

Youth aged 15 to 24 just keep on changing ...

Fifteen- to 24-year-olds are being examined from every angle, and every one uses their own set of categories to try to pin this population segment down. Depending how they are studied, they can be called “Generation Z,”¹ or “Generation C,”² and the group includes some “Millennials.”³ In a way, this cohort is a hybrid, and experience often shows that attempts at classification rarely produce a homogeneous group. In any event, 15- to 24-year-olds are an increasing presence in the job market, going to school at the same time. We may think we know all about them but digging a little deeper shows that there is more to learn about their place in Quebec’s economy. Youth is associated with change, but analysis shows that they are not the only ones driving it. It also reveals that 15- to 24-year-olds are more than a nascent economic force: they’re a power already.

YOUTH AND THE JOB MARKET

In the labour market, the 15- to 24-year-old group accounted for 13.9% of jobs in 2015, but represented 11.8% of Quebec’s population. This is down from the mid-1970s, when they held 26% of the jobs (in 1975), and accounted for 20.6% of the population. It was in the 1980s that their presence waned the most rapidly. Note that, in both 2015 and the mid-1970s, the weight of 15- to 24-year old workers exceeded their demographic representation.

The data on the labour market may not seem very interesting, at first. We’ve known for a long time that the unemployment rate among 15- to 24-year-olds is higher than it is among those aged 25 and up. Nor is it news that wages are lower for younger people, who are also especially present in the accommodation and food services as well as retail sectors. The appended graphs (graphs A and B) provide a quick look at two of these major facts, which do not seem to have altered for at least 40 years. Because there are so many of them, the labour market graphs are labelled A to K, and placed at the back.

However, a closer look at the numbers gives us access to less well known phenomena that shed some interesting

light on young people’s participation in the job market. In Quebec, the unemployment rate among those aged 15 to 24 has been below the Canadian average since the last recession (graphs C and D). Similarly, this age group’s Quebec participation rate⁴ is above the average for Canada (graph E). Among 15- to 24-year-olds, the participation rate has fluctuated somewhat in the last 40 years. It was higher than the participation rate for those 25 and older until 1991, then fell behind. Note that the 1990s were especially tough. The 1990-1991 recession eliminated nearly 110,000 jobs in Quebec, and it took until 1997 to make up for all of those losses. The 15 to 24 age group was especially hard hit during this period, but the participation rate has risen since then, and is now above the participation rate for those aged 25 and up (graph F).

A look at the employment rate⁵ (graph G) shows that Quebec youth aged 15 to 24 have a higher employment rate than the Canadian average for that age group since the end of the last recession. Note that, for this age group, the employment rate is higher still in Alberta (graph H), despite the collapse by oil prices and resulting economic slowdown there. Lastly, for 15- to 24-year olds, the employment rate has almost always been below that of the group aged 25 and up in Quebec, except in 1988 and 1989, before the recession at the start of the 1990s hit (graph I).

¹ Generation Z: Usually, this label is given to people born as of 1995, although there is no consensus on the end date. Often, it is given as 2012.

² Generation C: People born between 1995 and the start of the 2010s have another name. The Gen C label refers to “Creation, Curation, Connection and Community.”

³ Millennials: People born between the start of the 1980s and the mid-1990s. They are often referred to as Generation Y. The youngest Millennials are between 21 and 24, the oldest part of the 15- to 24-year-old group.

⁴ Participation rate: The number of workers aged 15 to 24 (either employed or seeking work) divided by the number of people in that age group in the population.

⁵ Employment rate: The number of workers aged 15 to 24 who are working divided by the number of people in that age group in the population.

According to the *Jobs Report: The State of the Canadian Labour Market*, released by Statistics Canada in 2014, “Canada still has one of the highest youth employment rates among its OECD peers, ranking fifth (with a rate of 55 per cent for youth aged 15 to 24 in the third quarter of 2013), well above most other OECD countries including Germany (47 per cent), the United States (47 per cent), Sweden (42 per cent) and Spain (16 per cent).” As Quebec’s rate is above the Canadian average, it is clearly leading the OECD pack.

