

Canadian University Students in the Summer of 2010: Wages and Employment

Canadian Education Project Insight Brief #1

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CANADIAN
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PROJECT



The Canadian Education Project is an initiative of Higher Education Strategy Associates. Its mission is to improve public policy in education through research, program evaluation, public consultations and knowledge mobilization. Our staff and scholars combine unrivalled knowledge of education and training in Canada with extensive expertise in social science research techniques, enabling us to provide a broad range of informational, analytical, advisory and policy-related services to a diverse array of clients.

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EXECUTIVE SUMMARY

This report highlights new data on how Canadian university students spent their summer 2010. An often missed piece of the picture in understanding student and youth behaviours, the report sheds light on student participation in the labour market and in summer school.

This report presents and analyzes data collected during an online survey conducted by the Canadian Education Project between 22 June and 08 July, 2010. 4,802 individuals aged 18 and older who were enrolled in an undergraduate program at a degree-granting institution during 2009-10 and who were planning to continue in 2010-11 were included in the survey. Results in this report have been weighted to be representative of gender and regional distribution for Canadian university students. The resulting sample is not a purely random one, as members of the panel must have responded positively to at least one previous sample run by Higher Education Strategy Associates or its Canadian Education Project. Because they are not based on random probability samples, the concept of “margin of sampling error” is not applicable.

The key report findings were as follows:

- University students engaged in a number activities during the summer, including working, studying, volunteering and traveling, with 40% of students indicating that they were pursuing a combination of activities.
- 67% of students reported participating in some form of paid employment; of those, 36% said that they also attended summer classes and 25% reported also volunteering or participating in an unpaid internship during the summer.
- Roughly one third of students reported not working in paid employment this summer. Of these, a little more than one quarter could not find a job at all and another 32% added qualifiers to this statement, stating that they could not find a job that fit with their schedule or find a job of interest to them or that paid a sufficient wage. Slightly more than half of those who were not working indicated that they were continuing to pursue employment.
- The student summer unemployment rate was 19.8%, which is substantially higher than comparable figures given by Statistics Canada’s Labour Force Survey (LFS) due to definitional differences (this survey counts students enrolled in summer school as “looking for work” while the LFS does not).
- One-third of working students reported working in the sales and service sector, i.e. in sales and low-wage food jobs.
- Working students reported working a median of 36 hours a week and earned a median of \$400 a week, with males, on average, working more hours and earning higher hourly wages than their female counterparts;

The report underlines two points that are relevant to Canadian public policy relating to students and youth:

- Statistics Canada defines labour force participation in a way that excludes university students who choose to study instead of working, which substantially lowers both the labour participation and unemployment rate. Policy makers who look at the June Labour

Force Survey and conclude that the situation is acceptable with a relatively low 10.3% (or July's with an even lower 7.5%) unemployment rate need to understand that from the point of view of university students who have sought work this summer (as opposed to those currently seeking it), the unemployment rate is actually nearly 20%, which is shown using comparable from the Canadian Education Project survey.

- Provincial and federal student loan policy assumes that all students are able to make a financial contribution to their education based on summer income. For students living at home, the assumed contribution can be as high as \$2,700, depending on the province. However, quite clearly, there is a substantial portion of students for whom working in the summer simply isn't an option.

As these two points have policy implications for student labour participation and financial aid, it is important that policymakers understand that the Statistics Canada definition of unemployment, as applied to youth, produces results that substantially underplay the difficulty students are actually experiencing in obtaining work. As well, governments should either make some provision to relax their summer work contribution requirement for students or do a better job of explaining to students and families who choose summer school over summer work that they are likely to see a sizable gap in their funding package for the following year.

INTRODUCTION AND BACKGROUND

Though there has been a considerable amount of research conducted on post-secondary education and the student condition in Canada over the past decade, what happens during the summer months has received very little attention. The summer, however, is a key time for students: it is the period when many have the greatest contact with the labour market, an activity that is important for their short-term earnings and savings and for long-term preference formation in the labour market.

