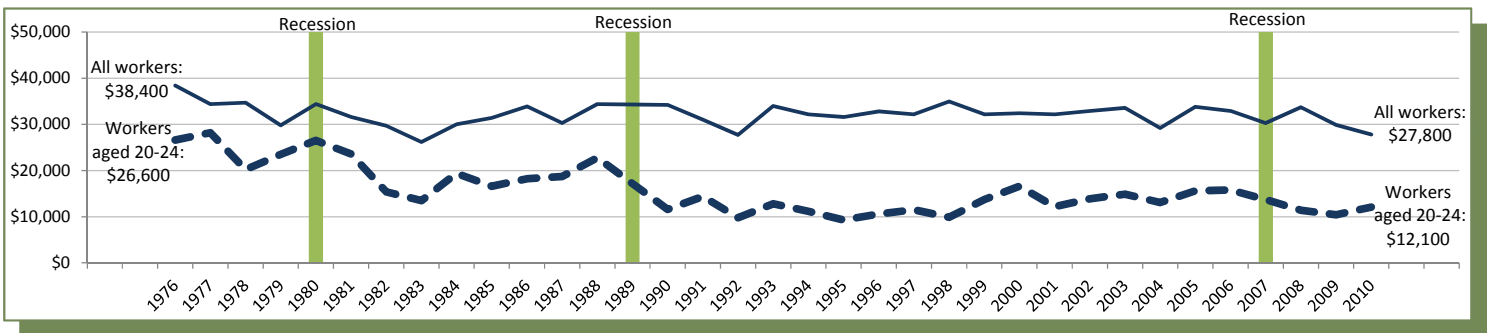


Key findings:

- ◆ **The 1980s and 1990s recessions led to steep declines in youth wages, without a recovery.**
- ◆ **Earnings for Hamilton CMA workers aged 25-34 are second lowest among Ontario large CMAs.**
- ◆ **The city of Hamilton's youth unemployment rate in 2011 was still higher than before the recession, but was lower than most other southern Ontario communities.**

The trends in employment earnings for workers aged 20-24 years show that the 1980s and 1990s recession led to steep declines in youth wages (Chart 1). The effects of the 1990s recession were especially pervasive and prevented youth wages from recovering, even 20 years later. In the Hamilton CMA, the 2010 median employment earnings for this group were less than half what they were in 1976, a trend seen across Ontario. Declining income for young workers is the result of increasing precarity for in the labour market, including lower wages, fewer hours of work, decreasing access to permanent jobs and more time unemployed between contracts. Along with the negative impact on income, many studies (including from Professor Wayne Lewchuk at McMaster University) have documented the damaging effects of precarious employment on workers' physical and mental health. These harmful consequences affect society at large, including taxpayers, parents, and children.

Chart 1. Median employment earnings of workers aged 20-24, compared to all workers, Hamilton Census Metropolitan Area, 1976-2010, Statistics Canada (Survey of Labour and Income Dynamics), adjusted for inflation using constant 2010 dollars.

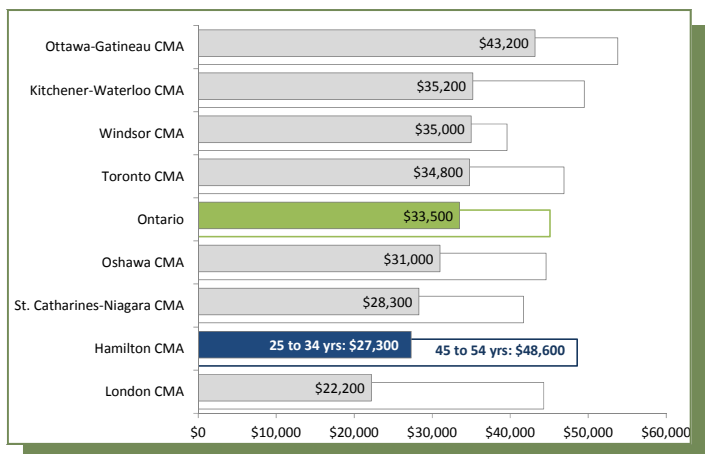


Data notes: Median employment earnings data excludes anyone not earning employment income. For example, students who are not working would have no effect on this data. Charts 1 and 2 are drawn from Statistics Canada Table 202-0407.

Older youth have not seen as dramatic a decline in their wages as workers aged 20-24. Workers aged 25-34, however, experienced other shifts in earnings. While in the late 1970s Hamilton CMA workers aged 25-34 earned more than 80% of the wages of workers aged 45-54, this has dropped to about 60% currently. In the Hamilton CMA in 2010, workers 25-34 years old had the second lowest median employment earnings among Ontario's eight large CMAs (Chart 2). Median earnings for this age group were \$27,300, almost \$22,000 lower than workers aged 45-54 in Hamilton (who have the third highest median earnings among Ontario's large CMAs.)

While there are differences in educational profile in the 25-34 years age group across CMAs they do not explain all the variation in employment earnings. Hamilton CMA residents in this age group are not as well educated as the average for Ontario, however, the Kitchener-Waterloo-Cambridge CMA has the same proportion of residents aged 25-34 who have completed a university degree or diploma as the Hamilton CMA (32%), yet median employment earnings for this age group in that CMA is almost \$8,000 higher.

Chart 2. Median employment earnings of workers aged 25-34 (solid bars) and 45-54 (hollow bars), Ontario Census Metropolitan Areas, 2010, Statistics Canada (Survey of Labour and Income Dynamics).

