

Experiential Learning in Alberta's Modern Economy  
**A Student Employment Program for Alberta**

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## Executive Summary

In 2013, the Progressive Conservative government eliminated the Student Temporary Employment Program (STEP). As a result, 56 percent of employers indicated they could not maintain programs and services without STEP, and 49 percent hired fewer students, with 36 percent not hiring any students at all (Global News 2013). Alberta is the only province/territory in the country that does not currently have a comprehensive program to connect post-secondary students with temporary employment opportunities during the summer months.

The Council of Alberta University Students (CAUS) believes that this is problematic for many reasons. CAUS believes that education is an investment, and that connecting students with employers in relevant fields is the final step in one's transition from university into the labour force. Investing in this final step of the educational process is crucial in the development of a world-class and well-educated work force in Alberta. By enhancing employment opportunities and matching students with employers, a student employment program can ease the transition of many students into the labour force and help to meet the needs of Albertan employers. By partnering with the public service, private companies, and non-profits, the Government of Alberta could help provide gainful employment and indispensable experience to university students across the province. By connecting students with employers earlier in their degree, a student employment program helps ensure that skilled and educated graduates remain in Alberta, and are not forced to look for work in another province. Doing so would nurture the development of an educated 21<sup>st</sup>-Century labour force, forming the backbone of a modern, diverse, and thriving Albertan economy.

Currently, university students have a hard time finding gainful employment that helps them apply and develop skills that are relevant to their fields. In Alberta, unemployment is at the highest rate since August 2011 (5.5%); with the youth unemployment rate nearly double that at 10.4% (Government of Alberta 2015a). Furthermore, employers currently view summer student positions as temporary, and are often reluctant to make investments in the training and skill-development of student employees. Student employees do not currently receive a wage subsidy, and are viewed as “risky investments” when compared to full-time, permanent employees. Instead, employers typically pay students low wages and avoid providing them with opportunities to learn and develop skills.

At the time of its discontinuation, STEP received \$7.4M of funding from the Government of Alberta, and private companies received a wage subsidy of \$7.00/hr for student employees (Edmonton Examiner 2013). However, students were rarely engaged in experiential learning, and were instead funded to ‘mow lawns during the summer’, as opposed to partnering with employers to develop relevant skills. CAUS believes that student employment opportunities subsidized by the province should have a focus on skill development, ensuring that students are developing skills during the summer that are relevant to their degree or area of interest. Students should be matched with jobs suited to their skill set, and by connecting students with employers, an employment program can address the needs of employers while providing skill-enhancing positions for students. Doing so would give students the training they need to be successful in their careers, and provide employers with productive employees at a fraction of the cost.

Furthermore, providing students with degree-related work experience increases the likelihood that the student is retained upon graduation, and hired as a permanent-full time employee. This outcome is a marked improvement over the status-quo, as many students search for a degree-related job for the first time upon graduation after spending their summers painting houses or mowing lawns.

This paper will first review and evaluate the previous STEP, as well as the existing Student Summer Employment Registration Service (SSERS). A policy scan of student employment programs in Canada will be conducted to illustrate the diversity of potential program choices facing the Government of Alberta. Next, the centrality of experiential learning in a successful Student Employment Program will be demonstrated. Drawing on existing student employment programs in Canada, a brief discussion of employment terms will follow. Finally, various wage subsidy and compensatory policies will be analyzed and evaluated. This report will conclude with the following recommendations:

- Eligibility of private, public, and not-for-profit employers in the student employment program
- Review/expansion of application process criteria with employers and academic institutions
- A hybrid model application process, modeled after Saskatchewan's differentiated pool model and Ontario's job bank model
- Extension of program support beyond the summer months
- Introduction of a Nova Scotia model of \$7.50/hr wage subsidies, matched by private businesses and non-profits

## Review of Student Employment Programs in Alberta

Prior to being cut in 2013, STEP played an important, albeit imperfect, role in connecting students with employment opportunities. STEP helped connect “3,000 students every summer ... with over 2,400 community organizations in Alberta” (Edmonton Examiner 2013). This program gave students access to employment opportunities they may not have otherwise had, made possible by the \$7.00/hr wage subsidy given to private businesses. The wage subsidies expanded the range of employment opportunities available to students, as it gave private companies and non-profits access to a skilled pool of labour at a fraction of the cost, and they hired more students as a result.