To date, most of the research that has been done on students during the summer has focussed on labour market activities. Statistics Canada's Labour Force Survey (LFS) has been used in various places (see Junor and Usher, 2004) to look at overall rates of participation. Other surveys conducted by the Canada Millennium Scholarship Foundation (EKOS Research Associates, 2006 and Berger, Motte, & Parkin, 2009) and Canadian Education Project (Kramer, Rogers, & Usher, 2010) have looked at issues such as summer income and summer savings, particularly relating to funding post-secondary education.

For nearly two decades, Statistics Canada has kept special tabs on levels of summer youth unemployment through the LFS; however this is not quite the same thing as *student* unemployment. Nor, as it goes, is Statistics Canada able to provide much information in terms of student earnings. Thus, although there has been considerable talk since the summer of 2009 about the effects of the recession on student income, there has been little hard data to provide evidence on this point one way or the other.

Apart from employment, research on Canadian students' summer activities is scarce. We know little, for instance, about students and summer studies; no survey has previously looked either at the percentage of students who choose to take courses in the summer or why. Even from administrative sources, there is no data on this issue because universities only ever report fall enrolment, and never report spring or summer enrolment. Nor has there been any work looking at how work is combined with study, or how either of these fits with student travel or with volunteering.

All in all, then, students' summer activities represent a large research void. In order to address this gap, Higher Education Strategy Associates' Canadian Education Project used its new online student research panel to examine some of these issues. This report is a summary of our key findings, particularly with respect to employment, including looking at sector of employment, hours worked, weekly earnings, and other employment statistics (employment rate, participation rate and unemployment rate).

This is the first year of the Canadian Education Project's survey on summer activities. Over the coming years we will be asking similar questions each June in order to build up a significant time series which can provide better data on students' summer experiences than that currently available from Statistics Canada.

METHODOLOGY AND SAMPLE

The data in this report were collected during an online survey conducted by the Canadian Education Project between 22 June and 08 July, 2010. 5,886 individuals aged 18 and older¹ who had been enrolled in an undergraduate program in a degree-granting institution at some point in the 2009-2010 academic year were included in the survey. Though respondents came from all provinces in Canada, results in this report have been weighted to be accurately representative of gender and regional distribution of Canadian university students.² For the purposes of this report, only those students who did not indicate that they were graduating were included in the sample, reducing the overall sample to 4,802.

The resulting sample is not a purely random one, as members of the panel must have responded positively to at least one previous instrument run by Higher Education Strategy Associates or its Canadian Education Project. Because they are not based on random probability samples, the concept of “margin of sampling error” is not applicable. Based on comparisons between our sample and those of other major student surveys such as Statistics Canada’s Youth in Transition Survey, or one of the Canadian Undergraduate Survey Consortium’s three rotating surveys, we are confident that our sample is a reasonably representative one.

¹ Our sample includes students older than 24 years old as there were a significant number of older students enrolled in post-secondary education. According to Postsecondary Student Information System (PSIS), 13.5% of university students enrolled in PSE are 25 years and older (Statistics Canada 2009). Special tabulation, based on 2007 Postsecondary Student Information System (PSIS).

² Statistics Canada 2009. Special tabulation, based on 2007 Postsecondary Student Information System (PSIS).

SUMMARY OF STUDENTS' KEY ACTIVITIES

Panel members were asked separately whether they participated in paid employment, taking summer courses, volunteering or travelling. Table 1 shows the main summer activities of panel respondents.

TABLE 1: SUMMER ACTIVITY FOR CANADIAN UNIVERSITY STUDENTS, SUMMER 2010

Summer Activity	% Participating
Work only	40%
School only	12%
Work and school	12%
Work and volunteer	9%
Volunteer only	5%
School and volunteer	5%
Work, volunteer and school	5%
School and time off	4%
Travel only	2%
Other	6%
Total	100%

Slightly fewer than 60% of students indicated that they were only pursuing one main activity in the summer of 2010: 40% working, 12% studying, 5% volunteering and 2% travelling. The other 40%, however, reported pursuing a combination of activities. This statistic is a useful reminder that students do not pursue activities in a uniform or linear pattern; instead, there is a significant portion of students who are mixing activities. All told, of the 67% of students who reported participating in some form of paid employment, 36% said that they attended summer classes and 25% reported volunteering or participating in an unpaid internship during the summer 2010.

