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Ontario Literacy Coalition, Ontario Pre-budget Submission, January 2010

The Need

The Ontario Literacy Coalition (OLC) makes adult learning opportunities possible. In order to fulfill this vision, we need to lay the groundwork for sustainable funding for academic upgrading and literacy and basic skills programming on behalf of almost 52,000 learners in Ontario.

As our strong manufacturing and resource sectors shift to more knowledge-based and services-based jobs, these services are in high demand. Waiting lists for literacy and basic skills programs across the province are growing and demand is increasing.

Some of this demand has been met through the March 2009 budget, but continued support is of fundamental importance. While 80% of agencies increased the total number of training hours offered through the funding incentive, over 60% of agencies reported a waitlist in September. Many programs are also serving more clients than their maximum requirements allow.

We recommend the Ontario government sustain its investment in adult literacy, including the one-time \$90 million over two years announced last year. This funding is required to allow literacy and essential skills providers the ability to help Ontarians secure the skills and training they need to effectively participate in Ontario's new advanced economy, and the potential it holds going forward.

The Potential

Nowhere more than Ontario has the current recession signaled a profound restructuring in the economy. Ontarians who have lost their jobs find that the new jobs they apply to, have higher skill requirements. Skill requirements of existing jobs are also increasing.

Finance Minister Duncan released Ontario's Long Term Growth report. In the report, the Government is clear: *To stay competitive in the future, it will be increasingly important to build on this advantage – that of a highly skilled and educated workforce – and continually improve the education and training system in Ontario.*

We couldn't agree more.

Unfortunately, there is a clear divide between the skills our workforce currently has and the skilled workforce we know we need.

One in three Canadians aged 26-35 and over 40% of people aged 36 to 45 have low literacy skills. In Ontario, three million people struggle because of a lack of adequate literacy skills. **These people will be in the work force for the next 20 to 40 years.**

Skill limitations will not only affect individuals personally, but the reverberations will be felt within the economic and social systems in this province, impacting all Ontarians. Investment directed towards improving literacy skills can not only assist individuals in economic and social well-being, but can also play a key role in Ontario's transition into this new economy through increased productivity.

A C.D. Howe Institute report, released in 2005 found, an improvement of 1 % in literacy scores is associated with an eventual 2.5 % relative rise in labour productivity, and a 1.5 % rise in Gross Domestic Product, per person. That is a \$15 billion increase in the GDP.

The Results

In this time of constrained government budgets, it is critical to invest in programming that will yield the highest returns. Investment in literacy training will do that.

There is a correlation between skills upgrading and being more employable. This allows people to be productive members of society and contribute to the economy (and their communities). Additionally, it leads to direct savings in other government programs when 42% of literacy learners stated their source of income as EI/OW or ODSP and almost 70% of people exiting programs went on to employment or higher learning¹.

With an investment in literacy, there is great potential to move people into employment in these trying times. Investment in literacy and skills training generates a payback for individuals, but also accelerates growth in the economy and in productivity, and improves governments' fiscal balance. Consider on average, one adult literacy learner costs the Government of Ontario \$1,426 per year. Compare this to the cost if that person remains unemployed (\$5,628.00 per year on EI).

Such results can be extrapolated to the national economy as well. *Addressing Canada's Literacy Challenge: A Cost/Benefit Analysis* states, "national estimates of [literacy] costs and benefits imply a rate of return of roughly 251% per annum, and an approximate pay back period of 4.8 months, an attractive rate of return by any standard."²

Investing in adult literacy programming is investing in Ontario's economic prosperity.

¹ 33% of learners exiting LBS programs go on to employment and 35% of learners exiting LBS programs go on to higher learning – Ministry of Training, Colleges and Universities IMS reports.

² Murray, T. Scott, Mike McCracken, Doug Willms, Stan Jones, Richard Shillington, and John Stucker, *Addressing Canada's Literacy Challenge: A Cost/ Benefit Analysis* 2009, 25 Jan. 2010
<http://www.nald.ca/library/research/cost_benefit/cover.htm>