



# Learning a Living

**FIRST RESULTS  
OF THE ADULT LITERACY  
AND LIFE SKILLS SURVEY**



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# **Learning a Living**

## **First Results of the Adult Literacy and Life Skills Survey**

**Ottawa and Paris**

**Statistics Canada**

**Organisation for Economic Co-operation and Development**

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### **Note of Appreciation**

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In the age of electricity and automation, the globe becomes a community of continuous learning, a single campus in which everybody irrespective of age, is involved in learning a living.

*Marshall McLuhan, 1964*

## Foreword

Change is a defining feature of modern life. Technologies change, the organization of work changes, terms of trade change, communities evolve and social roles change as individuals negotiate the life course. Hence change is unavoidable. It obliges individuals, families, schools, firms and nations to adapt. People and institutions that have the ability to adapt are resilient; they survive and have a chance to flourish. In contrast, those lacking the ability to adapt become vulnerable and dependent. The ability to adapt to change depends, to a large extent, on the pool of skills upon which individuals, institutions and nations can call.

The fundamental goal of the Adult Literacy and Life Skills Survey (ALL) is to shed new light on the twin processes of skill gain and loss. This is achieved through measurement of prose and document literacy of adults for a second time in some countries. Further, the study has extended the range of skills measured by adding problem solving, numeracy and information and communication technology (ICT) skill. This allows one to examine the profiles of important foundation skills. Thus the study makes it possible, for the first time, to explore the interrelationships among skill domains as well as their links to major antecedents and outcomes, such as the quantity and quality of initial education and skill's impact on employability, wages, and health.

This report is meant to assist individuals, educators, employers and other decision makers in four areas:

- Removing skill deficits that act as barriers to innovation, productivity and high rates of economic growth;
- Limiting and reversing social exclusion and income inequality;
- Reducing the unit cost of delivering public health care and education services;
- Improving quality in a broad range of contexts from public services to quality of life.

The footprint of good policy is evident in all countries surveyed. Bermuda is highly skilled and its population reports the highest level of health. Canada has succeeded in building equitably distributed ICT skills that have boosted productivity and growth. Italy has realized the most rapid improvement in skills benefiting the entire population. Norway has achieved uniformly high levels of skill, an inclusive society and is the closest to realizing lifelong learning for all. Nuevo Leon in Mexico has managed the most marked improvement in the quality of recent education output. Switzerland has lifted the performance of the least skilled the most. Proportionally to population size, the United States has built the largest pool of highly skilled adults in the world.



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# Table of Contents

<b>Introduction</b>	
<b>Foreword</b>	<b>3</b>
<b>Introduction</b>	<b>15</b>
Overview of the study	15
Definitions of skill	15
Measurement of skills	16
Table I.1    Five levels of difficulty for the prose, document and numeracy domains	17
Table I.2    Four levels of difficulty for the problem solving domain	18
Data collection	18
Organization of the report	19
References	20
Note to Readers	21
<hr/>	
<b>Chapter 1</b>	
<b>The Why, What and How of the ALL Survey</b>	<b>23</b>
1.1    Goals of the ALL survey	25
1.2    The conceptual approach to the ALL survey	26
References	28
<hr/>	
<b>Chapter 2</b>	
<b>Comparative Profiles of Adult Skills</b>	<b>29</b>
2.1    Overview and highlights	31
2.2    Comparative distributions of adult skills	32
2.3    Changes in skills profiles from IALS to ALL	39
2.4    Adult skills and age	43
2.5    Adult skills and gender	46
References	48
<b>Annex 2    Data Values for the Figures</b>	<b>49</b>
<hr/>	
<b>Chapter 3</b>	
<b>Education and Skills</b>	<b>57</b>
3.1    Overview and highlights	59
3.2    The relationship between education and cognitive skills	60
3.3    Skills of upper secondary graduates	64
3.4    Skills of post-secondary graduates	66
References	70
<b>Annex 3    Data Values for the Figures</b>	<b>71</b>
<hr/>	
<b>Chapter 4</b>	
<b>Skills and Adult Learning</b>	<b>79</b>
4.1    Overview and highlights	81
4.2    Participation in organised forms of adult education and training	82
4.3    Who is excluded from adult learning opportunities?	84
4.4    Patterns of informal learning	87
4.5    Financial support for adult learning	90
References	95
<b>Annex 4    Data Values for the Figures</b>	<b>97</b>

# Table of Contents

<b>Chapter 5</b>		
<b>Skills and the Labour Force</b>		<b>105</b>
5.1	Overview and highlights	107
5.2	Competitiveness of labour force populations	108
5.3	Employability of working-age populations	112
5.4	Employability of younger and older working-age populations	116
References		119
<b>Annex 5</b>	<b>Data Values for the Figures</b>	<b>121</b>
<b>Chapter 6</b>		
<b>Skills and the Nature of the Workplace</b>		<b>129</b>
6.1	Overview and highlights	131
6.2	Skills in knowledge economies	132
6.3	The relationship between job tasks and skills	137
6.4	Match and mismatch between job tasks and observed skills	143
References		147
<b>Annex 6</b>	<b>Data Values for the Figures</b>	<b>149</b>
<b>Chapter 7</b>		
<b>Skills and Economic Outcomes</b>		<b>163</b>
7.1	Overview and highlights	165
7.2	Earnings returns to skills and education	166
7.3	Skills, social assistance and investment income	171
References		173
<b>Annex 7</b>	<b>Data Values for the Figures</b>	<b>175</b>
<b>Chapter 8</b>		
<b>Skills and Information and Communications Technologies</b>		<b>179</b>
8.1	Overview and highlights	181
8.2	Connectivity and income as a key determinant	182
8.3	ICTs and literacy skills	184
8.4	ICT use and familiarity by key demographic characteristics	187
8.5	ICT use and outcomes	193
References		195
<b>Annex 8</b>	<b>Data Values for the Figures</b>	<b>197</b>
<b>Chapter 9</b>		
<b>Skills and Immigration</b>		<b>203</b>
9.1	Overview and highlights	205
9.2	The significance of immigration in OECD countries	206
9.3	Education credentials and observed skills of immigrants	208
9.4	The relationship between language status and skills	212
9.5	Skills and labour market outcomes of immigrants	213
References		216
<b>Annex 9</b>	<b>Data Values for the Figures</b>	<b>217</b>



# Table of Contents

<b>Chapter 10</b>	
<b>Skills, Parental Education and Literacy Practice in Daily Life</b>	<b>225</b>
10.1 Overview and highlights	227
10.2 The relationship between parents' education and skills of youth	228
10.3 Comparison of socio-economic gradients for three cohorts of adults	234
10.4 Engagement in literacy practices at home and in daily life	237
References	241
<b>Annex 10 Data Values for the Figures</b>	<b>243</b>
<b>Chapter 11</b>	
<b>Skills and Health</b>	<b>247</b>
11.1 Overview and highlights	249
11.2 Skills and general health status	250
11.3 Skills and work-related health status	256
References	261
<b>Annex 11A Data Values for the Figures</b>	<b>263</b>
<b>Annex 11B General and Work Related Health Questions</b>	<b>267</b>
<b>Conclusion</b>	
Directions for further work	269
Figure C1 The depth of risk	270
Priorities for further analysis	270
Priorities for future adult skill assessments	271
References	272
<b>Data Values for the Figures</b>	<b>273</b>
Table C1 Number of adults aged 16 to 65 at Levels 1 and 2 in prose literacy, document literacy and numeracy as a per cent of the total population at Level 1 and 2 in any domain by country, 2003	273
<b>Annex A</b>	
<b>A Construct-Centered approach to Understanding What was Measured in the Adult Literacy and Life Skills (ALL) Survey</b>	<b>275</b>
Overview	277
Introduction	277
Scaling the literacy, numeracy and problem solving tasks in ALL	278
Measuring prose and document literacy in ALL	280
Defining prose and document literacy	280
Measuring numeracy in ALL	291
Defining numeracy in ALL	291
Measuring problem solving in ALL	302
Defining problem solving in ALL	302
Conclusion	309
References	311
<b>Annex B</b>	
<b>Adult Literacy and Life Skills Survey Survey Methodology</b>	<b>313</b>
Survey methodology	315
Assessment design	315
Target population and sample frame	316
Sample design	317

# Table of Contents

Sample size	320
Data collection	321
Scoring of tasks	324
Survey response and weighting	326
<b>Annex C</b>	
<b>Principal Participants in the Project</b>	<b>329</b>
<b>List of Figures</b>	
<b>Chapter 2</b>	
Figure 2.1 Multiple comparisons of skills proficiencies	34
Figure 2.2 Comparative distributions of skills scores	36
Figure 2.3 Comparative distributions of skills levels	37
Figure 2.4 Changes in distributions of skills scores	40
Figure 2.5 Changes in mean scores from IALS to ALL	41
Figure 2.6 Changes in distributions of skills levels	42
Figure 2.7 Age and adult skills	44
Figure 2.8 Skills-age profiles controlling for educational attainment	45
Figure 2.9 Gender differences in skills	47
<b>Chapter 3</b>	
Figure 3.1 Educational attainment and skills proficiencies	62
Figure 3.2 Age, educational attainment and skills proficiencies	63
Figure 3.3 Likelihood of scoring at low skill levels by upper secondary education status	65
Figure 3.4 Skills of post-secondary graduates	68
<b>Chapter 4</b>	
Figure 4.1 Adult education and training participation rates	83
Figure 4.2 Changes in adult education and training participation rates	83
Figure 4.3 Literacy and adult education participation	85
Figure 4.4 Likelihood of participation by literacy levels	86
Figure 4.5 Changes in participation rates by literacy levels	86
Figure 4.6 Engagement in informal learning	88
Figure 4.7 Informal learning by level of education	89
Figure 4.8 Likelihood of participation in active modes of informal learning by literacy levels	89
Figure 4.9 Sources of financial support for adult education and training	91
Figure 4.10 Sources of financing by document literacy levels	92
Figure 4.11 Employer sponsored training by level of practice engagement	93
<b>Chapter 5</b>	
Figure 5.1 Skills among labour force populations in the top 25 per cent	109
Figure 5.2 Skills among labour force populations in the bottom 25 per cent	111
Figure 5.3 Likelihood of labour force inactivity by skills levels	113
Figure 5.4 Likelihood of experiencing unemployment by skills levels	114
Figure 5.5 Probability of exiting unemployment by skills levels	115
Figure 5.6 Probability of younger workers exiting unemployment by skills levels	116
Figure 5.7 Probability of older workers exiting unemployment by skills levels	117

# Table of Contents

## Chapter 6

Figure 6.1	Knowledge- and technology-based industry classification by skills	134
Figure 6.2	Knowledge-based occupational classification by skills	136
Figure 6.3	Practice engagement at work by skills levels	139
Figure 6.4	Practice engagement at work and skills, controlling for education	140
Figure 6.5	Practice engagement at work by occupational types	142
Figure 6.6	“Match” and “mismatch” between individual skills and practice engagement in the workplace	145

## Chapter 7

Figure 7.1	Returns to skills and education	168
Figure 7.2	Earnings premiums associated with occupational types	170
Figure 7.3	Likelihood of low-skilled adults collecting social assistance payments	171
Figure 7.4	Likelihood of medium to high-skilled adults earning investment income	172

## Chapter 8

Figure 8.1	Home computer and internet access at home	183
Figure 8.2	Home computer access by income quartiles	184
Figure 8.3	Skills of computer users and non-users	185
Figure 8.4	Index scores of ICT use and familiarity	185
Figure 8.5	Use of computers for task-oriented purposes by literacy skills	186
Figure 8.6	Use of computers for task-oriented purposes by age groups	188
Figure 8.7	Use of computers for task-oriented purposes by gender	189
Figure 8.8	Use of computers for task-oriented purposes by educational attainment	190
Figure 8.9	Use of computers for task-oriented purposes by type of occupation	191
Figure 8.10	Likelihood of being a high-intensity computer user by literacy skill levels	192
Figure 8.11	Combined literacy and computer use profiles	194
Figure 8.12	Likelihood of being a top income quartile earner by combined skill and user profiles	194

## Chapter 9

Figure 9.1	Natural population growth in OECD countries	207
Figure 9.2	Per cent of foreign-born in population and in labour force for OECD countries participating in ALL, 2001	208
Figure 9.3	Recent versus established immigrant status by educational attainment	209
Figure 9.4	Recent versus established immigrant status by skill level	210
Figure 9.5	Native versus foreign language status of immigrants by skill level	213
Figure 9.6	Likelihood of being unemployed among native-born and foreign-born by skill level	214
Figure 9.7	Likelihood of earning low income among native-born and foreign-born by skill level	215

## Chapter 10

Figure 10.1	Socio-economic gradients of youth	230
Figure 10.2	Changes in socio-economic gradients of youth from IALS to ALL	233
Figure 10.3	Socio-economic gradients for three cohorts of adults	235
Figure 10.4	Literacy skills and literacy practices at home and in daily life	239

## Table of Contents

### Chapter 11

Figure 11.1	Classification of general health status	252
Figure 11.2	General health status by country	254
Figure 11.3	Skills and general health status by key demographic variables	255
Figure 11.4	Classification of work-related health status	257
Figure 11.5	Work-related health status by country	259
Figure 11.6	Skills and work-related health status by key demographic variables	260

### List of Tables

#### Chapter 2

Table 2.1	Comparisons of countries based on average scores, populations aged 16 to 65, 2003	34
Table 2.2	Mean scores with .95 confidence interval and scores at the 5th, 25th, 75th and 95th percentiles on skills scales ranging from 0 to 500 points, populations aged 16 to 65, 2003	49
Table 2.3	Per cent of populations aged 16 to 65 at each skills level, 2003	50
Table 2.4	Mean scores with .95 confidence interval and scores at the 5th, 25th, 75th and 95th percentiles on skills scales ranging from 0 to 500 points, populations aged 16 to 65, IALS 1994/1998 and ALL 2003	51
Table 2.5	Summary of changes in mean scores from IALS to ALL, by statistical significance at the five per cent level, populations aged 16 to 65, IALS 1994/1998 and ALL 2003	41
Table 2.6	Differences between IALS 1994/1998 and ALL 2003 in the per cent of adults aged 16 to 65 at each skills level	52
Table 2.7A	Mean scores with .95 confidence interval and scores at the 5th, 25th, 75th, and 95th percentiles on the document scale, population aged 16 to 25, 26 to 45 and 46 to 65, 2003	52
Table 2.7B	Per cent of populations aged 16 to 25, 26 to 45 and 46 to 65 at each level on the document scale, 2003	53
Table 2.8	Relationship between age and literacy scores on the document literacy scale, with adjustment for level education and language status, populations aged 16 to 65, 2003	53
Table 2.9	Mean skills proficiencies between men and women on the prose, document, numeracy and problem solving scales, 2003	55

#### Chapter 3

Table 3.1A	Mean numeracy scores on a scale with range 0 to 500 points, by level of educational attainment, populations aged 16 to 65, 2003	71
Table 3.1B	Mean problem solving scores on a scale with range 0 to 500 points, by level of educational attainment, populations aged 16 to 65, 2003	72
Table 3.2A	Mean combined prose and document scores on a scale with range 0 to 500 points, by level of educational attainment, populations aged 26 to 35, 2003	73
Table 3.2B	Mean combined prose and document scores on a scale with range 0 to 500 points, by level of educational attainment, populations aged 56 to 65, 2003	74
Table 3.3A	Odds of scoring at Levels 1 or 2 on the problem solving scale by upper secondary education status, adjusted for age and native language status, persons aged 16 to 30, 2003	75
Table 3.3B	Odds of scoring at Levels 1 or 2 on the numeracy scale by upper secondary education status, adjusted for age and native language status, persons aged 16 to 30, 2003	75
Table 3.4	ALL skills-education profiles for persons aged 16 to 35 who have completed at least upper secondary education, adjusted for age and native language status, problem solving scale (United States on combined prose and document scale), 2003	76

# Table of Contents

## Chapter 4

Table 4.1	Per cent of populations aged 16 to 65 receiving adult education and training during the year preceding the interview, by type of participation, 2003	97
Table 4.2	Per cent of populations aged 16 to 65 receiving adult education and training during the year preceding the interview, IALS 1994/1998 and ALL 2003	97
Table 4.3	Per cent of populations aged 16 to 65 receiving adult education and training during the year preceding the interview, by document literacy levels, 2003	98
Table 4.4	Adjusted odds ratios showing the likelihood of adults aged 16 to 65 receiving adult education and training during the year preceding the interview, by document literacy levels, 2003	98
Table 4.5	Changes in the per cent of adults aged 16 to 65 in adult education and training between IALS 1994/1998 and ALL 2003, by document literacy levels	99
Table 4.6	Per cent of populations aged 16 to 65 participating in informal learning activities during the year preceding the interview, by mode of engagement, 2003	99
Table 4.7	Per cent of populations aged 16 to 65 participating in active modes of informal learning in the year preceding the interview, by education attainment, 2003	100
Table 4.8	Adjusted odds ratios showing the likelihood of adults aged 16 to 65 participating in active modes of informal adult learning during the year preceding the interview, by document literacy levels, 2003	101
Table 4.9	Per cent of men and women participating in adult education and training who receive financial support from various sources, populations aged 16 to 65, 2003	101
Table 4.10	Per cent of participants in adult education and training who received financial support from various sources, by document literacy, populations aged 16 to 65 who worked in the last 12 months, 2003	102
Table 4.11	Adjusted odds ratios showing the likelihood of receiving employer sponsored adult education and training during the year preceding the interview, by combined levels of engagement in reading, writing and numeracy practices at work, populations aged 16 to 65, 2003	103

## Chapter 5

Table 5.1	Score of the 75th percentile on a scale with range 0 to 500 points, labour force populations aged 16 to 25, 26 to 45 and 46 to 65, 2003	121
Table 5.2	Score of the 25th percentile on a scale with range 0 to 500 points, labour force populations aged 16 to 25, 26 to 45 and 46 to 65, 2003	123
Table 5.3	Odds ratios showing the likelihood of experiencing labour force inactivity for 6 months or more in the last 12 months compared to being employed all year, by numeracy levels, populations aged 16 to 65, excluding students and retirees, 2003	124
Table 5.4	Odds ratios showing the likelihood of experiencing unemployment for 6 months or more in the last 12 months compared to being employed all year, by numeracy levels, labour force populations aged 16 to 65, 2003	125
Table 5.5	The probabilities of unemployed adults aged 16 to 65 to exit unemployment over a 52 week period, by low (Levels 1 and 2) and medium to high (Levels 3 and 4/5) skills, document scale, 2003	125
Table 5.6	The probabilities of unemployed adults aged 16 to 30 to exit unemployment over a 52 week period, by low (Levels 1 and 2) and medium to high (Levels 3 and 4/5) skills, document scale, 2003	126
Table 5.7	The probabilities of unemployed adults aged 50 to 65 to exit unemployment over a 52 week period, by low (Levels 1 and 2) and medium to high (Levels 3 and 4/5) skills, document scale, 2003	127

**Chapter 6**

Table 6.1	Per cent of labour force populations aged 16 to 65 at document literacy Levels 3 and 4/5, by type of industry, 2003	149
Table 6.2	Per cent of labour force populations aged 16 to 65 at skills Levels 3 and 4/5, by type of occupation, 2003	151
Table 6.3	Index scores of reading, writing and numeracy engagement at work on a standardized scale (centred on 2), by skills levels, labour force populations aged 16 to 65, 2003	154
Table 6.4	Relationship between combined index scores of reading, writing and numeracy engagement at work on a standardized scale (centred on 2) and skills scores on scales 0 to 500 points, adjusted for years of schooling and native language status, labour force populations aged 16 to 65, 2003	155
Table 6.5	Index scores of reading, writing and numeracy engagement at work on a standardized scale (centred on 2) by aggregated occupational types, labour force populations aged 16 to 65, 2003	159
Table 6.6	Per cent of labour force populations aged 16 to 65 whose skills match or mismatch their level of practice engagement at work, 2003	162

**Chapter 7**

Table 7.1	Three stage least squares estimates of the effect of observed skills (percentile scale) on weekly log-earnings, prose, document, numeracy and problem solving scales, labour force populations aged 16 to 65, 2003	175
Table 7.2	Per cent difference of expected weekly earnings for each occupational type relative to “goods related” occupations, labour force populations aged 16 to 65, 2003	177
Table 7.3	Adjusted and unadjusted odds ratios showing the likelihood of low skilled adults (Levels 1 and 2) collecting social assistance payments, numeracy scale, populations aged 16 to 65, 2003	178
Table 7.4	Adjusted and unadjusted odds ratios showing the likelihood of medium to high skilled adults (Levels 3 and 4/5) earning investment income, numeracy scale, populations aged 16 to 65, 2003	178

**Chapter 8**

Table 8.1	Per cent of adults aged 16 to 65 who report having access to a computer and the Internet at home, 2003	197
Table 8.2	Per cent of adults aged 16 to 65 who report having access to a computer at home, by household income quartiles, 2003	197
Table 8.3	Mean scores on the prose literacy scale ranging from 0 to 500 points, by whether respondents are computer users or non-users, populations aged 16 to 65, 2003	198
Table 8.4	Mean index scores on three scales of ICT use and familiarity, perceived usefulness and attitude toward computers, diversity and intensity of Internet use, and use of computers for specific task-oriented purposes, populations aged 16 to 65, 2003	198
Table 8.5	Mean index scores on a scale measuring the intensity of use of computers for specific task-oriented purposes, by prose literacy levels, populations aged 16 to 65, 2003	198
Table 8.6	Mean index scores on a scale measuring the intensity of use of computers for specific task-oriented purposes, by age groups, populations aged 16 to 65, 2003	199
Table 8.7	Mean index scores on a scale measuring the intensity of use of computers for specific task-oriented purposes, by gender, populations aged 16 to 65, 2003	199
Table 8.8	Mean index scores on a scale measuring the intensity of use of computers for specific task-oriented purposes, by educational attainment, populations aged 16 to 65, 2003	199
Table 8.9	Mean index scores on a scale measuring the intensity of use of computers for specific task-oriented purposes, by type of occupations, populations aged 16 to 65, 2003	200

## Table of Contents

Table 8.10	Adjusted odds ratio showing the likelihood of adults aged 16 to 65 of being high-intensity computer users, by prose literacy levels, 2003	200
Table 8.11	Per cent of adults aged 16 to 65 in each combined literacy and computer use profile, 2003	200
Table 8.12	Adjusted odds ratio showing the likelihood of adults aged 16 to 65 of being a top income quartile earning, by combined literacy and computer user profiles, 2003	201

### Chapter 9

Table 9.1	The number of births minus number of deaths from 1950 to 1999 and projections to 2050	217
Table 9.2	Per cent of foreign-born in population and in labour force for OECD countries participating in ALL, 2001	208
Table 9.3	Per cent of populations aged 16 to 65 at each level of educational attainment, by recent vs established immigration status, 2003	218
Table 9.4	Per cent of populations aged 16 to 65 at each skill level, by recent vs established immigrant status, 2003	219
Table 9.5	Per cent of adults aged 16 to 65 at each literacy level on the prose scale, by whether their native tongue is same or different from the official language(s) of host country, 2003	223
Table 9.6	Adjusted odds ratios indicating the likelihood of low skilled (Levels 1 and 2) and medium to high skilled (Levels 3 and 4/5) foreign-born and native-born populations aged 16 to 65 of being unemployed, prose literacy scale, 2003	224
Table 9.7	Adjusted odds ratios indicating the likelihood of low skilled (Levels 1 and 2) and medium to high skilled (Levels 3 and 4/5) foreign-born and native-born populations aged 16 to 65 of being in the lowest personal earnings income quartile, prose literacy scale, 2003	224

### Chapter 10

Table 10.1	Relationship between respondent's prose literacy scores and parents' education in years, populations aged 16 to 25, 2003	243
Table 10.2	Relationship between respondent's prose literacy scores and parents' education in years, populations aged 16 to 25, IALS 1994/1998	244
Table 10.3	Relationship between respondent's prose literacy scores and parents' education in years, populations aged 16 to 25, 26 to 45 and 46 to 65, 2003	244
Table 10.4	Relationship between prose literacy scores and engagement in literacy practices at home and in daily life, adjusted for respondent's and parents' education, populations aged 16 to 25, 26 to 45 and 46 to 65, 2003	245

### Chapter 11

Table 11.1	Response profiles in the four latent classes based on general health status, populations aged 16 to 65, 2003	263
Table 11.2	Per cent of adults in each of four general health status groups by country, populations aged 16 to 65, 2003	263
Table 11.3	Mean scores on the prose, document and numeracy scales ranging from 0 to 500 points by key demographic variables, populations aged 16 to 65, 2003	264
Table 11.4	Response profiles in the four latent classes based on work-related health status, populations aged 16 to 65, 2003	265
Table 11.5	Per cent of adults in each of four work-related health status groups by country, populations aged 16 to 65, 2003	265
Table 11.6	Mean scores on the prose, document and numeracy scales ranging from 0 to 500 points by key demographic variables, populations aged 16 to 65, 2003	266

## Table of Contents

---

### Annex A

Table A1	Problem-solving steps and instantiations	305
----------	--	-----

---

### Annex B

Table B1	Sample frame and target population exclusions	317
Table B2	Sample size by assessment language	321
Table B3	Survey collection period	322
Table B4	Interviewer information	323
Table B5	Scoring – percent reliability by domain	325
Table B6	Scoring operations summary	325
Table B7	Benchmark variables by country	327
Table B8	Sample size and response rate summary	327

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# Introduction

## Overview of the study

The Adult Literacy and Life Skills Survey (ALL) is a large-scale co-operative effort undertaken by governments, national statistics agencies, research institutions and multi-lateral agencies. The development and management of the study were co-ordinated by Statistics Canada and the Educational Testing Service (ETS) in collaboration with the National Center for Education Statistics (NCES) of the United States Department of Education, the Organisation for Economic Co-operation and Development (OECD), the Regional Office for Latin America and the Caribbean (OREALC) and the Institute for Statistics (UIS) of the United Nations Educational, Scientific and Cultural Organisation (UNESCO).

The survey instruments were developed by international teams of experts with financing provided by the Governments of Canada and the United States. A highly diverse group of countries and experts drawn from around the world participated in the validation of the instruments. Participating governments absorbed the costs of national data collection and a share of the international overheads associated with implementation.

The ALL study builds on the International Adult Literacy Survey (IALS), the world's first internationally comparative survey of adult skills undertaken in three rounds of data collection between 1994 and 1998. The foundation skills measured in the ALL survey include prose literacy, document literacy, numeracy, and problem solving. Additional skills assessed indirectly include familiarity with and use of information and communication technologies.

This volume presents an initial set of findings for a group of seven countries or regions that collected data in 2003. They include Bermuda, Canada, Italy, Norway, Switzerland, the United States and the Mexican State of Nuevo Leon. As this report goes to press a second group of countries is in the field preparing for their ALL data collection in 2005.

## Definitions of skill

Like IALS the ALL defines skills along a continuum of proficiency. There is no arbitrary standard distinguishing adults who have or do not have skills. For example, many previous studies have distinguished between adults who are either "literate" or "illiterate". Instead, the ALL study conceptualizes proficiency along a continuum and this is used to denote how well adults use information to function in society and the economy.

Four skill domains are conceptualized in ALL. Two of them, namely prose and document literacy are defined and measured in the same manner as in IALS. Numeracy and problem solving are new domains. The conceptualization and definitions of the four skill domains as well as examples of test items used for the assessment are described in detail in Annex A and in *The Adult Literacy and Life Skills Survey: New Frameworks for Assessment* (Statistics Canada). The operational definition for each skill domain is summarized here in Box A.

### Box A

#### Four skill assessment domains in ALL

- *Prose literacy* – the knowledge and skills needed to understand and use information from texts including editorials, news stories, brochures and instruction manuals.
- *Document literacy* – the knowledge and skills required to locate and use information contained in various formats, including job applications, payroll forms, transportation schedules, maps, tables and charts.
- *Numeracy* – the knowledge and skills required to effectively manage the mathematical demands of diverse situations.
- *Problem solving* – Problem solving involves goal-directed thinking and action in situations for which no routine solution procedure is available. The problem solver has a more or less well defined goal, but does not immediately know how to reach it. The incongruence of goals and admissible operators constitutes a problem. The understanding of the problem situation and its step-by-step transformation, based on planning and reasoning, constitute the process of problem solving.

### Measurement of skills

The ALL employed the same methodology as in IALS to measure skill proficiency. For each domain, proficiency is denoted on a scale ranging from 0 to 500 points. Each score denotes a point at which a person has an 80 per cent chance of successfully completing tasks that are associated with a similar level of difficulty. For the prose and document literacy domains as well as the numeracy domain, experts have defined five broad levels of difficulty, each corresponding to a range of scores. For the problem solving domain, experts have defined four broad levels of difficulty. See Tables I.1 and I.2 for a description of the levels. Also see Annex A for a more in depth presentation of each domain.

TABLE I.1

## Five levels of difficulty for the prose, document and numeracy domains

	Prose	Document	Numeracy
<b>Level 1 (0-225)</b>	Most of the tasks in this level require the respondent to read relatively short text to locate a single piece of information which is identical to or synonymous with the information given in the question or directive. If plausible but incorrect information is present in the text, it tends not to be located near the correct information.	Tasks in this level tend to require the respondent either to locate a piece of information based on a literal match or to enter information from personal knowledge onto a document. Little, if any, distracting information is present.	Tasks in this level require the respondent to show an understanding of basic numerical ideas by completing simple tasks in concrete, familiar contexts where the mathematical content is explicit with little text. Tasks consist of simple, one-step operations such as counting, sorting dates, performing simple arithmetic operations or understanding common and simple percents such as 50%.
<b>Level 2 (226-275)</b>	Some tasks in this level require respondents to locate a single piece of information in the text; however, several distractors or plausible but incorrect pieces of information may be present, or low-level inferences may be required. Other tasks require the respondent to integrate two or more pieces of information or to compare and contrast easily identifiable information based on a criterion provided in the question or directive.	Tasks in this level are more varied than those in Level 1. Some require the respondents to match a single piece of information; however, several distractors may be present, or the match may require low-level inferences. Tasks in this level may also ask the respondent to cycle through information in a document or to integrate information from various parts of a document.	Tasks in this level are fairly simple and relate to identifying and understanding basic mathematical concepts embedded in a range of familiar contexts where the mathematical content is quite explicit and visual with few distractors. Tasks tend to include one-step or two-step processes and estimations involving whole numbers, benchmark percents and fractions, interpreting simple graphical or spatial representations, and performing simple measurements.
<b>Level 3 (276-325)</b>	Tasks in this level tend to require respondents to make literal or synonymous matches between the text and information given in the task, or to make matches that require low-level inferences. Other tasks ask respondents to integrate information from dense or lengthy text that contains no organizational aids such as headings. Respondents may also be asked to generate a response based on information that can be easily identified in the text. Distracting information is present, but is not located near the correct information.	Some tasks in this level require the respondent to integrate multiple pieces of information from one or more documents. Others ask respondents to cycle through rather complex tables or graphs which contain information that is irrelevant or inappropriate to the task.	Tasks in this level require the respondent to demonstrate understanding of mathematical information represented in a range of different forms, such as in numbers, symbols, maps, graphs, texts, and drawings. Skills required involve number and spatial sense, knowledge of mathematical patterns and relationships and the ability to interpret proportions, data and statistics embedded in relatively simple texts where there may be distractors. Tasks commonly involve undertaking a number of processes to solve problems.
<b>Level 4 (326-375)</b>	These tasks require respondents to perform multiple-feature matches and to integrate or synthesize information from complex or lengthy passages. More complex inferences are needed to perform successfully. Conditional information is frequently present in tasks at this level and must be taken into consideration by the respondent.	Tasks in this level, like those at the previous levels, ask respondents to perform multiple-feature matches, cycle through documents, and integrate information; however, they require a greater degree of inferencing. Many of these tasks require respondents to provide numerous responses but do not designate how many responses are needed. Conditional information is also present in the document tasks at this level and must be taken into account by the respondent.	Tasks at this level require respondents to understand a broad range of mathematical information of a more abstract nature represented in diverse ways, including in texts of increasing complexity or in unfamiliar contexts. These tasks involve undertaking multiple steps to find solutions to problems and require more complex reasoning and interpretation skills, including comprehending and working with proportions and formulas or offering explanations for answers.
<b>Level 5 (376-500)</b>	Some tasks in this level require the respondent to search for information in dense text which contains a number of plausible distractors. Others ask respondents to make high-level inferences or use specialized background knowledge. Some tasks ask respondents to contrast complex information.	Tasks in this level require the respondent to search through complex displays that contain multiple distractors, to make high-level text-based inferences, and to use specialized knowledge.	Tasks in this level require respondents to understand complex representations and abstract and formal mathematical and statistical ideas, possibly embedded in complex texts. Respondents may have to integrate multiple types of mathematical information, draw inferences, or generate mathematical justification for answers.

TABLE I.2

## Four levels of difficulty for the problem solving domain

Problem Solving	
<b>Level 1 (0-250)</b>	Tasks in this level typically require the respondent to make simple inferences, based on limited information stemming from a familiar context. Tasks in this level are rather concrete with a limited scope of reasoning. They require the respondent to make simple connections, without having to check systematically any constraints. The respondent has to draw direct consequences, based on the information given and on his/her previous knowledge about a familiar context.
<b>Level 2 (251-300)</b>	Tasks in this level often require the respondent to evaluate certain alternatives with regard to well-defined, transparent, explicitly stated criteria. The reasoning however may be done step by step, in a linear process, without loops or backtracking. Successful problem solving may require to combine information from different sources, as e.g. from the question section and the information section of the test booklet.
<b>Level 3 (301-350)</b>	Some tasks in this level require the respondent to order several objects according to given criteria. Other tasks require him/her to determine a sequence of actions/events or to construct a solution by taking non-transparent or multiple interdependent constraints into account. The reasoning process goes back and forth in a non-linear manner, requiring a good deal of self-regulation. At this level respondents often have to cope with multi-dimensional or ill-defined goals.
<b>Level 4 (351-500)</b>	Items in this level require the respondent to judge the completeness, consistency and/or dependency among multiple criteria. In many cases, he/she has to explain how the solution was reached and why it is correct. The respondent has to reason from a meta-perspective, taking into account an entire system of problem solving states and possible solutions. Often the criteria and the goals have to be inferred from the given information before actually starting the solution process.

## Data collection

The ALL assessment was administered in homes by experienced interviewers. The study design combined educational testing techniques with those of household survey research. Respondents were first asked a series of questions to obtain background information on a range of variables thought to influence the formation of skill and in turn impact on a range of educational, social and health outcomes. Annex B describes in more detail the survey design used for ALL, including details about survey methods, coverage, sample sizes and key indicators of quality.

Once this background questionnaire was completed the interviewer presented a booklet containing six simple tasks. If the respondent failed to complete two of these tasks correctly, the interview was adjourned. Respondents who completed two or more tasks correctly were then given a much larger variety of tasks drawn from a pool of 170 items, printed in one of eight test booklets. Test booklets were randomly assigned to respondents to ensure good representation of the domains of interest. The assessment was not timed and respondents were given maximum opportunity to demonstrate their skill proficiency.

## Organization of the report

The main goal of this first ALL report is to present initial findings on the level and distribution of skills, and the relationships between skills and important background variables. The findings are presented in 11 chapters.

**Chapter 1** presents an overview of the ALL study.

**Chapter 2** compares the basic distributions of skill by age, gender and country. The chapter also presents evidence on how rapidly skill profiles have changed over time for those countries where such analyses could be conducted<sup>1</sup>.

**Chapter 3** explores the relationship between each skill domain and education at various levels.

**Chapter 4** documents the role skill plays in formal adult education and training markets and the effects of education and skill on continuing learning in informal and non-formal settings at home and at work.

**Chapter 5** traces the influence of skill on employment and unemployment and on the transition from school to work.

**Chapter 6** explores connections between the emergence of the knowledge economy, reading, writing and numeracy practices at work, and mismatch between observed skill and skill requirements at work.

**Chapter 7** presents evidence on the profound effects of skill on earnings from work and investment income.

**Chapter 8** focuses on the relationships between familiarity and use of information and communication technologies, labour market outcomes and the social distribution of ICT use and familiarity.

**Chapter 9** sheds light on the relative skill levels of immigrants and on the implications of between-country differences in immigration patterns.

**Chapter 10** concentrates on the relationship between parents' education and skills, patterns of skill use and how engagement in various activities at home, at work and during leisure can vary by skill level.

**Chapter 11** examines the relationship between skill and summary measures of physical and mental health and overall life satisfaction.

**Annex A** provides a detailed overview of the ALL proficiency scales – how they are defined, how they were measured, how proficiency was summarized and how proficiency estimates should be interpreted. Readers requiring additional technical information on the psychometric aspects of the study are referred to *The Adult Literacy and Life Skills Survey: Aspects of Design, Development and Validation* (Statistics Canada, 2004), *The International Adult Literacy Survey: A Technical Report* (NCES, 1997) and *The Adult Literacy and Life Skills Survey: A Technical Report* (Statistics Canada, 2005).

**Annex B** documents key aspects of survey administration, response and data quality.

Finally, **Annex C** identifies the experts, researchers and analysts who were involved in developing the ALL instruments, in implementing the national data collections, and in the writing, analytical and editorial work that made publication of this report possible.