STUDENT SUMMER EMPLOYMENT

DISTRIBUTION OF WORK BY SECTOR

Those students who indicated that they had already obtained work by late June were asked about the occupation corresponding to their work. Respondents were offered a list of potential occupation areas that were a slightly modified version of the National Occupation Classification.

As might be expected, the largest single occupation for student summer jobs were those in sales and service (the also category encompasses most low-level occupations in the food sector), with 30% of all students working in this area. Across most occupational groups, there was a significant gender gap. Men were notably over-represented in science occupations, trades, primary industries and manufacturing and processing; women were notably over-represented in sales and services, as shown in Table 2 below.

TABLE 2: CANADIAN UNIVERSITY STUDENTS EMPLOYMENT BY OCCUPATIONAL GROUP, SUMMER 2010

Occupational Group	Percent	Percent	Total
	Male	Female	Percent
Business, Finance and Administration Occupations	13%	19%	17%
Natural, Applied and Health Sciences Occupations	24%	13%	17%
Social Science, Education, and Government Service Occupations	11%	14%	13%
Art, Culture, Recreation and Sport Occupations	8%	13%	11%
Sales and Service Occupations	26%	33%	30%
Trades and Transport Occupations	6%	1%	3%
Primary Industry Occupations	7%	3%	5%
Processing, Manufacturing and Utilities Occupations	4%	3%	3%
Other	1%	1%	1%

HOURS WORKED

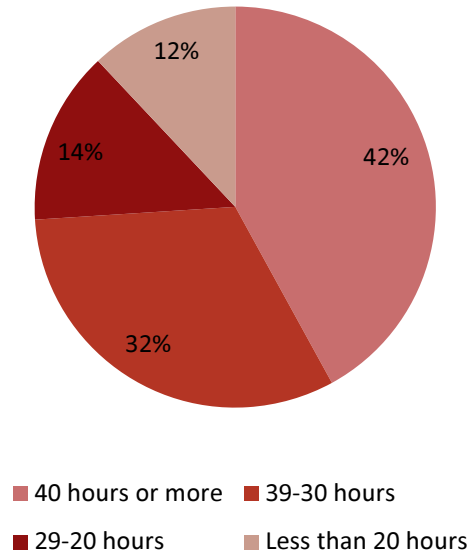
Survey participants reported working a median of 36 hours each week during the summer of 2010. Though the gap was not especially large, male students reported working more hours per week than female students (median and mean), as shown below in Table 3.