However, students were not ensured employment in fields relevant to their studies, and STEP failed to deliver opportunities for experiential learning. Students were connected with employment opportunities, but were not assured those opportunities were skill-enhancing and relevant to their degree. Instead, the government was often subsidizing the wages of university students who were employed by construction and landscaping companies. While these vocations may be important, they lack skill-enhancing work experience that would help students

in their future careers, and seasonal businesses were able to exploit the program. Thus, ensuring that students have opportunities for experiential learning while ensuring the government's financial contribution cannot be exploited ought to be a central focus for future student employment programs.

Furthermore, the Government of Alberta's only existing student employment program, the Student Summer Employment Registration Service (SSERS), is also profoundly flawed. SSERS provides students summer employment opportunities with the provincial government (Government of Alberta 2015b). Students submit their resume and a cover letter via a Government of Alberta website, along with their major, minor, desired work location(s), and several vague areas of interest (i.e. Policy, Sports and Recreation, Tourism, etc.).

SSERS employs a limited amount of students each summer and provides only temporary opportunities. Furthermore, the opportunities for students are subject to budgetary fluctuations and are determined on a case-by-case basis, with hiring dependent on budget and operational needs of the various ministries. As of May 19<sup>th</sup>, the Government of Alberta is in a hiring restraint, and will not be employing as many students as in previous years. As a result, only a fraction of the 3000 students employed through STEP can find employment through SSERS. Interviews for positions occasionally take place over the summer or at the end of April, when most students have either found a job or are busy finishing exams. This is a barrier to the service being utilized, even with its shortage of suitable employment opportunities.

The SSERS website lists an overview of the different types of work students can expect if employed (Government of Alberta 2015c). However, the types of work offered through the Government of Alberta are not accessible to most students. Three of the listed categories (Administrative Support, Finance, and Systems Analyst) explicitly require students with a background in finance and/or information technology, while two categories (Maintenance Service Worker and Grounds/Site Operation) fail to offer experiential learning for many, if not all, university students. In fact, most non-professional degrees are grouped under "Program Services" with little, if any, indicated relevancy to the types of work students will be doing.

In summary, STEP provided students with employment opportunities, but the program was being utilized by companies looking for subsidized labour in areas that were not relevant to many students' areas of interests. SSERS only offers meaningful employment opportunities for students with specific educational backgrounds, and does not provide enough employment opportunities for the tens of thousands of students looking for full- and part-time work. Students make up a large, skilled section of the labour force, and are under utilized by the public service. Any future student employment programs ought to address these concerns, and various student employment programs across Canada offer some possible solutions.

## Student Employment Programs Across Canada

Note: This section is the contribution of a previous CAUS employee, Adam Woods, to this paper. The research in Mr. Woods' section was conducted during the summer of 2014, however, a cursory review of the current summer employment programs across Canada reveals no major changes to any of the programs in the past year, so the information specified in this section is

sufficiently accurate. The purpose of this section is to illustrate the broad range of policy options facing the Government of Alberta, and as such the information gathered is still useful for policymakers.

Canada has a diversity of provincial and territorial student employment programs aimed at ensuring students have access to skill-enhancing and relevant employment. An overview of the various student employment programs across Canada will illustrate this diversity.

This analysis provides an explanation of how student employment systems customarily function. Students are typically employed in one of three sectors of the economy: non-profit, private, and public. Some student employment programs connect students with opportunities in one or two sectors, while others focus on all three.

In the case of public employment, students are simply hired for a government position. These positions can range from legislative assistants, to geology assistants, and park wardens. Typically, private employment opportunities are run through government provided wage subsidies, which compensate for part of a student employee's wage. Non-profit employment uses either the same kind of wage subsidies, or grants and tuition vouchers for employment. Below is an explanation on how each province runs its employment system.

## British Columbia

BC appears to only have one summer employment program, called Youth Skills BC (Get Youth Working 2014). It is targeted towards students between the ages of 15 and 29, and provides hiring incentives to private employers who may need additional workers during the summer. Rather than selecting a wage subsidy per hour, the Government of BC instead offers a \$2,800 reimbursement for employers who hire a student, as well as \$1000 in training funding if required for the position. Employers have the ability to hire a maximum of three students per summer and most provide a minimum of 30 hours of work for at least 3 months of the summer. Based on this required time of employment, the reimbursement is roughly equivalent to an \$8.00/hr wage subsidy. The range of employment opportunities available to students is solely determined by the diversity of employers who utilize the program. Unlike most other provinces that partake in private company subsidy employment, Youth Skills BC allows employers to find their own employee, with the businesses being reimbursed after hiring their employees. The majority of student employment programs often have the government play a larger role in compensatory/administrative matters.

