

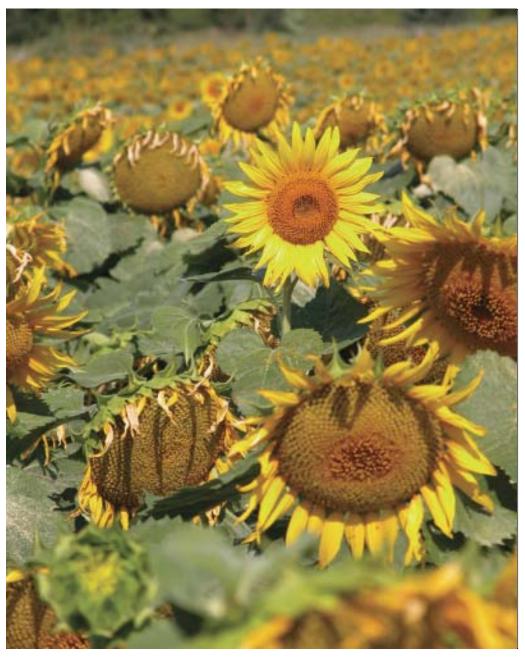
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PERSPECTIVES

ON LABOUR AND INCOME

MAY 2006 Vol. 7, No. 5

- SCREENING JOB APPLICANTS
- UNEMPLOYMENT SINCE 1971





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Highlights

In this issue

Screening job applicants

- Personal interviews and job-related skill or knowledge tests are routine in many hirings. But medical examinations, security checks and, lately, drug tests are often required in specific situations.
- While medical examinations have become less prevalent, security checks have risen steadily. Approximately 25% of pre-1980 new hires underwent a medical examination, while 5% were given a security check. The rates were 11% and 12% respectively in 2000 and 2001.
- Medical examinations continue to feature prominently for the more physically demanding jobs. These as well as security checks are especially common today for professional jobs (notably, teachers and health workers), law enforcement officers, and information technology personnel.
- Drug tests, rarely used for screening before 1990, are now required for roughly 1 in 50 employees hired. The rate is much higher for some manufacturing positions.

Unemployment since 1971

- For men aged 25 to 34 with less than high school education, the unemployment rate increased by fully 7 percentage points between 1971 and 2005. For those with a high school diploma, the rise was 3 points. At the other end of the spectrum, university graduates saw a rise of only 1 point.
- Among women aged 25 to 34 with no high school diploma, the unemployment rate grew 6 percentage points between 1971 and 2005. For those with more education, rates rose by roughly 2 points.
- Because the unemployment increases occurred while the Canadian labour force was becoming more educated and experienced, the overall unemployment rate did not trend upwards over the last three decades. However, had these changes not taken place, the unemployment rates of both men and women would have risen, all else equal, between 1971 and 2005.

Perspectives

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Screening job applicants

Ernest B. Akyeampong

inding the right person for the job is the goal of every hiring decision. In most cases, a personal interview combined with a knowledge or skills test will be enough for both parties to see if they are compatible. However, for dangerous jobs or those where public safety or security is at stake, other screening practices may be involved. For example, a drug or alcohol test may be administered for airline pilots or truck drivers, a medical examination for firefighters or sports officiators, or a security check for positions that involve handling public money or maintaining information technology systems.

Despite general interest, very little is known statistically about the prevalence of some hiring practices. While information may be kept at the plant or firm level, it is not readily available to labour market researchers. Only recently have the first nationally comprehensive data become publicly available through Statistics Canada's Workplace and Employee Survey (WES) (see Data source). This article explores the prevalence and trends in the use of security checks, medical examinations, and drug tests in hiring, as well as variations by industry, occupation, workplace size, and selected worker characteristics.

An overview of hiring practices

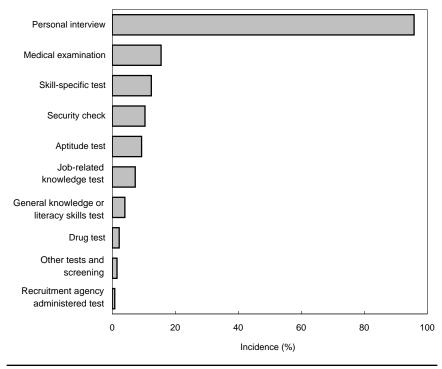
The 11.7 million employees covered by WES in 2001 were asked what screening they had undergone

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when first hired by their employer. Surprisingly, about 1 in 5 reported none. These 2.6 million employees are excluded in this article (see *A closer look at non-screened employees*).