## Endnotes

1. Comparable prose literacy and document literacy scores are available from the 1994 IALS study for Canada, Switzerland (German and French-speaking populations) and the United States, and from the 1998 IALS study for Norway, Italy and Switzerland (Italian-speaking population). The data sets thus allow for the analysis of changes in skill profiles over a nine and five-year period respectively.
2. Results are presented separately for the three Swiss language groups when considering changes in prose and document literacy skills between the IALS and ALL survey periods. This is because the IALS data for the German and French-speaking communities were collected in 1994 and for the Italian-speaking community in 1998. Estimates for the three Swiss language groups are also presented separately in Chapter 11 because of a high degree of variance among the three language groups with respect to health outcomes. Otherwise, the results present the three population groups combined into a single estimate for the whole country of Switzerland. This report also features estimates for the Mexican state of Nuevo Leon in Chapter 2 and a few other analyses when data were made available.

## References

- NCES (1997), *The International Adult Literacy Survey: A Technical Report*, National Centre for Educational Statistics, Washington, DC.
- Statistics Canada (2004), *The Adult Literacy and Life Skills Survey: Aspects of Design, Development and Validation*, Ottawa.
- Statistics Canada (2005), *The Adult Literacy and Life Skills Survey: A Technical Report*, Ottawa.

## Note to Readers

Throughout this report graphs are employed to convey study results in a non-technical manner and to provide a source of informative displays that readers may use for their own purposes. To satisfy the more technical reader data tables for all displays are provided in a statistical annex at the end of each corresponding chapter.

The skill proficiency results from the 2003 ALL study are reported separately for four scales – prose literacy, document literacy, numeracy, and problem solving – rather than on a single scale. Although it is desirable to maintain separate scales for the majority of more complex analyses, the theoretical and empirical properties also allow for creating composite skill scales. The prose and document literacy scales are combined into a composite literacy scale for some analyses in this book. Results of multivariate analysis are usually presented for a specific scale. Unless otherwise noted, the results for other scales exhibit the same pattern and magnitude of relationships.

Multiple sources of uncertainty and error are a fact of life in social science research. Given the comparative nature of the ALL study, those responsible for the design of the study and its implementation went to great lengths to establish the validity, reliability, comparability and interpretability of estimates, and to control and quantify errors that might interfere with or bias interpretation. Statistics Canada, the Educational Testing Service and the national study teams have performed comprehensive analyses to understand the nature and extent of errors associated with subtle differences in design and implementation. Notes to figures and tables are used to alert readers whenever errors have been detected that might affect interpretation.

The data values presented in this volume are estimated from representative but complex samples of adults from each country. Consequently there is a degree of sampling error that must be taken into account. Additionally, there is a degree of error associated with the measurement of skills because they are estimated on the basis of responses to samples of test items. Thus a statistic, called the standard error, is used to express the degree of uncertainty associated with both sampling and measurement error.

### Country abbreviations used in this report<sup>2</sup>

#### OECD countries

Canada	CAN
Italy	ITA
Norway	NOR
Switzerland	CHE
United States	USA

#### Non-OECD countries

Bermuda	BER
Nuevo Leon	NL





# Chapter 1

## **The Why, What and How of the ALL Survey**

## Table of Contents

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### Chapter 1

<b>The Why, What and How of the ALL Survey</b>	<b>23</b>
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---

1.1 Goals of the ALL survey	25
-----------------------------	----

1.2 The conceptual approach to the ALL survey	26
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References	28
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# The Why, What and How of the ALL Survey

## 1.1 Goals of the ALL survey

*The first and most important goal of the study is to shed light on the twin processes of skill gain and loss in adult populations.* For the countries for which repeat measures are available, research can explore changes that may have occurred in the level and distribution of skills since the IALS data were collected; and identify concomitant changes in population groups whose level of prose and document skills place them at a relative disadvantage in the labour market and other life contexts.

In general, one expects the quality of the skills supply to increase over time in response to increases in the incidence, average duration and quality of initial and post-secondary education as well as adult learning. The IALS data confirms this expectation — the quality of the skill supply is determined by a host of factors that influence the rate of skill acquisition over the life course, from before birth through old age. An important insight is the fact that education and experience do not “fix” a person’s skill level for life. Personal choice and differences in the nature of skill demand can lead to skill acquisition, skill maintenance or significant skill loss in adulthood. The IALS data indeed suggest that a significant skill loss in adulthood can occur — losses that may be related to low levels of skill demand at work, at home and in the community.

Skill loss represents a serious problem for individuals, social institutions and governments because it erodes the economic and social return on educational investments and hampers productivity and economic growth. With the ALL data, these important assumptions and hypotheses about the presence, likely causes and possible social and economic consequences of skill loss and deterioration can finally be explored empirically for Canada, Italy, Norway, Switzerland and the United States.

*The second major goal of the ALL is to profile and compare, for the first time, the level and distribution of directly assessed numeracy skills among adult populations in participating countries.* The ALL assessment replaces the quantitative literacy domain used in IALS with a broader and more robust numeracy measure that reflects better the range of numerate behaviours that confront adults in their daily lives.

*The third major goal pursued by the ALL study is to profile and compare the level and distribution of problem solving skills among the adult populations of the countries surveyed.* The Definition and Selection of Key Competencies (DeSeCo) programme of work (Rychen and Salganik, 2001, 2003) identified several clusters of distinct skill domains on the basis of theoretical extrapolation. This pioneering work concludes that a wider range of skills, attitudes and values about learning should be considered in international comparative surveys. Accordingly, beyond introducing an improved measure of numeracy skill, a key goal of ALL was to develop a theoretical framework that could serve as a basis for measuring additional skill domains. A substantive effort was made to develop frameworks and measures for team work skills, practical cognition, and information and communication technology (ICT) skills. But only the problem solving domain was shown to meet the high empirical standards set for directly assessing skills in the ALL study. Indirect measures of ICT skills were nevertheless retained in the final design (Statistics Canada, 2005).

*A final set of goals relate to the design of the background questionnaire used to collect information on the antecedents of skill and their outcomes.* The IALS study was the first international study to collect comparable data on participation in formal adult education. The analysis of this data advanced our understanding of the importance of adult learning in building skills but interpretation was hindered by the lack of measures capturing the broader contexts of life long and life wide learning. Accordingly the ALL background questionnaire was deliberately designed to profile formal, non-formal and informal adult learning and its social distribution.

Information on skill demand was also collected through questions asking about skill use at work, at home and in the community. These measures can reveal the importance of the skills measured, but only if the appropriate outcome measures are also available. Hence the final goal of the ALL study was to collect data that allows for an analysis of the relationships between skill and outcomes ranging from labour market participation and earnings, to physical and mental health, and engagement in community activities.

## 1.2 The conceptual approach to the ALL survey

The ALL study embodies a conceptual approach that includes elements of skill demand, skill supply and markets for skill. Adopting such an approach allows one to profile the nature of skill supply and demand. An important assumption is that different life contexts – work, home and the community – impose skill demands on individuals. Directly observed measures of skill such as those in ALL reflect the supply of economically and socially important skills. ALL also seeks to understand how skills influence the level and distribution of outcomes, whether economic, social or environmental. See *Measuring Adult Literacy and Life Skills: new Framework for Assessment* (2005) for further details on the conceptual framework used in the ALL study.

Changes in skill demand can be traced to two sources – externally imposed and internally imposed changes. Externally imposed ones result from changes in technology and work organization, consumer markets and social institutions. While there is a consensus that skill demand is rising in all life contexts – work, home and the community – it is also the result of individual life circumstances. Internally motivated changes in skill demand flow from two sources –

modifications in individual and collective aspirations and as a natural consequence of a person's passage through stages of life.

Changes in skill supply are a consequence of demographic shifts and trends in the social systems that support skill acquisition and maintenance. Education reform is the most obvious factor contributing to changes in the supply of skill. However, other factors also play an important role (OECD and HRDC, 1997). These include socio-economic development, participation in tertiary education and its quality, as well as adult education and training. All these factors have a marked impact on the quality of the skill supply.

The ALL approach allows one to gauge the efficiency of markets, which match the supply of, and demand for skills. The notion of markets embodied in the study extends beyond goods, services and labour. It also includes health care delivery and the exchange of social goods and services such as unpaid work in the family and the community. The available evidence suggests that markets for skill are reasonably efficient in recognizing and rewarding skill. However, the degree to which skills impact outcomes can vary depending on the country.

Skill loss is also an observed reality. It is assumed that this loss is related to variations in skill use in differing life contexts. Individual and collective choices can also play a role. Differences exist in the extent to which countries nurture life long learning. Skill loss implies educational opportunity costs and leads one to reflect on the need to balance supply-side intervention with measures to increase skill demand. The phenomenon of skill loss justifies the need to repeatedly measure adult skills. If initial education fixed skills for life then student assessments, such as the one organised under the auspices of the Programme of International Student Assessment (PISA), would be all that would be required.

Policy makers want to understand the nature of skill deficits and devise mitigating strategies. The predominance of change requires policy makers to better appreciate the rates at which skills evolve, the forces that underlie change and the impact that change will have on key outcomes. In summary, ALL seeks to add to what is known about the scope of public policy in influencing the level and distribution of skills in society.

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- OECD and HRDC (1997), *Literacy Skills for the Knowledge Society: Further Results from the International Adult Literacy Survey*, Paris and Hull.
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# Chapter 2

2

## Comparative Profiles of Adult Skills

### Summary

This chapter presents a comparative perspective on the levels and distributions of adult skills in four domains – prose literacy, document literacy, numeracy and problem solving – for the countries that collected data in the first round of the Adult Literacy and Life Skills Survey (ALL). The first part of the analysis displays the basic country distributions for each skill domain. The second tracks changes in the distributions of prose and document literacy skills over time for the countries that participated in both ALL and its predecessor, the International Adult Literacy Survey (IALS) – Canada, Norway, Switzerland and the United States. Finally, the analysis focuses on how skill distributions interact with key demographic variables such as age and gender.

## Table of Contents

---

Summary	29
---------	----

---

### Chapter 2

<b>Comparative Profiles of Adult Skills</b>	<b>29</b>
---	-----------

2.1 Overview and highlights	31
2.2 Comparative distributions of adult skills	32
2.3 Changes in skills profiles from IALS to ALL	39
2.4 Adult skills and age	43
2.5 Adult skills and gender	46

---

References	48
------------	----

---

### Annex 2

<b>Data Values for the Figures</b>	<b>49</b>
------------------------------------	-----------

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# Comparative Profiles of Adult Skills

## 2.1 Overview and highlights

This chapter presents a comparative perspective on the levels and distributions of adult skills in four domains – prose literacy, document literacy, numeracy and problem solving – for the countries that collected data in the first round of the Adult Literacy and Life Skills Survey (ALL). The first part of the analysis displays the basic country distributions for each skill domain. The second tracks changes in the distributions of prose and document literacy skills over time for the countries that participated in both ALL and its predecessor, the International Adult Literacy Survey (IALS) – Canada, Norway, Switzerland and the United States. Finally, the analysis focuses on how skill distributions interact with key demographic variables such as age and gender.

Key findings presented in this chapter are:

- The ALL results confirm the IALS findings that many adults have difficulties coping with literacy and numeracy related demands that are common in modern life and work. Although relative proportions vary, there are significant numbers of adults with low skills in all the countries surveyed.
- Depending on the country, between one-third and over two-thirds of adult populations do not attain skill Level 3, the level considered by experts as a suitable minimum level for coping with the increasing demands of the emerging knowledge society and information economy (OECD and Statistics Canada, 1995).
- Both the average performance levels and the distributions of skills among adult populations differ substantially between countries. Some perform better than others in terms of average performance, with Norway performing among the highest on all four scales.
- The spread in literacy scores between adults at the lowest and highest skill levels is significantly smaller in some countries (Norway and Switzerland) and larger in others (Italy and the United States).

- Some countries have a relative advantage in a particular skill domain. For example, Switzerland performs comparatively well on the numeracy scale whereas Bermuda scores better on the prose scale. Norway is a country that does consistently well in all four skills domains.
- Measured by the difference in average scores between the 5th and 95th percentiles, all countries in ALL display less inequality in skill between the highest and lowest performing groups than in IALS. The exception is Norway, where skill inequality was already low in IALS.
- Changes in mean country performance are not substantial, but the results show some improvement among the five per cent of adults with the lowest scores.
- Only the German speaking population in Switzerland has recorded an increase in its average performance on the prose and document literacy scale between the IALS and ALL survey periods.
- Age and skills are inversely related in all countries. Younger cohorts tend to score higher on average and have larger proportions at higher levels of skills. Even after controlling for educational attainment the relationship remains negative. There is also wider variation in performance among older cohorts.
- The relationship between age and skills is complex because age represents an accumulation of life experiences that are likely to impact on the development and even loss of skills throughout the lifespan.
- Gender interacts with the distribution of adult skills and confirms previously observed patterns. In general, men tend to display an advantage in numeracy and document literacy skills, while women tend to display an advantage in prose literacy. Although women in Bermuda show a noticeable advantage in problem solving, these types of skill appear gender neutral in Canada, Italy, Norway and Switzerland (German and French speaking populations).

## 2.2 Comparative distributions of adult skills

This section presents the key comparative findings with respect to the levels and distributions of adult skills. Figures 2.1, 2.2 and 2.3 present complementary information. The first set of charts in Figure 2.1 focus on the mean proficiency scores of populations aged 16 to 65. Because the information is derived from sample data, there is a measurable degree of error present in the estimates. This error must be taken into account when comparing differences in performance. Therefore, the charts indicate whether the average performance of countries differs in a statistically significant way. Indeed there are many cases where the mean scores are higher or lower but these differences are not meaningful in a statistical sense (this is indicated by a dot in the small squares of the charts).

Countries differ in their ranking from scale to scale. Norway, for example, ranks highest on the prose, document and problem solving scales, whereas Switzerland tops the numeracy scale. Moreover, while Bermuda's average performance is not statistically different than Norway's on the prose literacy scale, the average performance of Bermudans is significantly lower on the other three scales. Canada's average performance is in the middle on all four scales, and it is

not statistically different from Bermuda's on the document, numeracy and problem solving scales. While Switzerland's average performance is the highest on numeracy scale and only Norway has a higher mean on the problem solving scale, its average performance is lower than Bermuda, Canada, and Norway on the prose scale, and lower than Canada and Norway on the document scale. The United States' average performance is higher than Italy's on the prose, document and numeracy scales, and the Mexican State of Nuevo Leon on the prose and document scales.

Country comparisons based solely on mean scores are not that revealing. Although of interest for other reasons, a mean score does not offer any insight into within-country variation in skill proficiency. The charts in Figure 2.2 display the mean scores as well as the 5th, 25th, 75th, and 95th percentile scores of a country's distribution. Estimates are shown using gradation bars. These are useful because they indicate the degree of inequality in the distribution of skills. In particular they show the extent of discrepancy between those scoring among the lowest (5th) and those scoring among the highest (95th) percentiles. The extent of skill difference is an important indicator because it is associated with the distribution of social, economic, health and educational outcomes in a country.

The varying lengths of the bars indicate that countries differ in skills inequality among their adult populations. Norway has the least inequality in the distribution of prose (144 points), numeracy (153 points) and problem solving (162 points) skills, whereas Switzerland has the least on the document (157 points) scale. Norway and Switzerland also display consistently small ranges. For Nuevo Leon it varies, with a small range (149 points) on the prose scale and the largest range (193 points) on the document scale. Italy has the widest range in the distribution of prose (183 points) and problem solving (189 points) skills. Bermuda, Canada and the United States display consistently medium to wide ranges.

FIGURE 2.1

Multiple comparisons of skills proficiencies

Comparisons of countries based on average scores, populations aged 16 to 65, 2003

A. Prose literacy scale

COUNTRY	Norway	Bermuda	Canada	Switzerland	United States	Italy
Norway		•	▲	▲	▲	▲
Bermuda	•		▲	▲	▲	▲
Canada	▼	▼		▲	▲	▲
Switzerland	▼	▼	▼		•	▲
United States	▼	▼	▼	•		▲
Italy	▼	▼	▼	▼	▼	

B. Document literacy scale

COUNTRY	Norway	Canada	Bermuda	Switzerland	United States	Italy
Norway		▲	▲	▲	▲	▲
Canada	▼		•	▲	▲	▲
Bermuda	▼	•		•	▲	▲
Switzerland	▼	▼	•		▲	▲
United States	▼	▼	▼	▼		▲
Italy	▼	▼	▼	▼	▼	

C. Numeracy scale

COUNTRY	Switzerland	Norway	Canada	Bermuda	United States	Italy
Switzerland		▲	▲	▲	▲	▲
Norway	▼		▲	▲	▲	▲
Canada	▼	▼		•	▲	▲
Bermuda	▼	▼	•		▲	▲
United States	▼	▼	▼	▼		▲
Italy	▼	▼	▼	▼	▼	

D. Problem solving scale

COUNTRY	Norway	Switzerland	Canada	Bermuda	Italy
Norway		▲	▲	▲	▲
Switzerland	▼		▲	▲	▲
Canada	▼	▼		•	▲
Bermuda	▼	▼	•		▲
Italy	▼	▼	▼	▼	

Note: Switzerland (Italian) and United States did not field the problem solving skills domain.

- ▲ Mean proficiency significantly\* higher than comparison country
- No statistically significant\* difference from comparison country
- ▼ Mean proficiency significantly\* lower than comparison country

Countries are ranked by mean proficiency across the heading and down the rows.

\* Statistically significant at 0.5 level, adjusted for multiple comparisons.

Source: Adult Literacy and Life Skills Survey, 2003.

Instruction: Read across the row for a country to compare performance with the countries listed in the heading of the chart. The symbols indicate whether the mean proficiency of the country in the row is significantly lower than that of the comparison country, significantly higher than that of the comparison country, or if there is no statistically significant difference between the two countries.

Norway has the twin advantage of having relatively high average scores and low inequalities in all skill domains. In contrast, Italy tends to exhibit relatively low average scores and high inequalities. In general however, the range is somewhat independent of the average. For example, Nuevo Leon has both a low average score and low inequality in the distribution of prose scores. Bermuda and Canada are examples of countries with relatively high average scores and high inequalities.

The charts in Figure 2.2 also reveal significant differences in overall performance between countries. For example, the average prose scores in Bermuda and Norway are higher than the 75th percentile scores in Italy and Nuevo Leon.

To facilitate interpretation the proficiency scores with a range from 0 to 500 points are grouped into four levels. Each level corresponds to successive ranges of scores denoting increased task difficulty. The proficiency levels for each skill domain are described in detail in Annex A. The charts in Figure 2.3 show estimates of the proportion of the adult population scoring at each proficiency level on each of the four scales.

Each level can be described in terms of what persons at that level can do. For example, persons proficient at Level 4/5 on the prose scale are capable of making medium to high level text-based inferences by integrating or contrasting abstract pieces of information in relatively lengthy texts that contain several to many distractors. Figure 2.3a indicates that about one in four persons are at this level in Bermuda. This falls to approximately one in five in Canada and Norway, one in eight in Switzerland and the United States and one in 28 in Italy.

At Level 3 on the prose scale, persons can make low-level text-based inferences by locating several pieces of information from a few to a number of different sentences or paragraphs, and integrating or contrasting information across sections of text that contain few to several distractors. This level is deemed as a minimum for persons to understand and use information contained in the increasingly difficult texts and tasks that characterize the emerging knowledge society and information economy. More than two thirds of Norwegians are at this level or higher. This falls to approximately 60 per cent of persons in Bermuda and Canada, just under 50 per cent of persons in Switzerland and the United States, around 20 per cent in Italy and 11 per cent in Nuevo Leon.

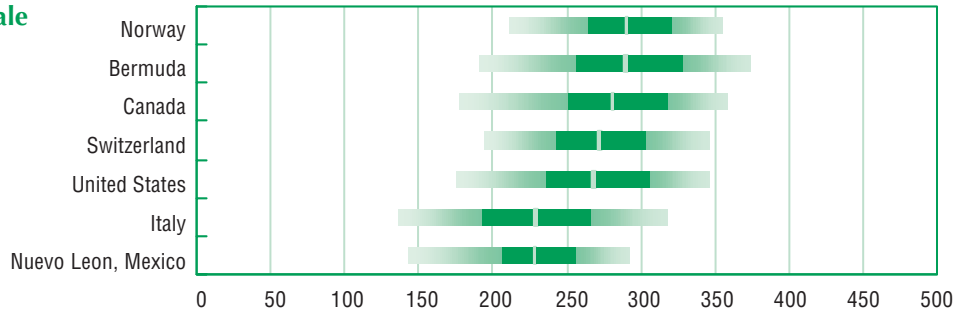
Those scoring at Level 2 on the prose scale are capable of making low-level text-based inferences by locating one or more pieces of information, and integrating or contrasting two or more pieces of information across sections of text that contain some distractors. Thus, persons at this level may not be able to consistently understand more difficult texts and tasks that are increasingly prevalent in modern societies. Approximately one in four persons is at this level in Bermuda, Canada and Norway. This rises to around one in three persons in Italy, Switzerland and the United States. Just over 45 per cent of adults in Nuevo Leon are at this level.

FIGURE 2.2

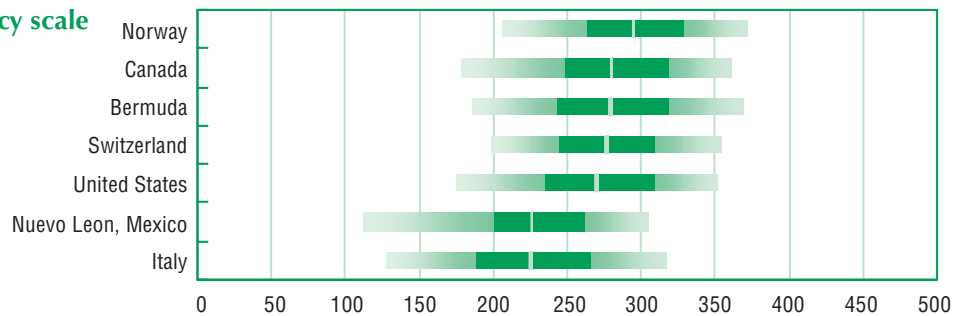
Comparative distributions of skills scores

Mean scores with .95 confidence interval and scores at the 5th, 25th, 75th and 95th percentiles on skills scales ranging from 0 to 500 points, populations aged 16 to 65, 2003

A. Prose literacy scale

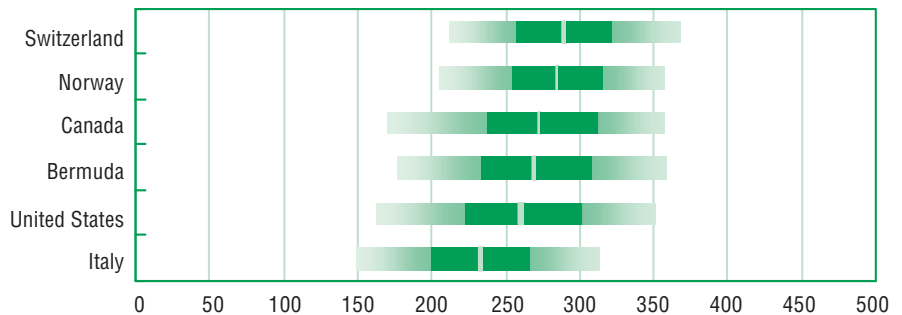


B. Document literacy scale



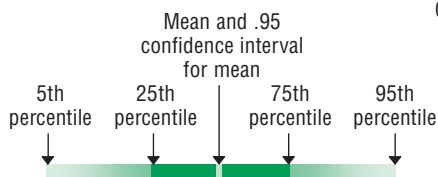
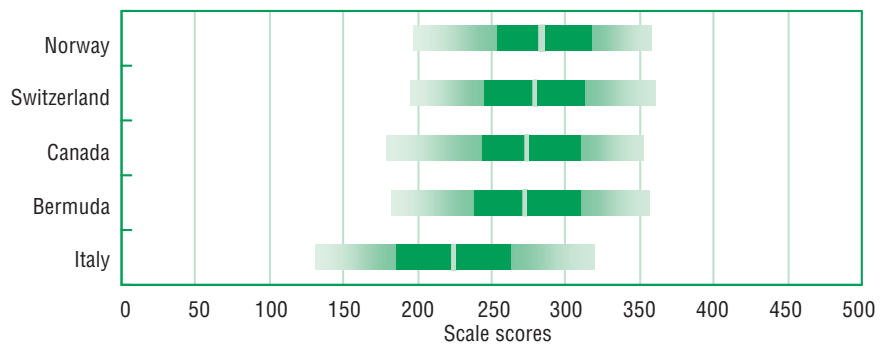
C. Numeracy scale

Note:  
The state of Nuevo Leon in Mexico fielded the IALS quantitative literacy assessment rather than the ALL numeracy assessment. Although closely related conceptually, these two scales cannot be directly compared.



D. Problem solving scale

Note:  
Switzerland (Italian), the United States, and the state of Nuevo Leon in Mexico did not field the problem solving skills domain.



Countries are ranked by mean scores.

Source: Adult Literacy and Life Skills Survey, 2003.

Proficiency at Level 1 indicates that persons may be able to locate one piece of information that is identical or synonymous with the information given in a directive but in general they have difficulty making low-level text-based inferences. Norway has the fewest adults at this level – approximately eight per cent. The proportion rises to just over 12 per cent in Bermuda, around 15 per cent in Canada and Switzerland, 20 per cent in the United States and over 43 and 47 per cent in Nuevo Leon and Italy, respectively.

The interpretation of proficiency levels on the document, numeracy and problem solving scales is similar to that on the prose scale. See Annex A for a full description of the different levels for each of the skill domains.

Figure 2.3b displays the proportion of the adult population at each of the four levels on the document literacy scale. The results show that country rankings based on the proportion of adults at Levels 3 and 4/5 vary by skill domain. The most substantial difference occurs in Bermuda, where approximately eight per cent fewer adults attain Level 3 or higher on the document scale compared with the prose scale. In contrast, the proportion of adults scoring at Levels 3 and 4/5 on the document scale increases by approximately three and five per cent in Switzerland and Nuevo Leon, respectively.

Comparing Figures 2.3a-d shows that overall, Switzerland performs much better on the numeracy scale than on the prose, document or problem solving scales. While there are about six per cent fewer Norwegians at Level 3 or higher on the numeracy scale than the prose scale, Switzerland has nearly 13 per cent more. Bermuda shows the sharpest drop in the proportion of adults at Levels 3 and 4/5, from nearly 62 per cent on the prose scale to 46 per cent on the numeracy scale. Similarly, Canada and the United States perform relatively better in the prose and document skills domains than in numeracy. Countries tend to perform better on prose and document than on numeracy and problem solving. Norway, however, is the only country to have 60 per cent or more of adults performing at Levels 3 and 4/5 on the prose, document and numeracy scales.

FIGURE 2.3

### Comparative distributions of skills levels

Per cent of populations aged 16 to 65 at each skills level, 2003

#### A. Prose literacy scale

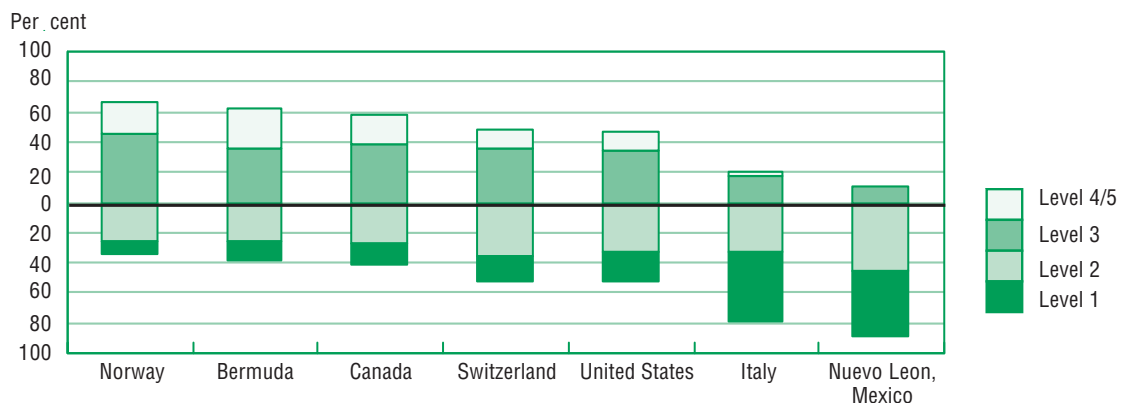
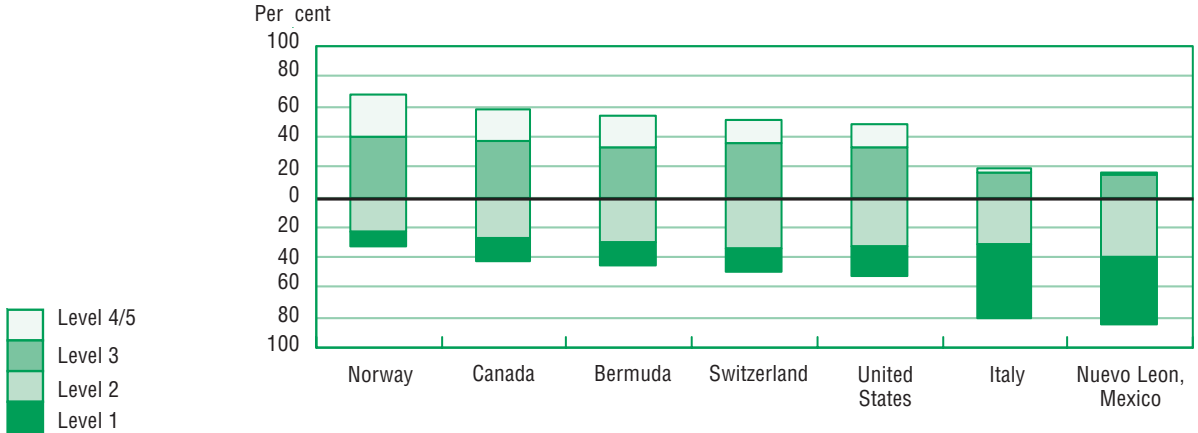


FIGURE 2.3 (concluded)

Comparative distributions of skills levels

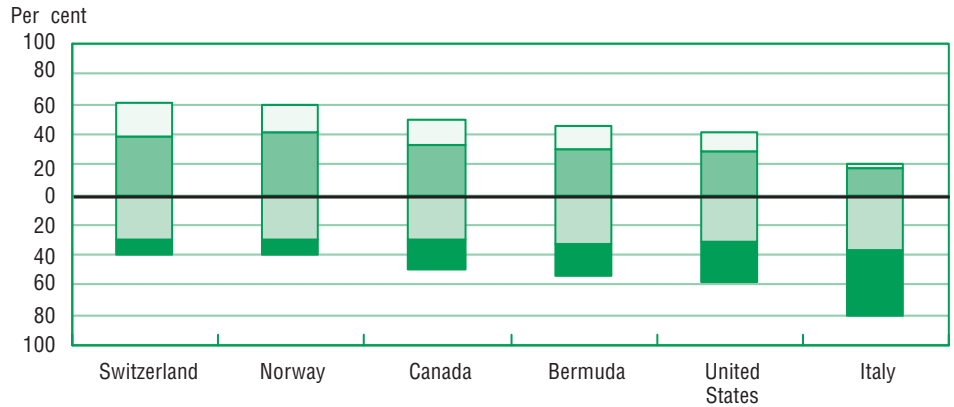
Per cent of populations aged 16 to 65 at each skills level, 2003

B. Document literacy scale



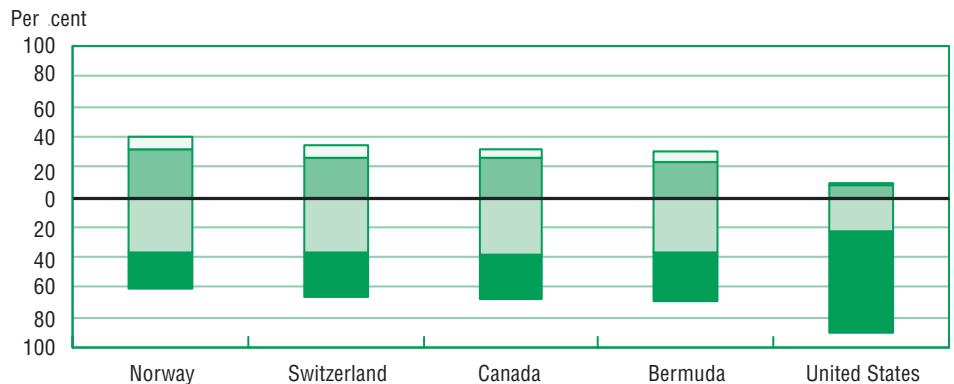
C. Numeracy scale

Note:  
The state of Nuevo Leon in Mexico fielded the IALS quantitative literacy assessment rather than the ALL numeracy assessment. Although closely related conceptually, these two scales cannot be directly compared.



D. Problem solving scale

Note:  
Switzerland (Italian), the United States, and the state of Nuevo Leon in Mexico did not field the problem solving skills domain.



Countries are ranked by the proportions in Levels 3 and 4/5.

Source: Adult Literacy and Life Skills Survey, 2003.



## 2.3 Changes in skills profiles from IALS to ALL

The ALL and the IALS assessed prose and document literacy skills using identical methods and metrics. This was done so as to permit comparable and reliable estimates of changes in skill profiles between the two survey periods. IALS data for Canada, the French and German speaking populations of Switzerland, and the United States were collected in 1994 as part of the first wave of IALS countries. Data for Norway and the Italian speaking population of Switzerland were collected in 1998 as part of the third and final wave of countries participating in IALS. The ALL data were collected in 2003. Thus the time elapsed between the two surveys is approximately nine years for the first set of countries and five years for the second.

Figures 2.4a-b compare the ALL gradation bars with similar bars derived from IALS data. In general, changes in country mean performance are not substantial (see Figure 2.5). But the comparatively higher 5th percentile scores in ALL than in IALS indicate improvements among the lowest scoring adults. Countries or regions showing the largest improvements among the low-skilled are German speaking Switzerland (+47 points), French speaking Switzerland (+42 points) and the United States (+38 points) on the prose scale; and Canada (+51 points), German speaking Switzerland (+82 points) and the United States (+50 points) on the document scale.

The results also show that in a few countries or regions the performance of the top five per cent is somewhat lower in ALL than in IALS. The 95th percentile scores are significantly lower in Canada (-10 points), Italian speaking Switzerland (-16 points) and the United States (-23 points) on the prose scale; and Canada (-18 points), French speaking Switzerland (-9 points), Italian speaking Switzerland (-14 points) and the United States (-15 points) on the document scale. Most of the five-year score differences between high and low performers in Norway are not statistically significant, except for a small improvement in the 95th percentile on the prose scale (see Table 2.4 in Annex 2).

Moreover, improvements in performance at the lower end and reductions at the upper ends of distributions imply less inequality in the distribution of prose and document skills. Reductions in the range of scores from the 5th to the 95th percentiles are substantial in all countries and regions, except in Norway, which already had a low level of inequality in 1998.

There is little change in the inter-quartile range (difference between 75th and 25th percentiles). Overall, changes in the 25th percentiles are negligible and changes in the 75th percentiles are few. Notable on the prose scale are lower 75th percentiles in Italian speaking Switzerland (-13 points) and the United States (-15 points), while in German speaking Switzerland it is higher (+6 points). It is also lower on the document scale in Italian speaking Switzerland (-12 points).

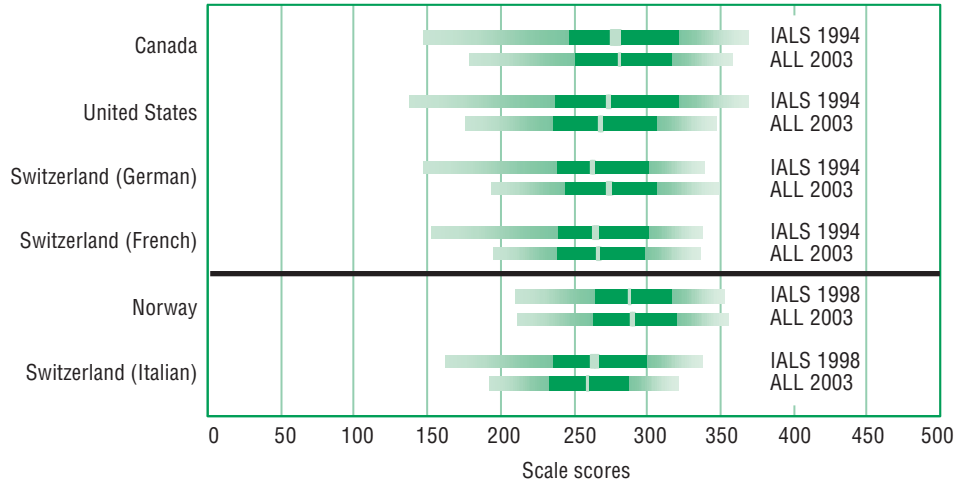
Norway and the German speaking population in Switzerland show some improvement in the distribution of prose scores, although it is marginal for the former. Otherwise, the results show overall improvements among low scoring adults and lower performances among some high scoring adults. This combination produces mixed results when comparing changes in mean proficiency over time. Figure 2.5 shows that German speaking Switzerland has statistically improved its mean performance on both the prose and document literacy scales, and Norway has improved on the prose scale. The overall performance of Italian speaking Switzerland has decreased on both scales, while the United States has decreased only on the prose scale. Other changes are not statistically significant.