## Saskatchewan

Saskatchewan's student employment program is simply known as the Summer Student Program (Government of Saskatchewan 2014). While it only offers employment opportunities to 1000 students, many of the methods this particular program employs could be worthwhile to investigate emulating, specifically surrounding degree-sensitive division of job opportunities and its application process. All positions are run through government, however they offer employment opportunities to a wide range of academic backgrounds, hiring students as geologists, historical tour guides, and maintenance workers.

In order to separate the different job opportunities available based on expertise, Saskatchewan divides its applications into five different categories that will be further examined in the “Experiential Learning” section of the brief. Students submit applications, and government agencies have access to the differentiated pools of resumes relevant to their field and make a request for the number of students they would like to interview and/or hire. From there, government agencies independently interview and hire students.

## Manitoba

This province has two separate organizations that make up their student employment programs, all running independently. Manitoba is one of the few provinces reviewed thus far that has a continuous student employment program, rather than one that operates only through the summer. The first program is called STEP, and focuses entirely on filling internal government positions during the summer and school year for students sixteen and above (Government of Manitoba 2014a).

Much like many other provinces in determining wage, Manitoba goes by years associated with the program or “STEPS.” A student first employed by STEP would receive a wage of \$10.28 an hour. This wage increases each year until the individual in question reaches their fourth year, in which a rate of \$13.37 is maintained. STEP is the only summer employment program that incorporates high school students, while the other program is only for students enrolled in post-secondary.

The second program is known as Career Focus, and it is essentially Manitoba’s summer jobs program aimed at private businesses, offering private companies grants in order to fill vacant positions with students during the summer (Government of Manitoba 2014b). There does not appear to be evidence of a wage subsidy here, rather the government assesses the type of work, typical wage and how many student will be employed and then determine an appropriate grant to assist with paying the students. This program also provides co-op wage subsidies for students who require work experience as part of their program.

No other province has extended its summer employment program like Manitoba has. Manitoba is also the only province that sets minimum hours as different for high school entrance students and those already enrolled in post-secondary. Employers must provide a minimum 160 hours of employment for high school entrance students, whereas post-secondary students must receive a minimum 300 hours of employment. Manitoba’s student employment programs also operate throughout the year. Students in Manitoba also have the opportunity to partake in an intergovernmental exchange program with Quebec.

## Ontario

Ontario has a central, government run student summer employment program with unfortunately limited information available to the public (Government of Ontario 2014). It offers employment for any student aged 15-30, and much like many of the other provinces it hires students only through government agencies. In most provinces, limiting the program to government positions would limit the number of positions available. However, the large size of

the Ontario Public Service allows it to hire “several thousands of students” each summer through their student employment program.

Through the Ontario Public Service, students are hired at a wage between \$10.25/hr and \$11.10/hr. Also like other provinces, Ontario lists all the many diverse job opportunities available to students though it does not allow for separate applications based on discipline. Instead, it simply allows students to register and apply for specific postings. Students may apply and interview for as many positions as they chose. Managers may rehire students the next summer and students can work up to four years with the program. All positions are full-time, however employment for the whole summer is not guaranteed. Some positions start in May and others in July. Ontario is yet another province which partakes in intergovernmental exchanges with Quebec.

## Quebec

Quebec runs its student employment program almost entirely through internal government positions and does not include the private sector in its summer employment program (Gouvernement du Québec 2014). Quebec allows for students 14 or above to apply for a student summer job. Rather than divide into different programs, Quebec has a type of employee database in which students create an online profile with their resume, cover letter, and field of interest specified. From there, government departments can go through the bank of student applicants and select the ones which they feel would be best suited for the available positions. If the number of suitable applicants exceeds the number of positions available, a random draw is conducted. Students wanting to continue to apply for positions through this employee database simply need to update their information every year.

The government of Quebec also provides private companies that may need to hire students access to this employee database, however it does not appear they offer a subsidy to private companies seeking to employ students. Quebec also partakes in many exchange programs, and is able to send its students to Alberta, Manitoba, PEI or Ontario. Quebec does not appear to have a minimum program duration.