Of the remaining 9.1 million respondents, who reported at least one form of screening, almost all (95.8%) underwent a personal interview prior to hiring (Chart A). Next in the ranking were medical examinations (15.5%), followed by skill-specific tests (12.4%) and security checks (10.4%). Drug tests (2.2%) placed eighth.

Chart A Virtually every new employee who underwent screening had a personal interview.



Source: Workplace and Employee Survey, 2001

Data source

The Workplace and Employee Survey (WES) began in 1999 as a joint program of Statistics Canada and Human Resources Development Canada. This longitudinal survey examines how employers and their employees respond to the changing competitive and technological environment. WES provides insight into the relationship between a firm's employment practices and its performance, as well as in-depth information on the effects of technology, training, and human resources practices. The survey is unique in that employers and employees are linked. Employees are selected from the sampled workplaces, making information from both available in a single framework.

The 2001 sample consisted of 6,200 establishments and 20,400 employees. Public administration, agriculture, fishing and trapping, and private households are excluded from WES. Public administration would undoubtedly have greatly raised the overall rate of security checks as a hiring tool.

Following extensive consultation with employers, union leaders, and human resource practitioners in the early 1990s, a list of 10 screening practices was selected. It is therefore possible that some past and more recent practices may have been missed.

To examine changes over time, employees in 2001 were divided according to when they were hired by their current employer: prior to the 1980s (382,000), during the 1980s (1,100,000), during the 1990s (4,664,000), or in 2000 or 2001 (2,959,000).

A closer look at non-screened employees

At first it is puzzling that almost a quarter of employees did not go through any of the 10 identified screening practices—not even a personal interview—when first hired. How different were they from the other 9.1 million who underwent at least one form of screening?

The data reveal virtually no differences between the two groups in terms of demographics (sex or age), industry or occupation. The one significant difference was that the non-screened were twice as likely to be found in small workplaces (under 20 employees)—about 50% compared with only 25% of those who were screened. Presumably, small firms find screening costs prohibitive and therefore avoid using them. As well, nearly half of the non-screened workers had heard of the job opening from a family member or friend, and another 16% had been contacted directly by the employer. Also, many may have considered their personal interview to be informal and as such not worthy of being characterized as a screening process. Finally, there is the issue of recall, Many respondents may simply have forgotten undergoing any of the processes.

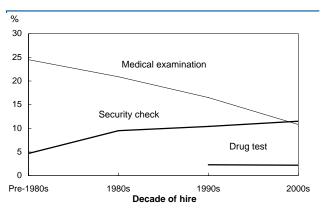
Trends in security, medical and drug screening

Screening practices have changed over the years for a number of reasons. These include changes in the industry and occupation job mix; improvements in detecting health conditions and drug or alcohol abuse; and increased access to personal, financial, criminal, and other records. Changes in cultural norms may also have played a role. For example, more and better checking for drug use, especially among athletes, may be having its effects on the job world. Similarly, growing public awareness regarding abuse of women, the disabled, and especially children may have increased the need to scrutinize potential workers in direct contact with these and other groups.

Job evolution over the past several decades appears to have been mirrored in the screening practices used by employers. For example, in line with the decline in manufacturing and other physically demanding jobs, the use of medical examinations has fallen (Chart B). Also, with improved and safer machinery, certain jobs in manufacturing, construction and other primary industries no longer require the same physical demands, further reducing the need for medical examinations. Some 11% of the most recent hires were given a medical exam compared with about 25% of new hires prior to 1980.

In contrast, the growth in information technology jobs, which are relatively more susceptible to costly security breaches, has been accompanied by a steady rise in

Chart B Medical examinations have declined, but security checks have increased.



Source: Workplace and Employee Survey

security checks. Some 12% of the most recent hires underwent a security check compared with only 5% of pre-1980 new hires.