FIGURE 2.4

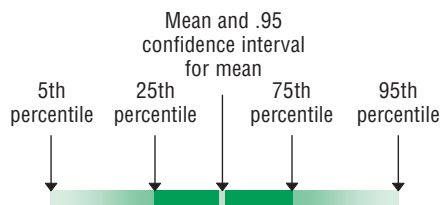
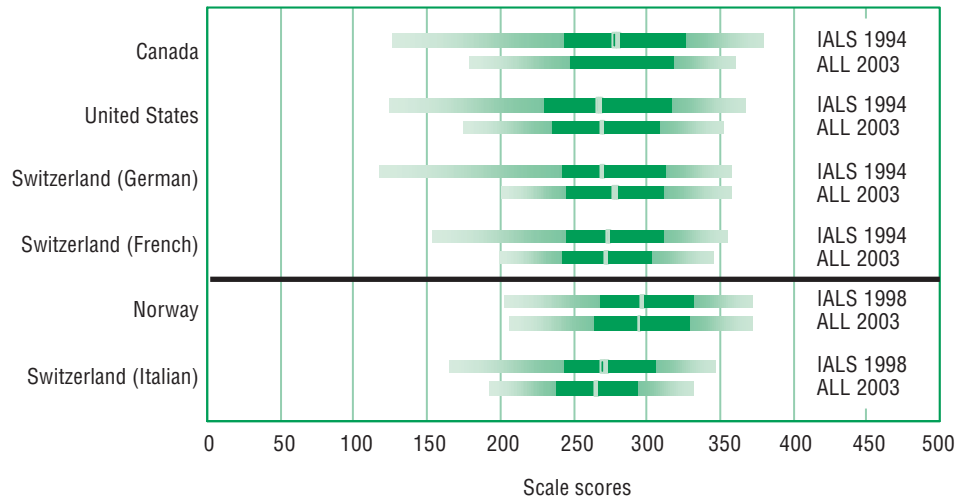
Changes in distributions of skills scores

Mean scores with .95 confidence interval and scores at the 5th, 25th, 75th and 95th percentiles on skills scales ranging from 0 to 500 points, populations aged 16 to 65, IALS 1994/1998 and ALL 2003

A. Prose literacy scale



B. Document literacy scale



Sources: Adult Literacy and Life Skills Survey, 2003.  
International Adult Literacy Survey, 1994-1998.

FIGURE 2.5

**Changes in mean scores from IALS to ALL**

Summary of changes in mean scores from IALS to ALL, by statistical significance at the five per cent level, populations aged 16 to 65, IALS 1994/1998 and ALL 2003

Increase in mean proficiency significant	No change/Change not significant	Decrease in mean proficiency significant
<b>A. Prose literacy scale</b>		
Switzerland-German (+11.2)	Norway Canada Switzerland-French	United States (-5.1) Switzerland-Italian (-4.8)
<b>B. Document literacy scale</b>		
Switzerland-German (+8.9)	Norway Canada United States Switzerland-French	Switzerland-Italian (-5.4)

Changes in skill scores do not necessarily imply changes in skill levels, since the latter refer to ranges of scores. Higher scores within levels imply better performance, but not necessarily a high enough improvement to consistently succeed on tasks at the next level of difficulty. Figures 2.6a-b display changes in the proportions of adults at each skill level. There are no statistically significant changes at any level in Canada and Norway on the prose scale, and Norway on the document scale.

German speaking Switzerland displays the most success in reducing the proportion of adults at Level 1 (-4.3 per cent) on both the prose and document scales. But while this percentage shifts into Level 2 on the document scale, a broader change occurs on the prose scale, where the net increase is primarily in the proportion at Levels 4/5. The latter result implies an upward shift in the entire distribution, whereas the former implies an improvement at the lower end of the distribution only. Accordingly, German speaking Switzerland has significantly increased the proportion of adults at prose literacy Levels 4/5 (+4.4 per cent). The net change between low (Levels 1 and 2) and medium to high (Levels 3 and 4/5) skilled adults remains unchanged on the document scale.

The United States has also reduced the percentage of adults at Level 1 on the document scale (-3.4 per cent); but there is also a marked reduction in the proportion at document Level 4/5 (-5.0 per cent). The net result is an increase of persons at Level 2 (7.5 per cent). The pattern is similar on the prose scale but with an even sharper reduction at Level 4/5 (-9.1 per cent) as well as a larger increase at Level 2 (+8.1 per cent). Therefore, on the prose scale, it appears that there is a small improvement among low-skilled adults only, and a comparatively high decline among high skilled adults. The result is a lower proportion (-7.3 per cent) of adults with medium to high skills (Levels 3 and 4/5) on the prose scale.

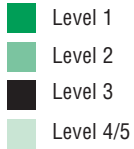
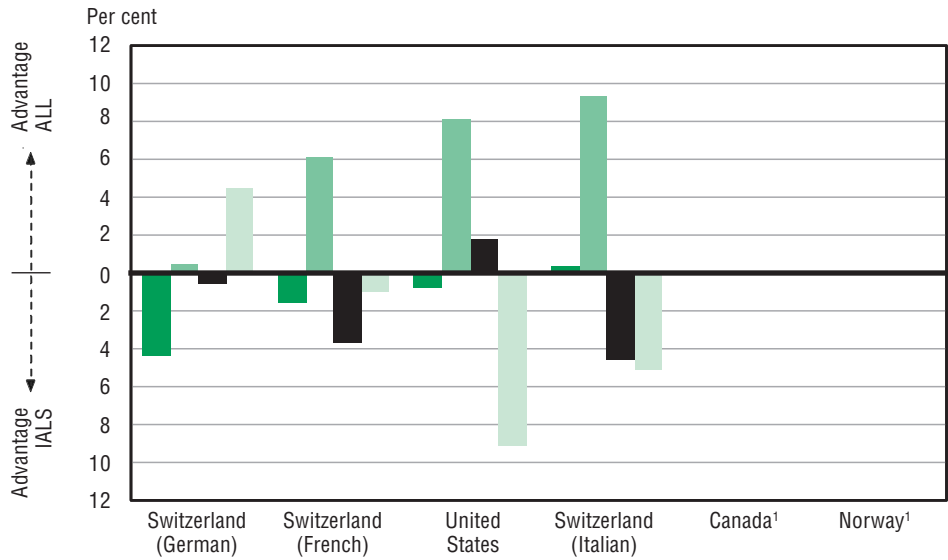
The French and Italian speaking populations of Switzerland display a pattern similar to the United States. There are overall reductions in the proportion of adults at Levels 3 and 4/5 and increases at Levels 1 and 2. Italian speaking Switzerland shows the highest net decrease in the proportion of medium to high skilled adults on both the prose (-9.7 per cent) and document (-11.8 per cent) scales.

FIGURE 2.6

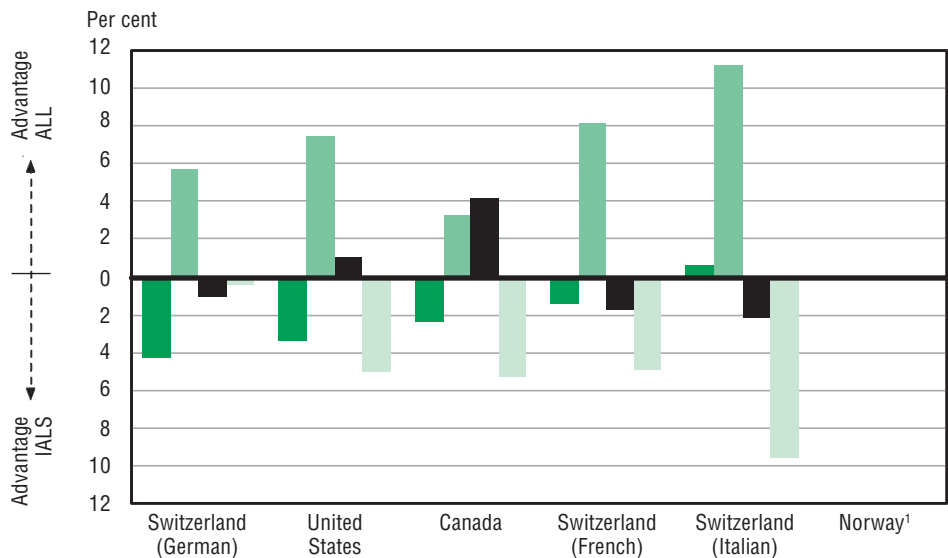
Changes in distributions of skills levels

Differences between IALS 1994/1998 and ALL 2003 in the per cent of adults aged 16 to 65 at each skills level

A. Prose literacy scale



B. Document literacy scale



Countries are ranked by the difference in per cent in the advantage of IALS at level 1.

1. For countries that do not have statistically significant changes observed at any level, there are no changes reported in the graphic. But if change is statistically significant for at least one level in a country, changes for all levels are reported in the graphic.

Sources: Adult Literacy and Life Skills Survey, 2003.  
International Adult Literacy Survey, 1994-1998.

## 2.4 Adult skills and age

Skills can be acquired, developed, maintained and lost over the lifespan, making the relationship between skills and age complex. Aside from the possible effects of ageing, the influence of age on skills does not operate in isolation. Rather it is influential in so far as it denotes typical life experiences that occur at various stages of the life span such as those in early childhood, schooling and transition to work, life career and other daily activities. The features of life experiences that influence the development of skills, positively or negatively, are not yet well understood. This section presents empirical findings on the relationship between age and skills and introduces some of the interactions that may explain the patterns observed.

Figures 2.7a-b show that compared to older age cohorts, younger cohorts tend to score higher and have larger proportions at higher levels of skill on the document scale. This result is consistent with previously reported findings for IALS (OECD and Statistics Canada, 2000: 34; OECD and HRDC, 1997: 30). The findings are also similar for the prose, numeracy and problem solving scales, which are not reported here. Thus age is an important demographic factor to consider when drawing conclusions about skill profiles of regions or countries and for devising strategies to improve skills.

In every country, the relationship between age and document skills is negative as indicated by the downward sloping trend lines in Figure 2.7a. Moreover, a comparison of the gradation bars for different age cohorts reveals that the difference between those with the lowest and those with the highest proficiency scores tends to be higher among older adults aged 46 to 65. This implies that there is a wider variability in performance among older persons. Accumulation of differing life experiences is likely to be an important factor explaining higher variations in performance among older cohorts.

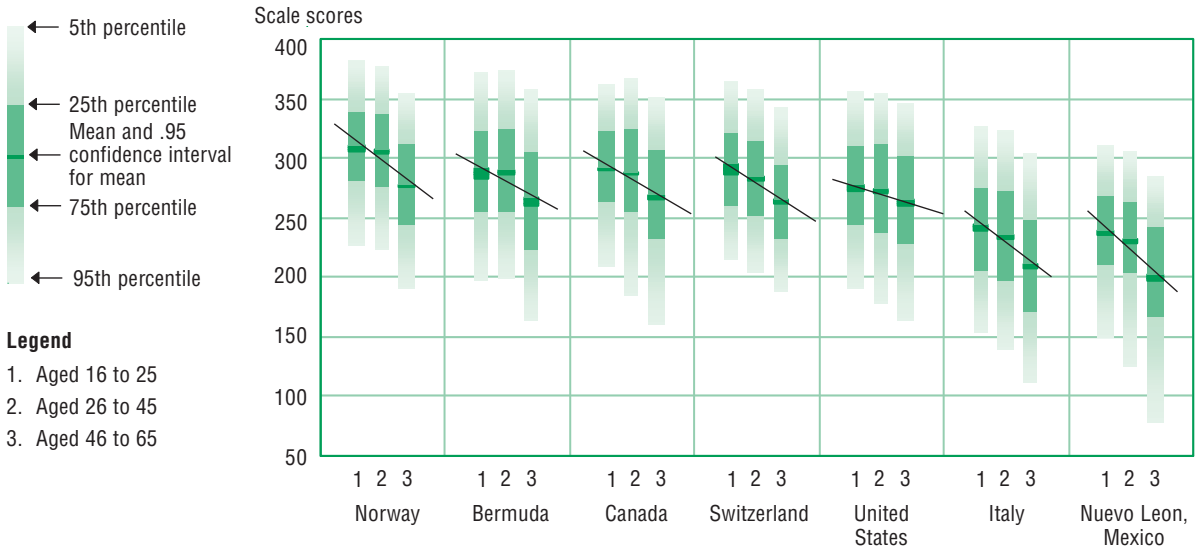
Without considering the influence of other factors, the findings show a negative association between age and cognitive skills. An explanation put forth in the scholarly literature suggests that as time progresses, adults may experience reduced cognitive performance, which is attributable to *ageing* effects, or alternatively stated, to declines in *cognitive mechanics* such as attentional capacity, processing speed, reasoning, working memory capacity and spatial ability (Smith and Marsiske, 1997).

At the same time, however, research suggests that depending on life experiences, cognitive performance may be enhanced over time (Baltes, 1987). Indeed, a number of studies suggest that experiences can lead to an accumulation of knowledge and skills until an advanced age, when they may level off (Horn and Hofer, 1992; Schaie, 1994; Marsiske and Smith, 1998). The latter phenomenon is referred to as *practice* effect. The outcome of the interaction between ageing and practice effects invariably depends on the extent and nature of life experiences.

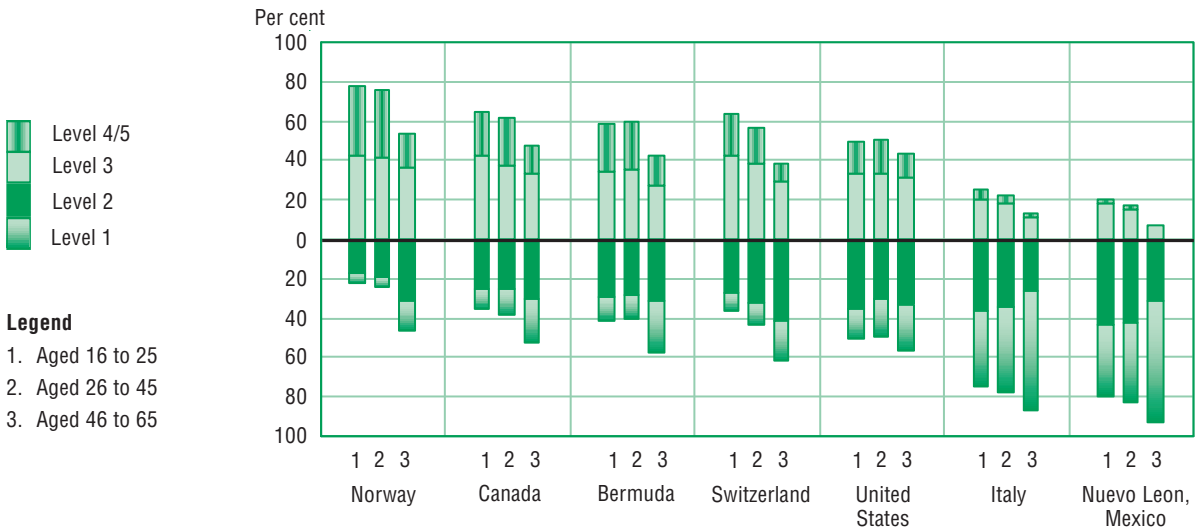
FIGURE 2.7 A B

Age and adult skills

A. Mean scores with .95 confidence interval and scores at the 5th, 25th, 75th and 95th percentiles on the document scale, population aged 16 to 25, 26 to 45 and 46 to 65, 2003



B. Per cent of populations aged 16 to 25, 26 to 45 and 46 to 65 at each level on the document scale, 2003



A. Countries are ranked by the mean of age group 26 to 45.

B. Countries are ranked by the proportions in Levels 3 and 4/5 in age 26 to 45.

Source: Adult Literacy and Life Skills Survey, 2003.

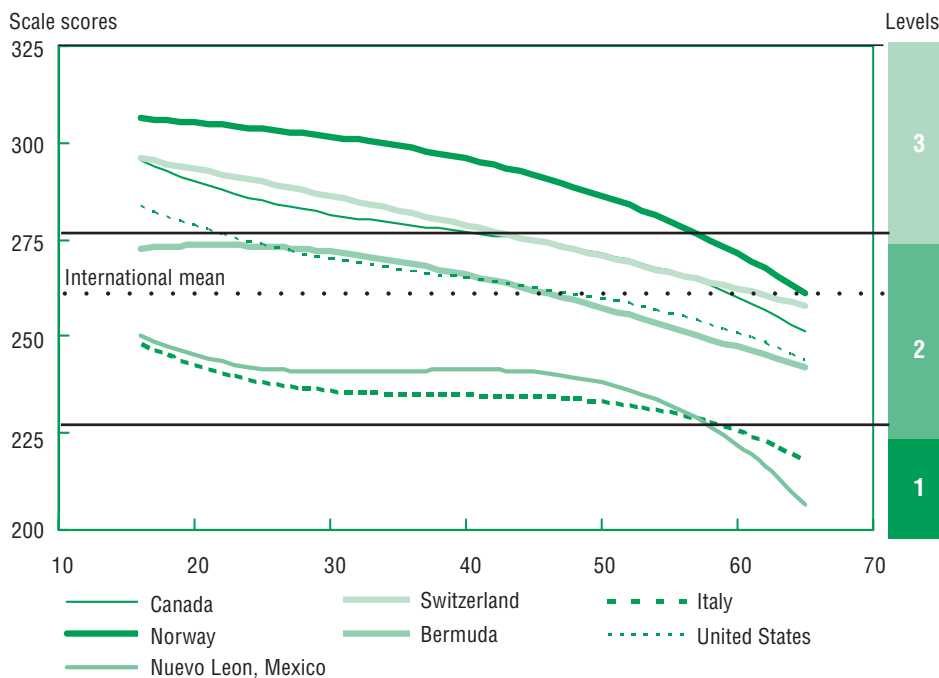
Lower skills among older age groups may also be attributable to other types of effects such as *cohort* and *period* effects (see Portrait, Alessie and Deeg, 2003). In particular, younger cohorts have received extended formal schooling compared to older cohorts, and more emphasis may be placed on the acquisition of cognitive skills now than in earlier periods. But younger adults also benefit from more recent schooling. This may be referred to as the recency effect, which is closely related to the ageing effect. It suggests that as time advances, cognitive skills can diminish from what they were at the time of school completion. Whether they actually diminish will depend on the interaction of ageing and practice effects over time. The widely perceived impact of education on skill development is discussed further in Chapter 3.

There are wide differences in educational attainment among age cohorts, making this particular life experience a potentially major factor influencing the relationship between age and skills, and perhaps the most important cohort effect. To adjust for these differences, Figure 2.8 depicts the relationship between age and skills after taking into account levels of educational attainment. The results show that skill differences among age cohorts remain, which provides some evidence that skills are related to age independently from education. Findings are similar for all the skill domains assessed.

FIGURE 2.8

### Skills-age profiles controlling for educational attainment

Relationship between age and literacy scores on the document literacy scale, with adjustment for level of education and language status, populations aged 16 to 65, 2003



Source: Adult Literacy and Life Skills Survey, 2003.

In general, however, it is impossible to separate cohort, period, ageing, and practice effects when working with cross-sectional data. While the ALL survey measures a number of important life experiences, they are only at a particular age. The information needed to assess the cumulative impact of individual life experiences on the development of skills is not captured in the survey. Addressing this would require complex and costly longitudinal designs involving repeated cognitive assessments of the same individuals over time.

It is also important to consider changes in the quality of education over time, or the *quality* effects of education. Findings presented in Figure 2.8 adjust for the quantity of education only, not the quality of education. But it is likely that gradual improvement in education systems over time explains at least part of the skills-age relationship observed. Thus changes in quality must be assessed and included in this type of analysis in order to properly ascertain the observed skills-age relationship.

Beyond education there are differing life experiences such as individual labour market experiences, the extent of engagement in adult learning and other practices that are likely to have a significant influence on the skills-age relationship. Although cumulative measures are not available, the ALL survey is a rich and unique source of information that allows these types of practice effects to be considered further. This is done in subsequent chapters.

## 2.5 Adult skills and gender

Another key issue to consider are differences between men and women. It is possible that variations in overall performance stem from gender differences in adult skill distributions. Until recently, men have typically obtained more education than women; and because education is an important determinant of skills development (see Chapter 3), differences in education may be responsible for differences in the skills of men and women. But evidence from IALS (1994-1998) suggests that the differences between men and women in adult skills are small and, in some countries, negligible, even after controlling for education (OECD and HRDC, 1997: 34-35). In IALS, when the gender differences are statistically significant, they tend to be in favour of men for the quantitative and document literacy domains, and in favour of women for the prose literacy domain.

Interestingly, this pattern of gender differences among similar domains is consistent with findings from international assessments of school-aged children at age 14 for the 1991 IEA Reading Literacy Study (see OECD and HRDC, 1997: 33) and age 15 for the Programme for International Student Assessment (PISA) (OECD, 2001) study. In PISA, girls significantly outperform boys in reading literacy in 28 OECD and four non-OECD countries. In contrast, boys outperform girls in mathematical literacy in 26 OECD countries (results are significant in 13 countries) and three non-OECD countries (results are significant in 2 countries).

Again, the results presented in Figures 2.9a-b confirm previously observed gender patterns. Men tend to display an advantage in numeracy and document literacy skills, while women tend to display an advantage in prose literacy. In addition, ALL offers the opportunity to examine whether gender interacts with the problem solving skills domain. Only in Bermuda and Norway do the results suggest that women have an advantage in problem solving, but the result for Norway is not statistically significant. In the other countries, performance on problem solving appears to be gender neutral.

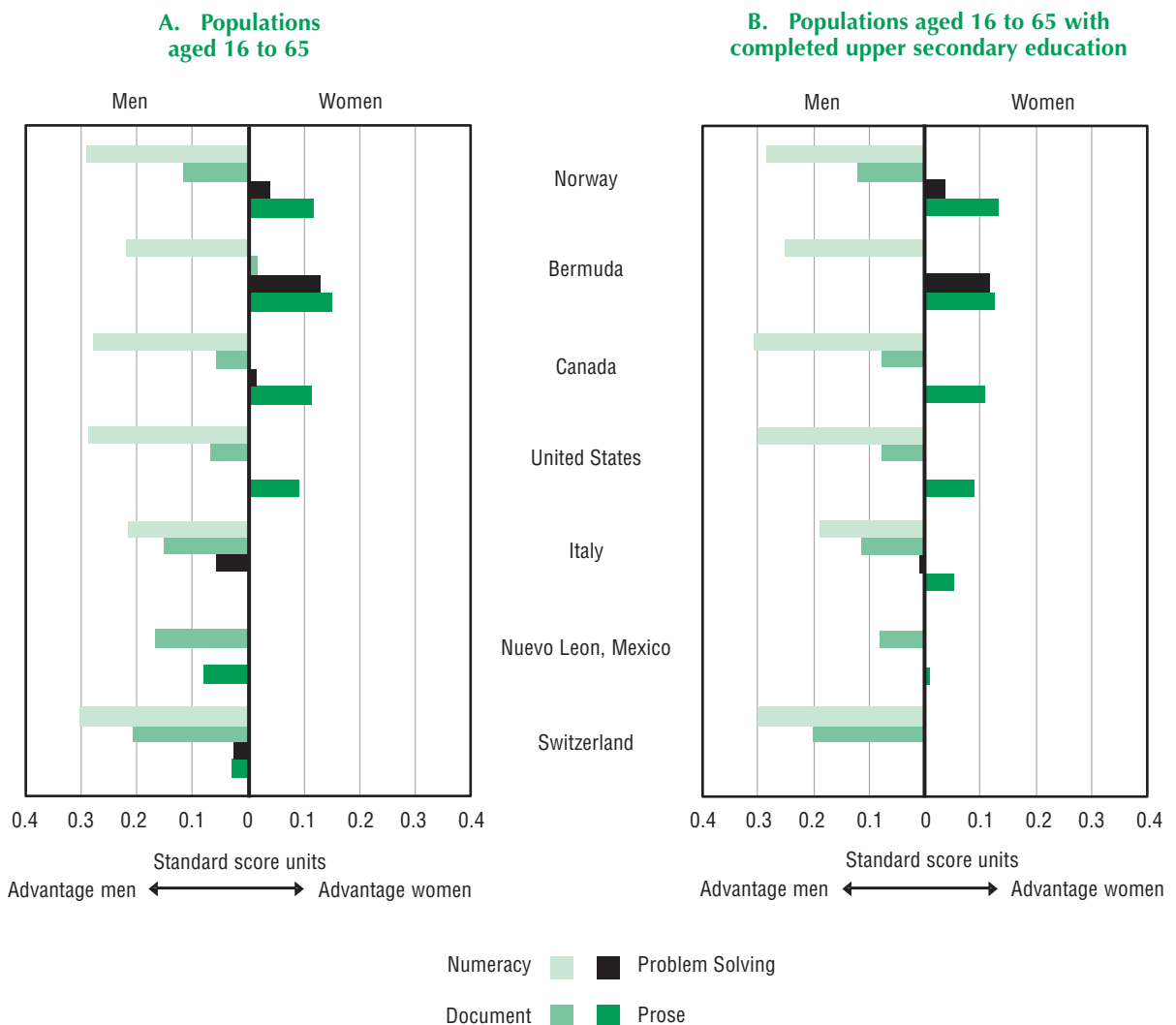


Explanations for these types of findings remain elusive. But findings indicate that differences arise already at an early age. Preferences in general are likely to play an important role, but there are also other factors (see Miller *et al.*, 2004). For example, differences in occupational choices, course enrolment and training can lead to differing pathways over the lifespan that influence the development and maintenance of skills in specific domains.

FIGURE 2.9

## Gender differences in skills

Standard score differences in mean skills proficiencies between men and women on the prose, document, numeracy and problem solving scales, 2003



**Countries are ranked by the difference in standard score units on the prose scale in panel B.**

Notes: The state of Nuevo Leon in Mexico fielded the IALS quantitative literacy assessment rather than the ALL numeracy assessment. Although closely related conceptually, these two scales cannot be directly compared.

Switzerland (Italian), the United States, and the state of Nuevo Leon in Mexico did not field the problem solving skills domain.

Source: Adult Literacy and Life Skills Survey, 2003.

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# Annex 2

## 2

# Data Values for the Figures

TABLE 2.1 For data values of FIGURE 2.1 see TABLE 2.2

TABLE 2.2

Mean scores with .95 confidence interval and scores at the 5th, 25th, 75th and 95th percentiles on skills scales ranging from 0 to 500 points, populations aged 16 to 65, 2003

	5th percentile		25th percentile		Mean		75th percentile		95th percentile	
<b>A. Prose literacy scale</b>										
Bermuda	192.0	(4.4)	255.6	(2.7)	289.8	(1.3)	328.4	(1.8)	374.1	(2.5)
Canada	178.1	(2.1)	250.6	(1.3)	280.8	(0.7)	318.0	(0.7)	358.7	(1.2)
Italy	135.8	(3.9)	192.3	(2.8)	229.1	(1.7)	267.2	(1.9)	318.7	(2.2)
Norway	211.5	(3.4)	263.5	(1.4)	290.1	(1.0)	320.5	(0.8)	355.8	(1.0)
Nuevo Leon, Mexico	143.3	(4.2)	206.1	(0.9)	228.3	(0.7)	255.8	(0.9)	292.0	(1.7)
Switzerland	193.8	(2.7)	242.1	(2.2)	272.1	(1.3)	303.7	(1.5)	346.0	(4.0)
United States	175.9	(3.5)	235.5	(1.6)	268.6	(1.3)	306.1	(1.9)	346.9	(2.2)
<b>B. Document literacy scale</b>										
Bermuda	185.1	(3.5)	243.9	(2.4)	280.0	(1.5)	318.3	(1.8)	369.9	(2.2)
Canada	178.3	(2.1)	248.1	(1.0)	280.6	(0.6)	318.8	(0.8)	361.5	(1.7)
Italy	127.9	(3.4)	187.9	(2.3)	225.8	(1.7)	265.6	(2.2)	317.1	(2.9)
Norway	205.8	(3.1)	264.0	(1.6)	295.1	(0.9)	329.7	(1.0)	372.3	(1.9)
Nuevo Leon, Mexico	111.6	(5.0)	199.6	(1.4)	226.2	(1.1)	261.9	(1.0)	304.6	(2.2)
Switzerland	198.8	(2.3)	244.3	(2.3)	276.6	(1.6)	309.1	(2.4)	355.3	(3.1)
United States	174.3	(3.6)	235.5	(1.7)	269.8	(1.5)	308.7	(2.2)	352.5	(2.4)
<b>C. Numeracy scale</b>										
Bermuda	176.8	(2.5)	233.3	(2.4)	269.7	(1.6)	308.5	(2.0)	359.4	(2.8)
Canada	170.4	(2.5)	237.2	(1.3)	272.3	(0.7)	311.9	(1.2)	357.7	(2.0)
Italy	148.8	(3.9)	200.4	(2.1)	233.3	(1.4)	267.1	(1.6)	313.9	(2.0)
Norway	204.9	(3.0)	255.2	(1.5)	284.9	(1.0)	316.2	(1.4)	357.8	(2.5)
Switzerland	212.4	(3.0)	257.8	(1.8)	289.8	(1.0)	322.2	(2.0)	368.9	(4.1)
United States	162.8	(2.6)	222.4	(2.1)	260.9	(1.5)	302.2	(2.1)	351.5	(3.0)
<b>D. Problem solving scale</b>										
Bermuda	182.3	(3.3)	237.8	(2.2)	272.8	(1.4)	309.6	(2.2)	356.7	(2.4)
Canada	178.8	(2.2)	243.3	(1.5)	273.8	(1.1)	309.5	(1.5)	352.8	(2.4)
Italy	130.7	(4.1)	186.1	(2.4)	224.9	(1.5)	263.4	(1.5)	319.5	(3.2)
Norway	197.0	(3.8)	254.2	(2.6)	284.2	(1.7)	318.3	(1.4)	358.6	(1.5)
Switzerland	194.6	(5.3)	244.8	(2.4)	279.0	(1.2)	313.0	(1.6)	360.5	(2.7)

Notes: The state of Nuevo Leon in Mexico fielded the IALS quantitative literacy assessment rather than the ALL numeracy assessment. Although closely related conceptually, these two scales cannot be directly compared.

Switzerland (Italian), the United States, and the state of Nuevo Leon in Mexico did not field the problem solving skills domain.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 2.3

## Per cent of populations aged 16 to 65 at each skills level, 2003

	Level 1		Level 2		Level 3		Level 4/5	
<b>A. Prose literacy scale</b>								
Bermuda	12.5	(0.8)	25.6	(1.4)	35.6	(1.4)	26.3	(1.1)
Canada	14.6	(0.4)	27.3	(0.7)	38.6	(0.9)	19.5	(0.8)
Italy	47.0	(1.5)	32.5	(1.1)	17.0	(0.8)	3.5	(0.4)
Norway	7.9	(0.7)	26.2	(1.1)	45.3	(1.4)	20.6	(0.7)
Nuevo Leon, Mexico	43.2	(1.2)	45.8	(1.4)	10.3	(0.5)	0.7 <sup>1</sup>	(0.2)
Switzerland	15.9	(1.2)	36.3	(1.1)	35.7	(1.9)	12.1	(0.9)
United States	20.0	(0.8)	32.6	(1.1)	34.6	(1.2)	12.8	(1.0)
<b>B. Document literacy scale</b>								
Bermuda	16.6	(1.0)	29.5	(1.7)	32.7	(1.7)	21.1	(0.9)
Canada	15.6	(0.4)	27.0	(0.7)	36.9	(1.0)	20.5	(0.6)
Italy	49.2	(1.4)	31.4	(1.2)	15.8	(1.0)	3.6	(0.4)
Norway	8.9	(0.5)	23.5	(1.1)	39.7	(1.1)	27.9	(0.8)
Nuevo Leon, Mexico	43.8	(0.9)	40.3	(0.9)	14.2	(0.8)	1.7	(0.2)
Switzerland	14.5	(0.9)	34.5	(1.5)	35.8	(1.8)	15.1	(1.4)
United States	20.2	(1.0)	32.3	(1.4)	32.6	(1.1)	15.0	(1.0)
<b>C. Numeracy scale</b>								
Bermuda	21.4	(1.0)	32.7	(1.7)	29.9	(1.5)	16.0	(0.9)
Canada	19.5	(0.5)	30.3	(0.7)	33.4	(0.9)	16.9	(0.6)
Italy	43.5	(1.2)	36.7	(1.1)	16.8	(0.8)	3.0	(0.4)
Norway	10.6	(0.6)	29.6	(1.0)	41.5	(1.5)	18.4	(0.9)
Switzerland	8.6	(0.7)	30.7	(1.5)	37.8	(1.3)	22.9	(1.2)
United States	26.8	(0.9)	31.8	(1.1)	28.8	(1.0)	12.7	(1.1)
<b>D. Problem solving scale</b>								
Bermuda	33.1	(1.4)	36.8	(2.0)	23.6	(1.3)	6.5	(0.6)
Canada	29.7	(0.8)	38.8	(0.9)	26.2	(0.8)	5.4	(0.5)
Italy	67.8	(0.9)	22.8	(0.8)	8.1	(0.6)	1.2	(0.2)
Norway	23.3	(1.3)	37.5	(1.0)	32.0	(1.2)	7.2	(0.5)
Switzerland	28.8	(1.3)	37.3	(1.5)	26.5	(1.0)	7.3	(0.7)

1. Unreliable estimate.

Notes: The state of Nuevo Leon in Mexico fielded the IALS quantitative literacy assessment rather than the ALL numeracy assessment. Although closely related conceptually, these two scales cannot be directly compared.

Switzerland (Italian), the United States, and the state of Nuevo Leon in Mexico did not field the problem solving skills domain.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 2.4

Mean scores with .95 confidence interval and scores at the 5th, 25th, 75th and 95th percentiles on skills scales ranging from 0 to 500 points, populations aged 16 to 65, IALS 1994/1998 and ALL 2003

		5th percentile	25th percentile	Mean	75th percentile	95th percentile
<b>A. Prose literacy scale</b>						
<b>Canada</b>	IALS 1994	146.9 (15.3)	246.5 (5.9)	278.8 (3.1)	321.7 (3.9)	369.0 (6.3)
	ALL 2003	178.2 (2.1)	250.7 (1.3)	280.8 (0.7)	318.0 (0.7)	358.7 (1.2)
<b>United States</b>	IALS 1994	137.1 (5.8)	236.7 (2.4)	273.7 (1.6)	321.0 (2.1)	369.6 (3.2)
	ALL 2003	175.9 (3.5)	235.5 (1.6)	268.6 (1.3)	306.1 (1.9)	346.9 (2.2)
<b>Switzerland (German)</b>	IALS 1994	147.2 (5.4)	238.9 (1.7)	263.3 (1.4)	300.5 (2.0)	339.7 (3.4)
	ALL 2003	193.8 (3.7)	244.3 (2.7)	274.5 (1.6)	306.9 (2.0)	349.1 (4.4)
<b>Switzerland (French)</b>	IALS 1994	152.5 (7.5)	239.6 (3.3)	264.8 (1.7)	301.7 (1.6)	338.3 (1.6)
	ALL 2003	194.2 (5.8)	237.9 (2.5)	267.1 (1.5)	297.9 (2.1)	336.5 (2.2)
<b>Norway</b>	IALS 1998	209.4 (3.5)	264.6 (1.9)	288.5 (1.0)	317.8 (0.9)	352.4 (1.1)
	ALL 2003	211.5 (3.4)	263.5 (1.4)	290.1 (1.0)	320.5 (0.8)	355.8 (1.0)
<b>Switzerland (Italian)</b>	IALS 1998	161.7 (5.7)	235.6 (2.5)	264.3 (2.1)	300.2 (2.4)	338.0 (3.8)
	ALL 2003	192.0 (4.3)	232.8 (1.8)	259.5 (1.0)	286.8 (1.5)	322.0 (3.1)
<b>B. Document literacy scale</b>						
<b>Canada</b>	IALS 1994	127.4 (20.4)	244.1 (5.5)	279.3 (3.0)	327.4 (3.2)	379.6 (5.2)
	ALL 2003	178.3 (2.1)	248.1 (1.0)	280.6 (0.6)	318.8 (0.8)	361.5 (1.7)
<b>United States</b>	IALS 1994	124.0 (4.1)	230.1 (2.4)	267.9 (1.7)	317.5 (2.2)	367.9 (3.0)
	ALL 2003	174.3 (3.6)	235.5 (1.7)	269.8 (1.5)	308.7 (2.2)	352.5 (2.4)
<b>Switzerland (German)</b>	IALS 1994	117.1 (4.4)	242.3 (2.2)	269.7 (1.9)	314.0 (1.7)	358.3 (5.7)
	ALL 2003	199.7 (3.7)	245.4 (3.4)	278.6 (2.1)	312.4 (2.6)	358.9 (3.6)
<b>Switzerland (French)</b>	IALS 1994	153.7 (7.8)	245.5 (2.5)	274.1 (1.7)	311.5 (2.7)	355.1 (3.6)
	ALL 2003	198.7 (3.3)	243.0 (2.4)	272.6 (1.5)	303.5 (1.5)	345.7 (4.3)
<b>Norway</b>	IALS 1998	203.3 (4.1)	268.4 (2.4)	296.9 (1.2)	332.1 (1.5)	371.9 (2.6)
	ALL 2003	205.8 (3.1)	264.0 (1.6)	295.1 (0.9)	329.7 (1.0)	372.3 (1.9)
<b>Switzerland (Italian)</b>	IALS 1998	164.6 (8.9)	243.5 (2.8)	271.0 (2.2)	307.0 (2.3)	347.2 (3.8)
	ALL 2003	192.6 (5.4)	238.5 (2.2)	265.7 (1.1)	294.5 (1.8)	332.8 (2.3)

Sources: Adult Literacy and Life Skills Survey, 2003.