## Newfoundland and Labrador

Newfoundland has a program known as the Student Summer Employment Wage Subsidy Program (SSEWSP) intended for post-secondary and high school students. While the majority of provinces separate the non-profit and private employment opportunities, Newfoundland has created a simplistic program that deals with both. When applying to SSEWSP, students could receive a position with a governmental department, a non-profit organization, or a private business. Due to the smaller nature of SSEWSP, it simply asks the applicant for their preferences on job type, as do Prince Edward Island, Nova Scotia, and New Brunswick.

Regardless of the nature of the organization, Newfoundland provides a subsidy of half the minimum wage for all hours worked for private groups, and the full minimum wage plus a stipend for non-profits. In addition, the program also offers a \$50 tuition voucher per week worked with the program to all post-secondary students. Post-secondary students in Newfoundland do not have to worry about competing with high school students, and wages are



similar for work with both private and non-profit organizations. Further, the tuition voucher could generate up to \$800 towards a student's tuition for working all summer. Employment must be provided for a minimum of five weeks with a minimum of 25 hours per week (Government of Newfoundland and Labrador 2014a).

Newfoundland and Labrador's second student employment system is known as the Student Works and Service Program, which provides a \$1,400 tuition voucher for eight weeks (or 280 hours) of work with a non-profit. In addition to the tuition voucher, students are provided with a \$175 stipend for living expenses. This program operates through funding provided by both the Governments of Canada and Newfoundland and Labrador (Government of Newfoundland and Labrador 2014b).

### Prince Edward Island

Prince Edward Island has the "Jobs for Youth Program" (Government of Prince Edward Island 2014). Again the same model of three different areas for employment is presented. It appears that non-profit and private groups receive the same subsidy level, while government positions run internally through the provincial government. PEI pays half of the student's wage, which could encourage employers to pay a higher wage on average. Like certain other Provinces, PEI leaves the hiring process to the employers and provides grant money after the employer has been approved and has hired a maximum of two students.

Ultimately PEI's program is very similar to other provinces' student summer employment programs. PEI cites a minimum of 35 working hours a week, and states students must be employed for a minimum of 8 weeks and a maximum of 12. Students in PEI are also able to travel to Quebec for the exchange program.

### Nova Scotia

Nova Scotia's student Summer Employment Program only hires post-secondary students as well as those who have received acceptance to an institution. The province divides its job program into three categories (Government of Nova Scotia 2014). The first is called the Strategic Cooperative Education Incentive, and provides subsidies only to private companies. Rather than allowing employers to determine wage, the government of Nova Scotia states that an employer must pay employees at least \$15.00/hr, with a government subsidy of \$7.50/hr. This program runs all year.

The non-profit sector side of the program is called Student Career Skills Development Program. Nova Scotia actually provides a higher subsidy of \$8.50 for each student who works for a program, although the non-profit wage must be between \$10.50 and \$13.

Thus, non-profit organizations hire their own students while the government orchestrates the hiring of students for private companies. The province does not appear to have internal government positions available for students during the summer. Nova Scotia states that positions are only eligible for a wage for up to 14 weeks at 35 hours a week maximum.

## New Brunswick

New Brunswick's program is called Student Employment Experience Development (SEED) and it offers employment to post-secondary students only (Government of New Brunswick 2014). While the majority of provinces allow private companies to take advantage of student summer employment, SEED does not allow private companies to participate. Only municipal, provincial, non-profit or first nation orientated positions are funded. The subsidy provided to these organizations is not publically available. The exact same method of employment is provided by SEED Co-Op Work, which hires students during the school year who are enrolled in university. Minimum or maximum hours are again not specified.

Finally, the most interesting of New Brunswick's student employment program is called SEED Student Entrepreneurship (Government of New Brunswick 2014). This program has students present their business models to the government, who can grant a mix of a student loan and a business loan to provide you with the ability to run your own business during the summer. This has been the creator of many kiosks and small student businesses in New Brunswick.

## Nunavut

The Territory of Nunavut has the Summer Student Employment Equity Program, or SEEP (Government of Nunavut 2014). Students apply through the government and are given public positions for the summer. One interesting policy Nunavut possesses is the structure of how it pays its student employees. First year students would make 75 percent the salary a normal employee would in that time span, a second year 85 percent, a third year 95 percent and finally fourth year and beyond would receive the same payment a government employee would during the summer months.

## The Northwest Territories

This territory operates on the exact same grounds as Nunavut in that all available jobs are within government, and the interviewing obviously being done by government. Their pay structure is not available online (Government of the Northwest Territories 2014).