The use of drug tests, a rarity for workers hired prior to the 1990s, is inching up for some positions. This is due in large part to advancements in testing techniques as well as growing acceptance of the practice. Roughly 1 in 50 new hires in the 1990s and the 2000s were given this type of screening.

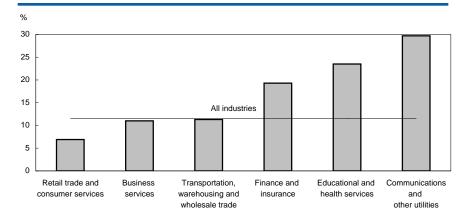
Screening test incidence varies by job type

The likelihood of undergoing a medical exam, security check or drug test depends on many factors, principally industry and occupation as well as workplace size. (Job types with small sample sizes, and therefore high sampling variability, were omitted from this comparison.) Variations by sex and age are also briefly examined. Comparisons are based on the most recent hires: the three million workers initially hired in 2000 and 2001. The choice was made for several reasons. First, this group was least likely to have problems with recall. Second, their occupation, industry or workplace size was unlikely to have changed. Third, the large sample size of this cohort permits statistically meaningful comparisons to be made. Last, the hiring screening practices used for this cohort are the most currently relevant.

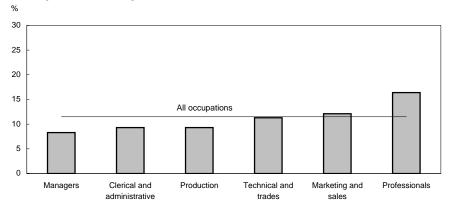
Security checks

Security checks were most common for those seeking professional jobs, notably teachers and health workers. Law enforcement officers and information technology personnel also fall into this group. About 16% of people hired into

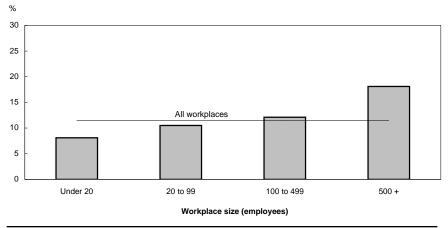
Chart C Among those hired in 2000 and 2001, security checks were most common in communications and utilities...



... for professional positions

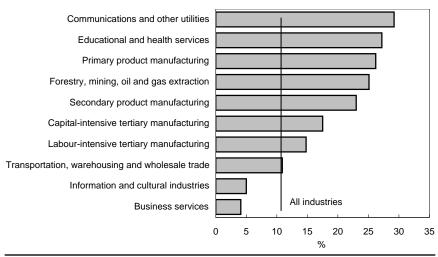


... and in large workplaces



Source: Workplace and Employee Survey, 2001

Chart D Medical examinations were most common in communications, and education and health.



Source: Workplace and Employee Survey, 2001

Medical examinations

By industry, medical examinations were most common in communications and other utilities (29%), education and health (27%), and primary and secondary manufacturing (about 25% each) (Chart D). The financial and other disruptive consequences associated with illness-related absences in some of these industries can be quite substantial. Medical exams were least common in business services (4%).

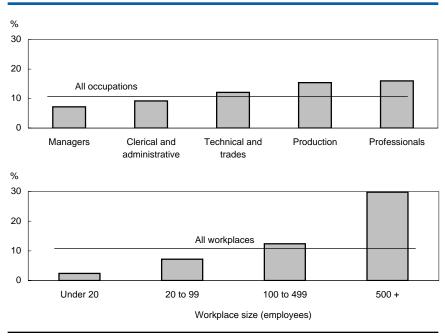
Medical examinations were most common for professional occupations (including teachers and health workers, 16%) (Chart E). Slightly higher than average rates were also seen for more physically demanding production, technical and trades jobs.

such positions in 2000 and 2001 underwent security screening (Chart C). A slightly higher than average proportion of persons hired into marketing and sales positions (12%) also went through the process. Those hired into managerial (8%), and clerical/administrative and production jobs (9%) were least often subjected to a security check.

Among the major industries, use was highest in communications and other utilities (30%), education and health (24%), and finance and insurance (19%). It was lowest in retail trade and consumer services (7%).