Lastly, the gradual decline in the proportion of full-time work (30 or more hours a week) among youth aged 15 to 24 is another interesting phenomenon (graph J). It has declined much more than in the 25 and older group. In 1976, full-time work accounted for 85% of employment for youth aged 15 to 24; in 2015, it was nearly half that, at 46%.

What is behind the change? Part of the answer lies in such things as greater job market participation by full-time students. Here, the Institut de la Statistique du Québec (ISQ) released two very interesting studies in 2013.⁶ Growth by the employment rate among full-time students was especially strong in the 2000s. Quebec essentially caught up with the average for Canada, then exceeded it slightly. At the start of the 2010s, the employment rate in Quebec for full-time students aged 15 to 24 was around 40%; it was at about 27% at the start of the 1980s. Among the conclusions of these two studies were the fact that “the number of students who take on paid work during school months is proportionally higher in Quebec than in the rest of Canada, and Quebec students tend to devote more hours to work than their counterparts elsewhere in Canada” (our translation) (graph K). Also, “about half of students aged 15 to 24 work 15 or more hours a week, up sharply from prior decades” (our translation). During the 2000s, one full-time student out of two was thought to work summers.

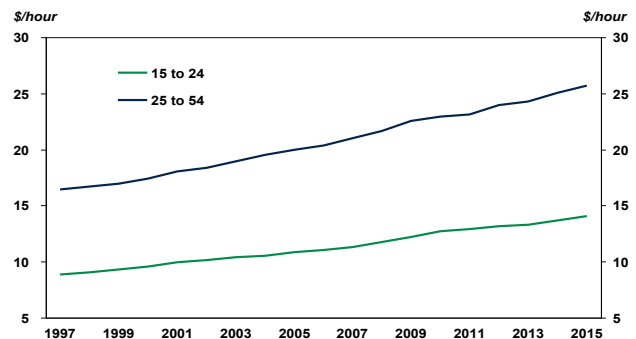
Beyond school and the job market, do 15- to 24-year-olds have time to do anything else? Certainly: they nurture their networks of friends and acquaintances, and volunteer. The matter of social contacts will be addressed later in this text. According to the data in Statistics Canada’s *General Social Survey: Giving, volunteering and participation*, 40.1% of 15- to 24-year-olds volunteered in 2013, compared with

32.1% of the Quebec population. They put in an average of 98 hours a year, which is below the general average (123). Note that a large proportion of students must do community work to meet high school diploma requirements. In any event, young people are busy on a full-time basis, with paid or volunteer work, school, and other activities.

YOUNG PEOPLE, INCOME AND PROPERTY.

Work means income. This may seem obvious, but it is still worthwhile to take a closer look. It is easy enough to realize that the pay for part-time work is less than for full-time work. Graph 1 shows that, contrary to the general perception, young people do not all necessarily work for minimum wage (\$10.75/hour as of May 1, 2016), even though many do. We tend to forget that Cegep graduates with technical diplomas, high school graduates with vocational training, and those who learn a trade generally earn more than the minimum wage. Given experience and education, the average hourly wage is higher among those aged 25 to 54.

Graph 1 – Quebec: The average hourly wage is higher among 25- to 54-year-olds



Sources: Statistics Canada and Desjardins, Economic Studies

The money earned can be put toward many goals. Housing constitutes a large share of consumption spending. Here, the latest data shows that housing is a big factor in the budgets of young households. Table 1 on page 3 gives the average cost of housing as a per cent of after-tax income according to the age of the main breadwinner. In 2011, households under age 25 devoted 29.5% of their income to shelter as homeowners. This is down slightly from 2002, but the proportion is larger than it is for households in other age categories.