## Yukon

Yukon has two programs, the Student Training Employment Program (STEP) and the Yukon Summer Career Placement Program (Government of Yukon 2015). Both of these programs offer wage subsidy to both private companies and not-for-profit organizations, and again the government takes care of the hiring and application process.

Yukon's STEP is meant to provide employment to students while they are in school, specifically in the areas which relate to their discipline. The Yukon Summer Career Placement Program also creates profit and non-profit employment for students during the summer. Ultimately, it is impressive that the Yukon has a program meant to employ students who are enrolled in post-secondary courses.

## Experiential Learning

These various student employment programs feature a diversity of policy alternatives aimed at ensuring students are provided with work experience relevant to their fields. The importance of experiential learning to a student employment program cannot be overstated. Student employment is one of the final steps in a student's educational development. Students learn how to apply the skills learned in the classroom to issues facing the real world. By connecting students with relevant work experience during their degree, a student employment program helps students cultivate additional skills, think critically about how to apply their knowledge outside of the classroom, and perhaps most importantly, connects students with employers.

Without a student employment program, most students graduate university with useful skills, but limited knowledge and ability to apply their skills. Employers looking to hire recent graduates must commit to training new graduates and being patient as they adjust to the realities of full-time employment. These transitory challenges help explain high unemployment rates for recent graduates without relevant work experience. Labour shortages faced by Albertan business are partially due to a lack of graduates with both a university degree and meaningful work experience.

A student employment program with a focus on experiential learning helps fix this broken system. Instead of connecting with prospective employers only upon graduation, students would work with businesses, non-profits, and government departments in their areas of expertise during their degree. Firms could invest in training/education at this stage of the process if they are incentivized to retain students from year-to-year. A student could be hired after the summer of their second year, work full-time over the summer and part-time over the school year, and be retained from year to year. If the student were employed by a business in their area of interest, they would most likely be open to working for that business upon graduation. Thus, instead of an inexperienced graduate the business has no relationship with, the business can hire a graduate with two years of work experience with the business, who does not need to be trained, and who has a high possibility of staying with the business long-term.

The key issue for experiential learning employment programs is how to best design a system that provides all students with jobs, and optimistically, future career opportunities relevant to their degrees, while still addressing the concerns of employers. However, there are solutions to many of these issues observable in how other provinces run their employment systems.

The first example is taken from Saskatchewan's Summer Student Program. This program divides the different employment opportunities into five different categories based on areas of diverse expertise, and rather than submitting their resume into a vast pool of applications, each student must apply in the specific area they wish to find employment. This program has five categories directly linked with different student expertise from a post-secondary perspective. There is a category for general labour and technical skills, a parks application for environmental care and historic guides, a technical services application for students in engineering or computing science, a human services application, and an administrative application. Saskatchewan's program divides different types of employment into appropriate categories and allows student to pursue what best suits his or her interests. Partnering with employers to further refine these categories, and to work with academic institutions and students to connect

these categories to student interests and relevant skills would further enhance the application process.

Another good example of a province that separates different job opportunities is Ontario. Ontario's Summer Employment Opportunities (SEO) program lists the specific different positions that a student can apply for (Government of Ontario 2014). On the SEO website it lists office administration, customer service, project support, human resources, information technology, geology, environmental sciences, laboratory, research, business and finance, communications, policy development, tourism, agriculture sciences, parks, and enforcement as areas of perspective employment. Students are given access to a massive government job bank, and are able to apply for as many positions as they so desire. However, requiring students to sift through job postings until they find one that matches their area of interest may be prohibitively cumbersome. This rationale explains why Saskatchewan's program features a differentiated pool of applications, instead allowing employers to identify prospective employees. However, a hybrid system, in which students submit a 'generic' resume into a differentiated application pool, while also allowing them to tailor their resume's and apply directly to specific job postings, would combine the best of both programs. This would ensure maximum access for students to prospective opportunities, and for employers to prospective employees. Identifying how applications and job opportunities ought to be differentiated is crucial as well.

Furthermore, the Government of Alberta could partner with employers and academic institutions to categorize employment opportunities by relevant skills in addition to the substantive content of a degree, or an applicant's academic background. Most academic departments often list skills gained by pursuing a degree on their websites, or have "Career Opportunities" listed in information pamphlets available to high school students considering their program. For instance, the University of Alberta Philosophy Department website states that a Philosophy degree promotes "free inquiry, ... originality, and creativity as well as the ability to express oneself clearly and to argue convincingly" (University of Alberta 2015). The ability to develop new and innovative solutions to problems, and to then communicate those ideas articulately and effectively are invaluable skills in many different vocations. If government partnered with private businesses and not-for-profits to identify their employment needs, many organizations may identify a skilled communicator and innovative thinker as a major employment need. Thus, a well-designed student employment program could connect students with employers based on both the substantive content of their degrees as well as the relevant skills acquired through a particular degree.