Security screening also increased with workplace size. The largest workplaces (500 or more employees), who were likely best able to afford the practice, screened 18% of their new hires in 2000 and 2001. The rate for small workplaces (less than 20) was just 8%.

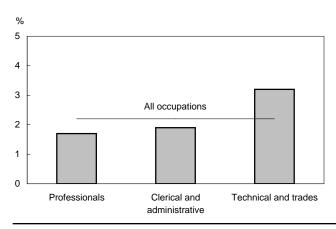
Chart E Seekers of professional, production, and technical and trades jobs, as well as jobs in large firms, were more likely to undergo a medical exam.

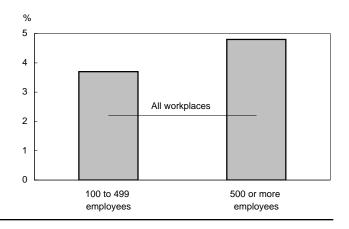


Source: Workplace and Employee Survey, 2001

Chart F Drug tests were most common for technical and trades jobs...

...and jobs in large workplaces.





Source: Workplace and Employee Survey, 2001

Use also increased with workplace size, the process being used for 30% of new hires in large workplaces (likely more able to finance them), as opposed to only 2% in small workplaces.

Drug tests

Compared with security checks (11.5%) and medical exams (10.8%), the use of drug tests for 2000 and 2001 new hires was minimal (just 2.2%) (Chart F). However, a higher than average number were carried out in primary product manufacturing industries (9.0%), for technical and trades positions (3.2%), and in large workplaces (3.7% in those with 100 to 499 employees, 4.8% in those with 500 or more).

Differences by sex and age

No significant differences were seen in the use of the three screening practices by sex or age, with a few notable exceptions. Young new hires (15 to 24, and more likely to be hired into part-time or less sensitive positions) were given either a security check or a medical examination less often than the average. New hires aged 45 to 54 were relatively more likely to have to take a medical examination, while those aged 25 to 44 were more likely to be given a drug test.

Multiple screening tests not common

The chances of a person undergoing more than one of the three nonknowledge-based screening tests was very low. Of the three million new hires in 2000 and 2001, just under 1% (27,000) underwent all three tests. Approximately 4% (107,000) were given two tests, with medical and security, the most popular combination, being a requirement for 75,000 of them. Persons hired into professional occupations (for example, teachers, health workers) and communications and other utilities industries were most likely to be given these two tests.

Conclusion

Personal interviews and job-related skill or knowledge tests are routine in many hirings. But other practices such as medical examinations, security checks and, lately, drug tests are also frequently required in specific situations.

Over the years, the use of medical examinations as a screening tool has become less prevalent, while security checks have risen steadily. Pre-1980 new hires were five times more likely to undergo a medical examination than a security check (the rates were 25% and 5% respectively). In contrast, new hires in 2000 and 2001 were slightly more likely to undergo a security check (12%) than a medical examination (11%).

Medical examinations continue to feature prominently for the more physically demanding jobs, such as those found in primary and secondary product manufacturing. Medical exams as well as security

Screening job applicants

checks are especially common today for persons hired into professional jobs (such as teaching and health), law enforcement, and the telecommunications area. It is also safe to assume that in the post 9/11 environment, the use of security checks to screen new hires will likely increase.

Drug tests, rarely used for screening before 1990, are now required for roughly 1 in 50 employees being hired. Continuing improvements in drug screening technology will likely lead to further growth of this tool in the future.

Perspectives

Unemployment since 1971

René Morissette and Feng Hou

ith headlines trumpeting a 30-year low in the national unemployment rate and increasing numbers of stories highlighting labour shortages in economic hot spots, it's easy to get the impression that the labour market has never been better. But from a demographic perspective, things should be even rosier. Employment and earnings tend to increase with both education and experience, and today's labour force is more experienced and educated than ever before. Education levels have risen with the increasing credentials of labour market entrants, while the aging of the workforce has shifted the experience profile upwards. For a better perspective on long-term trends, one should account for these factors by looking at specific age-education combinations.

