

Stakeholder Summary

Trends Suggest Labour Market Not Saturated Despite More Postsecondary Grads

The number of Ontarians with a postsecondary education (PSE) continues to rise, yet over the past 30 years the province's labour market has been able to effectively absorb the growing number of graduates. According to a new study by the **Higher Education Quality Council of Ontario (HEQCO)**, while the employment rates and earnings for PSE graduates did not greatly improve since the early 1980s, the dramatic increase in educated, skilled workers has not damaged their job prospects.

Project Description

Early Labour Market Outcomes of Ontario College and University Graduates, 1982-2005 is based on the most recent data from Statistics Canada's National Graduates Survey and Follow-up of Graduates Survey (FOG), which surveyed PSE graduates two and five years after graduation. Six cohorts were examined (1982, 1986, 1990, 1995, 2000, 2005) to explore labour market trends, comparisons between Ontario and the rest of Canada, and impact of credential on employment, earnings, and job qualification. It should be noted that the 2005 cohort did not partake in the FOG, as the survey was terminated in 2007.

Findings

Compared to the rest of Canada, labour market outcomes for Ontario PSE graduates were generally positive, with stronger earnings and lower unemployment rates. However, two years after graduation Ontario graduates in 2005 saw unemployment rates surpass the rest of the country, while their earnings remained higher. Two years after graduation, Ontario PSE graduates saw an unemployment rate of between 4 and 9%, mirroring overall Ontario trends in the unemployment rate. However, by five years after graduation their unemployment rate was between 2 and 7%, lower than the rest of Canada.

Since the early 1980s college and bachelor's degree graduates have not seen their real earnings grow significantly, although there were fluctuations by cohort. The earnings of those with advanced degrees saw a steady increase. Graduates with advanced credentials were rewarded with higher earnings and this gap widened after five years, as did the earnings gap between Ontario graduates and the rest of Canada.

Compared to their counterparts across Canada, Ontario PSE graduates were more likely to feel overqualified, although not more likely to be working in a job requiring less education than they had achieved. Oddly, while graduates with advanced degrees were the most likely to be overqualified for their job based on the requirements, they were least likely to feel overqualified. College graduates were most likely to be in a job not requiring a PSE credential.

Since 1990, the proportion of Ontario graduates in a job closely related to their field of study has been increasing, though the province is still behind the rest of Canada. This rate did not change between two

and five years after graduation, suggesting that graduates were becoming settled in their field of employment. Graduates with a bachelor's degree were least likely to work in a job related to their field of study.

University graduates were more concentrated in specific areas of the workforce than college graduates, with approximately one third of the class of 2005 in occupations related to social science, education, government service and religion.

Early Labour Market Outcomes of Ontario College and University Graduates, 1982-2005 was prepared by Shuping Liu, Ursula McCloy and Lindsay DeClou of the Higher Education Quality Council of Ontario.