The solution to ensuring students have opportunities for experiential learning through employment opportunities problems is to improve the process of matching students with employer. A well-designed student employment program would feature a comprehensive and consultative categorization of employment opportunities, based on the substantive content and skills acquired through specific educational programs.

A student employment program that grouped all employment opportunities together (i.e. private, public, non-profit) would give students the greatest access to a diversity of employment opportunities, while ensuring employers also have the fullest access to prospective employees. Doing this would most likely require the government to partner with employees to identify the specific employment needs of various businesses, and to institute oversight measures to ensure that only firms which provide experiential learning have access to the program. This type of

system would vary greatly from the previously funded STEP, by grouping the employment opportunities together, and more robust assurances that student's aren't being subsidized to "mow lawns all summer".

Finally, a well-designed employment program would have government partnering with a diverse range of prospective employers to make sure that all students, regardless of their programs of study, have access to opportunities for experiential learning. CAUS recognizes that employment opportunities are to some extent subject to the demand of employers in the labour market, but we believe that previous (and current) employment programs in Alberta have under-utilized the diversity of knowledge and skills of Alberta university students, and that some employers, particularly in the not-for-profit sector, would be benefitted if given enhanced access to student employees.

## Extending Opportunities Beyond Summer

Another factor to be considered when determining the best type of student employment program is the duration of the program. In Alberta, financial support through STEP was only offered during the Spring and Summer Semesters (May-August). While summer obviously needs to be the primary focus of a student based employment program, there are only limited spots available and some students may chose to take classes during Spring and Summer semesters and work during either the Fall or Winter semester. In many other cases, students supporting themselves simply need part-time school year employment and a well-structured program could help this make this work experience more relevant to students' studies.

There are several examples of provinces with student employment programs that extend support beyond the summer. Manitoba is the best example of a province that runs its student employment program throughout the year. From September to April, students can work a Manitoba STEP funded position to a maximum of 21.75 hours a week. In addition, Manitoba gives employers the option to rehire students for school year months or the next summer.

Another example of a province that provides near year long employment services to students is Nova Scotia. Students are able to apply for different terms; for example a student could apply to work during the winter semester and attend university during the fall and summer semester. This is a huge step in terms of student flexibility and choice, and also adds increased value to the idea of experiential learning and continuity. Ultimately the flexibility, stability, and continuity offered through continued support are invaluable.

Allowing employers to also keep students on for lesser hours during the traditional school year not only provides more diverse options for students, but also gives employers the opportunity to retain a student they spent the whole summer training, removing the "risky investment" profile of student employees. In addition, this continuity would further increase the likelihood of creating positive experiential learning opportunities as well as provide employers with prospective future employees.

Ultimately, extending financial assistance to employees hiring students beyond the summer months would generate incentives for employee retention, which benefits both employer and

employee. A student hired in their first year through such a program could link a student with summer employment for their entire degree, valuable job related skills, and a good relationship with an employer that could hire them when they graduate or provide a valuable reference to another prospective employer. This particular point is key when government aims to increase experiential learning and link school with career opportunities shortly after completion.

## Wage Subsidies and Compensation Across Employment Sectors

Student employment programs across the country feature differing levels of employment opportunities in the public, private, and not-for-profit sectors. Previously, the Government of Alberta emphasized a greater need for help for the not-for-profit sector, as well as concerns regarding wage subsidies for employers failing to provide experiential learning. There are several diverse policy options available to the Government of Alberta to ensure that students are paid an adequate wage, while still allowing Albertan businesses to be competitive, the public service to be effective, and for not-for-profits to flourish.

Firstly, it should be noted that provinces with larger populations are much more able to provide a great volume of employment opportunities than the smaller ones. Provinces like Ontario and Saskatchewan employ students almost entirely through the public side, and in Ontario's case are even able to employ several thousand students.

Alberta has a fairly large population and therefore a larger public service. A student employment program could fill most full-time summer and part time school-year government jobs with students. Though students already fill some of these jobs through SSERS, opportunities could be made more available to the wider student population. In addition, with more funding many more jobs would likely be created. Employment in the public sector offers a diversity of opportunities that could easily be matched with students in diverse fields. In Saskatchewan's case, the province goes so far as to specifically match students with discipline related employment. The government could also mandate an "internal minimum wage", to ensure that students employed in the public sector make a fair wage.