International Adult Literacy Survey, 1994-1998.

See FIGURE 2.5 in CHAPTER 2 page 41

TABLE 2.6

## Differences between IALS 1994/1998 and ALL 2003 in the per cent of adults aged 16 to 65 at each skills level

	Level 1	Level 2	Level 3	Level 4/5	Levels 1 and 2	Levels 3 and 4/5
<b>A. Prose literacy scale</b>						
Canada	-2.0	+2.5	+2.2	-2.8	+0.5	-0.6
United States	-0.8	+8.1 <sup>1</sup>	+1.8	-9.1 <sup>1</sup>	+7.3 <sup>1</sup>	-7.3 <sup>1</sup>
Switzerland (German)	-4.3 <sup>1</sup>	+0.4	-0.5	4.4 <sup>1</sup>	-3.9	+3.9
Switzerland (French)	-1.6	+6.1 <sup>1</sup>	-3.7	-1.0	+4.5	-4.7
Switzerland (Italian)	+0.3	+9.3 <sup>1</sup>	-4.6	-5.1 <sup>1</sup>	+9.6 <sup>1</sup>	-9.7 <sup>1</sup>
Norway	-0.6	+1.4	-2.9	2.1	0.8	-0.8
<b>B. Document literacy scale</b>						
Canada	-2.4	+3.3	+4.2	-5.2 <sup>1</sup>	+0.9	-1.0
United States	-3.4 <sup>1</sup>	+7.5 <sup>1</sup>	+1.0	-5.0 <sup>1</sup>	+4.1	-4.0
Switzerland (German)	-4.3 <sup>1</sup>	+5.7 <sup>1</sup>	-1.0	-0.4	+1.4	-1.4
Switzerland (French)	-1.4	+8.1 <sup>1</sup>	-1.7	-4.9 <sup>1</sup>	+6.7 <sup>1</sup>	-6.6 <sup>1</sup>
Switzerland (Italian)	+0.6	+11.2 <sup>1</sup>	-2.2	-9.6 <sup>1</sup>	+11.8 <sup>1</sup>	-11.8 <sup>1</sup>
Norway	0.2	+2.4	-0.8	-1.8	+2.6	-2.6

1. p &lt; .05 statistically significant

Sources: Adult Literacy and Life Skills Survey, 2003.

International Adult Literacy Survey, 1994-1998.

TABLE 2.7 A

## Mean scores with .95 confidence interval and scores at the 5th, 25th, 75th, and 95th percentiles on the document scale, population aged 16 to 25, 26 to 45 and 46 to 65, 2003

	Age	5th percentile	25th percentile	Mean	75th percentile	95th percentile
<b>Bermuda</b>	16 to 25	197.0 (10.6)	255.5 (8.5)	286.9 (4.6)	322.3 (6.7)	372.1 (10.3)
	26 to 45	198.0 (4.5)	254.2 (1.9)	288.4 (1.8)	324.7 (2.5)	374.1 (3.4)
	46 to 65	164.6 (4.8)	223.6 (4.2)	263.5 (2.7)	304.9 (5.1)	358.3 (5.9)
<b>Canada</b>	16 to 25	208.8 (4.3)	262.6 (2.4)	290.7 (1.6)	323.3 (1.6)	361.8 (3.2)
	26 to 45	184.6 (3.7)	255.2 (1.6)	287.0 (1.3)	325.3 (1.4)	366.8 (2.6)
	46 to 65	160.5 (4.1)	231.9 (2.8)	266.9 (1.4)	307.6 (1.5)	351.7 (2.0)
<b>Italy</b>	16 to 25	153.4 (5.5)	205.2 (3.5)	240.9 (2.6)	276.5 (3.2)	326.6 (5.8)
	26 to 45	139.3 (4.5)	197.0 (2.4)	233.7 (2.1)	271.8 (3.6)	322.9 (4.0)
	46 to 65	110.5 (4.3)	170.4 (3.8)	209.2 (2.3)	248.2 (2.9)	304.3 (3.7)
<b>Norway</b>	16 to 25	226.2 (7.6)	281.1 (5.0)	308.4 (2.3)	338.8 (3.1)	382.2 (6.7)
	26 to 45	223.8 (4.4)	276.6 (2.0)	305.0 (1.7)	337.2 (2.5)	377.0 (3.6)
	46 to 65	189.8 (6.4)	244.9 (2.0)	276.8 (1.4)	312.0 (2.3)	355.0 (3.1)
<b>Nuevo Leon, Mexico</b>	16 to 25	150.1 (9.9)	210.7 (2.1)	237.3 (1.8)	269.3 (2.4)	311.6 (4.7)
	26 to 45	124.9 (7.2)	204.6 (2.0)	230.3 (1.5)	263.0 (1.8)	305.3 (3.1)
	46 to 65	78.7 (5.6)	166.9 (5.1)	200.3 (2.7)	242.3 (2.6)	284.7 (4.2)
<b>Switzerland</b>	16 to 25	214.3 (17.5)	259.7 (5.6)	291.0 (4.6)	321.3 (7.5)	365.3 (9.5)
	26 to 45	204.1 (5.4)	250.6 (2.9)	282.1 (1.9)	314.3 (2.8)	357.6 (3.8)
	46 to 65	188.2 (4.2)	232.4 (2.2)	263.4 (2.1)	294.4 (2.7)	341.8 (5.9)
<b>United States</b>	16 to 25	189.4 (6.0)	244.5 (2.8)	275.3 (2.8)	310.5 (3.8)	356.8 (5.9)
	26 to 45	178.5 (4.8)	236.9 (1.9)	272.7 (2.0)	311.8 (2.4)	355.3 (4.5)
	46 to 65	164.0 (6.1)	228.0 (3.0)	262.8 (2.2)	302.6 (3.4)	345.7 (3.5)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 2.7 B

**Per cent of populations aged 16 to 25, 26 to 45 and 46 to 65  
at each level on the document scale, 2003**

	Age	Level 1		Level 2		Level 3		Level 4/5	
<b>Bermuda</b>	16 to 25	12.3	(3.3)	29.3	(4.9)	34.8	(4.3)	23.6	(3.3)
	26 to 45	11.8	(1.4)	28.5	(2.0)	35.2	(2.1)	24.5	(1.3)
	46 to 65	26.3	(1.8)	31.2	(2.1)	27.7	(2.6)	14.7	(2.1)
<b>Canada</b>	16 to 25	9.5	(1.1)	25.4	(2.0)	42.1	(2.0)	23.0	(1.5)
	26 to 45	13.0	(0.7)	25.1	(0.9)	37.4	(1.4)	24.5	(1.0)
	46 to 65	22.2	(1.1)	30.4	(1.2)	33.3	(1.5)	14.1	(0.8)
<b>Italy</b>	16 to 25	38.5	(2.4)	36.2	(2.5)	20.2	(1.8)	5.1	(1.0)
	26 to 45	43.7	(1.7)	33.9	(2.2)	17.9	(1.9)	4.5	(0.7)
	46 to 65	60.9	(1.6)	26.1	(1.6)	11.2	(1.1)	1.8	(0.5)
<b>Norway</b>	16 to 25	5.0	(1.1)	17.0	(2.3)	42.3	(2.7)	35.7	(2.2)
	26 to 45	5.4	(0.6)	19.1	(1.3)	41.2	(2.0)	34.3	(1.5)
	46 to 65	15.0	(1.0)	31.8	(2.3)	36.7	(2.1)	16.5	(1.0)
<b>Nuevo Leon, Mexico</b>	16 to 25	36.2	(1.7)	43.6	(2.1)	18.3	(1.9)	1.9	(0.5)
	26 to 45	40.9	(1.6)	42.4	(1.6)	14.7	(1.1)	2.1	(0.3)
	46 to 65	61.8	(2.1)	30.9	(2.2)	7.0	(1.0)	0.4	(0.3)
<b>Switzerland</b>	16 to 25	8.5	(2.6)	27.6	(4.3)	42.0	(3.9)	22.0	(4.0)
	26 to 45	11.6	(1.3)	31.9	(1.7)	38.8	(2.4)	17.7	(1.8)
	46 to 65	20.9	(1.1)	41.0	(1.8)	29.3	(2.2)	8.9	(1.6)
<b>United States</b>	16 to 25	15.7	(2.2)	35.0	(2.3)	33.6	(2.4)	15.6	(2.0)
	26 to 45	19.5	(1.1)	30.4	(1.4)	33.3	(1.4)	16.8	(1.5)
	46 to 65	23.7	(1.8)	33.0	(2.4)	31.0	(1.6)	12.3	(1.1)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 2.8

**Relationship between age and literacy scores on the document literacy scale,  
with adjustment for level of education and language status, populations aged 16 to 65, 2003**

	Unstandardized coefficients		Standardized coefficients	t-value	Significance
	B	Standard error	$\beta$		
<b>Bermuda</b>					
(Constant)	0.02	0.04		0.45	0.66
Age (40 years = 0)					
Linear	-0.01	0.00	-0.17	-3.62	0.00
Quadratic	-0.25	0.17	-0.04	-1.42	0.17
Cubic	3.80	8.09	0.02	0.47	0.64
Years of education (Grade 12 = 0)	0.14	0.01	0.48	18.87	0.00
Test language (Same as mother tongue = 0)	-0.14	0.08	-0.04	-1.72	0.10
<b>Canada</b>					
(Constant)	0.21	0.02		9.31	0.00
Age (40 years = 0)					
Linear	-0.01	0.00	-0.10	-3.55	0.00
Quadratic	-0.08	0.08	-0.01	-0.99	0.33
Cubic	-14.02	4.41	-0.08	-3.18	0.00
Years of education (Grade 12 = 0)	0.13	0.00	0.47	34.78	0.00
Test language (Same as mother tongue = 0)	-0.48	0.03	-0.21	-15.78	0.00

TABLE 2.8 (concluded)

Relationship between age and literacy scores on the document literacy scale,  
with adjustment for level of education and language status, populations aged 16 to 65, 2003

	Unstandardized coefficients		Standardized coefficients	t-value	Significance
	B	Standard error	$\beta$		
<b>Italy</b>					
(Constant)	-0.53	0.04		-14.60	0.00
Age (40 years = 0)					
Linear	0.00	0.00	-0.01	-0.32	0.75
Quadratic	-0.03	0.10	0.00	-0.27	0.79
Cubic	-16.47	8.02	-0.09	-2.05	0.05
Years of education (Grade 12 = 0)	0.11	0.01	0.43	18.55	0.00
Test language (Same as mother tongue = 0)	-0.14	0.18	-0.01	-0.75	0.46
<b>Norway</b>					
(Constant)	0.55	0.03	0.00	19.98	0.00
Age (40 years = 0)					
Linear	-0.01	0.00	-0.19	-5.41	0.00
Quadratic	-0.34	0.10	-0.06	-3.36	0.00
Cubic	-4.73	5.60	-0.03	-0.84	0.30
Years of education (Grade 12 = 0)	0.11	0.01	0.36	17.27	0.00
Test language (Same as mother tongue = 0)	-0.43	0.06	-0.12	-6.67	0.08
<b>Nuevo Leon, Mexico</b>					
(Constant)	-0.41	0.03		-13.83	0.00
Age (40 years = 0)					
Linear	0.00	0.00	0.00	0.11	0.91
Quadratic	-0.34	0.09	-0.06	-3.80	0.00
Cubic	-26.23	7.54	-0.14	-3.48	0.00
Years of education (Grade 12 = 0)	0.13	0.00	0.57	34.15	0.00
Test language (Same as mother tongue = 0)	-0.28	1.14	-0.01	-0.25	0.80
<b>Switzerland</b>					
(Constant)	0.24	0.03		9.04	0.00
Age (40 years = 0)					
Linear	-0.01	0.00	-0.22	-3.18	0.01
Quadratic	-0.04	0.14	-0.01	-0.28	0.95
Cubic	0.16	9.59	0.00	0.02	0.90
Years of education (Grade 12 = 0)	0.09	0.01	0.36	14.17	0.00
Test language (Same as mother tongue = 0)	-0.40	0.06	-0.19	-7.19	0.00
<b>United States</b>					
(Constant)	0.00	0.03		-0.03	0.00
Age (40 years = 0)					
Linear	-0.01	0.00	-0.11	-2.75	0.30
Quadratic	-0.01	0.10	0.00	-0.12	0.40
Cubic	-10.30	6.60	-0.06	-1.56	0.00
Years of education (Grade 12 = 0)	0.15	0.01	0.51	22.18	0.00
Test language (Same as mother tongue = 0)	-0.67	0.08	-0.25	-8.82	0.27

Source: Adult Literacy and Life Skills Survey, 2003.



TABLE 2.9 A

**Mean skills proficiencies between men and women on the prose,  
document, numeracy and problem solving scales, 2003**

	Population aged 16 to 65				Standard deviation
	Men mean		Women mean		
<b>Prose literacy scale</b>					
Bermuda	285.7	(1.6)	293.6	(2.1)	53.2
Canada	277.7	(1.3)	283.8	(1.0)	53.2
Italy	229.2	(2.3)	229.1	(1.7)	53.2
Norway	287.1	(1.2)	293.3	(1.5)	53.2
Nuevo Leon, Mexico	230.4	(1.1)	226.1	(1.0)	53.2
Switzerland	272.9	(1.1)	271.3	(2.0)	53.2
United States	266.1	(1.8)	271.0	(1.6)	53.2
<b>Document literacy scale</b>					
Bermuda	279.5	(1.7)	280.5	(2.3)	56.9
Canada	282.2	(1.3)	279.0	(0.9)	56.9
Italy	230.1	(2.2)	221.5	(1.8)	56.9
Norway	298.4	(1.5)	291.7	(1.3)	56.9
Nuevo Leon, Mexico	231.0	(1.7)	221.5	(1.4)	56.9
Switzerland	282.5	(1.8)	270.8	(2.1)	56.9
United States	271.8	(2.1)	267.9	(1.6)	56.9
<b>Numeracy scale</b>					
Bermuda	275.7	(1.5)	264.1	(2.5)	52.5
Canada	279.6	(1.5)	265.0	(0.8)	52.5
Italy	239.0	(1.6)	227.6	(1.8)	52.5
Norway	292.4	(1.5)	277.1	(1.3)	52.5
Switzerland	297.8	(1.1)	281.8	(1.5)	52.5
United States	268.6	(2.0)	253.5	(1.9)	52.5
<b>Problem solving scale</b>					
Bermuda	269.4	(2.0)	276.1	(2.2)	53.0
Canada	273.4	(1.4)	274.1	(1.3)	53.0
Italy	226.5	(2.1)	223.4	(2.2)	53.0
Norway	283.2	(2.6)	285.2	(1.6)	53.0
Switzerland	279.7	(1.3)	278.2	(2.3)	53.0

Notes: The state of Nuevo Leon in Mexico fielded the IALS quantitative literacy assessment rather than the ALL numeracy assessment. Although closely related conceptually, these two scales cannot be directly compared.

Switzerland (Italian), the United States, and the state of Nuevo Leon in Mexico did not field the problem solving skills domain.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 2.9 B

**Mean skills proficiencies between men and women on the prose,  
document, numeracy and problem solving scales, 2003**

	Population aged 16 to 65 with completed upper secondary education				Standard deviation
	Men mean		Women mean		
<b>Prose</b>					
Bermuda	291.3	(1.8)	298.0	(2.1)	53.2
Canada	287.9	(1.4)	293.6	(0.9)	53.2
Italy	250.7	(2.7)	253.5	(2.1)	53.2
Norway	292.5	(1.1)	299.6	(1.6)	53.2
Nuevo Leon, Mexico	252.7	(1.4)	253.3	(1.1)	53.2
Switzerland	278.8	(1.2)	279.0	(2.4)	53.2
United States	276.3	(1.9)	281.0	(1.6)	53.2
<b>Document</b>					
Bermuda	284.8	(1.8)	285.0	(2.3)	56.9
Canada	293.1	(1.3)	288.8	(1.0)	56.9
Italy	251.3	(2.9)	244.8	(2.8)	56.9
Norway	305.0	(1.6)	298.6	(1.4)	56.9
Nuevo Leon, Mexico	258.7	(2.0)	254.1	(1.6)	56.9
Switzerland	288.2	(1.7)	276.8	(2.2)	56.9
United States	281.7	(2.1)	277.3	(1.8)	56.9
<b>Numeracy</b>					
Bermuda	281.7	(1.5)	268.5	(2.6)	52.5
Canada	290.7	(1.5)	274.5	(0.8)	52.5
Italy	259.7	(2.3)	249.9	(2.1)	52.5
Norway	298.2	(1.2)	283.3	(1.4)	52.5
Switzerland	303.7	(1.6)	287.9	(1.7)	52.5
United States	279.0	(2.1)	263.1	(1.9)	52.5
<b>Problem solving</b>					
Bermuda	274.3	(2.2)	280.5	(2.3)	53.0
Canada	283.3	(1.6)	283.5	(1.3)	53.0
Italy	248.8	(2.3)	248.3	(2.1)	53.0
Norway	290.3	(2.2)	292.4	(1.8)	53.0
Switzerland	283.6	(1.4)	283.6	(2.7)	53.0

Notes: The state of Nuevo Leon in Mexico fielded the IALS quantitative literacy assessment rather than the ALL numeracy assessment. Although closely related conceptually, these two scales cannot be directly compared.

Switzerland (Italian), the United States, and the state of Nuevo Leon in Mexico did not field the problem solving skills domain.

Source: Adult Literacy and Life Skills Survey, 2003.

# Chapter 3

## Education and Skills

3

### Summary

This chapter examines the relationship between individual educational experiences and observed measures of skill. First, evidence of a strong positive association between skills and educational attainment is established. Both theory and evidence suggest that education plays a key role in the formation of the skills measured in ALL, but the imperfect association between education and skills also suggests that other factors are implicated in the development of skills over the lifespan. Second, the analysis focuses on comparing the skills of younger adults with varying experiences of upper secondary education. In particular, the skills of early school leavers are considered (youth and young adults aged 16 to 30 who have not completed upper secondary education and have not been in school for at least one year). Finally, the relationships between individual skills and additional years and levels of post secondary schooling are studied in detail.

## Table of Contents

---

Summary	57
---------	----

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<b>Chapter 3</b>	
<b>Education and Skills</b>	<b>57</b>

---

3.1 Overview and highlights	59
3.2 The relationship between education and cognitive skills	60
3.3 Skills of upper secondary graduates	64
3.4 Skills of post-secondary graduates	66

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References	70
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<b>Annex 3</b>	
<b>Data Values for the Figures</b>	<b>71</b>

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# Education and Skills

## 3

### 3.1 Overview and highlights

This chapter examines the relationship between individual educational experiences and observed measures of skill. First, evidence of a strong positive association between skills and educational attainment is established. Both theory and evidence suggest that education plays a key role in the formation of the skills measured in ALL, but the imperfect association between education and skills also suggests that other factors are implicated in the development of skills over the lifespan. Second, the analysis focuses on comparing the skills of younger adults with varying experiences of upper secondary education. In particular, the skills of early school leavers are considered (youth and young adults aged 16 to 30 who have not completed upper secondary education and have not been in school for at least one year). Finally, the relationships between individual skills and additional years and levels of post-secondary schooling are studied in detail.

The main findings presented in this chapter are:

- There is a strong positive relationship between educational attainment and skills on all domains measured in ALL. But there are also substantial variations in performance within each level of education, with as many as 25 per cent of adults who completed tertiary education scoring less than over 25 per cent of those who completed less than upper secondary.
- Age differences do not explain the variation within levels of education. In fact, comparisons between younger and older age cohorts reveal that skill dispersions are more pronounced among older cohorts. On the one hand, this suggests that the predictive capacity of education can, for many persons, diminish over time. On the other hand, the stability of the average trend among younger and older age cohorts suggests that education has a strong and persistent effect on skills over time.
- Despite the strong relationship between education and skills, it is imperfect. This suggests that relying on measures of educational attainment to predict adult skills will lead to considerable

measurement error. It also suggests that the development and maintenance of cognitive skills is more complex than simply attending school or achieving a certificate of completion, and that education does not “fix” skill levels for life. There are other factors that play an important role in the acquisition, development, maintenance and loss of skills over the lifespan.

- Individual differences in upper secondary education status are strongly related to differences in observed skills. In all countries, early school leavers are the most likely to score at Levels 1 or 2 when compared to those who have stayed in school, or completed upper secondary education or higher.
- In all countries, youth and young adults aged 16 to 35 with more years of post-secondary schooling, on average, consistently show higher skill proficiencies than those with fewer or no years of post-secondary schooling.
- Compared to other countries, Norway and Switzerland display, on average, the highest skill proficiencies associated with each additional year of schooling beyond upper secondary education. Switzerland also displays the sharpest average differences in skill proficiencies for every additional year of post-secondary schooling.

## 3.2 The relationship between education and cognitive skills

Previous research suggests that educational attainment is a key determinant of cognitive skills proficiency including adult literacy and numeracy (e.g., Kirsch *et al.*, 1993; OECD and Statistics Canada, 2000; Boudard, 2001; Desjardins, 2004). This is not surprising since, in most societies, a principal and widely accepted goal of educational systems is to produce a population able to read, write and count. But despite the strong relationship, it is imperfect; hence supporting the assertion that the development and maintenance of cognitive skills is more complex than simply attending school or achieving a certificate of completion.

Figures 3.1a-b depict the strong positive relationship between education and skills. In all countries considered, higher levels of educational attainment are associated with higher average proficiency scores. Beyond average scores, however, higher levels of education do not necessarily imply higher proficiencies for all. As the gradation bars depict in Figures 3.1a-b, sizeable proportions of persons attaining higher levels of education obtain lower scores than persons with less education. For example, in Canada, Italy and Switzerland, 25 per cent of persons (below the 25th percentile) who completed some kind of tertiary education score less than over 25 per cent of persons (over the 75th percentile) who completed less than upper secondary education.

It was suggested in Chapter 2 that differences in the quality of educational provision among age cohorts may systematically contribute to the above mentioned pattern. For example, younger persons who may have benefited from better educational provision may consistently score above average for each level of educational attainment; and vice-versa, older persons may consistently score below average. But Figures 3.2a-b show that the general pattern holds even among groups aged 26 to 35 and 56 to 65, respectively.

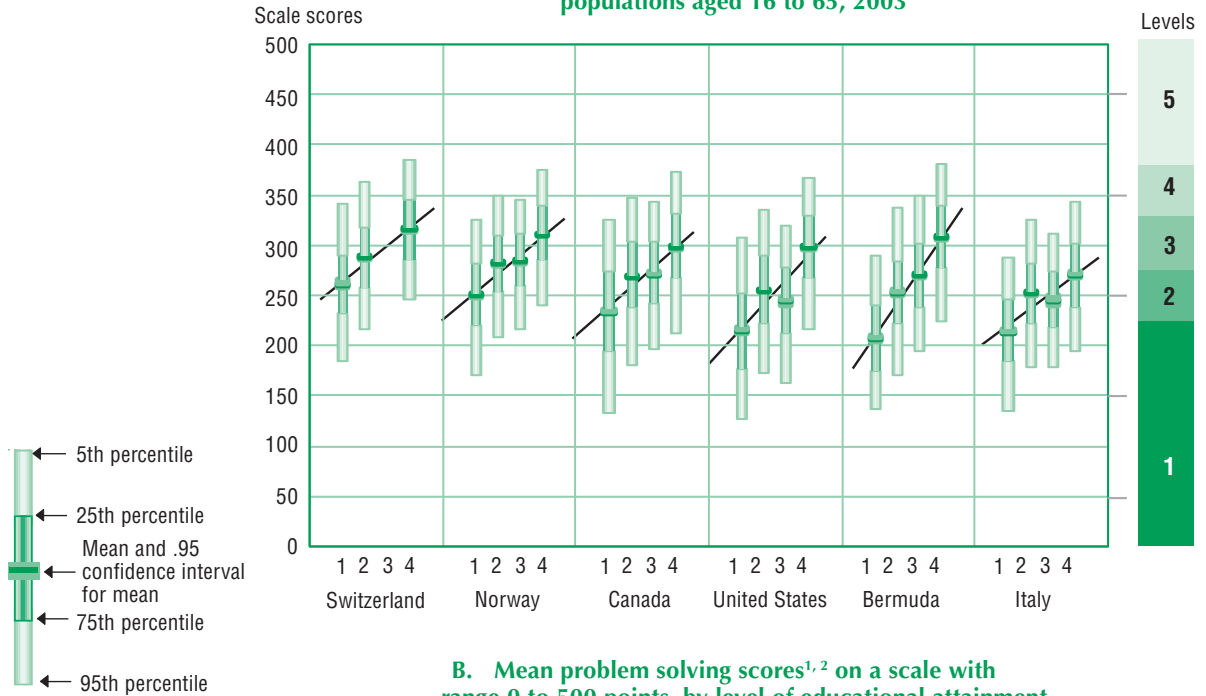
One notable difference among those aged 26 to 35 and 56 to 65 is the dispersion in proficiency scores within the levels of educational attainment. The extent of the dispersion is indicated by the length of the gradation bars in Figures 3.2a-b. Comparisons reveal that dispersions are more pronounced among older cohorts. Hence the predictive capacity of education diminishes over time. This is consistent with the findings of previous research and the proposition from Chapter 2 that as age related processes play out with time, some older adults gain skills while many others lose them, independent of education. On the other hand the stability of the average trend amongst the two age groups suggests that education has a strong and persistent effect over time.

In summary, although education and skills are strongly related, exclusive reliance on measures of educational attainment to predict adult skills will lead to considerable error. This is consistent with the long standing observation that the impact of education cannot be measured only in terms of the number of years an individual has been exposed to it (Coombs and Ahmed, 1974). Hence other factors are implicated in the acquisition, development, maintenance and loss of skills over the lifespan. Some of these are explored in further detail in subsequent chapters.

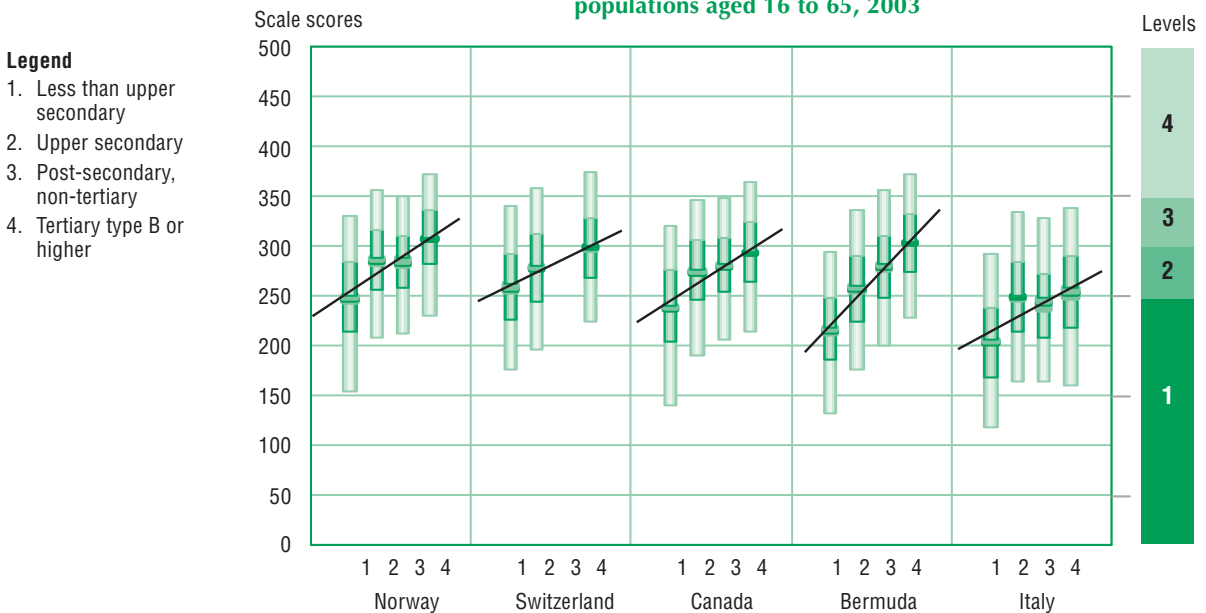
FIGURE 3.1 A and B

Educational attainment and skills proficiencies

A. Mean numeracy scores on a scale with range 0 to 500 points, by level of educational attainment, populations aged 16 to 65, 2003



B. Mean problem solving scores<sup>1,2</sup> on a scale with range 0 to 500 points, by level of educational attainment, populations aged 16 to 65, 2003



A. The countries are ranked by the mean of the numeracy score of those completed upper secondary.

B. The countries are ranked by the mean of the problem solving score of those who completed upper secondary.

1. United States did not field the problem solving skills domain.
2. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

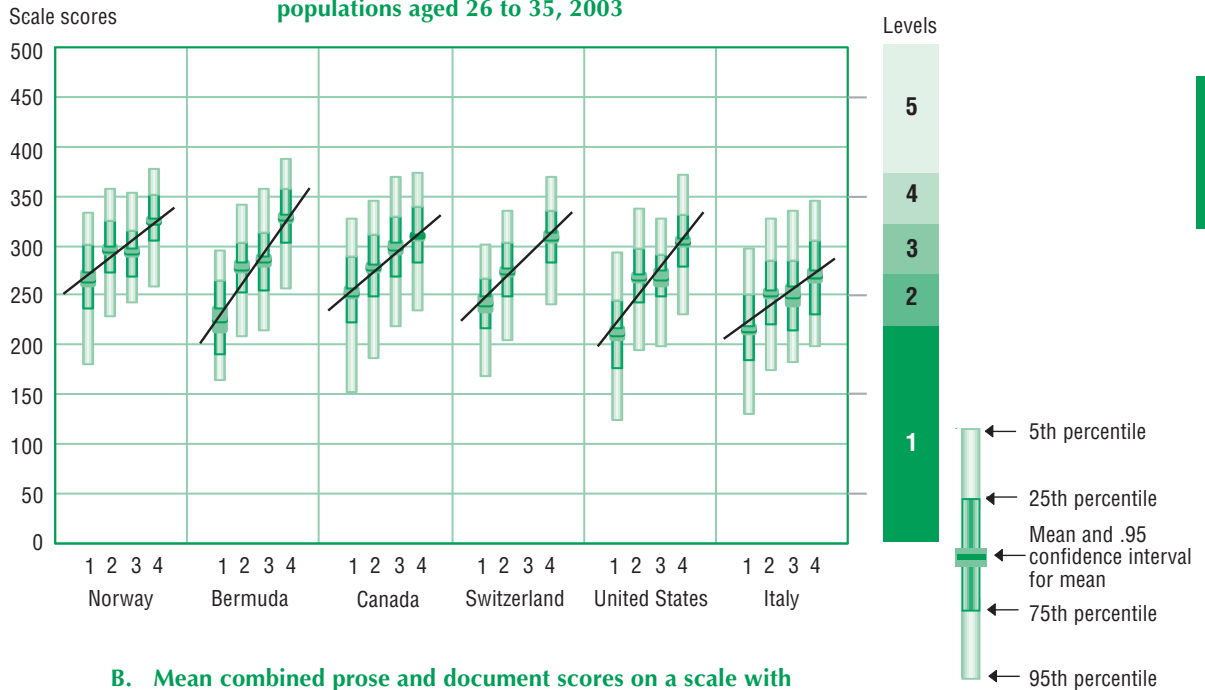
Source: Adult Literacy and Life Skills Survey, 2003.



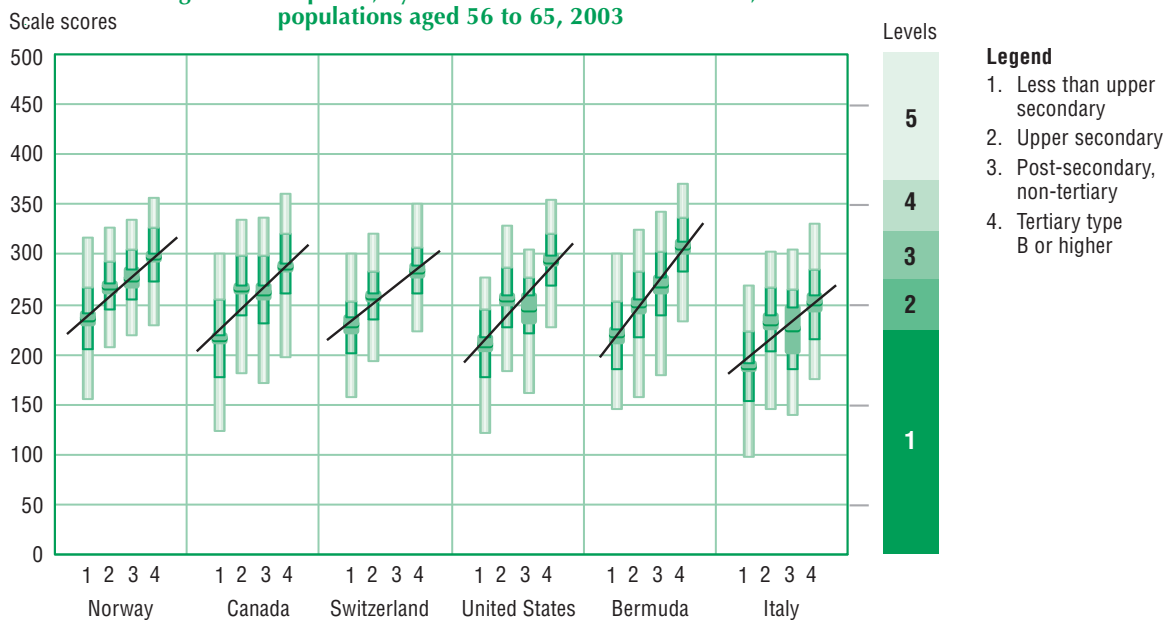
FIGURE 3.2 A and B

Age, educational attainment and skills proficiencies

**A. Mean combined prose and document scores on a scale with range 0 to 500 points, by level of educational attainment, populations aged 26 to 35, 2003**



**B. Mean combined prose and document scores on a scale with range 0 to 500 points, by level of educational attainment, populations aged 56 to 65, 2003**



The countries are ranked by the mean of the combined prose and document skills score of those who completed upper secondary.

Source: Adult Literacy and Life Skills Survey, 2003.

### 3.3 Skills of upper secondary graduates

This section examines the skills of those with varying experiences of upper secondary education. According to the 1997 International Standard Classification of Education (ISCED 1997), upper secondary education corresponds to ISCED Level 3. It typically begins at the end of full-time compulsory education, requires the completion of some nine years of full-time education for admission, involves more specialization than at Level 2, and the entrance age to this level is typically 15 or 16 years (UNESCO, 1997). As of 2001, more than 70 per cent of young adults in Canada, Norway, Italy, the United States and Switzerland between the ages of 15 to 19 attend upper secondary education and complete this level (OECD, 2003, p. 40; Statistics Canada, 2003). Thus while a majority of young adults complete a full cycle of upper secondary education, there still is a substantial proportion who do not.

The results presented in Figures 3.1a-b show that lower levels of educational attainment are associated with lower levels of skills. For young adults, low skill proficiencies in turn signal serious risks in their initial transition from education to work and of failing to benefit fully from further education and learning opportunities throughout life. Even further, early school leavers with low skill proficiencies are more likely to face difficulties entering the labour market and maintain employment (see Chapter 5). The importance of completing upper secondary education is highlighted by OECD's annual indicators on education and associated labour market outcomes, which suggest that it marks the minimum threshold for successful labour market entry and continued employability (OECD, 2003).

The ALL survey provides skills measures of young adults aged 16 or higher who are:

- Still in upper secondary education;
- Not pursuing upper secondary education;
- Upper secondary graduates and are not pursuing post-secondary education;
- Upper secondary graduates and are pursuing post-secondary education; or
- Upper secondary graduates and have completed one or more higher levels of education.

Figure 3.3 presents results of an analysis of the relationship between the upper secondary education status of young adults and their skills using logistic regression (see Box 3A). This method makes it possible to estimate the likelihood that young adults with varying education status will perform at low levels of skill proficiency. The results indicate that differences in upper secondary education status are strongly related to differences in observed skills. Youth and young adults aged 16 to 30 who have not completed upper secondary education and have not been in school for at least one year are dubbed early school leavers. In all countries, early school leavers are the most likely to score at Levels 1 or 2 when compared to those who have stayed in school, or completed upper secondary or higher.

As shown in Figure 3.3a, the likelihood of Canadian and Swiss early school leavers scoring at Levels 1 or 2 on the problem solving scale is about seven times that of those who have completed an educational level higher than upper secondary.