TABLE 3: MEAN AND MEDIAN HOURS WORKED PER WEEK, BY MALE, FEMALE AND ALL STUDENTS, SUMMER 2010

	Male	Female	All Students
Median	38	35	36
Mean	36	33	34

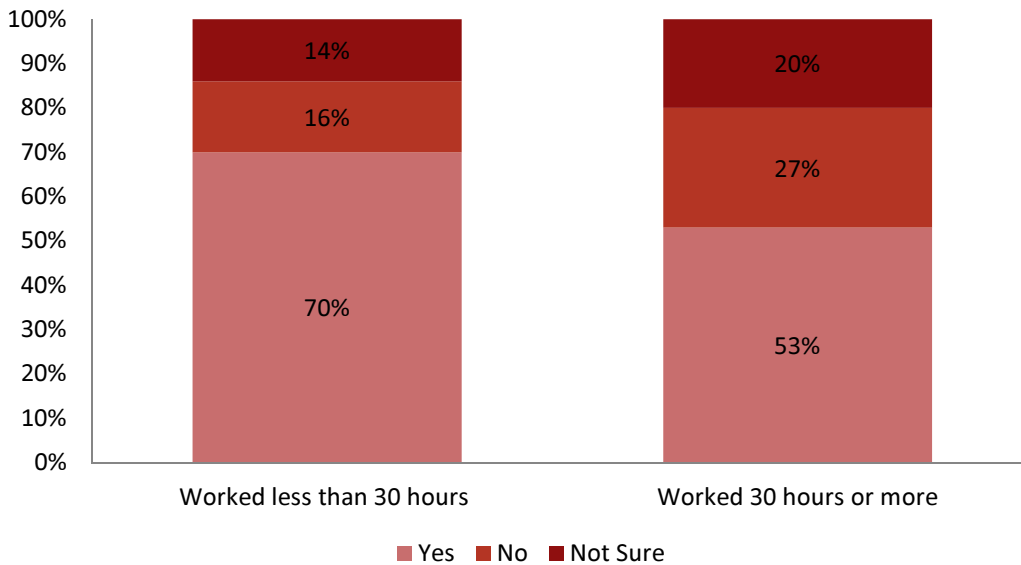
Overall, 74% of participants in the survey indicated that they were working full-time hours, defined at 30 hours or more in their summer employment.³ Only 12% reported to be working less than 20 hours a week, as shown to the right in Figure 1.

FIGURE 1: HOURS WORKED PER WEEK, SUMMER 2010



Overall, more than half of respondents (57%) who reported working during the summer of 2010 reported that they would have worked more hours at their current job if they had been able to. Not surprisingly, this tendency was more pronounced among students who worked less: 70% of students who reported working less than 30 hours a week indicated that they would have liked to work more hours at their current job, compared to 53% students who worked more than 30 hours a week, as shown below in Figure 2.