When considering student employment programs targeting the not-for-profit sector, it is clear that, given budgetary considerations, many of these organizations are in much greater need of affordable, full-time employees than the private sector. Students employed by not-for-profits are often given less government funding than private companies receive, while non-profits are not capable of paying higher wages. This is unfortunate, as many non-profit groups work in areas with unique experiential learning opportunities, such as domestic violence, mental health, and homelessness. These opportunities are rarely, if ever, available in the private or public sectors.

Increasing the private sector wage subsidy from \$7.00/hr to \$7.50/hr, and offering it to not-for-profits would promote student employment in this cash-strapped sector. If the Government of Alberta adopted the Nova Scotia wage subsidy model, it would require the non-profit to at least match this contribution. Thus, non-profits would gain access to student employees at a cost currently below the current minimum wage, while students would invaluable experience while earning at least \$15.00/hr. Alberta could easily again provide 3,000 student positions simply through government positions and not-for-profits if it was willing to provide the funding.



Furthermore, extending this increased wage subsidy to private companies would further enhance these gains in student employment. The Nova Scotia model could be applied to private companies as well, and by partnering with Albertan businesses, the provincial government could contribute \$7.50/hr while requiring employers to at least match that contribution. Doing so would increase the number of job opportunities available to students, help address the labour shortages of private businesses, and provide student employees in all sectors with a fair wage.

Employment in the public, private, and not-for-profit sectors offers a diverse range of opportunities to a diverse range of students. A well-designed student employment program ought to include all three, as excluding one will reduce the opportunity for certain students to find meaningful employment. For instances, if wage subsidies were provided only to private businesses, it would be unlikely that social work and psychology students could find employment through the summer employment program.

Mandated pay increases based on years of employment or years with the employment program may be useful as well. However, cash-strapped non-profits may not be able to accommodate these increased wages, and private companies may already be willing to pay more for an experienced summer student they choose to retain. Ultimately, ensuring that all students employed through the program are paid an adequate wage ought to be a focus of the program.

## Final Analysis and Recommendations

The Alberta New Democratic Party indicated in Section 4.9 of their platform during the recent 2015 General Election that they would like to reinstitute STEP (Alberta New Democratic Party 2015, 15). While CAUS affirms the need for a student employment program, we believe that the following recommendations should be considered when developing a new way to offer an Alberta student employment program:

### Recommendation 1: Eligibility of private, public, and non-profit employers in the student employment program

CAUS believes that expanded program support to employers in all sectors is crucial in ensuring that all students be given an opportunity for experiential learning. Divergent areas of interest, diversity of relevant skills, and employment opportunities unique to each sector characterize employment in different sectors. To ensure equal access to a diversity of employment opportunities, wage subsidies must be made available to private businesses and non-profit entities, and students must have access to employment in all three sectors via the student employment program. Furthermore, oversight measures to ensure that only employers who offer opportunities for experiential learning are eligible for assistance is necessary.

### Recommendation 2: Review/expansion of application process criteria with employers and academic institutions

The Government should partner with employers to identify skills and educational backgrounds that match their employment needs, as well as working academic institutions to identify the

skills acquired through various degree, and their applicability to different kinds of vocational opportunities. Doing so will give students greater ability to differentiate themselves from other candidates, thus increasing their opportunities of finding a job they enjoy and that is relevant to their area of interest/skill-set. Furthermore, this partnership with employers will enhance the ability of employers to identify suitable candidates that may be retained beyond the summer months due to their unique skill set. Ultimately, enhancing the application process criteria allows students to be matched with employers more effectively, and for both parties to benefit substantially from the student employment program.

### Recommendation 3: A “hybrid model” application process, modeled after Saskatchewan’s “differentiated pool” model and Ontario’s “job bank” model

As was mentioned earlier, a hybrid model maximizes student choice and employer access, by ensuring that prospective employers can be matched efficiently with prospective employers in their areas of interest. Adopting a hybrid model ensures that access to employment opportunities is transparent and straightforward, while allowing employers to approach candidates they feel meet their employment needs. A hybrid model ensures, in the most efficient way possible, that all students have an opportunity for experiential learning through the student employment program.