The burden is no lighter for renting households, on the contrary. Those under 25 devoted 40% of their after-tax income to rent in 2011, similar to the proportion in 2002. This share was well above that of households in other age groups. Those under 25 also had to dedicate a larger share of their income toward shelter than homeowners in the same age group. Here, young people are no different from their elders.

⁶ Institut de la statistique du Québec, “Conciliation études-travail : les étudiants québécois s’investissent davantage dans un emploi rémunéré pendant leurs études que l’ensemble de leurs homologues canadiens.” *Données sociodémographiques en bref*, February 2013, volume 16, number 2, pp. 1 to 5. <http://www.aqg-quebec.org/docs/Donn%C3%A9es%20sociod%C3%A9mographiques,%20f%C3%A9vrier%2013.pdf>

Institut de la statistique du Québec, “Le travail rémunéré chez les étudiants québécois : portrait de trente années d’évolution.” *Coup d’œil sociodémographique*, February 2013, number 23, 6 pages. <http://www.stat.gouv.qc.ca/statistiques/population-demographie/bulletins/coupdœil-no23.pdf>

Table 1 – Average cost of housing as a per cent of after-tax income, homeownership and renting households Quebec, 2002–2011

	Average cost of housing as a per cent of after-tax income	
	2002	2011
	%	%
Homeowning households		
By age of primary breadwinner		
Under 25	32.3	29.5
25 to 44	22.0	24.8
45 to 64	18.8	20.8
65 and older	17.7	16.4
Renting households		
By age of primary breadwinner		
Under 25	40.1	40.0
25 to 44	26.2	28.9
45 to 64	31.0	29.6
65 and older	32.6	33.5

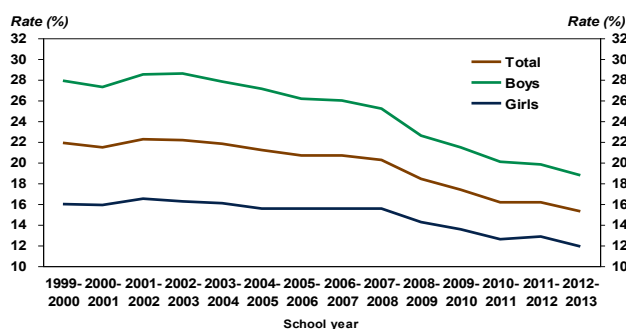
Sources: Statistics Canada, *Survey of Labour and Income Dynamics*, master files, adapted by the Institut de la statistique du Québec

Moreover, from 2002 to 2011, the share of homeowning households whose main breadwinner was under 25 increased (table 2). This figure stood at 36.9% in 2011, compared with 23.7% in 2002. Unsurprisingly, this proportion is much smaller than it is in the other age groups.

YOUNG PEOPLE AND EDUCATION

Since 1988, young people are required to attend school until age 16. The dropout rate has tended to decline since the 2000s (graph 2). It was 21.9% on average for the 1999–2000 school year, and has been declining steadily since 2002–2003. It hit its lowest point in 2012–2013, the last

Graph 2 – Quebec: Average annual rate of departure without diploma or qualifications (annual dropout rate), by sex



Source: Ministère de l'Éducation, du Loisir et du Sport, Charlemagne system, November 2014

year for which the figure is available. There is a substantial difference between boys and girls, but the dropout rate has been declining for both sexes.

CONNECTED YOUTH

Young people quickly adopted the new communications tools, and the Internet already existed when they were born. It was not as ubiquitous at the start of the 1990s as it is now, but it's clear that youth aged 15 to 24 are diligent users. According to a recent ISQ study on informal social networks and social capital,⁷ one out of five people in Quebec had a social network with at least nine close friends in 2013. As we may guess, people under 25 are in the lead, with one third having a circle of friends of this size. The proximity offered by existing communications tools of course has something to do with this fact, although it isn't the only factor. School and recreational activities are also places where ties are built. The ISQ study estimates that, on average, those under 25 had seven close friends. If that circle is expanded to acquaintances (not including family), the number increases to an average of 43 people, a much bigger circle than other age groups; the 25 to 44 age group comes next, with a circle of around 20 people.