FIGURE 2: DESIRE TO WORK MORE, PART-TIME AND FULL-TIME STUDENTS, SUMMER 2010

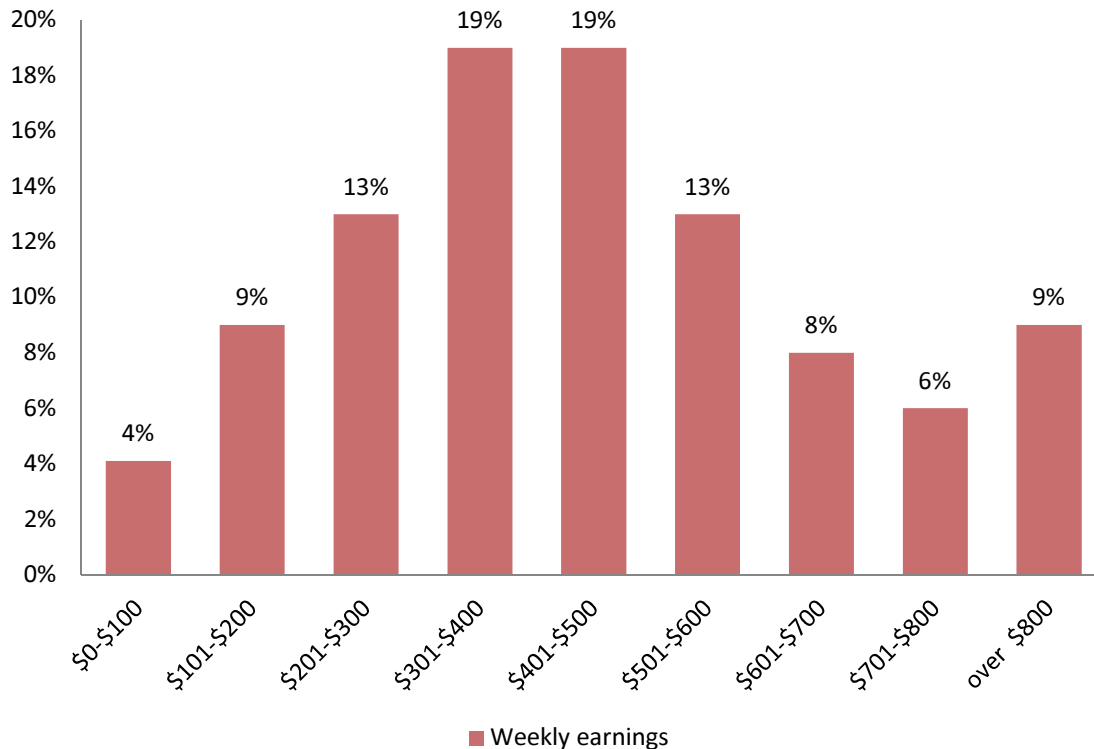


³ LFS defines full-time hours as working 30 hours or more per week in the same job or in the primary job. For the purpose of this report, full-time hours are defined as working 30 hours or more, regardless if it is at one or more jobs.

WEEKLY EARNINGS

Survey participants were asked to report their weekly earnings as of late June 2010. Median earnings were \$400 per week while mean earnings were \$440.7 per week. Figure 3 shows the distribution of weekly earnings among working students.

FIGURE 3: WEEKLY EARNINGS AMONG WORKING STUDENTS, SUMMER 2010



Male students reported earning 25% more money per week, on average, than their female counterparts; average weekly wages for male students were \$500 compared to only \$399 per week for female students. Part of this difference is because the male figure is skewed upwards by a small number of students earning very high wages; even so, median weekly wage for male students were still \$70/per week higher than for female students (\$450 compared to \$380). Part of this gap can be explained by the fact that (as noted above), male students work more hours than female students. However, even when accounting for this difference, there remains a gap in hourly wages as shown below in Table 4.

TABLE 4: MEAN AND MEDIAN HOURLY WAGE BY MALE, FEMALE AND ALL STUDENTS, SUMMER 2010

	Male	Female	All Students
Median	\$11.80	\$10.90	\$11.10
Mean	\$13.90	\$12.10	\$12.90

The cause of the remaining wage gap becomes more apparent when the difference between occupational groups is examined.

The highest discrepancy for hourly wages between women and men employed in the same occupation sector is found for both “Primary Industry” and “Natural, Applied and Health Sciences Industry” at \$2.70/hr. difference in wages; while the lowest difference is found in the “Art, Culture, Recreation and Sport Industry” category at \$.60 difference between genders, as shown in Table 5.