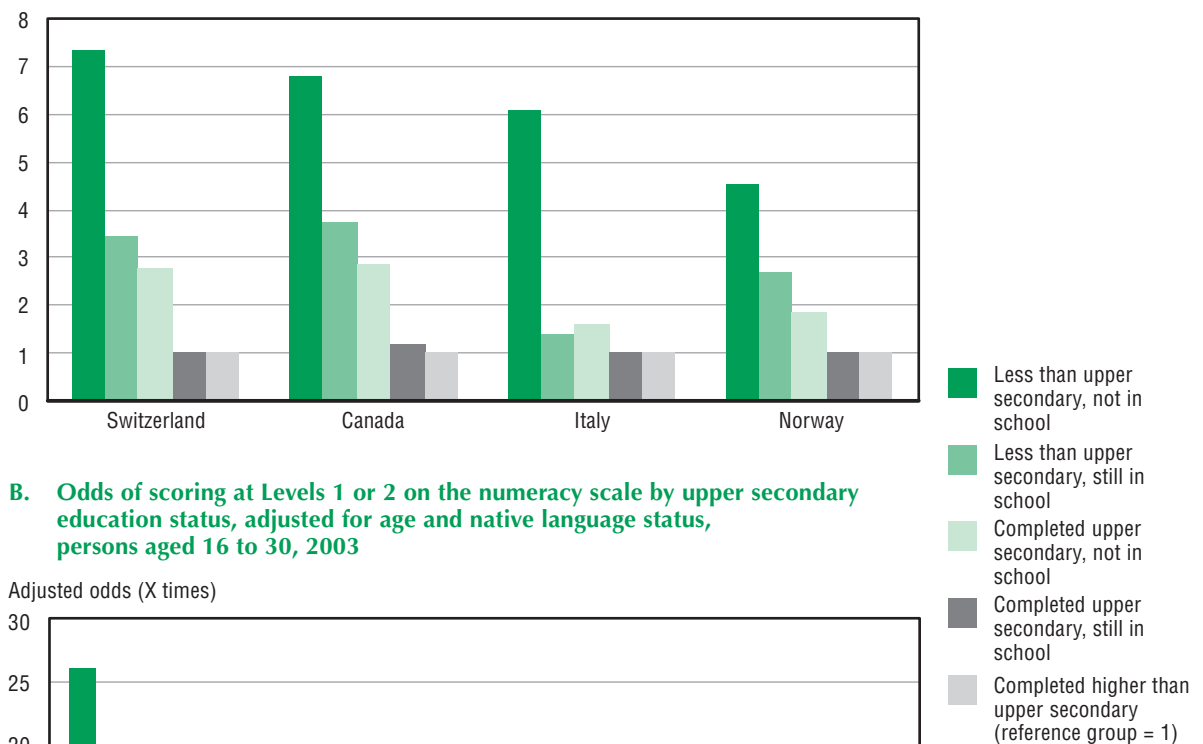
In Italy and Norway it is about six and four times, respectively. Similarly, young adults completing upper secondary but who do not pursue post-secondary education are more likely to score at Levels 1 or 2 than those completing higher levels of education. Results presented in Figure 3.3b also suggest that early school leavers are much more likely to score at low levels of numeracy.

FIGURE 3.3 A and B

## Likelihood of scoring at low skill levels by upper secondary education status

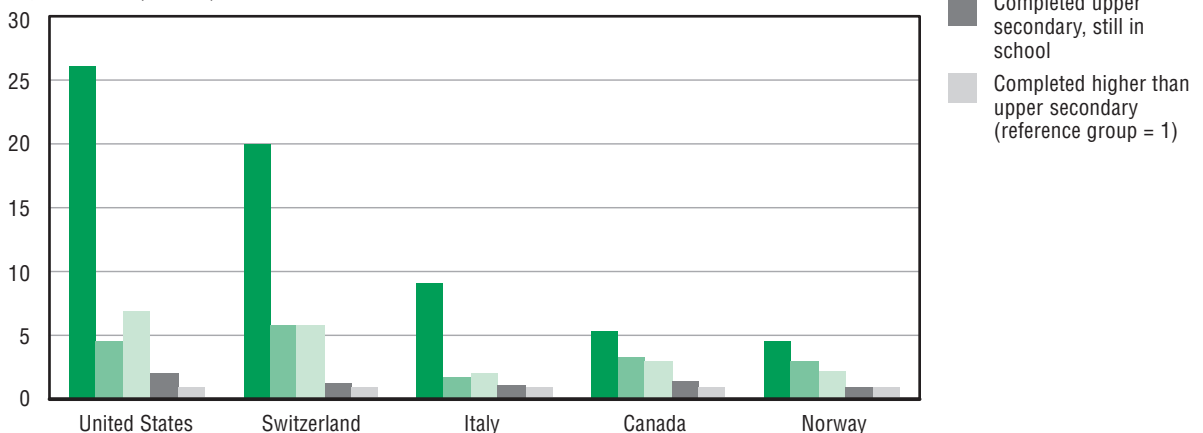
**A. Odds of scoring at Levels 1 or 2 on the problem solving scale by upper secondary education status, adjusted for age and native language status, persons aged 16 to 30, 2003**

Adjusted odds (X times)



**B. Odds of scoring at Levels 1 or 2 on the numeracy scale by upper secondary education status, adjusted for age and native language status, persons aged 16 to 30, 2003**

Adjusted odds (X times)



The countries are ranked by the odds ratio of those who completed less than upper secondary and not in school.

1. United States did not field the problem solving skills domain.
2. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

Note: Data for Bermuda are not reported due to low sample sizes for this indicator.

Source: Adult Literacy and Life Skills Survey, 2003.

### Box 3A

#### Using odds ratios

Odds ratios reflect the relative likelihood of an event occurring for a particular group compared to a reference group. An odds ratio of one represents equal chances of an event occurring for a particular group vis-à-vis the reference group. Coefficients with a value below one indicate less chance of the event occurring for a particular group compared to the reference group, and coefficients greater than one represent increased chances (Hosmer and Lemeshow, 1989).

For the purpose of the analyses presented in Figures 3.3, the likelihood or odds of adults scoring at Levels 1 and 2 was set to one for adults who have completed higher than upper secondary education. Odds greater than one for persons completing less education indicate that those persons have increased chances to score at Levels 1 and 2.

## 3.4 Skills of post-secondary graduates

Previous research suggests that education is a major factor affecting the acquisition, maintenance and development of skills. At the same time, however, because skills are required to succeed in education, and increasingly so at higher levels, higher skill proficiencies are likely to lead to enrolment in and completion of higher education. Often these two aspects of the education–skills relationship reinforce each other: skills learned in schools facilitate access to further schooling that in turn builds skill. It is impossible to separate these two effects when working with cross-sectional data. Because without a longitudinal design there is no way to know for sure that the skills of post-secondary graduates are not the same as they were before they entered post-secondary. Nevertheless, the survey results provide compelling evidence confirming the strong and positive education–skills relationship.

Figures 3.4a–f show the relationship between post-secondary schooling and skill proficiencies after controlling for the effects of age and native language status (see Box 3B). On average, individuals with more years of schooling consistently show higher skill proficiencies. The charts in Figure 3.4 indicate the level of skills associated with each additional year of schooling (the height of the line), as well as the difference in level of skills among additional years of schooling (the shape of the line). It is important to keep in mind that these differences are not only the product of skills gained through participation but also reflect selection effects associated with the fact that more able students gain access to these higher levels of education.

The height and shape of lines differ among countries. For example, Norway and Switzerland have the highest lines; that is, each additional year of schooling is associated with higher skill proficiencies compared to other countries. Norway displays a steady increase between 12 and 20 years of schooling, whereas Switzerland displays a sharper increase between 12 and 18 years. By contrast, the line for Italy is low and flattens out after 16 years of schooling, implying that most persons who report additional years of post-secondary schooling beyond 16 years do not perform better on the problem solving scale.

Note that there are country differences in the average number of years taken to complete comparable levels of education. Each education level point is mapped according to the average number of years associated with completing that level and the average skill proficiencies associated with that level as predicted by the regression (See Box 3B). Education level points above the trend line indicate that, on average, persons completing this level score better than is predicted by the mean years of formal education associated with completing the level. Points on the trend line indicate no additional effect and points below indicate that, on average, persons completing this level perform less than is otherwise predicted by the mean years of formal education associated with completing the level.

For example, one reason for the observed difference in the shape of the line between Norway and Switzerland appears to be a skill premium associated with completing a higher level of schooling. Those who complete tertiary level programs in Norway score higher than those who report having completed the same average years of schooling but have not completed the corresponding level of education. This partly reflects differences in access to and progression in tertiary education, repeated years of schooling as well as completion rates associated with tertiary programs.

### Box 3B

#### Reading the figures on skills of post-secondary graduates

The graphs in Figures 3.4a-f show the effect of formal education on skill scores for persons aged 16 to 35 who have completed at least upper secondary education. The effect of education is separated into two additive components, namely years of formal education and highest level of education ever completed.

The trend line indicates the effect of years of formal education on problem solving scores. The values plotted are those predicted by a regression equation reflecting the country specific relationship between years of formal education and problem solving proficiency. The observed relationship is independent of the highest levels of education ever completed and adjusted for respondents' age and native language status.

Separately, education level points indicate the additional skill effect of the highest level of education ever completed. The values are plotted according to this additional effect, which is predicted by the same regression, and the country specific mean years of formal education associated with each level. Education level points above the trend line indicate that, on average, persons completing this level score better than is predicted by the mean years of formal education associated with completing the level. Points on the trend line indicate no additional effect and points below indicate that, on average, persons completing this level perform less than is otherwise predicted by the mean years of formal education associated with completing the level.

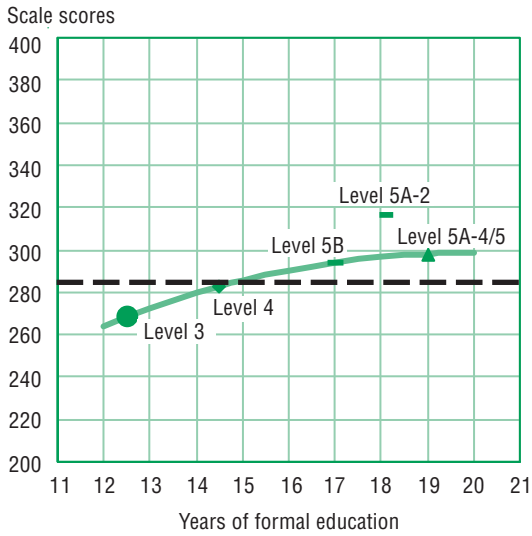
Skills-education profiles are also compared to the ALL international mean score on the problem solving scale for the same population. The international mean score is 284. Scale scores above or below the 284 reference line indicate differences to the international mean that are statistically significant at conventional levels.

FIGURE 3.4 A to F

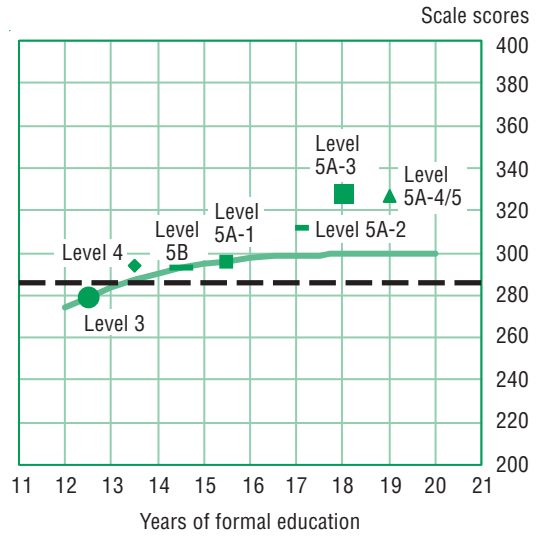
Skills of post-secondary graduates

ALL skills-education profiles for persons aged 16 to 35 who have completed at least upper secondary education, adjusted for age and native language status, problem solving scale (United States<sup>1</sup> on combined prose and document scale), 2003

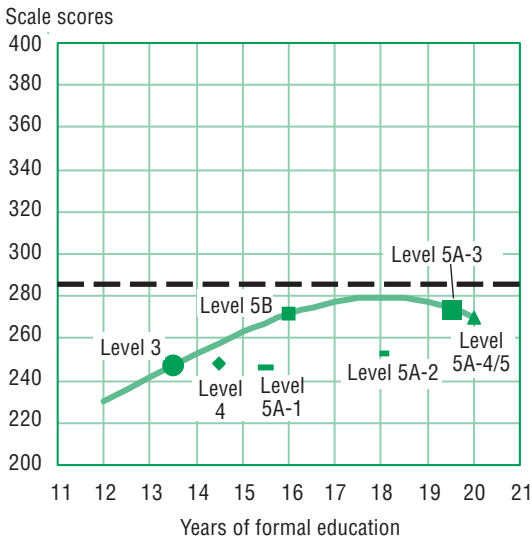
A. Bermuda



B. Canada



C. Italy



D. Norway

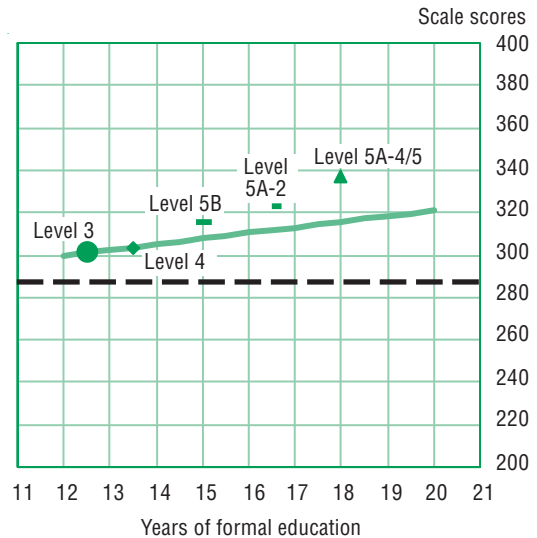
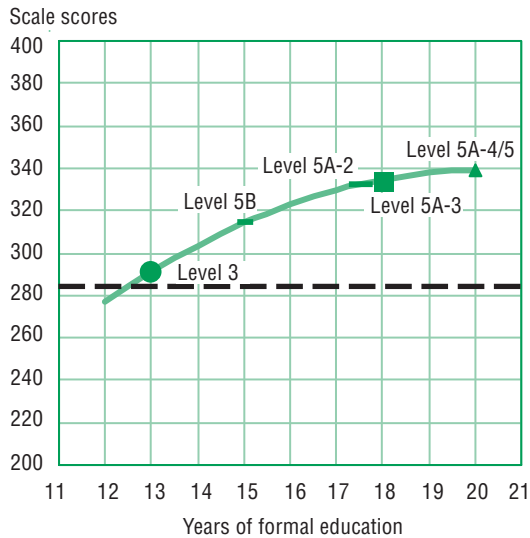


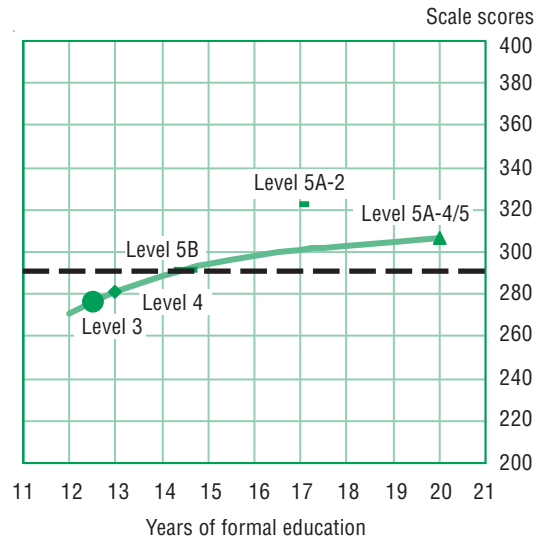
FIGURE 3.4 A to F (concluded)

## Skills of post-secondary graduates

ALL skills-education profiles for persons aged 16 to 35 who have completed at least upper secondary education, adjusted for age and native language status, problem solving scale (United States<sup>1</sup> on combined prose and document scale), 2003

E. Switzerland<sup>2</sup>

## F. United States



1. The skills scores for the United States are combined prose and document scale since they did not field the problem solving skills domain.
2. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

Notes: The international mean is calculated for persons aged 16 to 35 who have completed at least upper secondary education.

Upper secondary completion is set as a reference group.

The international means years of formal education corresponding to upper secondary completion is 13 years.

The trend line reflects the observed relationship between years of formal education and problem solving skills, adjusting for completed levels of education, age and native language status.

Education level points are mapped according to the additional effect of having completed the level and the mean years of formal education for persons who completed this level. This is done within each country.

Education level points above the trend line indicate that on average persons completing this level perform better than is predicted by the mean years of formal education associated with completing the level.

Education level points on the trend line indicate that on average persons completing this level do not perform better than is predicted by the mean years of formal education associated with completing the level.

Education level points below the trend line indicate that on average persons completing this level perform less than is predicted by the mean years of formal education associated with completing the level.

Source: Adult Literacy and Life Skills Survey, 2003.

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### Contributor

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# Annex 3

## Data Values for the Figures

# 3

TABLE 3.1 A

Mean numeracy scores on a scale with range 0 to 500 points,  
by level of educational attainment, populations aged 16 to 65, 2003

Level of educational attainment	5th percentile		25th percentile		Mean		75th percentile		95th percentile	
<b>Bermuda</b>										
Less than upper secondary	137.2	(8.8)	174.6	(4.7)	207.5	(3.0)	239.8	(5.6)	289.0	(9.8)
Upper secondary	170.1	(5.6)	222.3	(3.9)	253.5	(2.8)	284.5	(4.8)	337.5	(4.7)
Post-secondary, non-tertiary	193.9	(6.1)	238.0	(3.4)	270.1	(2.3)	302.1	(3.3)	348.9	(5.0)
Tertiary type B or higher	224.8	(7.9)	277.8	(2.3)	307.6	(1.5)	339.9	(1.6)	380.9	(5.4)
<b>Canada</b>										
Less than upper secondary	133.9	(4.5)	195.3	(3.2)	233.9	(1.6)	274.1	(2.5)	326.1	(5.7)
Upper secondary	180.9	(3.3)	237.5	(2.6)	268.6	(1.4)	302.9	(1.5)	346.4	(3.5)
Post-secondary, non-tertiary	196.1	(5.4)	241.9	(2.5)	271.6	(2.1)	303.4	(3.9)	343.0	(2.7)
Tertiary type B or higher	211.9	(4.0)	267.9	(2.0)	297.9	(1.7)	332.1	(2.3)	372.4	(3.3)
<b>Italy</b>										
Less than upper secondary	134.7	(3.0)	183.6	(2.6)	213.7	(1.8)	245.2	(1.7)	287.5	(2.5)
Upper secondary	177.8	(6.2)	223.2	(2.8)	252.5	(1.8)	282.6	(2.2)	324.5	(2.3)
Post-secondary, non-tertiary	179.2	(7.9)	218.2	(8.9)	245.6	(5.1)	274.7	(6.8)	312.0	(73.6)
Tertiary type B or higher	195.2	(6.9)	238.9	(5.4)	270.7	(3.4)	301.4	(4.6)	343.2	(8.8)
<b>Norway</b>										
Less than upper secondary	171.1	(5.6)	219.6	(3.5)	250.5	(1.9)	282.3	(2.6)	326.2	(3.3)
Upper secondary	208.9	(5.3)	254.5	(2.6)	281.8	(1.5)	309.7	(1.9)	349.4	(4.0)
Post-secondary, non-tertiary	215.9	(6.0)	259.8	(1.9)	284.1	(2.4)	311.1	(3.6)	345.0	(7.7)
Tertiary type B or higher	240.8	(3.0)	286.3	(1.5)	310.8	(1.1)	338.5	(1.0)	374.2	(2.6)
<b>Switzerland</b>										
Less than upper secondary	184.5	(8.9)	231.2	(3.2)	261.8	(3.2)	290.3	(5.5)	340.8	(11.2)
Upper secondary	215.9	(3.4)	258.4	(2.3)	288.2	(1.5)	317.7	(2.8)	362.9	(4.4)
Post-secondary, non-tertiary	...	...	...	...	...	...	...	...	...	...
Tertiary type B or higher	245.9	(5.2)	285.1	(3.0)	315.6	(1.9)	345.9	(2.6)	384.4	(5.8)
<b>United States</b>										
Less than upper secondary	127.1	(4.6)	176.9	(2.9)	215.0	(2.6)	251.7	(2.8)	307.8	(7.2)
Upper secondary	173.0	(3.5)	222.2	(2.1)	255.0	(1.9)	289.0	(2.1)	335.0	(4.0)
Post-secondary, non-tertiary	162.9	(14.9)	213.1	(10.3)	244.4	(4.4)	278.6	(4.7)	319.2	(5.7)
Tertiary type B or higher	217.0	(7.1)	268.3	(3.3)	297.8	(2.6)	329.7	(3.1)	367.9	(3.9)

... Not applicable

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 3.1 B

**Mean problem solving<sup>1</sup> scores on a scale with range 0 to 500 points,  
by level of educational attainment, populations aged 16 to 65, 2003**

Level of educational attainment	5th percentile		25th percentile		Mean		75th percentile		95th percentile	
<b>Bermuda</b>										
Less than upper secondary	133.0	(11.7)	185.7	(3.5)	215.5	(3.0)	247.8	(4.7)	294.2	(8.0)
Upper secondary	176.0	(5.2)	224.4	(4.7)	256.6	(2.9)	290.8	(3.2)	335.4	(6.2)
Post-secondary, non-tertiary	199.2	(6.5)	248.7	(4.4)	279.0	(2.6)	310.2	(3.7)	355.9	(5.3)
Tertiary type B or higher	228.7	(5.4)	274.7	(2.7)	302.9	(1.8)	332.9	(2.8)	372.7	(5.9)
<b>Canada</b>										
Less than upper secondary	140.3	(6.0)	203.3	(2.8)	237.6	(1.7)	275.8	(1.9)	319.5	(3.9)
Upper secondary	189.5	(4.4)	245.4	(1.9)	273.7	(1.8)	306.1	(2.0)	346.2	(3.7)
Post-secondary, non-tertiary	205.5	(5.9)	253.7	(2.4)	279.8	(2.4)	308.6	(4.0)	348.2	(6.3)
Tertiary type B or higher	213.2	(4.9)	264.8	(2.4)	293.2	(1.5)	324.5	(1.7)	364.9	(2.6)
<b>Italy</b>										
Less than upper secondary	117.8	(5.2)	167.4	(2.7)	203.7	(2.1)	238.4	(2.5)	291.9	(3.0)
Upper secondary	163.7	(4.2)	213.4	(2.9)	248.0	(1.8)	283.7	(2.4)	334.2	(3.6)
Post-secondary, non-tertiary	163.2	(12.8)	207.5	(11.4)	242.3	(6.1)	273.0	(7.7)	328.6	(15.9)
Tertiary type B or higher	160.5	(14.9)	218.1	(6.1)	252.9	(5.3)	289.5	(6.4)	337.9	(7.2)
<b>Norway</b>										
Less than upper secondary	154.4	(12.0)	213.5	(4.4)	247.0	(2.7)	284.8	(3.4)	330.3	(2.9)
Upper secondary	207.6	(4.4)	255.3	(3.4)	285.0	(2.2)	316.7	(2.1)	356.1	(2.5)
Post-secondary, non-tertiary	213.0	(7.0)	258.3	(5.3)	283.7	(4.2)	311.0	(4.9)	350.4	(8.0)
Tertiary type B or higher	230.2	(5.8)	282.2	(1.3)	306.6	(1.1)	335.2	(1.4)	371.2	(2.0)
<b>Switzerland<sup>2</sup></b>										
Less than upper secondary	176.2	(18.0)	226.4	(7.9)	257.9	(3.4)	292.3	(4.4)	340.3	(10.4)
Upper secondary	196.1	(5.3)	244.1	(2.8)	277.6	(1.7)	311.1	(1.9)	358.8	(3.8)
Post-secondary, non-tertiary	...	...	...	...	...	...	...	...	...	...
Tertiary type B or higher	223.1	(4.3)	268.9	(3.0)	298.5	(2.1)	327.9	(2.9)	374.8	(10.3)

... Not applicable

1. United States did not field the problem solving skills domain.

2. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 3.2 A

**Mean combined prose and document scores on a scale  
with range 0 to 500 points, by level of educational attainment,  
populations aged 26 to 35, 2003**

Level of educational attainment	5th percentile	25th percentile	Mean	75th percentile	95th percentile
<b>Bermuda</b>					
Less than upper secondary	164.5 <sup>1</sup> (8.0)	191.5 <sup>1</sup> (14.5)	226.5 <sup>1</sup> (11.0)	265.0 <sup>1</sup> (16.7)	295.5 <sup>1</sup> (70.9)
Upper secondary	209.1 (14.1)	253.9 (9.2)	278.5 (4.4)	302.7 (7.6)	340.9 (16.7)
Post-secondary, non-tertiary	215.5 (13.0)	254.2 (4.8)	285.4 (4.2)	313.6 (6.6)	357.9 (8.3)
Tertiary type B or higher	257.1 (8.3)	303.7 (4.3)	328.3 (3.5)	356.8 (5.7)	388.2 (10.6)
<b>Canada</b>					
Less than upper secondary	152.8 (13.1)	222.1 (9.3)	252.8 (4.3)	288.8 (5.3)	326.8 (8.6)
Upper secondary	187.8 (9.8)	249.2 (5.2)	277.5 (2.9)	311.5 (3.8)	346.2 (7.9)
Post-secondary, non-tertiary	219.1 (11.1)	269.8 (5.9)	297.9 (4.9)	329.4 (5.7)	369.5 (85.9)
Tertiary type B or higher	235.7 (5.6)	283.1 (4.6)	309.6 (2.6)	338.7 (4.4)	373.5 (5.5)
<b>Italy</b>					
Less than upper secondary	130.2 (7.8)	185.0 (5.1)	216.4 (3.3)	250.6 (3.9)	297.8 (7.1)
Upper secondary	174.8 (5.8)	220.0 (3.5)	251.4 (3.0)	284.7 (5.0)	327.4 (5.2)
Post-secondary, non-tertiary	183.6 (9.4)	213.9 (16.6)	250.2 (9.4)	285.3 (23.2)	335.2 (74.5)
Tertiary type B or higher	198.5 (6.3)	230.1 (13.6)	269.9 (5.2)	305.4 (10.5)	345.0 (9.6)
<b>Norway</b>					
Less than upper secondary	180.2 (24.1)	236.6 (8.8)	266.4 (6.1)	302.2 (10.7)	333.9 (73.8)
Upper secondary	229.4 (10.2)	273.4 (4.2)	296.9 (2.9)	324.5 (4.8)	356.9 (6.4)
Post-secondary, non-tertiary	243.1 (5.9)	268.8 (7.5)	294.2 (4.0)	315.6 (4.3)	354.0 (10.8)
Tertiary type B or higher	258.6 (9.1)	305.4 (2.7)	325.0 (1.7)	350.7 (2.0)	378.2 (3.6)
<b>Switzerland</b>					
Less than upper secondary	169.5 (14.4)	216.7 (14.8)	242.1 (7.5)	266.4 (8.9)	301.5 (68.1)
Upper secondary	205.3 (10.7)	248.2 (4.4)	274.2 (2.9)	303.0 (3.2)	336.1 (4.3)
Post-secondary, non-tertiary	...	...	...	...	...
Tertiary type B or higher	241.5 (11.9)	283.6 (4.7)	308.8 (3.6)	336.3 (6.4)	369.6 (7.0)
<b>United States</b>					
Less than upper secondary	124.8 (10.7)	176.3 (8.9)	211.0 (5.0)	244.5 (7.7)	292.4 (12.4)
Upper secondary	194.0 (9.9)	242.2 (3.8)	268.5 (2.9)	297.9 (3.3)	337.8 (5.1)
Post-secondary, non-tertiary	198.1 (24.0)	248.4 (11.9)	268.0 (7.2)	292.1 (6.4)	328.2 (18.7)
Tertiary type B or higher	230.7 (9.5)	278.3 (6.0)	304.4 (3.6)	331.7 (6.8)	371.3 (8.4)

... Not applicable

1. Unreliable estimate.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 3.2 B

**Mean combined prose and document scores on a scale  
with range 0 to 500 points, by level of educational attainment,  
populations aged 56 to 65, 2003**

Level of educational attainment	5th percentile		25th percentile		Mean		75th percentile		95th percentile	
<b>Bermuda</b>										
Less than upper secondary	146.3	(14.7)	184.6	(6.2)	219.6	(5.7)	253.2	(6.8)	301.2	(69.0)
Upper secondary	157.1	(20.2)	217.3	(10.2)	249.4	(5.6)	282.7	(8.0)	324.0	(14.1)
Post-secondary, non-tertiary	180.0	(15.4)	239.2	(11.0)	270.5	(6.7)	303.6	(7.6)	342.1	(19.9)
Tertiary type B or higher	234.1	(33.4)	283.3	(12.8)	307.7	(5.3)	335.7	(8.5)	369.7	(85.1)
<b>Canada</b>										
Less than upper secondary	122.9	(4.5)	176.8	(7.3)	216.1	(3.3)	255.9	(3.9)	300.5	(6.1)
Upper secondary	180.3	(9.4)	239.6	(5.2)	266.6	(2.7)	298.9	(4.1)	334.9	(6.7)
Post-secondary, non-tertiary	171.5	(37.7)	231.2	(4.2)	262.6	(5.5)	299.2	(4.6)	337.1	(6.2)
Tertiary type B or higher	196.3	(16.7)	260.7	(5.2)	287.7	(2.4)	320.1	(3.1)	360.1	(6.2)
<b>Italy</b>										
Less than upper secondary	98.6	(4.3)	153.4	(4.6)	188.0	(2.5)	222.1	(3.5)	268.7	(6.9)
Upper secondary	145.4	(13.1)	204.1	(10.7)	232.7	(6.2)	267.9	(8.3)	303.4	(12.0)
Post-secondary, non-tertiary	139.1	(10.3)	184.9	(31.9)	225.4	(21.6)	265.0	(15.0)	304.2	(74.6)
Tertiary type B or higher	175.6	(14.2)	215.1	(8.6)	251.9	(6.9)	284.7	(9.0)	330.8	(10.2)
<b>Norway</b>										
Less than upper secondary	156.0	(7.8)	205.7	(6.6)	236.2	(4.5)	267.4	(7.2)	317.0	(8.6)
Upper secondary	208.1	(14.7)	246.0	(6.6)	267.5	(3.7)	292.1	(5.3)	326.4	(9.9)
Post-secondary, non-tertiary	219.5	(13.3)	255.0	(12.4)	276.5	(7.5)	305.0	(11.1)	335.5	(78.9)
Tertiary type B or higher	229.5	(15.4)	273.4	(5.6)	298.2	(3.0)	327.2	(3.6)	356.1	(5.4)
<b>Switzerland</b>										
Less than upper secondary	157.0	(22.7)	201.4	(12.1)	229.8	(7.3)	253.9	(9.0)	301.3	(64.9)
Upper secondary	192.7	(8.6)	235.1	(3.2)	257.8	(3.0)	282.7	(5.8)	321.2	(5.4)
Post-secondary, non-tertiary	...	...	...	...	...	...	...	...	...	...
Tertiary type B or higher	223.4	(13.7)	261.7	(6.7)	283.7	(4.8)	306.0	(5.6)	350.9	(78.5)
<b>United States</b>										
Less than upper secondary	122.2	(20.0)	177.7	(10.9)	210.7	(5.9)	245.4	(9.3)	277.6	(16.1)
Upper secondary	184.0	(18.1)	227.0	(4.6)	255.3	(4.1)	286.3	(5.9)	328.0	(11.2)
Post-secondary, non-tertiary	161.3 <sup>1</sup>	(28.0)	220.9 <sup>1</sup>	(22.1)	245.5 <sup>1</sup>	(13.2)	277.2 <sup>1</sup>	(22.9)	304.0 <sup>1</sup>	(71.5)
Tertiary type B or higher	227.2	(13.4)	269.6	(6.6)	294.6	(3.3)	321.3	(4.3)	354.2	(9.1)

... Not applicable

1. Unreliable estimate.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 3.3 A

**Odds of scoring at Levels 1 or 2 on the problem solving<sup>1</sup>  
scale by upper secondary education status, adjusted for age and native  
language status, persons aged 16 to 30, 2003**

	Less than upper secondary, not in school	Less than upper secondary, still in school	Completed upper secondary, not in school	Completed upper secondary, still in school	Completed higher than upper secondary
Canada	6.77*** (0.33)	3.73*** (0.27)	2.84*** (0.18)	1.19 (0.17)	1.00
Italy	6.08** (0.79)	1.38 (0.58)	1.58 (0.47)	0.53 (0.41)	1.00
Norway	4.51*** (0.27)	2.67* (0.45)	1.83** (0.24)	0.75 (0.25)	1.00
Switzerland <sup>2</sup>	7.33*** (0.60)	3.43** (0.54)	2.75** (0.36)	0.97 (0.39)	1.00

TABLE 3.3 B

**Odds of scoring at Levels 1 or 2 on the numeracy scale by upper  
secondary education status, adjusted for age and native language status,  
persons aged 16 to 30, 2003**

	Less than upper secondary, not in school	Less than upper secondary, still in school	Completed upper secondary, not in school	Completed upper secondary, still in school	Completed higher than upper secondary
Canada	5.29*** (0.25)	3.30*** (0.22)	2.94*** (0.19)	1.38* (0.16)	1.00
Italy	9.04*** (0.39)	1.73 (0.59)	1.98* (0.32)	1.02 (0.37)	1.00
Norway	4.58*** (0.31)	2.97*** (0.35)	2.13*** (0.22)	1.01 (0.29)	1.00
Switzerland	19.94*** (0.74)	5.73* (0.82)	5.78** (0.60)	1.18 (0.60)	1.00
United States	26.03*** (0.37)	4.46*** (0.34)	6.93*** (0.23)	1.98** (0.32)	1.00

\* p<0.10, statistically significant at the 10 per cent level

\*\* p<0.05, statistically significant at the 5 per cent level

\*\*\* p<0.01, statistically significant at the 1 per cent level

1. United States did not field the problem solving skills domain.

2. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

Notes: Data for Bermuda are not reported due to low sample sizes for this indicator.

See Box 3A in text for further information on odds ratios.

Odds ratios are adjusted for the age and native language status.

Standard errors are of the logarithm of the odds ratios.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 3.4

ALL skills-education profiles for persons aged 16 to 35 who have completed at least upper secondary education, adjusted for age and native language status, problem solving scale (United States<sup>1</sup> on combined prose and document scale), 2003

	Unstandardized coefficients		t-value	Significance
	B	Standard error		
<b>A. Bermuda</b>				
(Constant)	-0.25	0.05	-4.95	0.00
<b>Years of education (13 years = 0)</b>				
Linear	0.16	0.03	5.42	0.00
Quadratic	-0.12	0.05	-2.43	0.01
Cubic	--	--	--	--
<b>Highest level of education completed (Level 3 upper secondary = 0)</b>				
Level 4 post-secondary, non-tertiary	--	--	--	--
Level 5B tertiary	--	--	--	--
Level 5A tertiary, Intermediate	--	--	--	--
Level 5A tertiary, First degree, 3 to 5 years	0.42	0.09	4.62	0.00
Level 5A tertiary, First degree, 5+ years	--	--	--	--
Level 5A/6 tertiary, Second or higher degree	--	--	--	--
<b>Test language (Same as mother tongue = 0)</b>	-0.20	0.10	-1.96	0.06
<b>Age (25 years = 0)</b>				
Linear	0.03	0.02	1.50	0.10
Quadratic	--	--	--	--
Cubic	0.00	0.00	--	0.07
<b>B. Canada</b>				
(Constant)	-0.02	0.04	-0.49	0.60
<b>Years of education (13 years = 0)</b>				
Linear	0.17	0.02	8.46	0.00
Quadratic	-0.28	0.08	-3.56	0.00
Cubic	0.02	0.01	1.58	0.02
<b>Highest level of education completed (Level 3 upper secondary = 0)</b>				
Level 4 post-secondary, non-tertiary	0.15	0.05	2.98	0.01
Level 5B tertiary	0.07	0.08	0.89	0.36
Level 5A tertiary, Intermediate	--	--	--	--
Level 5A tertiary, First degree, 3 to 5 years	0.28	0.10	2.81	0.01
Level 5A tertiary, First degree, 5+ years	0.61	0.15	4.07	0.00
Level 5A/6 tertiary, Second or higher degree	0.57	0.17	3.34	0.00
<b>Test language (Same as mother tongue = 0)</b>	-0.56	0.04	-14.00	0.00
<b>Age (25 years = 0)</b>				
Linear	-0.02	0.01	-1.62	0.07
Quadratic	0.04	0.01	3.89	0.00
Cubic	0.00	0.00	--	0.15

TABLE 3.4 (continued)

**ALL skills-education profiles for persons aged 16 to 35 who have completed at least upper secondary education, adjusted for age and native language status, problem solving scale (United States<sup>1</sup> on combined prose and document scale), 2003**

	Unstandardized coefficients		t-value	Significance
	B	Standard error		
<b>C. Italy</b>				
(Constant)	-0.89	0.09	-9.93	0.00
<b>Years of education (13 years = 0)</b>				
Linear	0.24	0.04	5.91	0.00
Quadratic	--	--	--	--
Cubic	-0.03	0.01	-3.08	0.02
<b>Highest level of education completed (Level 3 upper secondary = 0)</b>				
Level 4 post-secondary, non-tertiary	-0.21	0.12	-1.78	0.09
Level 5B tertiary	--	--	--	--
Level 5A tertiary, Intermediate	-0.44	0.23	-1.91	0.07
Level 5A tertiary, First degree, 3 to 5 years	-0.56	0.12	-4.70	0.00
Level 5A tertiary, First degree, 5+ years	--	--	--	--
Level 5A/6 tertiary, Second or higher degree	0.86	0.71	1.21	0.24
<b>Test language (Same as mother tongue = 0)</b>	--	--	--	--
<b>Age (25 years = 0)</b>				
Linear	--	--	--	--
Quadratic	0.06	0.03	1.85	0.09
Cubic	0.00	0.00	--	0.18
<b>D. Norway</b>				
(Constant)	0.38	0.03	12.62	0.00
<b>Years of education (13 years = 0)</b>				
Linear	0.06	0.02	2.80	0.00
Quadratic	--	--	--	--
Cubic	--	--	--	--
<b>Highest level of education completed (Level 3 upper secondary = 0)</b>				
Level 4 post-secondary, non-tertiary	--	--	--	--
Level 5B tertiary	0.17	0.08	2.08	0.05
Level 5A tertiary, Intermediate	--	--	--	--
Level 5A tertiary, First degree, 3 to 5 years	0.24	0.08	3.01	0.00
Level 5A tertiary, First degree, 5+ years	--	--	--	--
Level 5A/6 tertiary, Second or higher degree	0.45	0.11	4.08	0.00
<b>Test language (Same as mother tongue = 0)</b>	-0.43	0.08	-5.41	0.00
<b>Age (25 years = 0)</b>				
Linear	-0.03	0.01	-3.15	0.01
Quadratic	-0.03	0.01	-2.50	0.01
Cubic	0.00	0.00	--	0.05

TABLE 3.4 (concluded)

ALL skills-education profiles for persons aged 16 to 35 who have completed at least upper secondary education, adjusted for age and native language status, problem solving scale (United States<sup>1</sup> on combined prose and document scale), 2003

	Unstandardized coefficients		t-value	Significance
	B	Standard error		
<b>E. Switzerland<sup>2</sup></b>				
(Constant)	0.15	0.07	2.15	0.04
<b>Years of education (13 years = 0)</b>				
Linear	0.28	0.03	9.20	0.00
Quadratic	-0.19	0.06	-3.19	0.00
Cubic	--	--	--	--
<b>Highest level of education completed (Level 3 upper secondary = 0)</b>				
Level 4 post-secondary, non-tertiary	--	--	--	--
Level 5B tertiary	--	--	--	--
Level 5A tertiary, Intermediate	--	--	--	--
Level 5A tertiary, First degree, 3 to 5 years	--	--	--	--
Level 5A tertiary, First degree, 5+ years	--	--	--	--
Level 5A/6 tertiary, Second or higher degree	--	--	--	--
<b>Test language (Same as mother tongue = 0)</b>	-0.26	0.17	-1.51	0.15
<b>Age (25 years = 0)</b>				
Linear	-0.04	0.01	-4.10	0.00
Quadratic	--	--	--	--
Cubic	--	--	--	--
<b>F. United States</b>				
(Constant)	-0.16	0.04	-4.09	0.00
<b>Years of education (13 years = 0)</b>				
Linear	0.20	0.03	6.54	0.00
Quadratic	-0.29	0.09	-3.20	0.00
Cubic	0.02	0.01	1.75	0.02
<b>Highest level of education completed (Level 3 upper secondary = 0)</b>				
Level 4 post-secondary, non-tertiary	--	--	--	--
Level 5B tertiary	--	--	--	--
Level 5A tertiary, Intermediate	--	--	--	--
Level 5A tertiary, First degree, 3 to 5 years	0.49	0.09	5.40	0.00
Level 5A tertiary, First degree, 5+ years	--	--	--	--
Level 5A/6 tertiary, Second or higher degree	0.66	0.62	1.07	0.29
<b>Test language (Same as mother tongue = 0)</b>	-0.82	0.11	-7.49	0.00
<b>Age (25 years = 0)</b>				
Linear	-0.02	0.00		0.00
Quadratic	--	--	--	--
Cubic	--	--	--	--

-- Estimate was not statistically different from zero at the five per cent level of significance in the first step of the analysis. Hence this parameter was not estimated in the country specific model.