This article uses the Census of Population to compare unemployment rates from 1971 to 2001 for individuals aged 25 to 64, based on consistent measures of educational attainment. More recent trends from 2001 to 2005 are examined using the Labour Force Survey (see *Data sources and definitions*). These groupings yield a more nuanced long-term perspective on current labour market conditions.

The changing profile of the Canadian workforce

Along with the population in general, Canada's labour force has become older and more educated. In 1971, 16% of Canadian-born workers were aged 25 to 34 and had less than a high school diploma (Table 1). Thirty years later, the proportion was just 4%. In tandem, the percentage aged 35 to 44 with a university degree grew from 2% to 6%. Nevertheless, the unemployment rate for Canadian-born individuals in 2001 was slightly higher than in 1971 (Chart A).

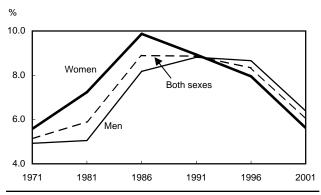
The authors are with the Business and Labour Market Analysis Division. René Morissette can be reached at (613) 951-3608, Feng Hou can be reached at (613) 951-4337 or both at perspectives@statcan.ca.

A breakdown of the figures shows that in 1971 about 8% of all native-born Canadians aged 25 to 34 in the labour force who had not completed high school were unemployed; in 2001, the percentage was roughly 14%.¹ Similarly, the unemployment rate of their counterparts aged 35 to 44 rose from 6% to 10%. While the magnitude declined for each of the next two age groups, the increase was still almost 3 percentage points for those 55 to 64.

Similar patterns were observed among high school graduates, although their unemployment rates rose to a lesser extent. In this group, those aged 25 to 34, 35 to 44, and 45 to 54 experienced increases of about 4, 3 and 2 percentage points respectively.

Educated workers did not avoid this long-term increase either. University graduates aged 25 to 34, 35 to 44, and 55 to 64 saw their unemployment rise by almost 2 points during the period. In sum, whatever their age and education level, Canadian-born labour market participants aged 25 to 64 had higher rates of unemployment in 2001 than 30 years earlier.

Chart A Unemployment rates of the nativeborn aged 25 to 64 were higher in 2001 than in 1971.



Source: Census of Population

Data sources and definitions

This study uses the one-third sample file of the 1971 Census, the 20% sample files of the 1981, 1986, 1991, 1996, and 2001 Censuses, and the May and June files of the 2001 and 2005 Labour Force Survey. The sample selected consists of individuals aged 25 to 64 who were either employed or unemployed in the week prior to the Census or in the LFS reference week. Individuals aged 15 to 24 were excluded because those attending school full time cannot be identified in some years. Institutional residents and persons living in the Northwest Territories, the Yukon Territory and Nunavut were also excluded.

Unemployment rates for 1981 to 2001 are comparable. However, the concept of unemployment used in 1971 included some employees who were absent from work during the Census reference week, and some who were employed in 1970 or 1971 but were not looking for work. As a result, the 1971 unemployment rates are biased upwards. Therefore, the long-term rise in unemployment rates within age and education cells would actually be larger if consistent concepts were used.

When using Census data, the four education levels presented are based on the highest grade or year of elementary or secondary school attended, or the highest year of university or other non-university education completed. The attainment of a degree, certificate or diploma is considered to be at a higher level than years completed or attended without an educational qualification. Less than high school refers to individuals who did not obtain a high school diploma. High school includes those who graduated from high school, those who obtained a trades certificate or diploma, and those who attended other non-university education without obtaining a certificate or diploma. Some postsecondary includes those who obtained a certificate or diploma through other non-university education, and those who finished some years of university education but did not obtain a degree. University degree applies to individuals with a bachelor's degree or higher.