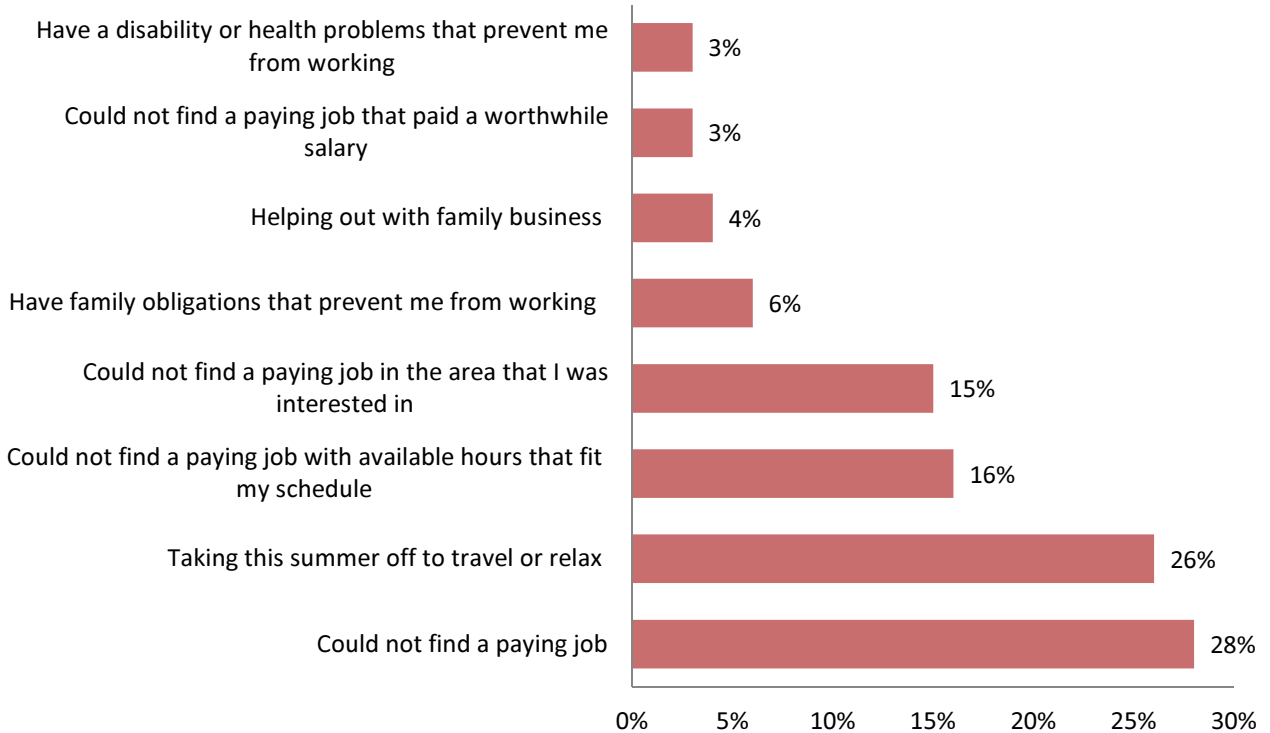
TABLE 5: HOURLY WAGES BY OCCUPATIONAL SECTOR AND GENDER

Occupational Sector	Hourly Wages (median)	Male Hourly Wages (median)	Female Hourly Wages (median)
Business, Finance and Administration Occupations	\$12.4	\$14.4	\$11.6
Natural, Applied and Health Sciences Occupations	\$11.5	\$13.5	\$10.5
Social Science, Education, and Government Services Occupations	\$12.5	\$12.4	\$12.5
Art, Culture, Recreation and Sport Occupations	\$10.9	\$10.0	\$10.5
Sales and Services Occupations	\$10.0	\$11.0	\$10.0
Trades and Transport Occupations	\$13.1	\$12.5	\$13.8
Primary Occupations	\$12.5	\$12.5	\$12.4
Processing, Manufacturing and Utilities Occupations	\$11.2	\$11.2	\$10.0
Other	\$13.0	\$12.5	\$12.2

UNEMPLOYMENT AND NON-PARTICIPATION

Roughly one third of students reported not working in paid employment this summer. Of these, a little more than 25% could not find a job at all. Another 32% added qualifiers to this statement – either they could not find a job that fit with their schedule or find a job of interest to them or that paid a sufficient wage. Reasons for not working are shown below in Figure 4.

FIGURE 4: REASONS FOR NOT WORKING



Furthermore, out of those who indicated that they were not working because they could not find a job, slightly more than half indicated that they were still looking for planning to look for paid employment this summer.

EMPLOYMENT, PARTICIPATION AND UNEMPLOYMENT RATES

The summer employment rate for survey respondents was 67.3% (that is to say, 67.3% of all respondents were in paid employment at the time of the survey). The participation rate – that is, the proportion of students who indicated that they had looked or were looking for summer work – was 83.9%. This implies a student summer unemployment rate of 19.8%.

This unemployment figure is substantially higher than comparable figures given by Statistics Canada's Labour Force Survey (LFS). While the June LFS (a survey taken at about the same time as this one) shows a similar employment rate, its participation and unemployment rates are both significantly different, as shown in Table 6.