1. The skills scores for the United States are combined prose and document scale since they did not field the problem solving skills domain.
2. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

Source: Adult Literacy and Life Skills Survey, 2003.



# Chapter 4

## Skills and Adult Learning

4

### Summary

This chapter embraces an expanded understanding of adult learning by examining participation in organised forms of adult education and training as well as engagement in informal learning. Findings on adult education and training participation for ALL are presented and compared, where possible, to the results from IALS. Thus one can assess whether the increased importance given to adult learning by policy makers, the business community and other sectors of society has translated into increased readiness by adults to actively engage in various forms of learning. This is followed by an analysis of some key characteristics of participating adults, and whether these have changed in the intervening years. This permits an assessment of whether inequalities in adult learning patterns are shifting. Next, patterns of informal learning are compared, and in particular, an analysis of active versus passive modes of informal learning is presented. Finally, the role of employers, governments and individuals in financially supporting adult learning is considered.

## Table of Contents

---

Summary	79
---------	----

---

<b>Chapter 4</b>	
<b>Skills and Adult Learning</b>	<b>79</b>
4.1 Overview and highlights	81
4.2 Participation in organised forms of adult education and training	82
4.3 Who is excluded from adult learning opportunities?	84
4.4 Patterns of informal learning	87
4.5 Financial support for adult learning	90

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References	95
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<b>Annex 4</b>	
<b>Data Values for the Figures</b>	<b>97</b>

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# Skills and Adult Learning

## 4

### 4.1 Overview and highlights

This chapter embraces an expanded understanding of adult learning by examining participation in organised forms of adult education and training as well as engagement in informal learning. Findings on adult education and training participation for ALL are presented and compared, where possible, to the results from IALS. Thus one can assess whether the increased importance given to adult learning by policy makers, the business community and other sectors of society has translated into increased readiness by adults to actively engage in various forms of learning. This is followed by an analysis of some key characteristics of participating adults, and whether these have changed in the intervening years. This permits an assessment of whether inequalities in adult learning patterns are shifting. Next, patterns of informal learning are compared, and in particular, an analysis of active versus passive modes of informal learning is presented. Finally, the role of employers, governments and individuals in financially supporting adult learning is considered.

The analysis on adult learning presented in this chapter offers some interesting and clear messages, including:

- There is a broad and growing acceptance of the principles of lifelong learning in most countries, as evidenced by a marked increase in the rate of participation in adult education and training between the IALS and ALL survey periods.
- A large proportion of adults with poor foundation skills are still not being reached by organized forms of adult education and training. But there are significant differences in participation patterns among countries, which suggest that differences in adult learning policy do matter.
- Engagement in passive modes of informal learning is an almost universal activity while active modes of adult learning, although frequent, are more unequally distributed both within and between

country populations. This suggests that there are important factors contributing to certain forms of informal learning. In particular, levels of formal education and adult skills of the type measured in ALL are strongly related to the extent of active engagement in informal learning.

- Employer financing plays a central role in supporting opportunities to engage in lifelong learning in all countries but countries differ markedly in the share of the total adult learning effort which is employer supported. Furthermore, the levels of worker engagement in literacy and numeracy practices on the job are strongly associated with the likelihood of benefiting from employer-sponsored adult education and training.

## 4.2 Participation in organised forms of adult education and training<sup>1</sup>

Over the last decade, adult learning has progressed from being a form of policy rhetoric promoted by intergovernmental organisations to a central issue in national policies on education, economy and welfare. In 1996, the OECD conference of ministers of education proposed that member countries adopt the policy of “making lifelong learning a reality for all” and to make it a priority for the ensuing five year period (OECD, 1996). A similar policy was promoted by the European Commission in 2000 when it confirmed lifelong learning as a basic component of the European social model. This is reflected among others in the European employment strategy, the European social agenda, the skills and mobility action plan and the e-learning initiative. More recently, national policy documents are increasingly referring to concrete measures that promote a lifelong learning culture (see EU, 2001; OECD, 2003). Using the ALL and IALS data, this section examines the extent to which these policies have translated into increased participation in adult learning.

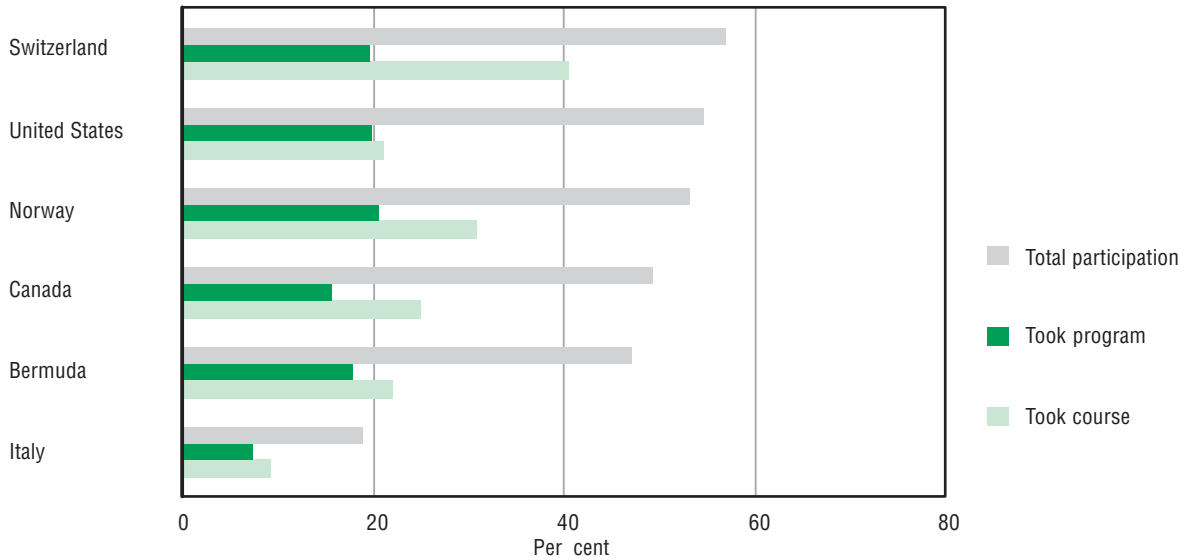
Like IALS, the ALL survey collected data on participation in adult education and training that are representative of populations aged 16 to 65 and comparable across countries. Figure 4.1 shows that, with the exception of Italy, the results reflect a broad acceptance of the principles of lifelong learning. Close to or over half of adult populations are enrolling in some form of organised adult education or training during the year preceding the interview. In Italy, however, less than 20 per cent participate in some form of organized adult education and training.

Figure 4.1 further distinguishes between participation in courses, programs or other forms of training (e.g., workshops). Apart from Italy, the rate of participation in programs varies little among countries – from a low of 16 per cent in Canada to a high of 20 per cent in Norway. Thus, disparities in overall country participation rates appear to be driven by the rate of participation in courses and other forms of training. Course participation varies from a low of about 21 per cent in the United States to a high of 40 per cent in Switzerland. Note that the relatively low rate of participation in courses in the United States may be related to the fact that Americans report a high rate of participation (17 per cent) in other forms of training (e.g., workshops).

FIGURE 4.1

### Adult education and training participation rates

Per cent of populations aged 16 to 65 receiving adult education and training during the year preceding the interview, by type of participation, 2003



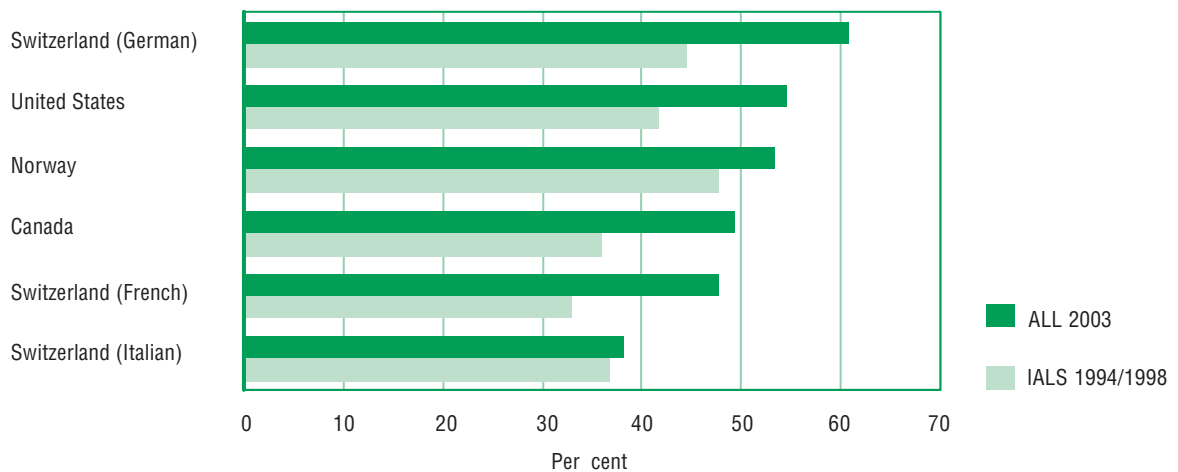
Countries are ranked by the total participation rate.

Source: Adult Literacy and Life Skills Survey, 2003.

FIGURE 4.2

### Changes in adult education and training participation rates

Per cent of populations aged 16 to 65 receiving adult education and training during the year preceding the interview, IALS 1994/1998 and ALL 2003



Countries are ranked by the per cent of respondents receiving adult education and training in ALL 2003.

Sources: Adult Literacy and Life Skills Survey, 2003.  
International Adult Literacy Survey, 1994-1998.

It is encouraging to note that the increased importance awarded to adult learning in policy circles corresponds to sizeable increases in participation rates. Figure 4.2 compares participation rates derived from IALS<sup>2</sup> in 1994 (1998 in Norway) and ALL in 2003. In the German and French speaking populations of Switzerland, about 15 per cent more adults participated in some form of organized adult education and training in 2003 compared to 1994. Similarly, Canada and the United States had approximately 13 per cent more persons participating. Norway experienced a slower rate of increase, between the 1998 and 2003 surveys, which accounts for an additional 5.5 per cent of the adult population aged 16 to 65. This might be expected as Norwegian participation rates in IALS were among the highest of the countries studied.

### 4.3 Who is excluded from adult learning opportunities?

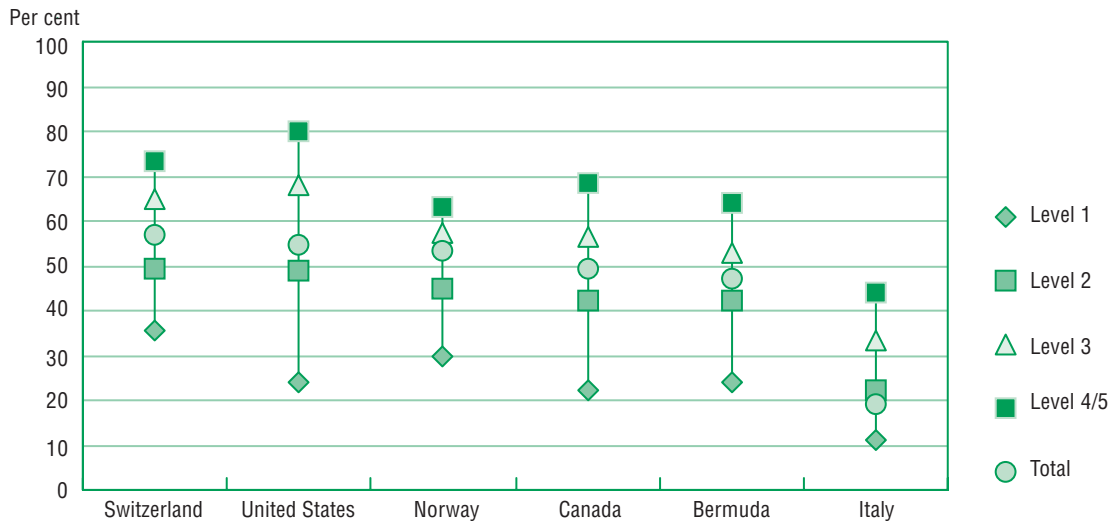
While the “new” economy holds promises of increased productivity and improved standards of living, it also introduces a new set of adjustments and challenges for society, industry and individuals (Gaskell and Rubenson, 2004). In particular, it may increase the exclusion or marginalisation of segments of the population and exacerbate socio-economic divisions (HRDC, 2002; OECD and Statistics Canada, 2000). Consequently, it is important to view adult learning not only as a means to enhance productivity and facilitate labour force participation, but also as a means to assist individuals in their everyday actions (Giddens, 1994: 7) and promote active citizenship (Esping-Andersen, 1996: 260). In this context, it is important to monitor how learning opportunities are distributed across different segments of the population, especially as the promotion of, and investment in, lifelong learning expands.

Adult literacy skills are critical for citizens to function in a learning society (Sen, 1982). Thus, it is particularly important to assess the extent of adult learning among those with limited literacy skills. Figure 4.3 presents participation in adult education and training by document literacy skills. Two findings stand out. First, in all countries there is a substantial difference between the participation rates of those with the lowest and highest levels of literacy. This is accentuated in Italy where only one in 10 of those at Level 1 participated compared to four in 10 among those at Level 4/5. Second, there is a sharp divide between those at Levels 1 and those at Levels 3 or higher.

FIGURE 4.3

### Literacy and adult education participation

Per cent of population aged 16 to 65 receiving adult education and training during the year preceding the interview, by document literacy levels, 2003



Countries are ranked by the total participation rate.

Source: Adult Literacy and Life Skills Survey, 2003.

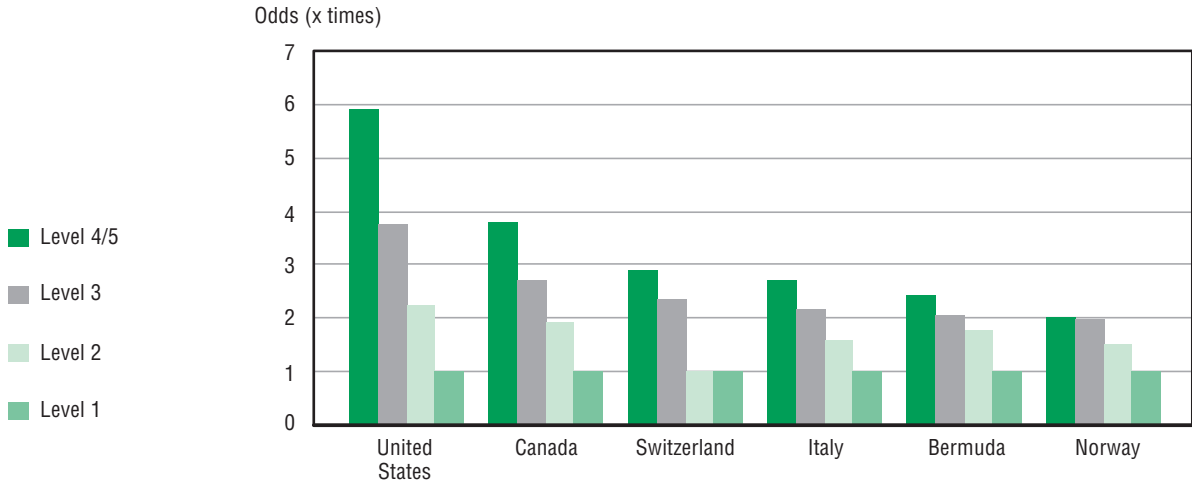
Results in Figure 4.4 extend the analysis of the relationship between document literacy and participation in adult education and training using logistic regression analysis. This method makes it possible to obtain comparable estimates of inequalities even though the actual participation rates vary between countries (see Box 4A). Inequalities are expressed by differences in the likelihood of participating compared to adults scoring at Level 1, while controlling for education, gender and labour force participation. Findings show that Americans at document literacy Level 4/5 are about six times more likely to participate than those at Level 1. Comparable estimates are only two times in Norway. This confirms the existence of sharp differences in inequality between countries. Low inequality in Norway corresponds with a long tradition of adult education including popular adult education, as well as recent reforms that continue to aim efforts toward increasing participation among low skilled adults who are hard to reach (OECD, 2001).

While large differences remain between low and high skilled adults, it is worth noting that in some countries, the most vulnerable have benefited substantially. Figure 4.5 shows that in Norway, Switzerland (German and French speaking populations) and the United States, participation rates have increased more among those with the lowest level of literacy than any other levels. These results are consistent with overall improvements in the lower end of the skills distribution between the ALL and IALS survey period, as presented in Section 2.3.

FIGURE 4.4

Likelihood of participation by literacy levels

Adjusted odds ratios showing the likelihood of adults aged 16 to 65 receiving adult education and training during the year preceding the interview, by document literacy levels, 2003



Countries are ranked according to the odds of persons who score at Level 4/5.

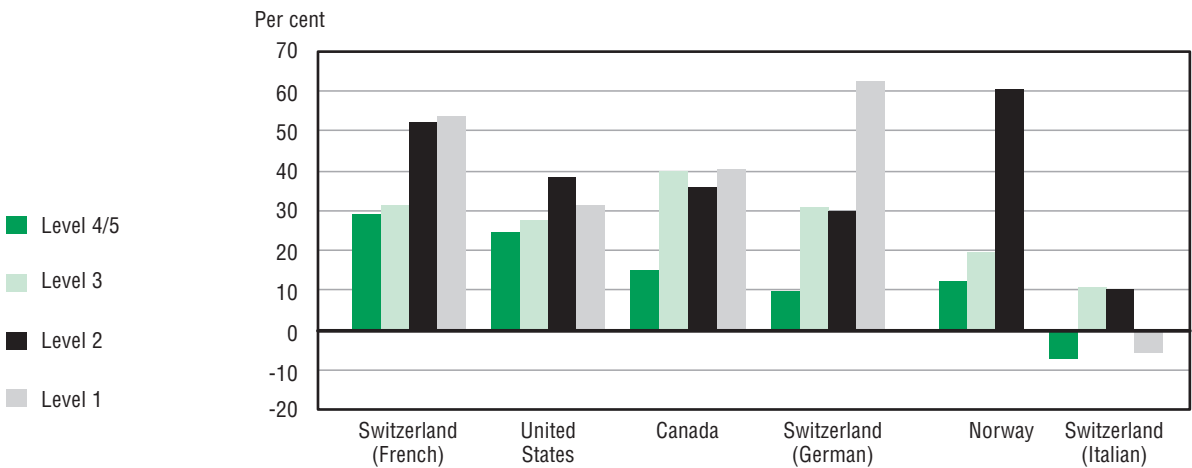
1. Odds estimates that are not statistically different from one at conventional levels of significance are reported as one in the figure. For the actual estimate and its corresponding significance, see Table 4.4 in the annex to this chapter.

Source: Adult Literacy and Life Skills Survey, 2003.

FIGURE 4.5

Changes in participation rates by literacy levels

Changes in the per cent of adults aged 16 to 65 in adult education and training between IALS 1994/1998 and ALL 2003, by document literacy levels



Countries are ranked by the change in the per cent at Level 4/5.

Note: Changes in participation rates are calculated by taking the difference between the ALL and the IALS rates and dividing by the average participation rates of the two periods, i.e.,  $(ALL\ rate - IALS\ rate) / ((ALL\ rate + IALS\ rate) / 2)$ .

Source: Adult Literacy and Life Skills Survey, 2003.  
International Adult Literacy Survey, 1994-1998.



### Box 4A

#### Interpreting odds ratios in Figures 4.4 and 4.8

For the purpose of the analyses presented in Figures 4.4 and 4.8, the likelihood or odds of adults scoring at Level 1 was set at one for all countries. Thus, odds greater than one for persons at Levels 2, 3 and 4/5 indicate that those persons have increased chances compared to persons scoring at Level 1 of receiving adult education and training.

## 4.4 Patterns of informal learning<sup>3</sup>

According to the underlying philosophy of lifelong learning, participation is not limited to organised forms of adult education and training but also includes informal learning. Interestingly, studies have shown differing patterns of engagement in adult education and training compared to informal learning (e.g., Livingstone, 1999; Statistics Canada, 2001). It is well documented, for example, that opportunities and readiness to engage in organised forms of adult learning are unequally distributed across different segments of the population (see OECD, 1997; OECD 2003; and the previous section). In contrast, some studies suggest that conventional inequalities that exist among social or ethnic groups, or those with differing levels of educational attainment, may not apply to informal learning. This section explores this issue further by analyzing the informal learning data collected in the ALL survey.

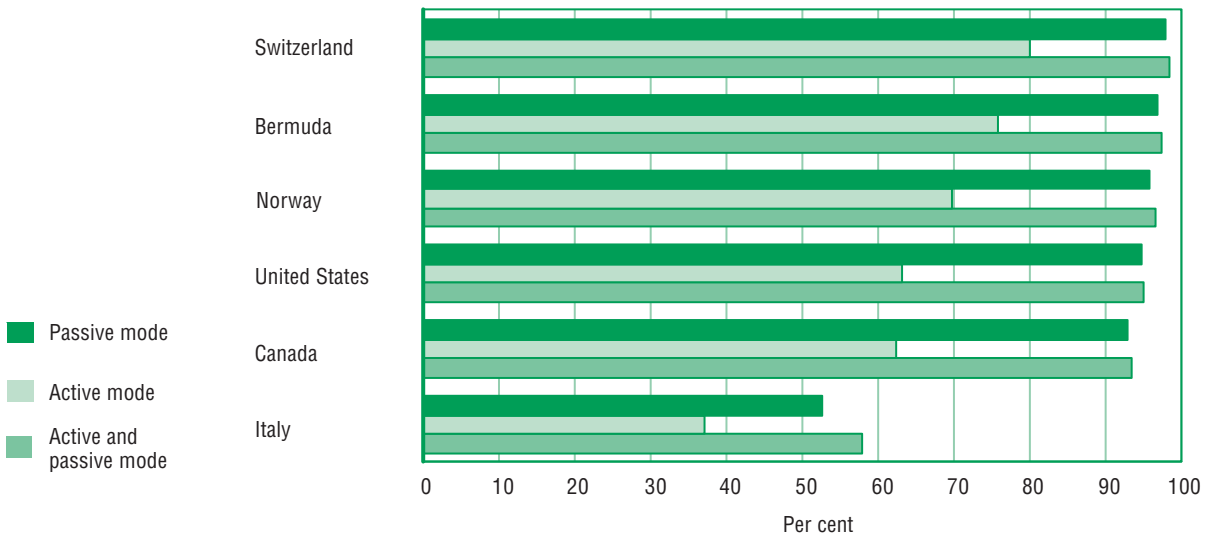
As expected, results presented in Figure 4.6 confirm previous findings (see Livingstone, 1999), which suggest that informal learning is more or less a universal activity. Nearly 95 per cent of the population in five of six countries report that they engaged in some kind of informal learning activity over the cycle of one year. In Italy, however, engagement in activities of the type included in the ALL survey is less common, with fewer than 60 per cent reporting that they participated in some kind of informal learning activity.

Figure 4.6 also introduces the distinction between active and passive modes of informal learning, which reveals some interesting results. The former relates to activities such as learning by oneself, trying things out and learning by watching or getting help, while the latter refers to going on guided tours and learning by being sent to organizations. The results show that engagement in active modes remains frequent, particularly in Bermuda and Switzerland, but it is more variable among countries, with fewer than 40 per cent participating in Italy compared with nearly 80 per cent in Switzerland. Note that engagement in passive modes remains almost universal (i.e., over 90 per cent with the exception of Italy). These findings suggest that inequalities are more prevalent when active forms of informal learning are considered.

FIGURE 4.6

## Engagement in informal learning

Per cent of populations aged 16 to 65 participating in informal learning activities during the year preceding the interview, by mode of engagement, 2003



Countries are ranked by the active and passive mode.

Source: Adult Literacy and Life Skills Survey, 2003.

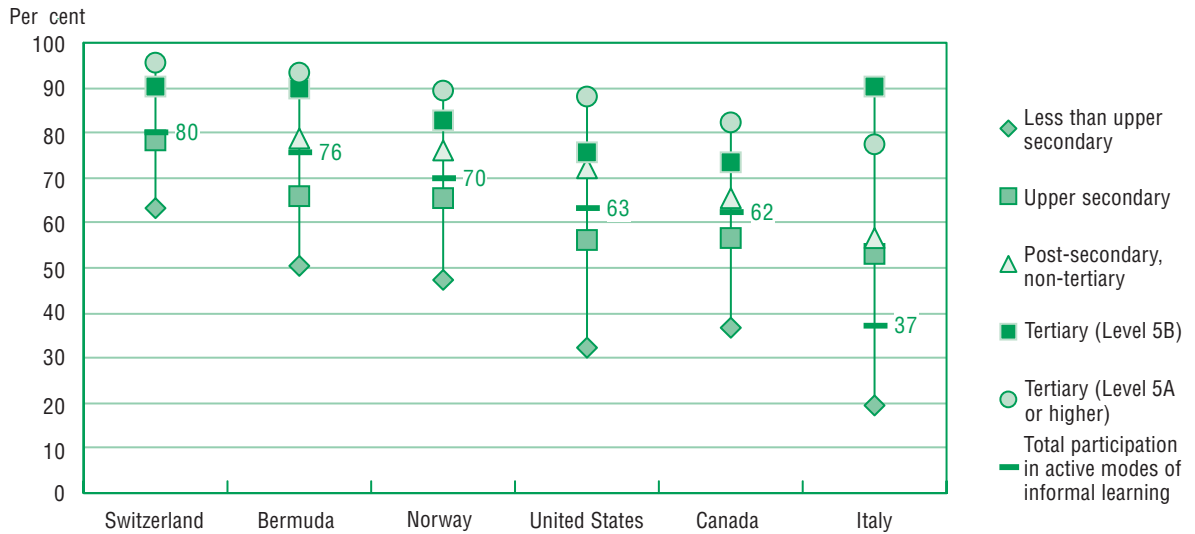
In general, the research literature suggests that well-educated adults benefit the most from organised forms of learning. Findings presented in Figure 4.7 show a similar pattern between educational attainment and participation in active modes of informal learning. In all of the countries, the rate of active engagement in informal learning increases sharply with rising levels of educational attainment. In the United States, only about 30 per cent of those who did not complete upper secondary education report that they engaged in active modes of informal learning compared to more than 80 per cent among those with a university education (tertiary type A or higher). Nevertheless, participation among those with the lowest levels of education is comparatively high in Bermuda, Norway and Switzerland (German and French speaking populations); with around 50 per cent reporting some engagement in active forms of informal learning.

Similarly, Figure 4.8 shows that the likelihood of engaging in active modes of informal learning is closely linked to adult skills, even after controlling for educational attainment, age, labour force participation and gender. Overall, adjusted odds increase markedly by level of skill. Adults scoring at the highest level in Italy and Switzerland are around four times more likely to engage in active modes of informal learning than those scoring at Level 1 on the document scale. In Canada, high skilled adults are nearly five times more likely to be active informal learners than low skilled adults.

FIGURE 4.7

## Informal learning by level of education

Per cent of populations aged 16 to 65 participating in active modes of informal learning in the year preceding the interview, by educational attainment, 2003

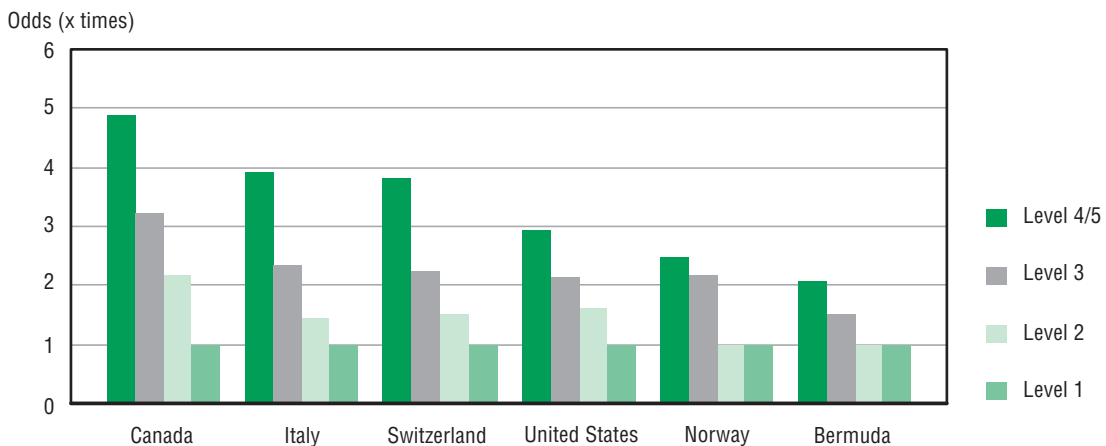


Source: Adult Literacy and Life Skills Survey, 2003.

FIGURE 4.8

## Likelihood of participation in active modes of informal learning by literacy levels

Adjusted odds ratios<sup>1</sup> showing the likelihood of adults aged 16 to 65 participating in active modes of informal adult learning during the year preceding the interview, by document literacy levels, 2003



Countries are ranked according to the odds of persons who score at Level 4/5.

1. Odds estimates that are not statistically different from one at conventional levels of significance are reported as one in the figure. For the actual estimate and its corresponding significance, see Table 4.8 in the annex to this chapter.

Source: Adult Literacy and Life Skills Survey, 2003.

These findings suggest that initial formal education and foundation skills are major factors influencing active forms of informal learning, including learning by oneself, trying things out and learning by watching or getting help. It also implies that it may not be wise to rely on informal learning alone to substitute for low levels of initial education, or adult education and training. Merely learning in the course of daily life without some systematic prior reinforcement, such as formal education, may not be sufficient for gaining knowledge and skills. It is probably also more difficult to convert what is learned passively into economic and social value (Svensson, Ellström and Åberg, 2004).

## 4.5 Financial support for adult learning

Investing in adult learning is important for several reasons including, among others, to enhance productivity, facilitate participation in labour markets, promote active citizenship and democracy, and to assist individuals in their everyday actions. Accordingly, governments, firms and individuals alike have vested interests to financially support adult learning. This section examines the role of each in supporting organised forms of adult education and training.

Figure 4.9 confirms findings from IALS (OECD and HRDC, 1997) that show the important role of employers in providing financial support for adult education and training. This is most prevalent in Norway, where more than half of participating men as well as women receive financial support from their employers. Furthermore, employers are the most common source of financial support among men in Bermuda, Canada, Norway, Switzerland, and the United States, and among women in Norway and the United States. But compared to men, the data show that in all countries self or family financing is a more common source of financing for women.

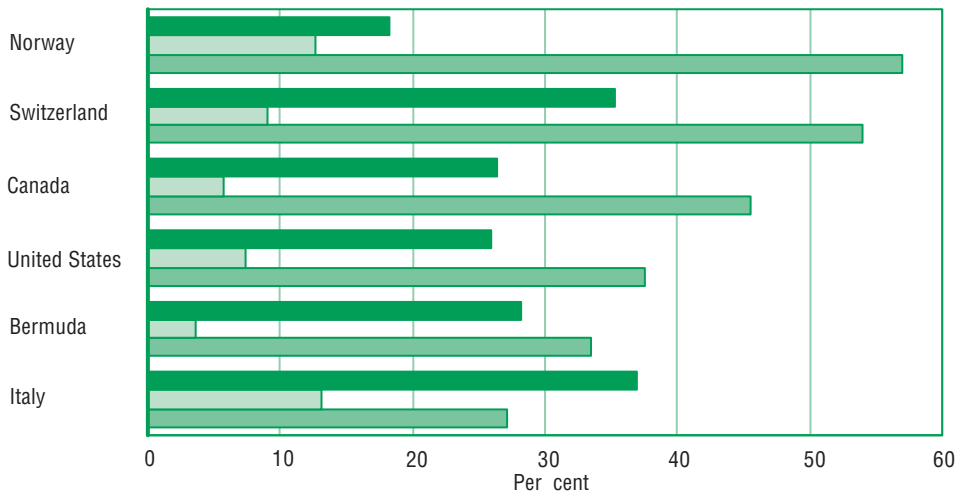
Overall, direct financial support from government sources is less common. In Italy and Norway, governments are able to extend direct support to a larger number of participants compared to other countries, with over 13 per cent of all participants obtaining this type of financial support. In other countries, fewer than 10 per cent of participants are able to support their adult learning through direct government financing.

It is interesting to consider the extent to which government support reaches vulnerable groups such as those with low literacy skills. Figure 4.10 shows the proportion of persons who obtain financial support from different sources by low (Levels 1 and 2) and medium to high levels (Levels 3 and 4/5) of document literacy. Overall, a higher proportion of low skilled adults obtain government financial support. Nearly 16 and 11 per cent, respectively, of low skilled participants in Italy and Norway report that they received financial support from government sources.