Table 1 Canadian-born labour market participants by age and education

	1971	1981	1986	1991	1996	2001
Total 25 to 64	100.0	100.0	100.0	% 100.0	100.0	100.0
25 to 34 Less than high school High school Some postsecondary University degree	16.1 7.5 5.7 3.2	10.2 10.9 13.2 6.5	10.3 11.3 13.4 6.4	7.8 11.0 13.2 6.2	5.2 8.4 12.4 6.6	3.5 6.1 11.0 6.6
35 to 44 Less than high school High school Some postsecondary University degree	17.6 4.6 3.3 1.8	9.6 6.0 7.3 3.3	8.6 7.1 9.1 4.7	7.3 9.2 10.5 5.6	6.9 9.9 12.2 5.9	6.1 9.4 12.9 6.1
45 to 54 Less than high school High school Some postsecondary University degree	16.8 3.9 2.5 1.4	10.2 4.2 4.1 1.6	8.1 4.0 4.2 1.9	6.6 5.1 5.2 2.7	5.8 6.2 7.3 4.2	5.5 7.5 9.3 5.2
55 to 64 Less than high school High school Some postsecondary University degree	11.2 2.2 1.4 0.7	7.4 2.5 2.3 0.9	6.0 2.2 2.0 0.9	4.6 2.3 1.9 0.9	3.7 2.2 2.2 1.1	3.5 2.6 3.0 1.6

Note: High school also includes trades certificate or diploma.

Source: Census of Population

Unemployment rates of Canadian-born men and women

For most groups of Canadian-born men and women, unemployment rates have trended upwards over the last three decades (Chart B). While unemployment rose substantially for all those who had not completed high school, the increases were more pronounced among men. For instance, the unemployment rate of men aged 35 to 44 without a high school diploma rose fully 5 percentage points, compared with about 3.5 points for women. Regardless of age and educational category, Canadian-born men aged 25 and over had higher unemployment rates in 2001 than in 1971. The same was true for virtually all groups of Canadian-born women.

Unemployment rates of immigrant men and women

Immigrants experienced similar changes. As with their Canadian-born counterparts, virtually all groups of immigrants (of a given age and education level) saw their unemployment rate rise between 1971 and 2001.

% Men 25 to 34 % Women 25 to 34 20.0 20.0 Less than high school Less than high school 15.0 15.0 High school High school 10.0 10.0 Some postsecondary 5.0 5.0 University degree Jniversity degree Some postsecondary 0.0 1971 1981 1986 1991 1996 2001 1981 1986 1991 1996 2001 1971 Men 45 to 54 % % Women 45 to 54 20.0 20.0 15.0 15.0 Less than high school Less than high school 10.0 10.0 High school High school 5.0 Some postsecondary Some postsecondary University degree University degr 0.0 0.0 1971 1981 1986 1991 1996 2001 1971 1981 1986 1991 1996 2001

Chart B Most groups of Canadian-born men and women had higher unemployment rates in 2001 than in 1971.

Source: Census of Population

Once again, unemployment grew more among the less-educated. For instance, both men and women aged 25 to 34 and with no high school diploma experienced roughly a 4-percentage point increase in their unemployment rates (Chart C).

University degree holders, especially men, were not immune either. The unemployment rate of immigrant men aged 25 to 54 rose 1 to 3 percentage points while the women's rate rose 1 to 2 points.

In 1971, unemployment for immigrant male university graduates aged 35 to 54 was half the rate of their counterparts with no high school diploma. Thirty years later, the relative differences across education levels were much less pronounced. In fact, while the unemployment rate of immigrant men aged 45 to 54 who had not completed high school rose by about 1 per-

centage point between 1971 and 2001, it rose 2.5 points among those with a university degree. However, an opposite pattern was found among younger men aged 25 to 34.

Recent trends

According to the Labour Force Survey, employment in blue-collar jobs grew substantially between 2000 and 2004 (Cross 2005). Did this growth reflect favourably on the unemployment rates of less-educated workers?²

For women in all age groups except 45 to 54, those who did not complete high school saw no improvement in their unemployment rates between 2001 and 2005 (Table 2). Among women with a high school diploma, none enjoyed a sizeable decrease in their rate.

