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## Young and jobless: The recession's toll

By Tavia Grant  
Globe and Mail Update

*Twentysomethings are bearing the brunt of a recession that could take a lasting toll on their careers*

Brendan Baines has spent day and night on fruitless job searches for the past three months. He has applied for about 50 jobs, been interviewed by fewer employers and received even fewer offers. None, in fact.

It's not due to a lack of education. The 25-year-old has an international relations degree from the University of Calgary and a college diploma in international project management. He speaks Spanish, has worked in Guatemala and lived in Italy. He is smart and articulate.

But now, he has moved back in with his parents in Richmond, B.C.

Mr. Baines is the face of a generation that is being forced to make life adjustments after a recession that claimed hundreds of thousands of jobs, devastating a labour market now struggling to rebound.

No group has been displaced more than our youth, whose jobless rate has spiked to a near 11-year high of 15.6 per cent. And as more young people move home, default on their debts and scuttle their career plans, the aftershocks will linger for years, economists warn. Nowhere has the youth jobless toll risen more, percentage-wise, than in British Columbia, where it rocketed 56.2 per cent to 60,000 this October from the same month last year.

Economists hold out hope that when Statistics Canada releases its latest reading on the labour force Friday, some new jobs will have been created nationally. But even if the report shows some improvements among youth, that would be small comfort to the 438,000 young Canadians now looking for jobs. And many young people say that if the picture is brightening, they aren't seeing it.



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"If this economy doesn't pick up again, we're going to lose this generation," says Nancy Schaefer, who runs Toronto-based Youth Employment Services (YES), one of the largest youth jobless centres in the country. "They're going to lose hope."

The situation is particularly acute among recent university graduates, say youth employment counsellors. Caught between being overqualified and rejected for low-skilled jobs, and competing with out-of-work, more experienced older workers for higher-skilled positions, many are struggling with rising living costs and debt loads, they say.

"This has definitely been a life adjustment," Mr. Baines says.

The number of people seeking help at Ms. Schaefer's centre has risen 40 per cent this year, and most of that surge is from recent grads. Where it used to take three to six weeks to find a young person a job, it's now taking six months or longer.

Many young people are moving back in with their folks. But not everyone has that option. Those without safety nets are turning to homeless shelters, welfare, crime or transient work in the underground economy, she says.

Much of the federal government's current funding is going towards job retraining for displaced older workers. Meantime, "there is no national strategy for youth," she says.

The challenge is hardly confined to Canada. In a sombre September statement, the OECD said it is "very concerned" about the rapid rise in youth unemployment in its member countries. "We are conscious that failure in the transition from school to work and in the early years in the labour market can leave long-lasting scars."

Philip Oreopoulos has studied those scars. The University of Toronto labour economist has examined what happened to Canadians who graduated in the past two recessions. He's found their earnings lag peers who graduate during good times for a full eight to 10 years. That wage gap is likely to happen in this recession too, he said.

The good news is that that gap eventually closes - recession-era grads' wages usually catch up after a decade. The bad news is twofold: their lifetime earnings suffer, and those who graduate from less prestigious universities or programs never fully catch up.

All because they just happened to graduate at the wrong time.

"More and more labour economists are starting to realize that education and skills and ability play a big role - but luck and timing play a role as well," he says.

Elizabeth Adlam, 24, knows all about timing. She recently graduated with a fine arts degree, and had hoped for a career as a painter or photographer in Peterborough, Ont. She's volunteering at an art gallery, and sporadically helping a local photographer shoot weddings.

But she's failed to find work in her field. She never goes out any more and has cut all extraneous expenses. Now, she's wrestling with whether to change careers - and pursue a masters' in graphic design - move, or settle for a lower-skilled job in the retail sector.

"This isn't what I'd envisioned when I graduated," she says. "I was hoping for something more."

Youth joblessness tends to surge in every recession. The difference now is the huge credit card and student loan debts young people were carrying as this downturn hit, says Laurie Campbell, executive director of Credit Canada, who has watched defaults rise.

"We expect our young people to be the leaders of tomorrow. But they can't buy homes, can't buy cars, can't settle down. This prolongs their dependency."

The job market may be shrinking, but costs are swelling. Tuition costs have risen at twice the pace of overall inflation over the past five years, Statistics Canada calculations show. Textbook and school supply costs have also risen at a

higher rate than general prices. As of 2005, half of graduates left school in debt.


The other difference in this recession is that young people have much higher expectations, says Ms. Schaefer, who has worked in the youth and employment field for more than 20 years.

"These young people probably have the highest expectations of any generations yet," she says. "Especially those with a liberal arts education. They were expecting a starting salary of \$50,000 or \$60,000. Instead - they're not finding any jobs."

She worries about an epidemic of discouragement. "We need the creativity, the skills and the hope of our young people. If we're to stay a wealthy country, we cannot afford to lose them to unemployment."

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