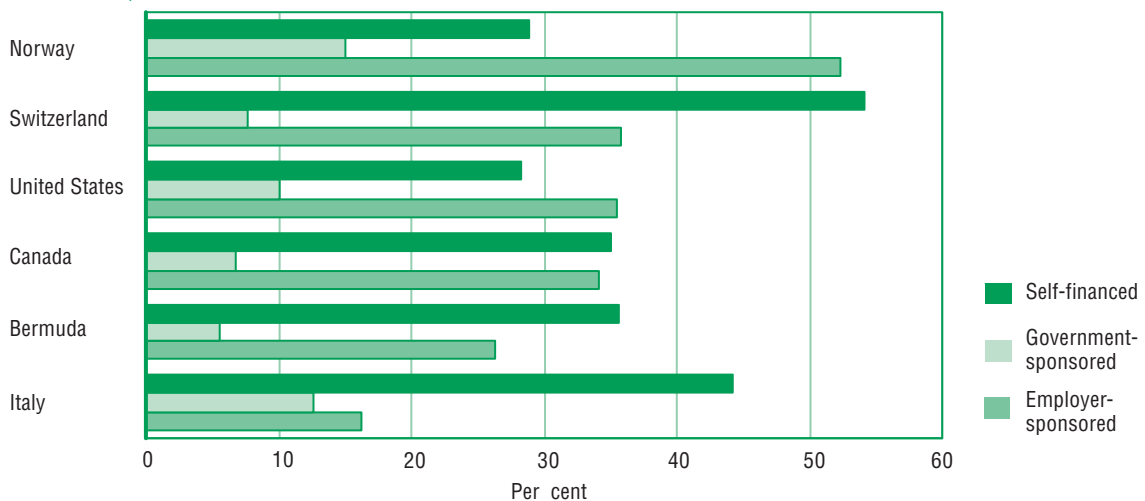
FIGURE 4.9

## Sources of financial support for adult education and training

## A. Per cent of men participating in adult education and training who receive financial support from various sources, populations aged 16 to 65, 2003



## B. Per cent of women participating in adult education and training who receive financial support from various sources, populations aged 16 to 65, 2003



A. Countries are ranked by the per cent of men who received support from their employer.

B. Countries are ranked by the per cent of women who received support from their employer.

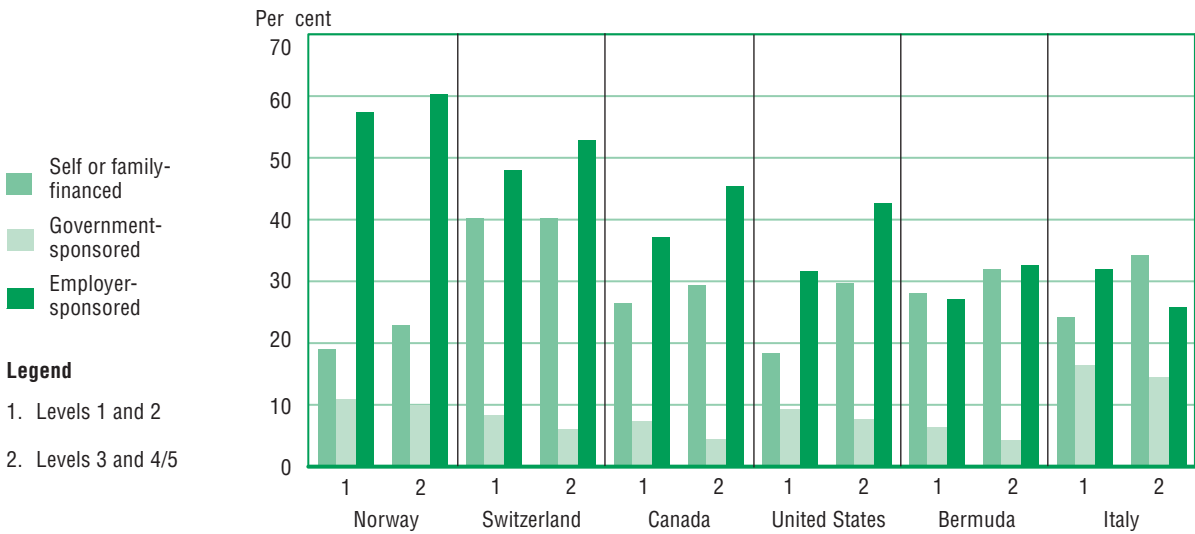
Source: Adult Literacy and Life Skills Survey, 2003.

Figure 4.10 also shows that in Bermuda, Italy, Norway and Switzerland, low skilled adults who participate in adult education and training are nearly as likely to receive employer financing than those who are more skilled. The differences are larger in Canada and the United States, where there are about 8 and 11 per cent more medium to high skilled participants who obtain employer financing. It is noteworthy that in Switzerland about 48 per cent, and in Norway more than 50 per cent of low skilled participants were able to secure financial support from their employers. Finally, in all countries it is slightly more common for medium to high skilled participants to draw on self or family sources of financing.

FIGURE 4.10

Sources of financing by document literacy levels

Per cent of participants in adult education and training who received financial support from various sources, by document literacy, populations aged 16 to 65 who worked in the last 12 months, 2003



Countries are ranked by the per cent of those scoring at Levels 3 and 4/5 who received support from their employer.

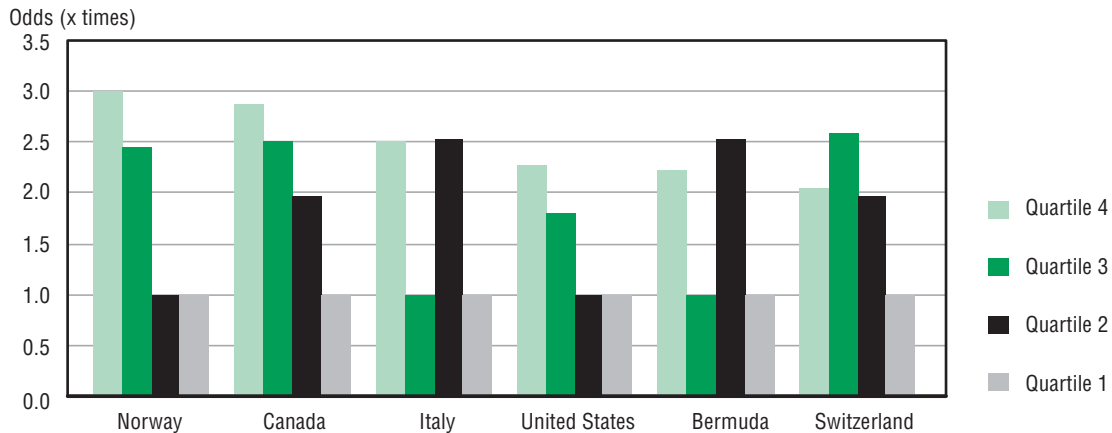
Source: Adult Literacy and Life Skills Survey, 2003.

With nearly over a third of employed participants in Bermuda, Canada, Italy and the United States, and over one half in Norway and Switzerland involved in some form of employer-sponsored adult education and training, it is important to take a closer look at how opportunities vary between different groups of workers. Not surprisingly, an analysis of the impact of various factors on the likelihood of benefiting from employer-sponsored education and training such as engagement in literacy practices at work, firm size, occupation, supervisory position and type of industry, reveals that the combined level of engagement in reading, writing and numeracy practices at work is one of the strongest factors predicting employer support. Firm size is also a strong determinant of participation in employer-sponsored adult education and training (see Table 4.11 in Data Values for the Figures, Annex 4). Larger firms tend to invest in adult learning more than small and medium sized firms.

FIGURE 4.11

**Employer-sponsored training by level of practice engagement**

Adjusted odds ratios<sup>1</sup> showing the likelihood of receiving employer-sponsored adult education and training during the year preceding the interview, by combined levels of engagement in reading, writing and numeracy practices at work, populations aged 16 to 65, 2003



Countries are ranked by the adjusted odds ratios of those who are in 4th quartile.

1. Odds estimates that are not statistically different from one at conventional levels of significance are reported as one in the figure. For the actual estimate and its corresponding significance, see Table 4.11 in the annex to this chapter.

Source: Adult Literacy and Life Skills Survey, 2003.

Figure 4.11 shows the likelihood of receiving employer-sponsored training by the extent of engagement in literacy and numeracy practices at work. The frequency and variety of engagement in these types of job tasks are considered as good indirect measures of skill requirements at work. The results are obtained while holding variation in gender, age and educational attainment constant. In all countries, employees who engage the most in literacy practices at work (quartile 4) are over two to three times more likely to enrol in employer-sponsored training than those with the lowest engagement (quartile 1). The differences are most pronounced in Norway, with a difference of three times.

## Endnotes

1. Measuring participation in adult education and training programs and courses.  
 Total participation rates in adult education and training are based on data derived from the following question:
  - During the last 12 months, did you take any education or training? This education or training would include programs, courses, private lessons, correspondence courses, workshops, on-the-job training, apprenticeship training, arts, crafts, recreation courses, or any other training or education?
 Participation rates in programs are based on data derived from the following question:
  - During the last 12 months, did you take any courses as part of a program of studies toward a certificate, diploma or degree? A program of studies is a collection of courses that leads to a specific certificate, diploma or degree.
 Participation rates in courses are based on data derived from the following question:
  - During the last 12 months, did you participate in any courses that were not part of a program of studies?
2. To allow comparisons between participation rates in IALS and ALL the calculations exclude all full-time students under 25 years of age.
3. Measuring participation in active and passive modes of informal learning  
 Participation rates in passive forms of informal learning are based on whether sampled adults responded yes to one of the following questions:
  - During the last 12 months, did you learn by going on guided tours such as museums, art galleries, or other locations?
  - During the last 12 months, did you learn by being sent around an organization to learn different aspects of that organization?
  - During the last 12 months, did you visit trade fairs, professional conferences or congresses?
  - During the last 12 months, did you attend short lectures, seminars, workshops or special talks that were not part of a course?
 Participation rates in active forms of informal learning are based on whether sampled adults responded yes to one of the following questions:
  - During the last 12 months, did you learn by watching, getting help from or advice from others but not from course instructors?
  - During the last 12 months, did you learn by yourself by trying things out, doing things for practice, trying different approaches to doing things?
  - During the last 12 months, did you use video, television, tapes to learn but not as part of the course?
  - During the last 12 months, did you use computers or the Internet to learn but not as part of a course?
  - During the last 12 months, did you read manuals, reference books, journals or other written materials but not as part of a course?



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# Annex 4

## Data Values for the Figures

### 4

TABLE 4.1

Per cent of populations aged 16 to 65 receiving adult education and training during the year preceding the interview, by type of participation, 2003

	Total participation		Took program		Took course	
Bermuda	47.0	(1.4)	18.0	(0.8)	22.1	(1.1)
Canada	49.3	(0.7)	15.8	(0.6)	24.9	(0.6)
Italy	18.9	(0.9)	7.4	(0.4)	9.2	(0.7)
Norway	53.3	(0.9)	20.7	(0.8)	30.9	(0.8)
Switzerland	56.9	(1.1)	19.5	(1.3)	40.5	(0.9)
United States	54.6	(1.4)	19.9	(0.9)	21.0	(0.9)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 4.2

Per cent of populations aged 16 to 65 receiving adult education and training during the year preceding the interview, IALS 1994/1998 and ALL 2003

	IALS 1994/1998		ALL 2003	
Canada	36.0	(1.4)	49.3	(0.7)
Norway	47.8	(1.4)	53.3	(0.9)
Switzerland (French)	32.9	(1.9)	47.8	(1.4)
Switzerland (German)	44.5	(1.1)	60.8	(1.3)
Switzerland (Italian)	36.8	(1.7)	38.2	(1.7)
United States	41.7	(1.3)	54.6	(1.4)

Sources: Adult Literacy and Life Skills Survey, 2003.  
International Adult Literacy Survey, 1994-1998.

TABLE 4.3

**Per cent of populations aged 16 to 65 receiving adult education  
and training during the year preceding the interview,  
by document literacy levels, 2003**

	Level 1		Level 2		Level 3		Level 4/5		Total	
Bermuda	23.9	(3.0)	42.3	(2.9)	53.0	(2.2)	63.9	(3.1)	47.0	(1.4)
Canada	22.1	(1.8)	42.4	(1.4)	56.3	(1.0)	68.6	(2.4)	49.3	(0.7)
Italy	10.9	(1.0)	22.4	(2.0)	33.5	(2.5)	44.2	(4.1)	18.9	(0.9)
Norway	29.9	(3.7)	44.7	(2.9)	57.5	(2.5)	63.0	(3.1)	53.3	(0.9)
Switzerland	35.6	(3.9)	49.4	(3.1)	64.9	(2.3)	73.2	(3.6)	56.9	(1.1)
United States	24.0	(2.1)	48.7	(2.9)	68.2	(2.4)	79.9	(2.9)	54.6	(1.4)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 4.4

**Adjusted odds ratios showing the likelihood of adults aged 16 to 65  
receiving adult education and training during the year preceding  
the interview, by document literacy levels, 2003**

	Level 1	Level 2		Level 3		Level 4/5	
Bermuda	1.00	1.77**	(0.25)	2.04***	(0.22)	2.42**	(0.31)
Canada	1.00	1.93***	(0.12)	2.72***	(0.11)	3.78***	(0.14)
Italy	1.00	1.60***	(0.16)	2.16***	(0.17)	2.69***	(0.25)
Norway	1.00	1.52**	(0.19)	1.97***	(0.18)	2.00**	(0.25)
Switzerland	1.00	1.53	(0.25)	2.37***	(0.22)	2.90***	(0.26)
United States	1.00	2.24***	(0.19)	3.75***	(0.16)	5.91***	(0.23)

\* p<0.10, statistically significant at the 10 per cent level.

\*\* p<0.05, statistically significant at the 5 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

Notes: Odds are adjusted for gender, age, educational attainment and labour force participation status.

Standard errors are of the logarithm of the odds ratios.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 4.5

**Changes in the per cent of adults aged 16 to 65 in adult education and training between IALS 1994/1998 and ALL 2003, by document literacy levels**

	Level 1		Level 2		Level 3		Level 4/5		Total	
<b>Canada</b>										
IALS 1994/1998	14.7	(5.0)	29.5	(2.7)	37.6	(3.7)	58.9	(3.2)	36.0	(1.4)
ALL 2003	22.1	(1.8)	42.4	(1.4)	56.3	(1.0)	68.6	(2.4)	49.3	(0.7)
<b>Norway</b>										
IALS 1994/1998	16.0	(1.9)	36.7	(2.7)	50.8	(1.5)	63.1	(2.3)	47.8	(1.4)
ALL 2003	29.9	(3.7)	44.7	(2.9)	57.5	(2.5)	63.0	(3.1)	53.3	(0.9)
<b>Switzerland (French)</b>										
IALS 1994/1998	19.2	(3.5)	25.5	(3.7)	38.9	(2.0)	47.0	(4.4)	32.9	(1.9)
ALL 2003	33.2	(7.1)	43.5	(3.9)	53.4	(2.3)	63.0	(6.3)	47.8	(1.4)
<b>Switzerland (German)</b>										
IALS 1994/1998	19.7	(3.5)	39.1	(2.9)	50.6	(2.0)	68.4	(3.5)	44.5	(1.1)
ALL 2003	37.7	(4.4)	52.8	(4.3)	69.2	(3.4)	75.5	(3.6)	60.8	(1.3)
<b>Switzerland (Italian)</b>										
IALS 1994/1998	19.8	(4.2)	27.9	(2.8)	46.3	(3.0)	65.0	(3.1)	36.8	(1.7)
ALL 2003	18.7	(5.4)	30.9	(2.3)	51.6	(3.1)	60.4	(5.4)	38.2	(1.7)
<b>United States</b>										
IALS 1994/1998	17.5	(1.7)	33.1	(2.2)	51.8	(1.9)	62.5	(2.7)	41.7	(1.3)
ALL 2003	24.0	(2.1)	48.7	(2.9)	68.2	(2.4)	79.9	(2.9)	54.6	(1.4)

Note: Estimates are based on adult population with full-time students aged 16 to 24 excluded.

Sources: Adult Literacy and Life Skills Survey, 2003.

International Adult Literacy Survey, 1994-1998.

TABLE 4.6

**Per cent of populations aged 16 to 65 participating in informal learning activities during the year preceding the interview, by mode of engagement, 2003**

	Active and passive mode		Active mode		Passive mode	
Bermuda	97.4	(0.4)	75.8	(1.0)	96.8	(0.5)
Canada	93.4	(0.3)	62.4	(0.6)	92.9	(0.3)
Italy	57.9	(1.4)	37.1	(0.9)	52.7	(1.4)
Norway	96.6	(0.2)	69.8	(1.0)	95.8	(0.3)
Switzerland	98.4	(0.3)	79.9	(1.4)	98.0	(0.3)
United States	95.0	(0.4)	63.2	(1.0)	94.7	(0.4)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 4.7

**Per cent of populations aged 16 to 65 participating in active modes  
of informal learning in the year preceding the interview,  
by education attainment, 2003**

	Active mode		Passive mode	
<b>Bermuda</b>				
Less than upper secondary	50.6	(3.6)	89.3	(1.6)
Upper secondary	65.9	(2.2)	95.3	(1.0)
Post-secondary, non-tertiary	78.7	(1.7)	98.4	(0.5)
Tertiary (Level 5B)	89.8	(2.1)	99.5	(0.4)
Tertiary (Level 5A or higher)	93.5	(1.5)	98.7	(0.5)
Total participation in active modes of informal learning	75.8	(1.0)	96.8	(0.5)
<b>Canada</b>				
Less than upper secondary	36.8	(1.8)	84.3	(1.1)
Upper secondary	56.7	(1.2)	91.8	(0.7)
Post-secondary, non-tertiary	65.4	(1.7)	95.6	(0.9)
Tertiary (Level 5B)	73.5	(1.7)	96.7	(0.5)
Tertiary (Level 5A or higher)	82.5	(1.3)	97.7	(0.4)
Total participation in active modes of informal learning	62.4	(0.6)	92.9	(0.3)
<b>Italy</b>				
Less than upper secondary	19.3	(1.1)	35.8	(1.9)
Upper secondary	53.0	(1.7)	69.3	(2.1)
Post-secondary, non-tertiary	56.6	(4.0)	65.8	(6.5)
Tertiary (Level 5B)	90.4	(7.5)	91.7	(7.1)
Tertiary (Level 5A or higher)	77.5	(2.3)	84.5	(2.3)
Total participation in active modes of informal learning	37.1	(0.9)	52.7	(1.4)
<b>Norway</b>				
Less than upper secondary	47.4	(2.4)	88.9	(1.2)
Upper secondary	65.3	(1.7)	95.6	(0.4)
Post-secondary, non-tertiary	76.2	(2.1)	96.5	(1.0)
Tertiary (Level 5B)	82.9	(1.4)	98.5	(0.5)
Tertiary (Level 5A or higher)	89.4	(0.8)	99.7	(0.1)
Total participation in active modes of informal learning	69.8	(1.0)	95.8	(0.3)
<b>Switzerland</b>				
Less than upper secondary	63.1	(4.6)	95.3	(2.2)
Upper secondary	78.3	(2.0)	98.1	(0.3)
Tertiary (Level 5B)	90.1	(1.9)	98.2	(1.1)
Tertiary (Level 5A or higher)	95.4	(1.0)	99.9	(0.1)
Total participation in active modes of informal learning	79.9	(1.4)	98.0	(0.3)
<b>United States</b>				
Less than upper secondary	32.4	(1.9)	82.9	(1.8)
Upper secondary	56.3	(1.7)	95.4	(0.6)
Post-secondary, non-tertiary	72.0	(3.9)	98.4	(1.3)
Tertiary (Level 5B)	75.6	(2.7)	97.3	(1.2)
Tertiary (Level 5A or higher)	87.9	(1.4)	98.7	(0.5)
Total participation in active modes of informal learning	63.2	(1.0)	94.7	(0.4)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 4.8

**Adjusted odds ratios showing the likelihood of adults aged 16 to 65 participating in active modes of informal adult learning during the year preceding the interview, by document literacy levels, 2003**

	Level 1	Level 2	Level 3	Level 4/5
Bermuda	1.00	1.16 (0.18)	1.53* (0.21)	2.09** (0.28)
Canada	1.00	2.17*** (0.10)	3.23*** (0.08)	4.88*** (0.12)
Italy	1.00	1.46*** (0.12)	2.34*** (0.17)	3.91*** (0.32)
Norway	1.00	1.45 (0.22)	2.18*** (0.18)	2.47*** (0.20)
Switzerland	1.00	1.53** (0.17)	2.25*** (0.19)	3.82*** (0.37)
United States	1.00	1.60** (0.17)	2.14*** (0.13)	2.95*** (0.19)

\* p<0.10, statistically significant at the 10 per cent level.

\*\* p<0.05, statistically significant at the 5 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

Notes: Odds ratios are adjusted for gender, age, educational attainment and labour force participation status.

Standard errors are of the logarithm of the odds ratios.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 4.9

**Per cent of men and women participating in adult education and training who receive financial support from various sources, populations aged 16 to 65, 2003**

	Employer-sponsored	Government-sponsored	Self-financed
<b>Bermuda</b>			
Women	26.3 (2.3)	5.5 (1.0)	35.7 (2.4)
Men	33.5 (2.1)	3.6 (0.8)	28.2 (1.9)
<b>Canada</b>			
Women	34.1 (1.2)	6.8 (0.7)	35.0 (1.1)
Men	45.5 (1.7)	5.7 (0.6)	26.4 (1.2)
<b>Italy</b>			
Women	16.3 (1.6)	12.6 (1.8)	44.2 (2.3)
Men	27.1 (3.1)	13.1 (2.7)	36.9 (2.7)
<b>Norway</b>			
Women	52.3 (2.3)	15.0 (1.8)	28.8 (1.7)
Men	57.0 (2.1)	12.7 (1.6)	18.2 (1.7)
<b>Switzerland</b>			
Women	35.8 (2.3)	7.6 (1.5)	54.2 (2.1)
Men	54.0 (2.4)	9.1 (1.1)	35.3 (2.4)
<b>United States</b>			
Women	35.5 (1.6)	10.1 (1.4)	28.2 (1.4)
Men	37.6 (1.7)	7.4 (1.2)	26.0 (1.1)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 4.10

Per cent of participants in adult education and training who received financial support from various sources, by document literacy, populations aged 16 to 65 who worked in the last 12 months, 2003

	Employer-sponsored		Government-sponsored		Self or family-financed	
<b>Bermuda</b>						
Levels 1 and 2	27.1	(2.4)	6.3	(1.7)	28.1	(3.0)
Levels 3 and 4/5	32.7	(2.0)	4.1	(0.8)	31.9	(2.3)
Total	30.7	(1.5)	4.9	(0.7)	30.6	(1.5)
<b>Canada</b>						
Levels 1 and 2	37.2	(2.2)	7.3	(1.1)	26.6	(1.9)
Levels 3 and 4/5	45.5	(1.3)	4.5	(0.7)	29.5	(1.1)
Total	43.0	(1.0)	5.3	(0.5)	28.6	(0.7)
<b>Italy</b>						
Levels 1 and 2	31.8	(3.4)	16.5	(3.8)	24.1	(2.6)
Levels 3 and 4/5	25.7	(4.9)	14.4	(3.4)	34.3	(4.2)
Total	29.5	(2.4)	15.7	(2.1)	27.8	(2.5)
<b>Norway</b>						
Levels 1 and 2	57.4	(3.8)	10.9	(2.0)	18.9	(2.2)
Levels 3 and 4/5	60.3	(1.7)	9.9	(1.1)	22.8	(1.3)
Total	59.6	(1.7)	10.2	(0.8)	21.8	(0.9)
<b>Switzerland</b>						
Levels 1 and 2	48.0	(4.2)	8.3	(2.1)	40.2	(2.4)
Levels 3 and 4/5	53.0	(3.1)	6.2	(1.1)	40.4	(2.4)
Total	51.1	(1.5)	6.9	(0.7)	40.4	(1.7)
<b>United States</b>						
Levels 1 and 2	31.7	(2.3)	9.2	(1.6)	18.3	(2.3)
Levels 3 and 4/5	42.5	(1.7)	7.7	(1.4)	29.8	(1.4)
Total	38.6	(1.3)	8.3	(1.1)	25.6	(0.9)

Source: Adult Literacy and Life Skills Survey, 2003.



TABLE 4.11

**Adjusted odds ratios showing the likelihood of receiving employer-sponsored adult education and training during the year preceding the interview, by combined levels of engagement in reading, writing and numeracy practices at work, populations aged 16 to 65, 2003**

	Literacy engagement at work								
	Quartile 1	Quartile 2		Quartile 3		Quartile 4			
Bermuda	1.00	2.53*	(0.51)	2.33	(0.50)	2.21*	(0.45)		
Canada	1.00	1.97***	(0.20)	2.51***	(0.18)	2.87***	(0.18)		
Italy	1.00	2.53***	(0.33)	1.10	(0.46)	2.50**	(0.41)		
Norway	1.00	1.69	(0.43)	2.44**	(0.42)	3.01**	(0.41)		
Switzerland	1.00	1.97*	(0.38)	2.59***	(0.33)	2.04**	(0.32)		
United States	1.00	1.45	(0.28)	1.79**	(0.23)	2.27***	(0.24)		

	Firm size										
	Less than 20	20 to 99		100 to 499		500 to 999		1,000 and over			
Bermuda	1.00	2.16***	(0.21)	2.12***	(0.26)	2.66***	(0.35)	2.38**	(0.33)		
Canada	1.00	1.58***	(0.13)	2.92***	(0.12)	3.02***	(0.19)	3.09***	(0.12)		
Italy	1.00	3.32	(0.87)	9.83***	(0.74)	1.68	(0.85)	4.71**	(0.60)		
Norway	1.00	2.42***	(0.32)	2.14**	(0.29)	1.90*	(0.36)	1.86**	(0.28)		
Switzerland	1.00	2.93***	(0.30)	4.49***	(0.37)	2.74***	(0.32)	4.15***	(0.21)		
United States	1.00	2.62***	(0.24)	3.12***	(0.21)	3.30***	(0.33)	3.19***	(0.17)		

\* p<0.10, statistically significant at the 10 per cent level.

\*\* p<0.05, statistically significant at the 5 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

Notes: Odds are adjusted for gender and age, educational attainment, supervisory role, type of occupation, type of industry and firm size. Standard errors are of the logarithm of the odds ratios.

Source: Adult Literacy and Life Skills Survey, 2003.



# Chapter 5

## Skills and the Labour Force

5

### Summary

This chapter focuses on the skills of labour force participants. First, the difference in workers' skills between the top and bottom 25 per cent of performers is compared. This allows for a comparative assessment of the skills supplied in the labour market. Second, the employability of working-age adults is studied. This is done by comparing the likelihood of experiencing labour force inactivity and unemployment over the cycle of one year for persons who are at low and medium to high levels of skill. Finally, the employability analysis is extended to also include younger and older workers.

## Table of Contents

---

Summary	105
---------	-----

---

<b>Chapter 5</b>	
<b>Skills and the Labour Force</b>	<b>105</b>

---

5.1 Overview and highlights	107
5.2 Competitiveness of labour force populations	108
5.3 Employability of working-age populations	112
5.4 Employability of younger and older working-age populations	116

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References	119
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<b>Annex 5</b>	
<b>Data Values for the Figures</b>	<b>121</b>

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# Skills and the Labour Force

## 5

### 5.1 Overview and highlights

This chapter focuses on the skills of labour force participants. First, the difference in workers' skills between the top and bottom 25 per cent of performers is compared. This allows for a comparative assessment of the skills supplied in the labour market. Second, the employability of working-age adults is studied. This is done by comparing the likelihood of experiencing labour force inactivity and unemployment over the cycle of one year for persons who are at low and medium to high levels of skill. Finally, the employability analysis is extended to also include younger and older workers.

Several key findings arise from the analysis presented in this chapter:

- The Norwegian labour force has the highest top and bottom 25 per cent of performers on the prose, document and problem solving scales. The Swiss labour force is best qualified on the numeracy scale.
- The highest scoring working adults tend to be the most numerous in the group aged 26 to 45 and fewest among older workers aged 46 to 65. The group aged 16 to 25 lies somewhere in between. Many adults aged 26 to 45 have been exposed to learning opportunities at work that reinforce the development of their skills. This may explain why workers in early to mid career display the best skills among the top end of workforces.
- Adults with higher levels of skill of the types measured in ALL tend to be more employable than adults with low skills, but not necessarily. The findings show that low skilled adults are more likely than medium to high skilled adults to experience unemployment in half of the countries and to experience labour force inactivity for six or more months in all countries except Bermuda.
- Among adults who experience unemployment, those who score at higher levels on the document literacy scale have a higher likelihood of re-entering employment sooner. The results are similar for all the skills measured in ALL.

- Proficiency in foundation skills such as document literacy and numeracy is strongly associated with the probability of young adults to find employment. Young adults who score at Levels 1 and 2 have a lower chance of exiting unemployment and tend to be unemployed longer than the more highly skilled.
- Even though unemployment rates tend to be higher among young labour force participants, younger adults are able to exit unemployment more quickly than older adults. In fact, low skilled younger adults have better chances of finding a job than low skilled older adults. This highlights the difficulties that displaced workers face when searching for job at an older age. Even so, older adults with higher skills find it easier to obtain employment than those with lower skills.

## 5.2 Competitiveness of labour force populations

The challenges of competing in global markets and adopting technological, process and organizational innovations place a premium on the capacity of individuals to adapt to changes in the workplace. Many workers who are faced with these challenges are expected to be highly skilled, not least in foundation skills such as literacy and numeracy, but at all levels they are also increasingly expected to solve problems and create ways to improve the methods they use (Bailey, 1997). Thus the skills measured in ALL, among others, are important for work organisations and countries to adapt and succeed. This section takes a closer look at the distribution of skills among the labour force<sup>1</sup> in each country assessed.

Figures 5.1a-c compare the scores that are at the 75th percentile of each country's skill distribution. This highlights differences among the top 25 per cent of highest scorers. The scores are displayed relative to the ALL international average 75th percentile. Thus countries with higher 75th percentile scores have workers who tend to display higher average levels of ability in the relevant skills domain when comparing the top end of distributions among countries. This would imply that relative to the size of labour force populations, these countries have better "pools of skills" to draw from for market-oriented activities. Presumably, such countries are in a better position to compete for "high-skills" jobs (Brown, Green and Lauder, 2001).

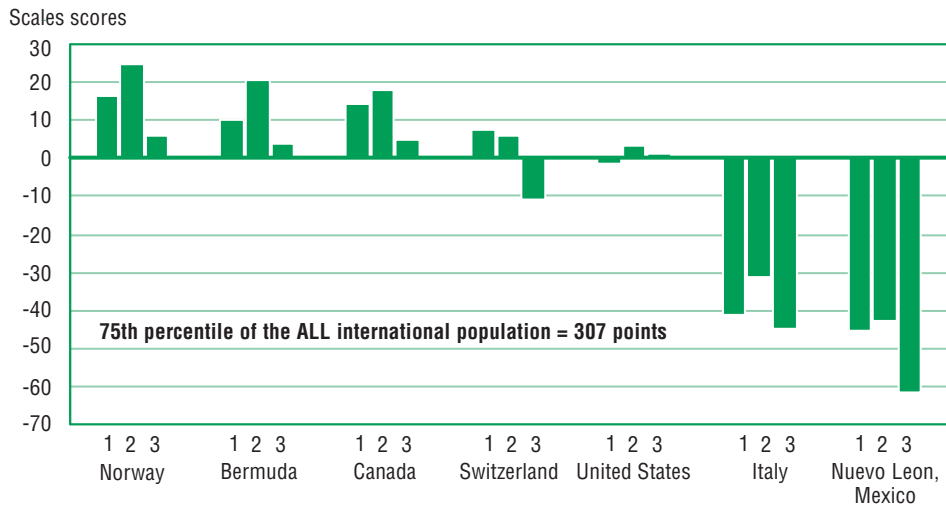
The data indicate that on the combined prose and document literacy scale<sup>2</sup>, Norway and Bermuda score highest at the top end of the distribution. On the numeracy and problem solving scale, the patterns are similar to those observed in Chapter 2, with Switzerland's top performers scoring the highest on the numeracy scale and doing better on the problem solving scale than on the prose and document scales.

FIGURE 5.1 A to C

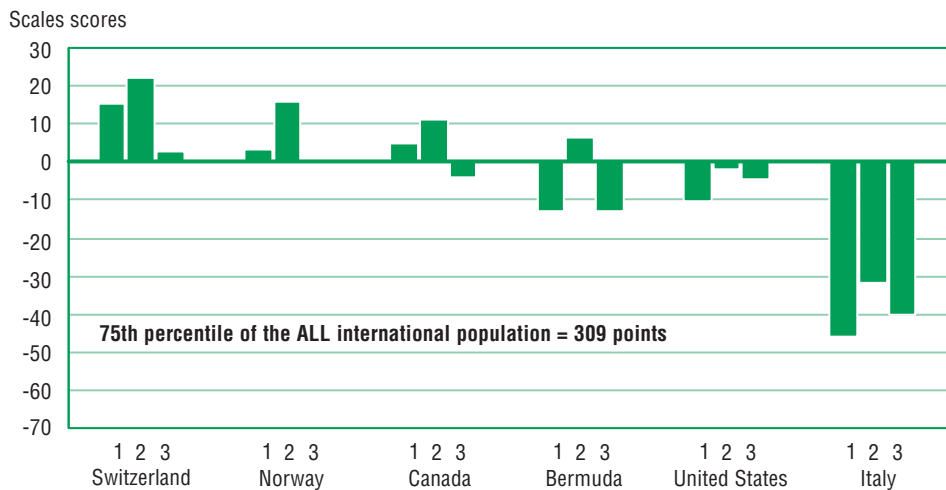
### Skills among labour force populations in the top 25 per cent

Score differences to the 75th percentile of the ALL international population on a scale with range 0 to 500 points, labour force populations aged 16 to 65, 2003

#### A. Prose and document literacy scales combined



#### B. Numeracy<sup>1</sup> scale



1. The state of Nuevo Leon in Mexico fielded the IALS quantitative literacy assessment rather than the ALL numeracy assessment. Although closely related conceptually, these two scales cannot be directly compared.

Countries are ranked by the difference of persons aged 26 to 45 to the 75th percentile of the ALL international labour force population aged 16 to 65.

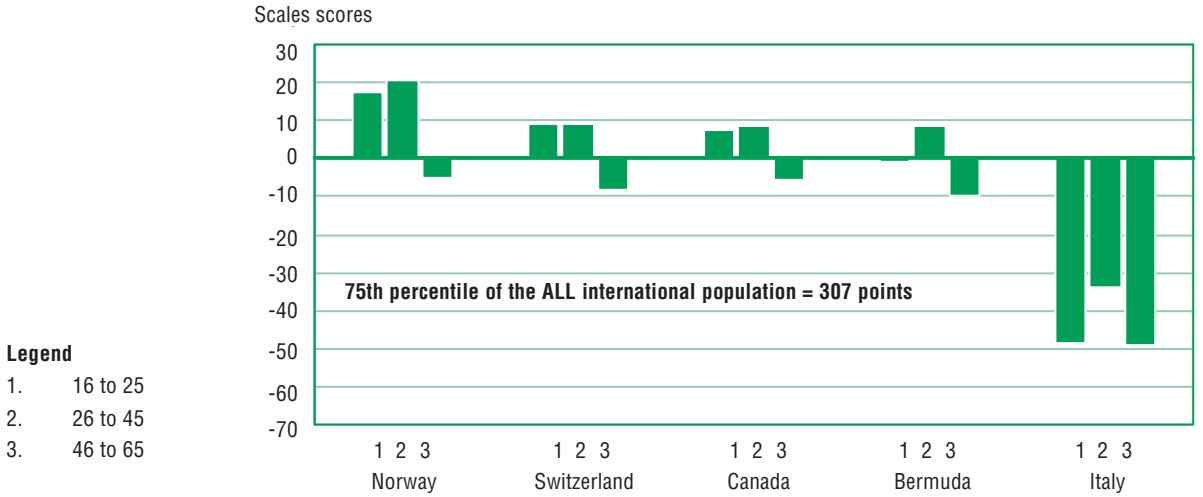
Source: Adult Literacy and Life Skills Survey, 2003.

FIGURE 5.1 A to C (concluded)

**Skills among labour force populations in the top 25 per cent**

Score differences to the 75th percentile of the ALL international population on a scale with range 0 to 500 points, labour force populations aged 16 to 65, 2003

**C. Problem solving<sup>1,2</sup> scale**



1. United States and Nuevo Leon, Mexico did not field the problem solving skills domain.
2. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

**Countries are ranked by the difference of persons aged 26 to 45 to the 75th percentile of the ALL international labour force population aged 16 to 65.**

Source: Adult Literacy and Life Skills Survey, 2003.

Similarly, Figures 5.2a-c present skills scores at the 25th percentile, highlighting differences among the bottom 25 per cent of performers. Knowledge economies with higher 25th percentile scores have an advantage because they have fewer workers with low information processing skills. Analysis by Coulombe, Tremblay and Marchand (Statistics Canada, 2004) reveals that the proportion of low skilled workers appears to suppress long-term rates of growth in GDP per capita and productivity in OECD countries. Furthermore, the employability analysis below indicates that workers with higher skills are more employable because they display a lower likelihood of being unemployed, and when they do experience unemployment they have a higher likelihood of re-entering employment sooner.