Table 2 – Proportion of homeowner households in total households, and membership of homeowning households by age, Quebec, 2002–2011

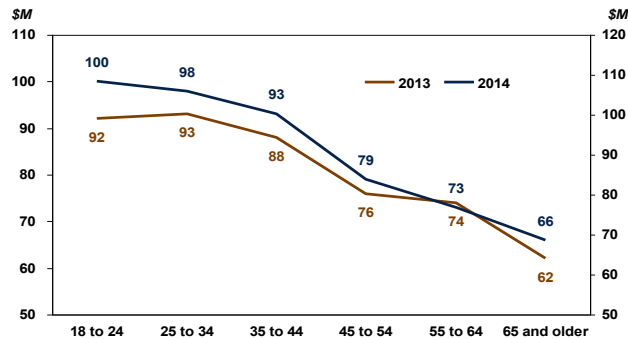
	2002	2011	2002	2011
	%	%	Number	Number
All households	58.9	59.9	1,832,000	2,050,000
By age of primary breadwinner				
Under 25	23.7	36.9	40,000	41,000
25 to 44	54.6	54.6	687,000	666,000
45 to 64	69.0	69.1	767,000	931,000
65 and older	59.4	55.2	337,000	414,000

Sources: Statistics Canada, *Survey of Labour and Income Dynamics*, master files, adapted by the Institut de la statistique du Québec

⁷ Institut de la Statistique du Québec, "Les réseaux sociaux informels et le capital social," *Données sociodémographiques en bref*, February 2016, volume 20, number 2, pp. 1 to 10. <http://www.stat.gouv.qc.ca/statistiques/conditions-vie-societe/bulletins/sociodemo-vol20-no2.pdf>

With respect to the use of social networks, those under 25 are the hands-down champions, according to the CEFRIO study *Les médias sociaux au cœur du quotidien des Québécois*.⁸ According to the survey, 18- to 24-year-olds “engage in at least one social media activity in the framework of their personal Internet use” (our translation) (graph 3).

Graph 3 – Quebec: Use of social media as a per cent of Internet users (2013–2014)



Source: CEFRIO

It is easy to associate young people with social media, and it is tempting to pursue the research to see to what extent they buy online. The following observations can be made (table 3): In the month preceding the CEFRIO study⁹, 43% of 18- to 24-year-olds had made one purchase online. The data was obtained in January, February, October and December 2015. The proportion increased to 78.3% when the past full year was considered. Despite this strong participation, the 35- to 44-year-olds still beat them, participating at a rate of 82.5%. It would, however, be interesting to see whether some of the purchases made by the 35 to 44 age group were made by parents buying for children aged 15 and up. In the last year, 18- to 24-year-olds had primarily made purchases on the sites of virtual stores.

Table 3 – Online purchases

Quebec adults (n = 12,010)	18- to 24-year-olds
Total online purchases (monthly basis)	43.0%
Total online purchases (annual basis)	78.3%
On a virtual store's site	60.4%
On a classified ad site	39.9%
On an online auction site	17.2%
On a group purchasing site	13.6%

Source: 2016, CEFRIO, NETendances 2015

In terms of the amounts spent, the figure is available for the month preceding the survey. The average was \$210 for cybershoppers aged 18 to 24, less than that of Quebecers who bought online during that time (\$309). In light of what we have seen, it is clear that young people are not the only ones buying in cyberspace, a phenomenon that is quite widespread among the population.

A MISUNDERSTOOD ECONOMIC FORCE

We associate young people with change, and it is clear that there has been some in the last 40 years, especially in the job market. Without contradiction, young people are more present in terms of participation, having more than caught up with the Canadian average, and Canada is a leader among OECD nations. In the years to come, the job market will welcome them with open arms, as the many retirements will leave a lot of positions vacant. The labour market participation rate by those aged 15 to 24 should at least be steady in the coming years. Could it increase? That is less clear, given that decisions still have to be made regarding education and paid work. However, a dropping unemployment rate attests to a needy job market that could present attractive job opportunities.