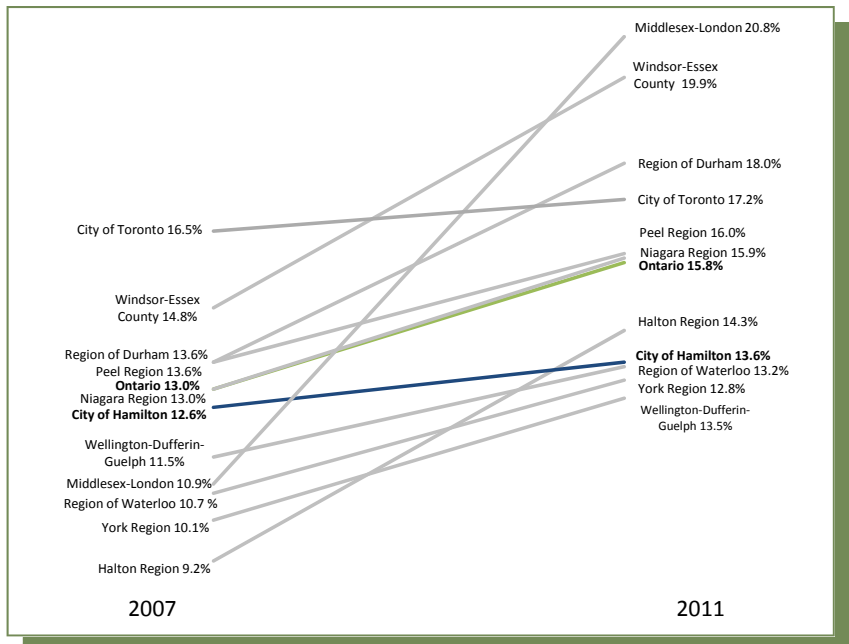


A comparison of Southern Ontario communities shows that Hamilton's youth unemployment rate has experienced the fastest recovery from the 2009 recession (Chart 3). The overall youth unemployment for the city of Hamilton was 13.6% in 2011 compared to 12.6% in 2007. Across Ontario, the average youth unemployment rate was 15.8% in 2011, up from 13% in 2007. In all communities however the unemployment rate for youth is much higher than the overall rate. In 2011, the city of Hamilton's youth unemployment rate was exactly double the overall unemployment rate (6.8%).

The 2009 recession had an enormous impact on Canada's youth. In the 10 month period of peak job losses (2008-09), more than half of all workers laid off were between the ages of 15-24, a total of 253,000 young Canadians.

A recent study by the Certified General Accountants Association of Canada, *Youth Unemployment in Canada: Challenging Conventional Thinking?*, argues that underemployment of Canada's youth is a bigger problem than unemployment. On the positive side, they found that long-term unemployment among youth was relatively rare (about 5.4% of the youth aged 15-24) and that the recovery of youth jobs was highest in higher wage occupations. But when examining underemployment (the mismatch between education and job skill requirements), they found that one quarter of Canadian youth with a university degree were employed in jobs that did not require post-secondary education. Other studies have also shown that racialized youth in Canada have the highest rates of unemployment and underemployment.

Chart 3. Slopegraph of unemployment rates of 15 to 24 year olds, southern Ontario Health Regions, 2007 vs. 2011, Statistics Canada (Labour Force Survey)



Data notes: Most recent data available at time of publication. More recent data is only available at the level of the Census Metropolitan Area (which for Hamilton includes Burlington and Grimsby). The data in this chart is from Statistics Canada Table 109-5324.

Policy solutions across Canada to improve the labour market for youth

Across Canada, organizations are advocating for specific policy solutions to challenges faced by young workers:

- ❖ The Law Commission on Ontario is recommending making precarious work less insecure and better protecting vulnerable workers, including youth. For example, they call for **changes to the provincial Employment Standard Act**, including making sure part-time employees get paid the same hourly rate as full-time workers and extending basic sick day benefits to employees of small businesses. They also call for increasing proactive enforcement of the law.
- ❖ The Workers' Action Centre with help from organizations such as the SPRC have been contacting MPPs across Ontario to urge them to increase the minimum wage. Their **Melt the Minimum Wage Freeze** message highlights the fact that minimum wage has not increased since 2010, while the cost of living has increased by more than 5% in this time. Young workers are more likely to be working at minimum wage jobs and would benefit from their recommendation to the Ontario government that minimum wage increases by tied to inflation instead of at the whim of politicians.
- ❖ Steel City Solidarity is a new Hamilton community action group helping workers who have been victims of **wage theft** by employers. Non-payment of overtime, tips and other forms of wage theft affects all kinds of workers in precarious jobs. Young people are often at higher risk because they may not be as aware of their rights under the Employment Standards Act, or may feel that they can't fight for their rights for fear of losing their job.
- ❖ Generation Squeeze is a BC-based campaign bringing attention to the growing disparities between younger and older workers across Canada and proposing policy remedies such as a **universal childcare program** to help young families.
- ❖ Living Wage Hamilton is advocating for businesses and organizations to recognize that the minimum wage does not provide for a minimally decent standard of living and to begin increasing hourly wages to at least \$14.95. Implementing **living wage policies** would be a first step towards reducing income precarity for young workers in Hamilton .
- ❖ The Canadian Intern Association has recently been created to advocate against the exploitation of interns, most of whom are young workers. Due to their efforts, the Ontario Ministry of Labour clarified their statement about the **legality of unpaid internships** on their website, which now states that regardless of a title such as intern, all workers must be paid at least the minimum wage (with a few very specific exceptions).
- ❖ Brock University professor Kendra Coulter has created RevolutionizingRetail.org as a website to highlight strategies for improving retail work and retail workers' lives, including a draft **Retail Workers' Bill of Rights**. Retail sales and service work are the most common occupations for youth in Hamilton, with more than 1 in 5 working in this sector.