### Recommendation 4: Extension of program support beyond the summer months

Wage subsidies to private businesses and not-for-profits should be sustained beyond the summer months, in order to provide students with supplementary income during their time in school and to promote employment retention both during and after the student’s education. However, given the limited availability of funds, and the larger amount of students looking for employment during the spring and summer semesters, CAUS recommends that the majority of the funding be directed toward employment during the spring/summer semester. A rough allocation rule, such as 65% spring/summer and 35% fall/winter seems suitable.

### Recommendation 5: Introduction of a Nova Scotia model of \$7.50/hr wage subsidies, matched by private businesses and non-profits

Wage subsidies should be increased from \$7.00/hr to \$7.50/hr, and extended to both private businesses and not-for-profits. These employers should be required to match, if not exceed, the government wage subsidy. This program increases the amount of summer employment opportunities, as businesses and not-for-profits have access to skilled student workers at a reduced cost, while students are ensured a fair wage of at least \$15.00/hr. An internal minimum wage for public sector employment to ensure that public sector student employees are also paid fairly is also recommended. The public sector component of a successful STEP program must have money specifically allocated for hiring students. Currently, the hiring of students is subject to budgetary fluctuations of different ministries. Having internal funds set aside specifically for hiring summer students would help to create a stable and gainful range of public employment opportunities available to students.



## Feasibility

The Alberta New Democratic Party has committed to contributing \$10M per year to the program until 2019/20 (Alberta New Democratic Party 2015, 24). While this is a limited amount of funding for the new program, a simple back-of-the-envelope calculation shows that the recommendations in this report are feasible given the allocation of funds proposed by the new government. Recall, that prior to being cut, STEP received \$7.4M in funding, and provided \$7.00/hr wage subsidies to approximately 3000 students (Edmonton Examiner 2013).

The small program was not cut because it was too costly to sustain, but rather because the government at that time saw the program as inefficient and not meeting the goals it set out to achieve. Thus, the program was (presumably) sustainable, if inefficient, at the previous level of funding, with the previous wage subsidy, being used by roughly 3000 students each year. Assuming that each student worked for 15 weeks, at 35 hours a week over the summer months, is a plausible assumption for the sake of comparing the cost of different programs. CAUS' recommendations propose expanding eligibility and access to the program, which will almost certainly increase the amount of students employed through the program. Assuming a bullish 50% increase in student usage (to 4500 students), and a 7% increase in wage subsidy (up to \$7.50/hr), the proposed 35% increase in spending for the program will most likely more than cover the costs associated with increased usage and wage subsidies. Given our reasonable assumptions of work terms (constant under both models), the change in program expenditure from the PC STEP model to the model CAUS recommends can be given by the following:

$$\text{Change in Program Expenditure} = [([\text{hours worked per week}] \times [\text{weeks worked}])] \times (\text{change in student usage})] \times (\text{change in wage subsidy})$$

In order for the program to be feasible, the change in program expenditure must be less than or equal to the NDP's proposed \$2.6M increase in funding for the student employment program. Given the following values:

Hours Worked Per Week: 35  
Weeks Worked: 15  
Change in Student Usage: 1500  
Change in Wage Subsidy: \$0.50

$$\text{Change in Program Expenditure} = [(35 \times 15) \times 1500] \times 0.5 = \$393,750.00$$

This figure is far less than the proposed increase in program expenditure (\$2.6M), and it seems unlikely that the increased expenditure due to part-time employment during the school year and administrative costs would render this proposal infeasible. Even if it did, marginal decreases in the wage subsidy and contribution requirements could sustain the program while still providing students with meaningful and lucrative employment opportunities.

While this calculation is not intended to yield a comprehensive budget, it does show that the proposed marginal increase in wage subsidy, coupled with a bullish assumption of increased program usage, is sustainable given the STEP funding allocated in the NDP platform. Any surplus funds could be used to enhance wage subsidies for cash-strapped employers, develop an improved online application process/job bank, or provide career counselling for students

looking to use the service. Ultimately, the proposal CAUS has outlined is sustainable, feasible, and congruent with the stated program goals of the Government of Alberta.

## Conclusion

A student employment program is vital to the success of university graduates as they begin to pursue their careers, and to Alberta's economy as we work towards a diversified 21<sup>st</sup> Century economy. A student employment program helps employers in all sectors be matched with skilled and suitable employees looking to apply the skills they've learned in the classroom to the workplace. A student employment program is the final step in a student's education, and providing the assistance necessary to take that final step is vital to the future success of university graduates, and for Alberta as a whole.

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