Moreover, the heavy weight of the 15 to 24 age group in the job market puts them in direct contact with managing their portfolios, raising the question of their need for information and advisory services. We know that young households are also interested in buying a home, and some manage to become qualified borrowers. As proof, the proportion of homeowners in this age group increased during the 2000s. Where did they get the capital to use as a springboard? Who would have thought they would make a commitment this big? What other dreams do they want to realize? These are some further avenues to explore with this group which is not homogeneous.

Lastly, the 15- to 24-year-old group is naturally associated with online business, although they are not the only drivers there. However, they are already present. Fifteen- to 24-year-olds are traditionally seen as the consumers of tomorrow. In light of the data on the job market, wages, homeownership and online shopping, it is clear that they are already well on their way.

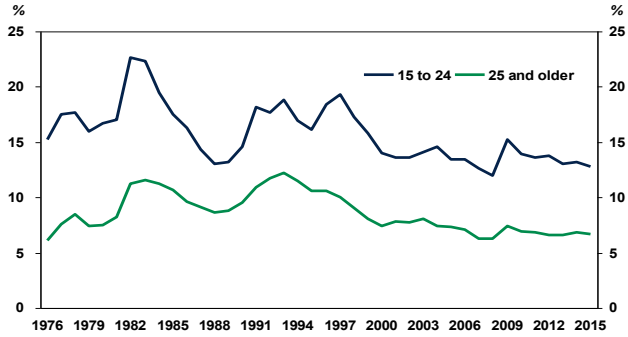
⁸ CEFRIO: *Les médias sociaux, au cœur du Quotidien des Québécois, Usage du web, médias sociaux et mobilité*, June 2014, 12 pages. http://www.cefrio.qc.ca/media/uploader/2_2014-MediasSociaux.pdf

⁹ CEFRIO, NETendances 2015, *Le commerce électronique au Québec, une forte croissance au Québec*. Volume 6, number 10, 14 pages. http://www.cefrio.qc.ca/media/uploader/FasciculeNETendances2015-Commerceelectronique_version_finale.pdf

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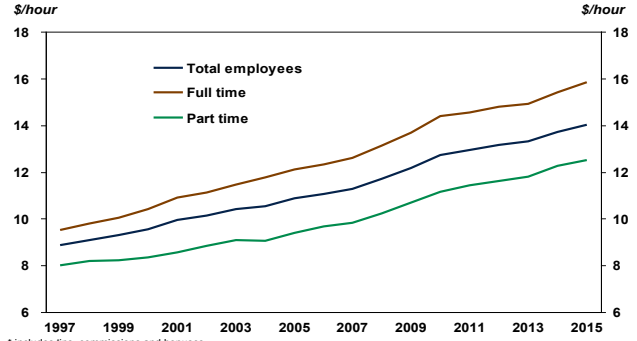
Appendix – Labour market

Graph A – Quebec: The unemployment rate for those aged 15 to 24 is still higher than it is for those aged 25 and older



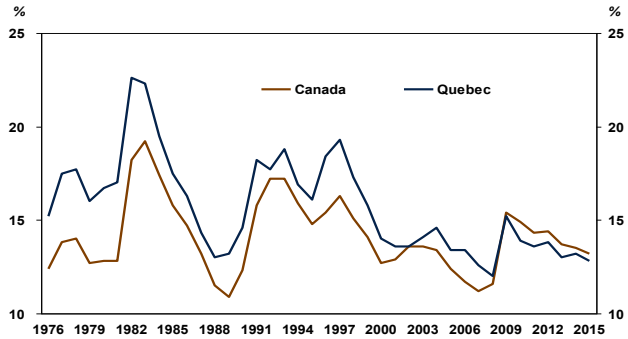
Sources: Statistics Canada and Desjardins, Economic Studies

