

COVID IMPACTS ON THE GRADUATING CLASS OF 2020

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COVID IMPACTS ON THE GRADUATING CLASS OF 2020

Graduation is usually an exciting time for students—achievements are celebrated with peers at convocation ceremonies and a new young workforce eagerly enters the labour market. Unfortunately, this was not the case for the class of 2020. This year, schools had little choice but to hold virtual celebrations and indefinitely postpone in-person convocation. In addition to missing out on formally celebrating this important milestone, graduates have also entered an incredibly challenging job market—and are unlikely to recover for years to come.

The COVID-19 pandemic has been particularly difficult on the young workforce (aged 15-24), with unemployment rates rising far beyond that of the older workforce and recovering much slower. This high unemployment may have a long-term impact on youth just entering the labour market, hindering wage growth, skills development, and career progression.



GRADUATING INTO A RECESSION

Graduating into a recession, or a period of declining economic activity, has long-term negative effects that persist long after economic recovery. Young Canadians and youth just entering the workforce were among the most affected by the 2008-09 recession, and experienced slower wage growth and career progression than graduates entering the job market before the recession. University-educated youth were largely working jobs that did not match their level of education, and to this day are more likely to be employed in unskilled occupations and less likely to hold management positions compared to pre-recession graduates.



IMPACT ON WAGES

Early in one's career is typically when wages grow the fastest, with gains primarily coming from the ability to change employers and negotiate higher salaries. Unemployment removes the ability to negotiate, leaving graduates who were unable to secure employment behind in terms of wage growth. The transition to management positions and skilled/specialized occupations can also be delayed due to underemployment and unemployment, further contributing to slow wage growth.

It can take upwards of ten years to recover from the initial earnings loss due to unemployment and for wages to catch up to non-recession graduates.



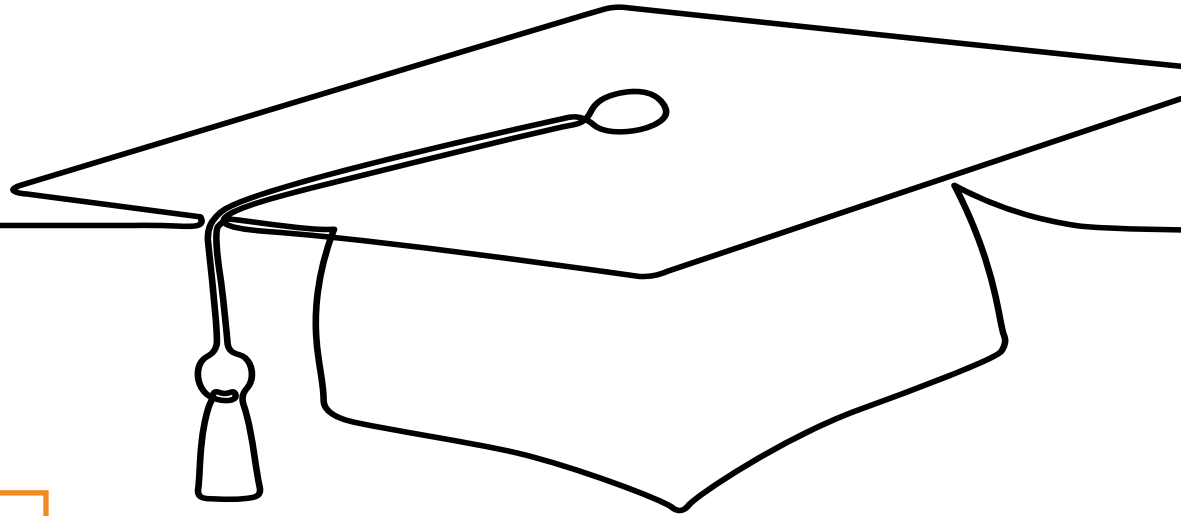
IMPACT ON SKILLS

Post-secondary education is meant to equip students with specialized skills and knowledge to be used in the workplace and help advance their careers. If youth experience persistent underemployment and unemployment after graduation, those skills can deteriorate, rendering them less competitive in their desired field. Furthermore, depending on the duration of their underemployment or unemployment, they may have to compete with a new round of graduates with skills more recently developed and put into practice.

Graduates unable to find work in their field may have to put forth extra time and effort to maintain their relevant skills, in some cases while working in an unrelated field. They may also miss out on the opportunity to develop transferable skills usually acquired early in one's career.

Impacts of Graduating into a Recession

- Large initial earnings loss
- Slow wage growth
- Delayed career progression
- Skill deterioration
- Underemployment
- Employed in undesired field



CONCLUSION

With postponed interviews, rescinded job offers, and scarce job prospects, the graduating class of 2020 has joined the labour force at a disadvantage compared to previous graduates. The long-term consequences of graduating during the COVID-19 pandemic remain to be seen, but youth are a decidedly vulnerable part of our workforce, much more susceptible to economic downturn, and are likely to remain affected long after others have recovered.

The youth unemployment rate is particularly high in Sault Ste. Marie – 25.3% as of August – and is much slower to recover than that of the older workforce. Existing labour market conditions compounded with the challenges of entering the workforce amidst a pandemic and economic shutdown may prove to be exceedingly difficult to endure for youth who remained in Sault Ste. Marie after graduation.



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