Table 2 Growth in unemployment rates by age and education

	Mer	า	Wo	men		
	1971-2001	2001-2005	1971-2001	2001-2005		
		% point change				
Total 25 to 64 25 to 34	1.4	-0.7	0.1	-0.1		
Less than high school	6.0	1.0	5.1	0.7		
High school	4.1	-1.0	2.6	-0.4		
Some postsecondary	2.1	-0.3	2.4	-0.6		
University degree 35 to 44	1.7	-0.9	0.8	1.1		
Less than high school	4.6	-2.0	3.2	0.8		
High school	3.1	-1.0	1.3	0.8		
Some postsecondary	2.1	0.3	1.3	-0.8		
University degree 45 to 54	2.1	0.1	0.4	0.1		
Less than high school	3.7	-1.8	2.1	-1.2		
High school	2.3	-0.4	0.9	-0.2		
Some postsecondary	1.7	0.0	0.5	0.1		
University degree 55 to 64	1.6	0.5	0.1	0.1		
Less than high school	2.9	-1.4	0.9	3.2		
High school	2.5	-0.6	1.1	1.8		
Some postsecondary	2.1	0.0	1.4	-0.7		
University degree	1.6	-1.4	1.4	-1.7		

Note: High school also includes trades certificate or diploma.

Sources: Census of Population, 1971 to 2001; Labour Force Survey, May and June 2001 and 2005

Male high school graduates 25 and over also benefited from the recent expansion in blue-collar jobs. However, their unemployment rates never fell by more than 1 percentage point between 2001 and 2005. This moderate improvement left their unemployment rates 2 to 3 percentage points higher in 2005 than in 1971, depending on their age. For instance, high school graduates 25 to 34 saw their rate rise by 3 points during this period.

In sum, while the recent expansion in blue-collar employment improved the employment prospects of less-educated men, the recent reduction in their unemployment rates never fully offset the previous increases observed from 1971 to 2001. As a result, less-educated workers of both sexes saw their unemployment rates rise over the 1971-to-2005 period.³

Thus, women with low levels of education benefited very little from the recent growth in blue-collar jobs. Over the full 1971-to-2005 period, unemployment rates among women aged 25 and over with less than a high school diploma rose by 1 to 6 percentage points.

Among men with less education, unemployment rates improved to a greater extent. For example, men 35 and over with no high school diploma saw their rate drop by up to 2 percentage points between 2001 and 2005. However, this improvement was not sufficient to fully offset the rise during the 1971-to-2001 period. As a result, men of all ages who did not complete high school saw their unemployment rates rise between roughly 2 and 7 percentage points over the 35-year period.

Table 3 Growth in employment rates by age and education

	Me	en	Wor	men	
	1971-2001	2001-2005	1971-2001	2001-2005	
	% point change				
Total 25 to 64 25 to 34	-4.4	1.2	29.4	2.4	
Less than high school	-9.7	-1.0	19.8	0.7	
High school	-7.3	0.9	22.0	-0.2	
Some postsecondary	-3.4	0.2	23.7	2.5	
University degree	-3.0	-0.4	20.1	-0.5	
35 to 44					
Less than high school	-8.8	1.5	24.8	0.5	
High school	-6.2	2.0	27.3	-0.1	
Some postsecondary	-4.2	-0.2	28.4	1.3	
University degree	-4.3	0.6	25.4	-0.7	
45 to 54					
Less than high school	-9.2	3.1	19.6	2.4	
High school	-6.9	0.7	21.5	4.3	
Some postsecondary	-5.1	0.3	22.1	0.9	
University degree	-5.1	-0.6	20.6	0.5	
55 to 64					
Less than high school	-20.9	8.6	2.3	5.8	
High school	-22.3	3.8	0.9	7.4	
Some postsecondary	-19.6	9.0	1.6	7.5	
University degree	-20.0	2.7	-1.4	5.9	

Note: High school also includes trades certificate or diploma.

Sources: Census of Population, 1971 to 2001; Labour Force Survey, May and June 2001 and 2005

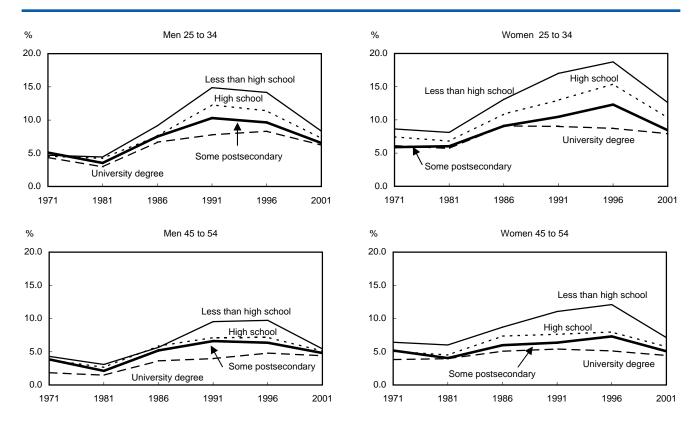


Chart C Immigrants showed similar patterns in unemployment rates to the Canadian-born.

