistics for employment and training in the English-speaking communities of Quebec – Winter 2010, Qu'anglo Communications & Consulting

<sup>5</sup>"Efforts to Help New Canadians Must Focus on Literacy Skills", Frank McKenna, Article as published in "Progress Magazine" October 2009

<sup>6</sup>A Driving Force No More: Have Canadian Consumers Reached Their Limits?, Certified General Accountants of Canada, June 2011