Graph B – Quebec: Average hourly wage* for people aged 15 to 24



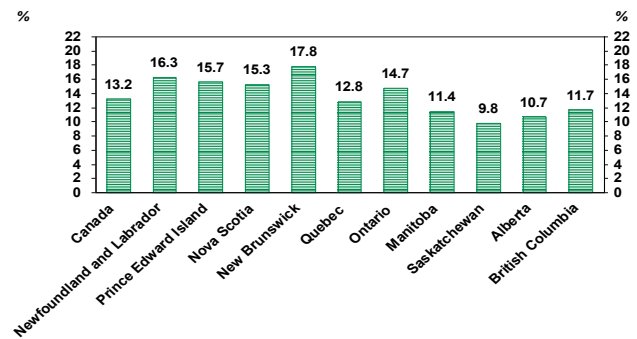
* includes tips, commissions and bonuses
 - Full time: 30 or more hours a week - Part time: under 30 hours a week
 Sources: Statistics Canada and Desjardins, Economic Studies

Graph C – Quebec: The 15–24 group’s unemployment rate has been below the Canadian average since the recession



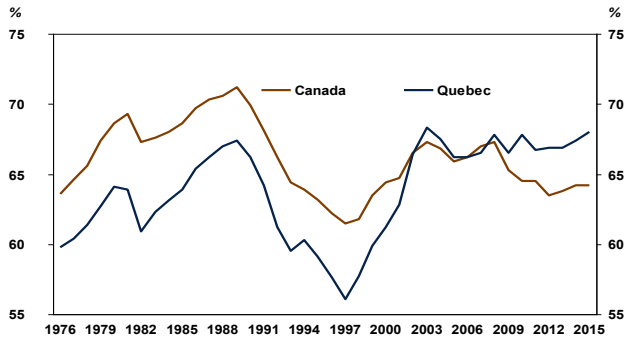
Sources: Statistics Canada and Desjardins, Economic Studies

Graph D – The Quebec 15–24 group’s unemployment rate was below the Canadian average in 2015



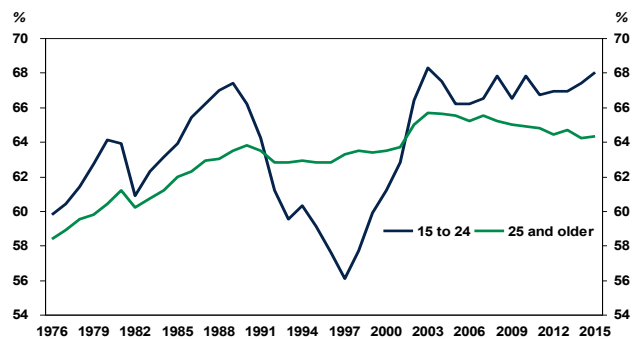
Sources: Statistics Canada and Desjardins, Economic Studies

Graph E – Quebec: The Quebec 15–24 group’s participation has exceeded Canada’s since 2009



Sources: Statistics Canada and Desjardins, Economic Studies

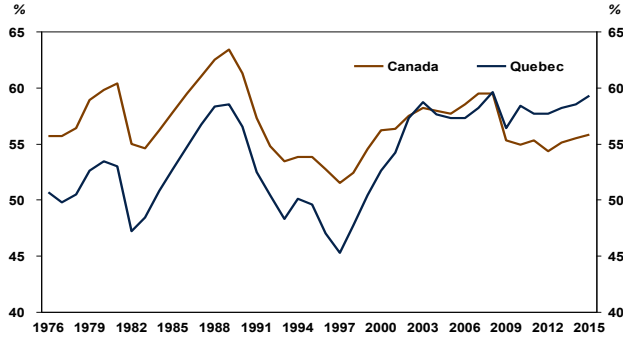
Graph F – Quebec: Among 15- to 24-year-olds, the participation rate has fluctuated a lot in the last 40 years