TABLE 6: EMPLOYMENT RATE, PARTICIPATION RATE AND UNEMPLOYMENT RATE, DATA COMPARISON

	Employment Rate	Participation Rate	Unemployment Rate
All University Students (CanEd Project Survey, June 2010)	67.3%	83.9%	19.8%
All Canadians Aged 20-24 (Labour Force Survey, June 2010) ⁴	68%	75.9%	10.3%
All Canadians Aged 20-24 (Labour Force Survey, July 2010) ⁵	70.3%	76%	7.5%

The discrepancy between the Statistics Canada and Canadian Education Project unemployment rates is mostly due to differences in definitions. According to the LFS, anyone who has not looked for a job during the four weeks of reference period is considered to be “not in the labour force” rather than “unemployed.” Thus, students who look for work at the start of the summer, but then choose to enrol in summer school when the search proves fruitless, are not considered to be unemployed if they do not simultaneously look for work. However, data from the Canadian Education Project panel suggest that 76% of summer school students opted to participate in summer school because they could not find summer work. Once their situation is taken into account (as it is in this report), the difference in participation and unemployment rates is more easily understood. Indeed, if students who were enrolled in more than 12 hours per week of classes (equivalent to full-time) are taken out of the equation in the panel survey data, the participation rate falls to 76% and the unemployment rate to 11.3% which is nearly in line with Statistics Canada's figures for 20-24 year-olds in June 2010.

⁴ Statistics Canada, Labour Force Information, June 9 to 19, 2010.
<http://www.statcan.gc.ca/daily-quotidien/100709/t100709a1-eng.htm>

⁵ Statistics Canada, Labour Force Information, July 11-17, 2010.
<http://www.statcan.gc.ca/pub/71-001-x/2010007/t019-eng.htm>

SUMMARY, CONCLUSIONS AND POLICY IMPLICATIONS

The data showing that two-thirds of university students were working in the summer is in line with previous years' research. Long-term data from the Labour Force survey cited by Junor and Usher (2004) showed that the long-term average employment rate of returning university students throughout the 1990s and the first half of the last decade (2000s) was between 65 and 70%. Though it remains below the highs seen in the latter half of the last decade when employment rates for students went as high as 72%, it would appear to be above the levels seen last year, when it plunged to 63%.

With respect to income, average weekly wages appear to be running \$2 to \$3 above the minimum wage, which is also consistent with long-term trends. Males on average worked more hours and earned higher hourly wages than their female counterparts, which is reflective of trends in the wider labour force. Wages also varied by sector of employment, with individuals in the "Trades and Transport Industry" occupation category earning the highest wages and those in "Sales and Service" occupation category earning the lowest.

There are two points from this report that are particularly important to Canadian public policy relating to students and youth.

The first point, which is noted above, has to do with the way Statistics Canada reports student summer unemployment. By defining labour force participation in the way that it does via a four-week reference period, students who face a difficult labour market and choose to study instead of working are effectively taken out of the labour force calculation, which substantially lowers both the participation and unemployment rate. Policy makers who look at the June Labour Force Survey and conclude that the situation is acceptable with a relatively low 10.3% (or July's with an even lower 7.5%) unemployment rate need to understand that from the point of view of university students who *have sought* work this summer (as opposed to those *currently seeking* it), the unemployment rate is actually near 20%. Though comparable data using Canadian Education Project calculations from previous years does not exist (to see whether this year's number is an unusually high figure), it is important nevertheless to underline that student summer unemployment is actually much more severe than it appears in the LFS picture.

The second point relates to student loan policy. Provincial and federal student loan policy assumes that all students are able to make a financial contribution to their education based on summer income. For students living at home, the assumed contribution can be as high as \$2,700, depending on the province. However, quite clearly, there is a substantial portion of students for whom working in the summer simply isn't an option, often because they choose to enrol in summer school.

A student who chooses to attend summer school instead of work during the summer is not exclusively a function of a temporarily difficult economic situation: according to Statistics Canada, the employment rate has not gone above 72% since before 1990 - despite much better economic conditions in the 1990s. As such, governments should either make some provision to relax their summer work contribution requirement for students who chose to study rather than work in the summer or, at the very least, do a better job of explaining to students and families who choose summer school over summer work that they are likely to see a sizable gap in their funding package for the following year.

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