Source: Census of Population

Employment rates

Looking only at unemployment rates may not give a full picture of the labour market. Even though unemployment rates have trended upwards for some groups since the early 1970s, their participation rates may also have increased, resulting in higher employment rates.⁴

This is the case for women aged 25 to 54. Whatever age and education breakdowns are considered, their employment rates increased by at least 20 percentage points between 1971 and 2001 (Table 3), changing only marginally between 2001 and 2005. As a result, women in this age group who did not complete high school experienced an increase in both unemployment and employment rates.

The story was different for men 25 to 54. Those with a high school diploma or less saw their employment rates fall by 6 to 10 percentage points between 1971 and 2001 and increase by at most 3 percentage points between 2001 and 2005. For these men, employment opportunities, whether measured by employment rates or unemployment rates, worsened over the 1971-to-2005 period.

Partly as a result of a trend toward earlier retirement, employment rates for men aged 55 to 64 fell at least 20 percentage points between 1971 and 2001.⁵ However, from 2001 to 2005, employment rates rose between 3 and 9 percentage points.

In sum, while women's employment rates rose for all age and education groups between 1971 and 2005, men's employment rates fell.

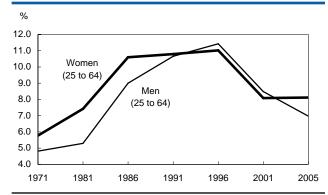
Conclusion

Given that the unemployment rate for those aged 25 to 64 has been around 6% in recent years, a level comparable to the early to mid-1970s, some may think that workers of a given age and education level face no greater chances of being unemployed today than their counterparts 30 years ago. In reality, most labour market participants, especially those with low education levels, are more likely to be unemployed today than in the early 1970s.

For men aged 25 to 34 who did not complete high school, the unemployment rate increased by fully 7 percentage points between 1971 and 2005. For those with a high school diploma, the rise was 3 points. At the other end of the spectrum, male university graduates of that age saw a rise of only 1 point.

Among women aged 25 to 34 with no high school diploma, unemployment grew by 6 percentage points between 1971 and 2005. For those better educated, rates rose by roughly 2 points.

Chart D Unemployment rates standardized for age and education showed greater increases from 1971 to 2005.1



¹ Unemployment rates are derived by holding the distribution of labour market participants by age and education to 1971 values. Sources: Census of Population, 1971 to 2001; Labour Force Survey, May and June 2005

Because these increases in unemployment occurred while the Canadian labour force was becoming increasingly educated and experienced, the overall unemployment rate did not trend upwards over the last three decades. However, had these changes in the educational attainment and age structure of the labour force not taken place, unemployment rates of both men and women would have risen, all else equal, between 1971 and 2005 (Chart D). For those in the labour market today, the chances of being unemployed are worse than they were for their counterparts in the early 1970s.

Perspectives

■ Notes

- 1 Detailed tables are available from the author.
- 2 Since the Labour Force Survey contains no information on immigration status, changes in unemployment rates over the 1971-to-2005 period are presented for a sample that includes both immigrants and the native-born. The 1971-to-2001 period uses the Census while the 2001-to-2005 period is based on the Labour Force Survey.
- 3 Of all 40 sex-age-education combinations considered, only female university graduates aged 55 to 64 experienced a net decrease in their unemployment rate over the 1971-to-2005 period.
- 4 Employment rates refer to the proportion of individuals of working age who are employed.
- 5 The overall decline for this age group amounted to 16 percentage points. It was smaller than the decline observed within educational groups because (a) men aged 55 to 64 increased their educational attainment during that period and (b) employment rates rise with education.

■ Reference

Cross, Philip. 2005. "Recent changes in the labour market." *Canadian Economic Observer* (Statistics Canada, catalogue 11-010-XIB) 18, no. 3 (March): 3.1-3.10.