Sources: Statistics Canada and Desjardins, Economic Studies

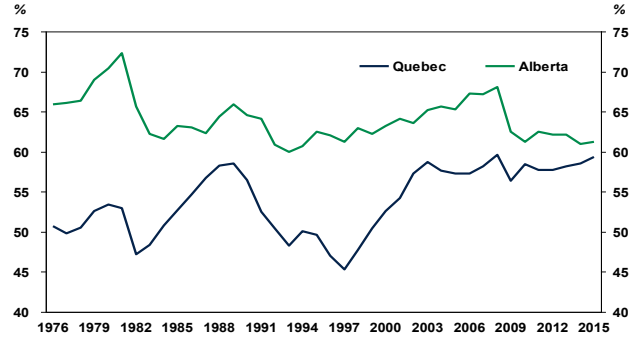
Appendix – Labour market

Graph G – Quebec: Among 15- to 24-year-olds, the employment rate is above the Canadian average



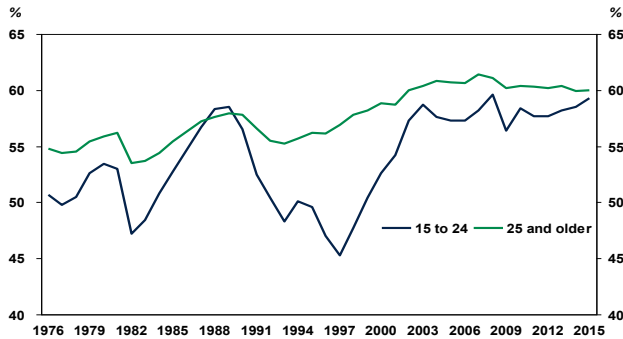
Sources: Statistics Canada and Desjardins, Economic Studies

Graph H – Quebec: Among 15- to 24-year-olds, the Quebec employment rate is below Alberta's



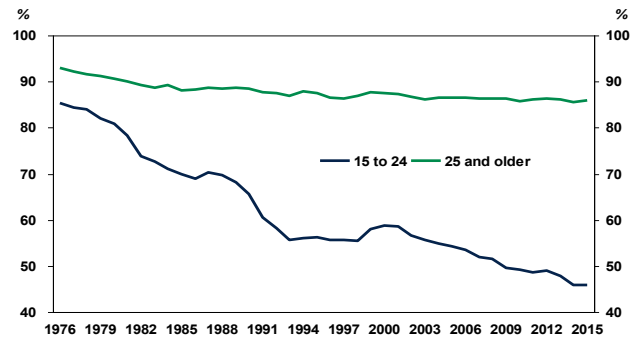
Sources: Statistics Canada and Desjardins, Economic Studies

Graph I – Quebec: The 15–24 group's employment rate has generally been lower than that of people aged 25 and up



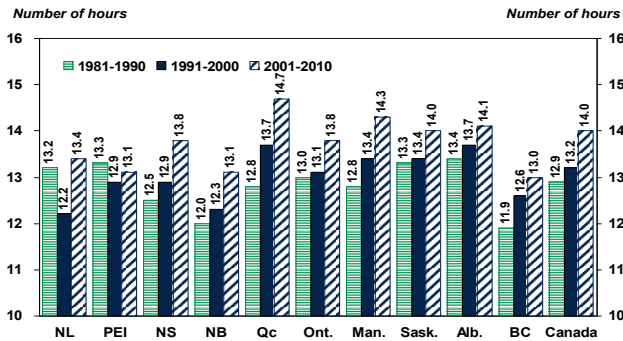
Sources: Statistics Canada and Desjardins, Economic Studies

Graph J – Quebec: Full-time employment is declining more quickly for the 15–24 group than for those aged 25 and up



- Full time: 30 or more hours a week
Sources: Statistics Canada and Desjardins, Economic Studies

Graph K – Average hours worked per week by 15- to 24-year-olds by province



Source: Statistics Canada and Institut de la statistique du Québec