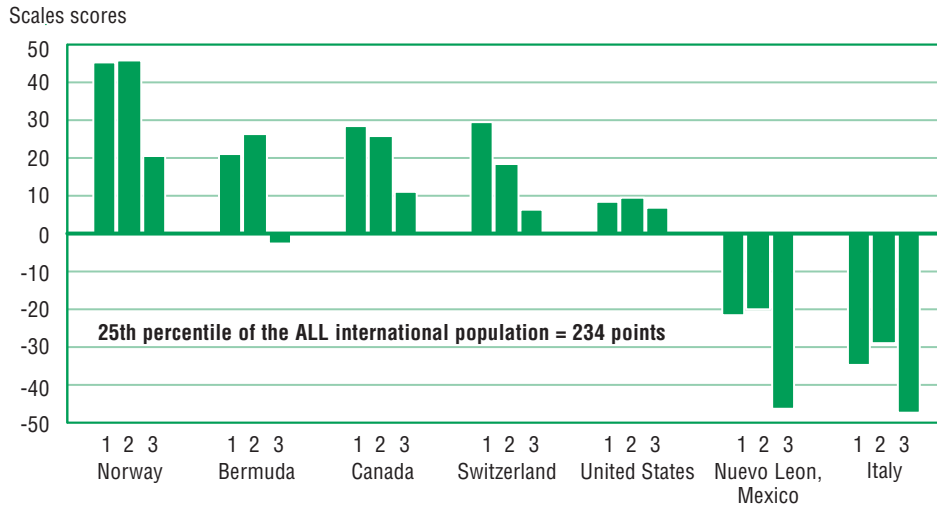


FIGURE 5.2 A to C

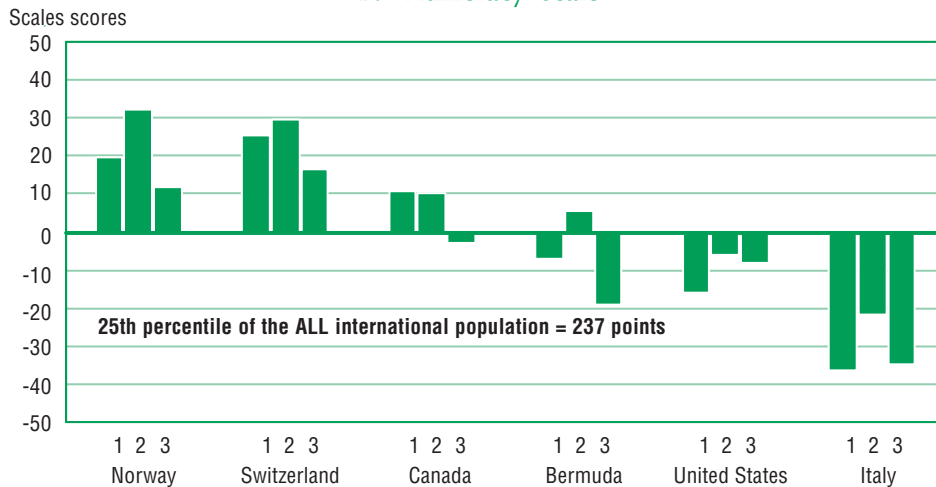
### Skills among labour force populations in the bottom 25 per cent

Score differences to the 25th percentile of the ALL international population on a scale with range 0 to 500 points, labour force populations aged 16 to 65, 2003

#### A. Prose and document literacy scales combined



#### B. Numeracy<sup>1</sup> scale



#### Legend

1. 16 to 25
2. 26 to 45
3. 46 to 65

1. The state of Nuevo Leon in Mexico fielded the IALS quantitative literacy assessment rather than the ALL numeracy assessment. Although closely related conceptually, these two scales cannot be directly compared.

Countries are ranked by the difference of persons aged 26 to 45 to the 25th percentile of the ALL international labour force population aged 16 to 25.

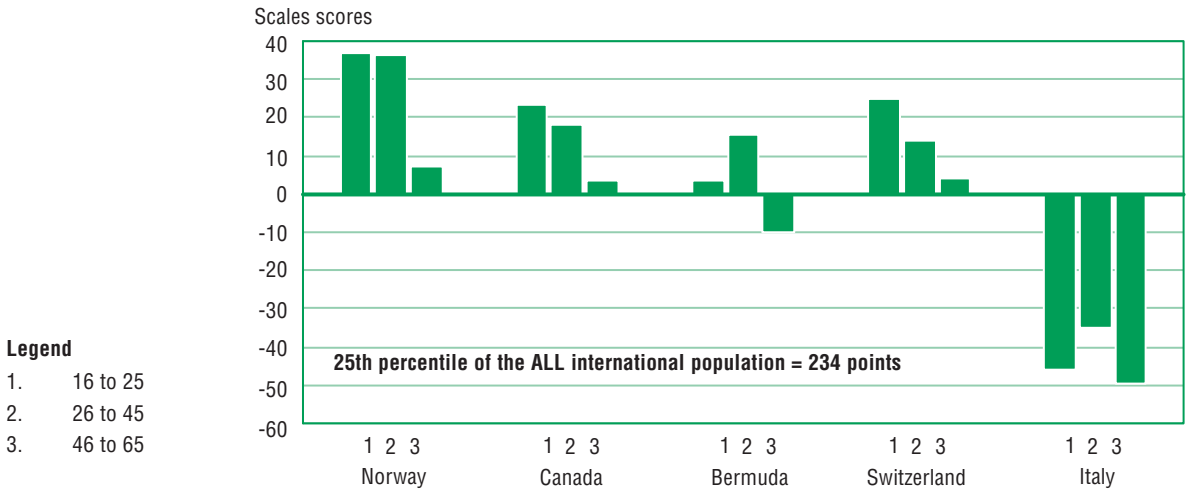
Source: Adult Literacy and Life Skills Survey, 2003.

FIGURE 5.2 A to C (concluded)

**Skills among labour force populations in the bottom 25 per cent**

Score differences to the 25th percentile of the ALL international population on a scale with range 0 to 500 points, labour force populations aged 16 to 65, 2003

**C. Problem solving<sup>1,2</sup> scale**



1. United States and Nuevo Leon, Mexico did not field the problem solving skills domain.
2. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

**Countries are ranked by the difference of persons aged 26 to 45 to the 25th percentile of the ALL international labour force population aged 16 to 65.**

Source: Adult Literacy and Life Skills Survey, 2003.

The higher scoring working adults tend to be the most numerous in the group aged 26 to 45 and fewest among older workers aged 46 to 65. The group aged 16 to 25 lies somewhere in between. Many adults aged 26 to 45 have had the chance to reinforce and develop their skills on the job, while many younger adults have not yet had the chance to apply their skills in demanding work contexts. Further, skills among many older adults may have deteriorated either because of lack of use or because they have become obsolete due to the introduction of new work routines or other innovations. This may explain why workers in early to mid career display the best skills among the top end of the labour force.

**5.3 Employability of working-age populations**

*Employability* and *employability skills* are terms increasingly used by researchers and policy makers alike. While there are many definitions, employability essentially refers to the capability of adults to obtain and maintain satisfactory work. Naturally, this involves the skills and knowledge relating to jobs, which are referred to as employability skills. These are numerous, but many efforts have been made to identify and list key employability skills that apply in varying degrees to all jobs (e.g., Carnevale, Gainer, and Meltzer, 1990; SCANS, 1991, HRDC, 2001). Not

surprisingly, most lists feature foundation skills such as literacy, numeracy and problem solving near the top. Accordingly, this section considers the relationship between the skills measured in ALL and the employability of adults.

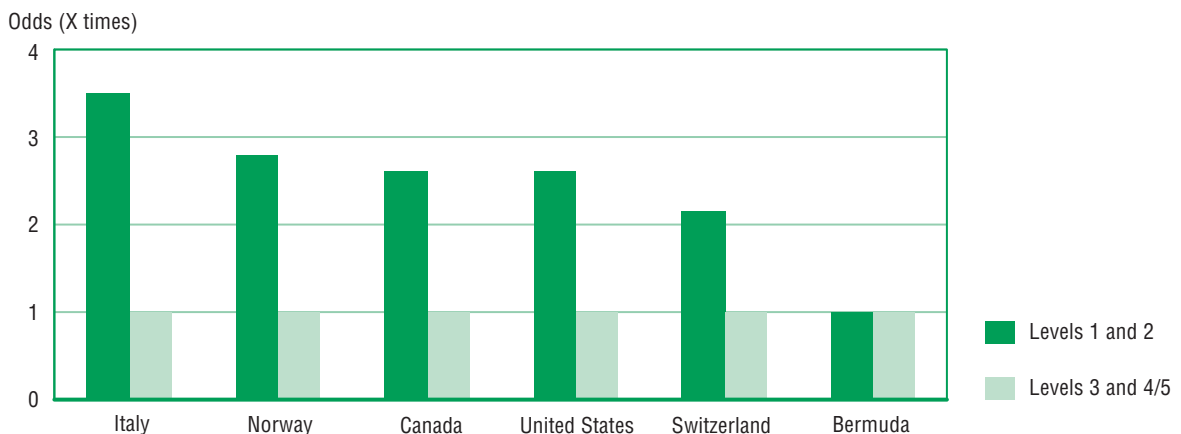
Even though they are termed “foundation skills”, the findings presented in Chapter 2 suggest that many adults have difficulties coping with literacy and numeracy related activities that are common in modern workplaces. Additionally, there is some evidence suggesting that most OECD economies continue to witness a general shift in labour demand from lower to higher levels of skills (Dickerson and Green, 2004; Machin, 2001). Thus adults with low skills, of the type measured in ALL, are likely to face increasing difficulties in gaining access to and securing gainful employment. They are also more likely than high skilled adults to experience unemployment and to not participate in the labour force at all.

Results presented in Figure 5.3 show that compared to persons who score at Levels 3 or higher on the numeracy scale, low scorers have a higher chance of experiencing six or more months of labour force inactivity than being employed all year (see Box 3A – Using odds ratios). In most countries, persons who score at Levels 1 and 2 are two to three times more likely to be outside the labour force for six or more months than those who score at Levels 3 or higher. Only in Bermuda do low and medium to high skilled adults have nearly the same odds of experiencing six or more months of labour force inactivity and being employed all year.

FIGURE 5.3

### Likelihood of labour force inactivity by skills levels

Odds ratios<sup>1</sup> showing the likelihood of experiencing labour force inactivity for 6 months or more in the last 12 months compared to being employed all year, by numeracy levels, populations aged 16 to 65, excluding students and retirees, 2003



#### Countries are ranked according to the odds of persons who score at Levels 1 and 2.

1. Odds estimates that are not statistically different from one at conventional levels of significance are reported as one in the figure. For the actual estimate and its corresponding significance, see Table 5.3 in the annex to this chapter.

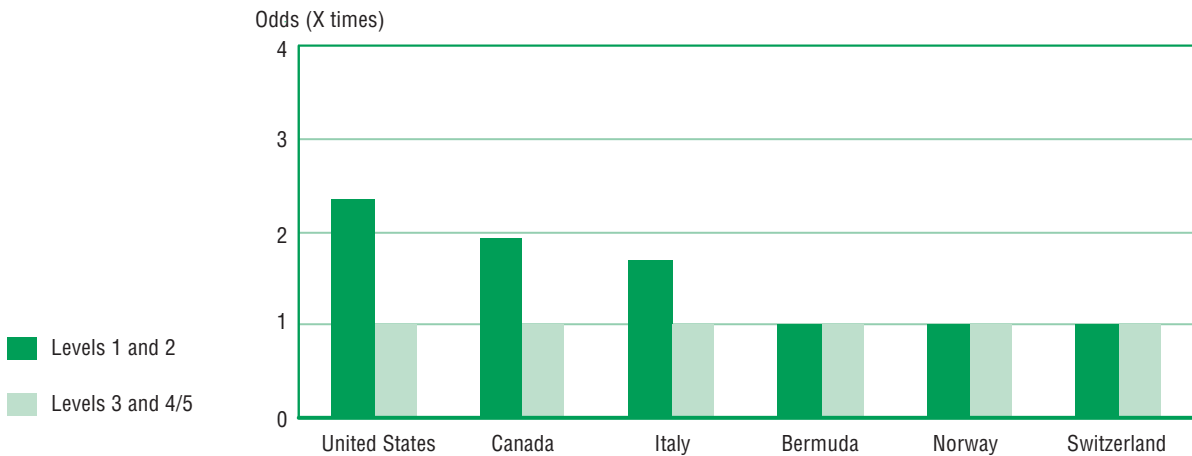
Source: Adult Literacy and Life Skills Survey, 2003.

Furthermore, Figure 5.4 shows that in half of the countries, low skilled adults are more likely than high skilled adults to experience unemployment lasting six or more months. But note that the overall labour market conditions, including the balance between the demand and supply of skilled workers and the economic cycle, which are specific to a country or region, are important to consider in this type of analysis (De Grip, van Loo and Sanders, 2004). For example, in areas where the demand for low skilled workers exceeds the supply, low skilled adults are less likely to be outside the labour force or in unemployment.

FIGURE 5.4

**Likelihood of experiencing unemployment by skills levels**

Odds ratios<sup>1</sup> showing the likelihood of experiencing unemployment for 6 months or more in the last 12 months compared to being employed all year, by numeracy levels, labour force populations aged 16 to 65, 2003



**Countries are ranked according to the odds of persons who score at Levels 1 and 2.**

1. Odds estimates that are not statistically different from one at conventional levels of significance are reported as one in the figure. For the actual estimate and its corresponding significance, see Table 5.4 in the annex to this chapter.

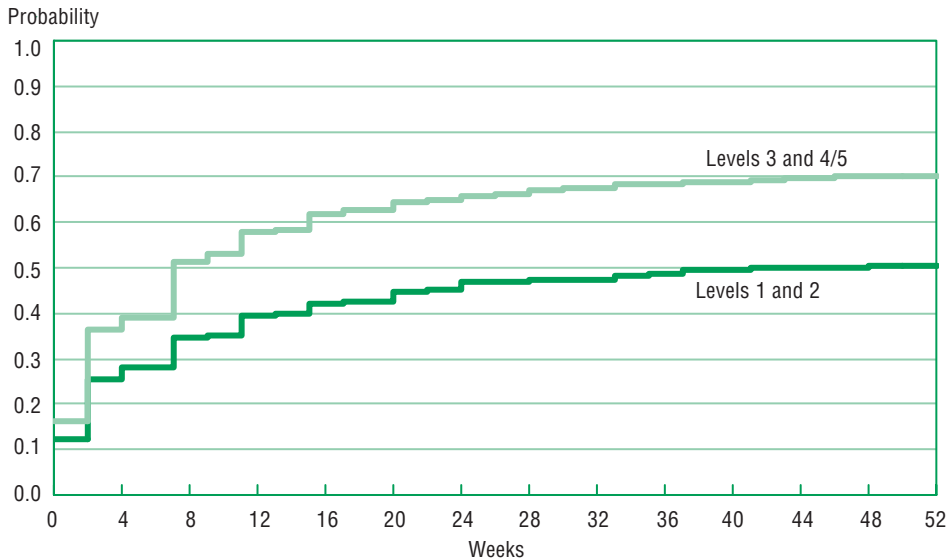
Source: Adult Literacy and Life Skills Survey, 2003.

In general, adults with medium to high skills who experience unemployment have a higher probability of finding a job sooner than persons with low skills. Figure 5.5 reports findings from an analysis pooling the unemployed populations of all countries considered (see Box 5A). The analysis contrasts the probability of exiting unemployment over the course of 52 weeks between adults who are low (Levels 1 and 2) and medium to high skilled (Levels 3 and 4/5). The results clearly indicate that persons with higher proficiency in document literacy are capable of finding employment sooner. For example, after 16 weeks of unemployment, persons scoring at Levels 3 and 4/5 have a 60 per cent chance of exiting unemployment. This increases to 70 per cent after 48 weeks. In contrast, adults who score at Levels 1 and 2 still only have a 50 per cent chance of finding a job even after 52 weeks of unemployment. The results are similar in other skills domains, although labour markets appear to recognize document and numeracy skills the most.

FIGURE 5.5

**Probability of exiting unemployment by skills levels**

The probabilities of unemployed adults aged 16 to 65 to exit unemployment over a 52 week period, by low (Levels 1 and 2) and medium to high (Levels 3 and 4/5) skills, document scale, 2003



Source: Adult Literacy and Life Skills Survey, 2003.

**Box 5A****Measuring the probabilities of exiting unemployment**

The probabilities of exiting unemployment that are presented in Figures 5.5, 5.6 and 5.7 are estimated using survival analysis. In particular, the Kaplan and Meier (1958) estimator is used. This type of analysis considers the duration before or after an event occurs as well as the duration of the event itself. The ALL skills survey collected data that describes the duration and frequency of unemployment in the 52 weeks preceding the data collection as well as whether individuals were unemployed at the time of the survey.

In this context, the survival analysis allows for an estimation of the probability that persons will exit unemployment after a certain number of weeks. The survival function is graphed so that the probability of exiting unemployment begins at 0.0 where all persons are unemployed, and approaches 1.0 as time elapses. Notice that some adults leave unemployment very quickly while others remain for up to 52 weeks or longer. But the probability of exiting unemployment rises as the number of weeks in unemployment increases. Eventually, by 52 weeks most persons have left unemployment. Accordingly, the probability of exiting unemployment is very high (close to 1.0) at 52 weeks, but there are still some who remain unemployed more than one year.

## 5.4 Employability of younger and older working-age populations

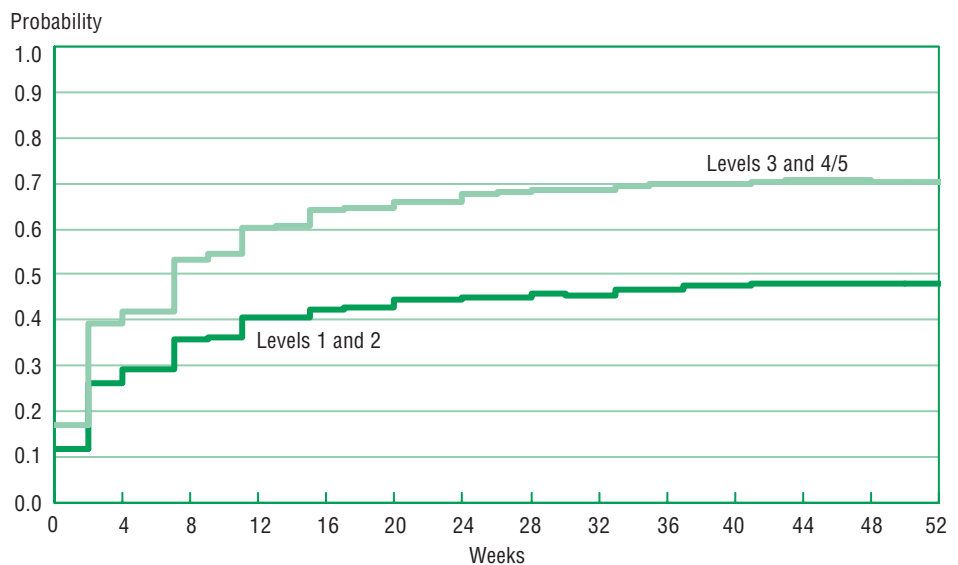
When it comes to employment, age can be seen as a barrier. Both younger and older workers can face substantial difficulties in the labour market. The successful integration of young adults into the labour market remains a major political concern in most OECD countries (OECD, 2002). Often, young adults are disadvantaged by their lack of qualifications, foundation skills and work experience (UK Youth, 2002). Similarly, older adults can run into employment difficulties because their skills have become obsolete (De Grip and van Loo, 2002; Dubin, 1972; Rosen, 1975), and employers may be less inclined to invest in retraining for older workers (Heckman, 1999). This section considers the employability of younger and older adults by their levels of skill.

The results presented in Figure 5.6 suggest that higher proficiency in basic employability skills such as document literacy is strongly associated with the probability of young adults aged 16 to 30 to find employment. Young adults who score at Levels 1 and 2 have a lower chance of exiting unemployment and tend to be unemployed longer.

FIGURE 5.6

### Probability of younger workers exiting unemployment by skills levels

The probabilities of unemployed adults aged 16 to 30 to exit unemployment over a 52 week period, by low (Levels 1 and 2) and medium to high (Levels 3 and 4/5) skills, document scale, 2003



Source: Adult Literacy and Life Skills Survey, 2003.

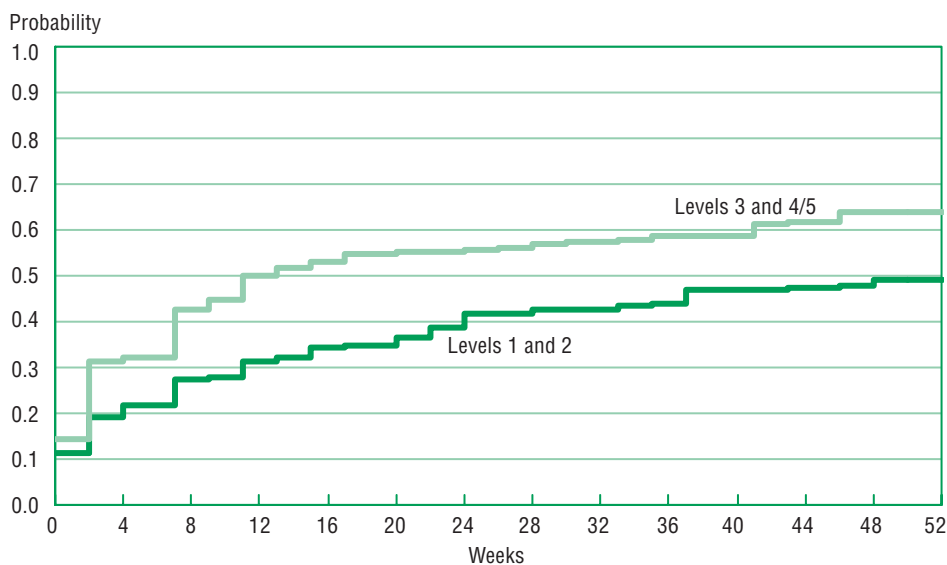
Many older unemployed workers face difficulties finding a new job. In general, the average duration of unemployment tends to be higher among older labour force participants, even though the rate of unemployment is higher among younger adults (Ryan, 2001). This is because younger labour force participants are able to exit unemployment more quickly than older adults. Comparing the probability trajectories of exiting unemployment that are presented in Figures 5.6 and 5.7 supports this tendency. In fact, low skilled younger adults appear to have better chances of finding a job than low skilled older adults. This highlights the difficulties that displaced workers face when searching for a job at an older age.

Even so, older adults with higher skills find it easier to obtain employment. Figure 5.7 shows that older labour force participants who score at Levels 3 and 4/5 on the document literacy scale have a higher probability of finding employment more quickly when compared to those scoring at Levels 1 and 2. But note that while this analysis is done using pooled international data, the results are likely to vary according to the relative demand and supply for low skills in specific regions. It is expected that relatively high demand for, and/or low supply of, skilled workers will reduce the difference between the employability of low and medium to high skilled workers.

**FIGURE 5.7**

### Probability of older workers exiting unemployment by skills levels

The probabilities of unemployed adults aged 50 to 65 to exit unemployment over a 52 week period, by low (Levels 1 and 2) and medium to high (Levels 3 and 4/5) skills, document scale, 2003



Source: Adult Literacy and Life Skills Survey, 2003.

For many, the link between foundation skills and employability is not necessarily direct. Employability also depends on the willingness and capacity of workers to participate in training. But adults aged 56 to 65 are the least likely to participate in adult education and training (OECD, 2003). Moreover, participation itself is linked to foundation skills (see Figure 4.4 in Chapter 4). Many lack the basic skills to engage in training that maintains their employability, including younger and older workers.

Those working in jobs requiring predominantly firm-specific or technology-specific skills for extended periods of time are likely to be the most vulnerable. Evidence suggests that working in an environment with limited complexity or repetitive tasks leads to skills loss over time (Krahn and Lowe, 1998). In particular, low requirements for literacy and numeracy skills at work may be associated with loss of these skills (See Chapter 6). Therefore it is expected that adults with this type of labour force experience face increased difficulties to participate in training courses that are otherwise needed to keep up with changes in skill requirements.

## Endnotes

1. Persons who were either employed or unemployed and looking for work at the time of the survey are considered active labour force participants.
2. The prose and document literacy scales are combined into a composite literacy scale for the purposes of this analysis. Although, it is desirable to maintain two separate literacy scales for many analyses, the theoretical and empirical properties also allow for creating composite skill scales.



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# Annex 5

## Data Values for the Figures

### 5

TABLE 5.1

Score of the 75th percentile on a scale with range 0 to 500 points,  
labour force populations aged 16 to 25, 26 to 45 and 46 to 65, 2003

	Age	75th percentile	
<b>A. Prose and document literacy scales combined</b>			
<b>Bermuda</b>	16 to 25	317.3	(5.2)
	26 to 45	327.8	(3.0)
	46 to 65	311.2	(3.6)
<b>Canada</b>	16 to 25	321.3	(2.7)
	26 to 45	324.8	(1.5)
	46 to 65	312.1	(1.6)
<b>Italy</b>	16 to 25	265.8	(3.2)
	26 to 45	275.8	(2.8)
	46 to 65	262.2	(2.8)
<b>Norway</b>	16 to 25	323.7	(3.3)
	26 to 45	332.1	(2.2)
	46 to 65	313.0	(2.5)
<b>Nuevo Leon, Mexico</b>	16 to 25	261.5	(2.0)
	26 to 45	264.3	(2.0)
	46 to 65	245.7	(3.3)
<b>Switzerland</b>	16 to 25	314.8	(7.1)
	26 to 45	313.1	(1.7)
	46 to 65	296.0	(2.9)
<b>United States</b>	16 to 25	305.8	(4.9)
	26 to 45	310.6	(2.8)
	46 to 65	308.4	(3.4)

TABLE 5.1 (concluded)

**Score of the 75th percentile on a scale with range 0 to 500 points,  
labour force populations aged 16 to 25, 26 to 45 and 46 to 65, 2003**

	Age	75th percentile	
<b>B. Numeracy<sup>1</sup> scale</b>			
<b>Bermuda</b>	16 to 25	296.3	(7.7)
	26 to 45	315.5	(2.3)
	46 to 65	296.0	(4.2)
<b>Canada</b>	16 to 25	313.9	(3.1)
	26 to 45	320.5	(1.7)
	46 to 65	305.0	(1.9)
<b>Italy</b>	16 to 25	262.9	(4.8)
	26 to 45	277.5	(2.4)
	46 to 65	268.8	(2.5)
<b>Norway</b>	16 to 25	312.2	(3.4)
	26 to 45	324.7	(1.5)
	46 to 65	308.5	(2.2)
<b>Switzerland</b>	16 to 25	324.5	(12.3)
	26 to 45	331.0	(3.1)
	46 to 65	311.9	(2.7)
<b>United States</b>	16 to 25	298.9	(4.5)
	26 to 45	307.1	(2.7)
	46 to 65	304.4	(2.8)
<b>C. Problem solving<sup>2</sup> scale</b>			
<b>Bermuda</b>	16 to 25	306.2	(5.9)
	26 to 45	315.6	(2.4)
	46 to 65	297.6	(4.5)
<b>Canada</b>	16 to 25	314.8	(4.6)
	26 to 45	316.0	(1.6)
	46 to 65	301.6	(1.8)
<b>Italy</b>	16 to 25	258.5	(3.7)
	26 to 45	273.5	(3.0)
	46 to 65	258.3	(3.6)
<b>Norway</b>	16 to 25	324.8	(3.6)
	26 to 45	327.8	(1.9)
	46 to 65	301.9	(3.1)
<b>Switzerland<sup>3</sup></b>	16 to 25	316.1	(5.7)
	26 to 45	316.5	(2.4)
	46 to 65	299.1	(3.9)

1. The state of Nuevo Leon in Mexico fielded the IALS quantitative literacy assessment rather than the ALL numeracy assessment. Although closely related conceptually, these two scales cannot be directly compared.
2. United States and Nuevo Leon, Mexico did not field the problem solving skills domain.
3. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 5.2

Score of the 25th percentile on a scale with range 0 to 500 points,  
labour force populations aged 16 to 25, 26 to 45 and 46 to 65, 2003

	Age	25th percentile	
<b>A. Prose and document scales combined</b>			
<b>Bermuda</b>	16 to 25	254.9	(9.7)
	26 to 45	259.9	(3.1)
	46 to 65	231.1	(4.1)
<b>Canada</b>	16 to 25	262.1	(3.7)
	26 to 45	259.5	(2.0)
	46 to 65	244.5	(3.1)
<b>Italy</b>	16 to 25	198.6	(4.2)
	26 to 45	204.7	(2.7)
	46 to 65	186.4	(4.4)
<b>Norway</b>	16 to 25	278.9	(4.4)
	26 to 45	279.4	(1.8)
	46 to 65	254.4	(2.1)
<b>Nuevo Leon, Mexico</b>	16 to 25	212.2	(4.1)
	26 to 45	213.5	(2.9)
	46 to 65	187.3	(5.4)
<b>Switzerland</b>	16 to 25	263.2	(10.9)
	26 to 45	252.1	(2.8)
	46 to 65	240.0	(2.5)
<b>United States</b>	16 to 25	242.1	(4.0)
	26 to 45	243.3	(2.3)
	46 to 65	240.4	(3.2)
<b>B. Numeracy<sup>1</sup> scale</b>			
<b>Bermuda</b>	16 to 25	229.6	(8.5)
	26 to 45	242.0	(3.3)
	46 to 65	217.4	(3.7)
<b>Canada</b>	16 to 25	247.6	(2.7)
	26 to 45	247.0	(2.1)
	46 to 65	234.0	(2.1)
<b>Italy</b>	16 to 25	200.2	(4.8)
	26 to 45	214.8	(2.1)
	46 to 65	202.1	(3.4)
<b>Norway</b>	16 to 25	256.5	(7.1)
	26 to 45	268.9	(2.3)
	46 to 65	248.3	(2.9)
<b>Switzerland</b>	16 to 25	262.3	(9.7)
	26 to 45	266.4	(2.4)
	46 to 65	253.0	(4.2)
<b>United States</b>	16 to 25	220.7	(5.4)
	26 to 45	230.4	(2.4)
	46 to 65	228.6	(4.1)

TABLE 5.2 (concluded)

Score of the 25th percentile on a scale with range 0 to 500 points,  
labour force populations aged 16 to 25, 26 to 45 and 46 to 65, 2003

	Age	25th percentile	
<b>C. Problem solving<sup>2</sup> scale</b>			
<b>Bermuda</b>	16 to 25	237.1	(10.5)
	26 to 45	249.5	(3.5)
	46 to 65	223.5	(3.8)
<b>Canada</b>	16 to 25	257.3	(2.7)
	26 to 45	251.7	(2.2)
	46 to 65	237.1	(2.1)
<b>Italy</b>	16 to 25	187.5	(7.2)
	26 to 45	198.6	(3.3)
	46 to 65	184.3	(4.1)
<b>Norway</b>	16 to 25	270.3	(5.0)
	26 to 45	270.1	(2.5)
	46 to 65	242.8	(3.1)
<b>Switzerland<sup>3</sup></b>	16 to 25	258.8	(8.9)
	26 to 45	247.6	(3.3)
	46 to 65	237.6	(3.4)

1. The state of Nuevo Leon in Mexico fielded the IALS quantitative literacy assessment rather than the ALL numeracy assessment. Although closely related conceptually, these two scales cannot be directly compared.
2. United States and Nuevo Leon, Mexico did not field the problem solving skills domain.
3. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 5.3

Odds ratios showing the likelihood of experiencing labour force inactivity for 6 months or more in the last 12 months compared to being employed all year, by numeracy levels, populations aged 16 to 65, excluding students and retirees, 2003

	Levels 1 and 2		Levels 3 and 4/5
	Not in labour force for 6 months or more		Employed all year
Bermuda	1.29	(0.24)	1.00
Canada	2.62***	(0.08)	1.00
Italy	3.49***	(0.16)	1.00
Norway	2.80***	(0.21)	1.00
Switzerland	2.17***	(0.19)	1.00
United States	2.61***	(0.17)	1.00

\* p<0.10, statistically significant at the 10 per cent level.

\*\* p<0.05, statistically significant at the 5 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

Note: Standard errors are of the logarithm of the odds ratios.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 5.4

Odds ratios showing the likelihood of experiencing unemployment for 6 months or more in the last 12 months compared to being employed all year, by numeracy levels, labour force populations aged 16 to 65, 2003

	Levels 1 and 2		Levels 3 and 4/5
	Unemployed for 6 months or more		Employed all year
Bermuda	2.04	(0.74)	1.00
Canada	1.92***	(0.19)	1.00
Italy	1.68**	(0.25)	1.00
Norway	2.55	(0.58)	1.00
Switzerland	3.02	(0.64)	1.00
United States	2.36**	(0.37)	1.00

\* p<0.10, statistically significant at the 10 per cent level.

\*\* p<0.05, statistically significant at the 5 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

Note: Standard errors are of the logarithm of the odds ratios.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 5.5

The probabilities of unemployed adults aged 16 to 65 to exit unemployment over a 52 week period, by low (Levels 1 and 2) and medium to high (Levels 3 and 4/5) skills, document scale, 2003

Weeks	Levels 1 and 2	Levels 3 and 4/5
	Probability	
0	0.124	0.161
2	0.253	0.363
4	0.281	0.392
7	0.345	0.511
9	0.350	0.530
11	0.395	0.578
13	0.397	0.583
15	0.420	0.621
17	0.423	0.626
20	0.448	0.643
22	0.453	0.647
24	0.468	0.660
26	0.469	0.663
28	0.474	0.673
30	0.475	0.675
33	0.484	0.683
35	0.485	0.683
37	0.494	0.687
39	0.495	0.687
41	0.500	0.694
43	0.500	0.696
46	0.502	0.700
48	0.502	0.701
50	0.502	0.701
52	0.502	0.701

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 5.6

The probabilities of unemployed adults aged 16 to 30 to exit unemployment over a 52 week period, by low (Levels 1 and 2) and medium to high (Levels 3 and 4/5) skills, document scale, 2003

Weeks	Probability	
	Levels 1 and 2	Levels 3 and 4/5
0	0.116	0.169
2	0.262	0.391
4	0.292	0.420
7	0.357	0.531
9	0.363	0.546
11	0.404	0.604
13	0.404	0.607
15	0.425	0.643
17	0.428	0.647
20	0.445	0.661
22	0.447	0.661
24	0.451	0.675
26	0.451	0.679
28	0.457	0.686
30	0.454	0.687
33	0.468	0.696
35	0.469	0.698
37	0.475	0.698
39	0.475	0.699
41	0.480	0.704
43	0.481	0.705
46	0.482	0.707
48	0.482	0.705
50	0.482	0.705
52	0.482	0.705

Source: Adult Literacy and Life Skills Survey, 2003.



TABLE 5.7

The probabilities of unemployed adults aged 50 to 65 to exit unemployment over a 52 week period, by low (Levels 1 and 2) and medium to high (Levels 3 and 4/5) skills, document scale, 2003

Weeks	Levels 1 and 2	Levels 3 and 4/5
	Probability	
0	0.113	0.143
2	0.192	0.313
4	0.215	0.323
7	0.273	0.426
9	0.280	0.450
11	0.315	0.499
13	0.322	0.516
15	0.342	0.532
17	0.349	0.548
20	0.367	0.552
22	0.387	0.553
24	0.417	0.558
26	0.419	0.563
28	0.427	0.568
30	0.427	0.574
33	0.435	0.579
35	0.438	0.587
37	0.468	0.587
39	0.470	0.588
41	0.471	0.613
43	0.472	0.616
46	0.477	0.637
48	0.491	0.639
50	0.491	0.639
52	0.491	0.639

Source: Adult Literacy and Life Skills Survey, 2003.



# Chapter 6

## Skills and the Nature of the Workplace

### Summary

This chapter explores the relationship between different types of jobs, job tasks, and skills. First, the skill distributions of the workforce in technology- and knowledge-intensive industries are compared to other sectors. Similarly, the skills of workers in knowledge-intensive occupations are compared to those in other types of occupations. Second, the relationships between literacy and numeracy engagement at work and the skills measured by ALL are considered. Third, it is shown that the extent of engagement in literacy and numeracy activities is strongly linked to the types of occupations in which adults are employed. The last section looks at the match and mismatch between the skills of workers and the extent to which they engage in job tasks that require those skills.

6

## Table of Contents

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Summary	129
---------	-----

---

<b>Chapter 6</b>	
<b>Skills and the Nature of the Workplace</b>	<b>129</b>
6.1 Overview and highlights	131
6.2 Skills in knowledge economies	132
6.3 The relationship between job tasks and skills	137
6.4 Match and mismatch between job tasks and observed skills	143

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References	147
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<b>Annex 6</b>	
<b>Data Values for the Figures</b>	<b>149</b>

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# Skills and the Nature of the Workplace

## 6

### 6.1 Overview and highlights

This chapter explores the relationship between different types of jobs, job tasks, and skills. First, the skill distributions of the workforce in technology- and knowledge-intensive industries are compared to other sectors. Similarly, the skills of workers in knowledge-intensive occupations are compared to those in other types of occupations. Second, the relationships between literacy and numeracy engagement at work and the skills measured by ALL are considered. Third, it is shown that the extent of engagement in literacy and numeracy activities is strongly linked to the types of occupations in which adults are employed. The last section looks at the match and mismatch between the skills of workers and the extent to which they engage in job tasks that require those skills.

The highlights of the chapter are as follows:

- High skills industries including knowledge-intensive market service activities; high and medium-high technology manufacturing; and public administration, defense, education and health feature comparatively high proportions of adults at skill Levels 3 and 4/5.
- High and medium-high technology compared with low and medium-low technology manufacturing industries have comparatively higher proportions of skilled workers. Thus continued growth in the high technology sector is likely to cause upward pressure on the demand for skills.
- Occupations with high requirements for the use of cognitive skills including expert, management, and high-skill information types of jobs tend to feature higher proportions of workers with medium to high levels of the skills measured in ALL.
- “Old economy” types of occupations including low-skill services and goods-related types of jobs employ a limited proportion of workers with medium to high literacy and numeracy skills.
- There is a significant association between literacy and numeracy related practices at work and the skills measured in ALL. Workers

scoring at higher levels of literacy and numeracy skills also engage more frequently in literacy and numeracy related practices at work.

- All countries show apparent skills deficits as measured by the difference between observed skills and the extent to which those skills are required at work. That is, workers with low skills who are employed in jobs requiring comparatively high engagement in literacy and numeracy related job tasks. This applies to about 10 to 30 per cent of the workforce depending on the country.
- All countries show apparent skills surpluses as measured by the difference between observed skills and the extent to which those skills are required at work. That is, workers with medium to high skills who are employed in jobs requiring comparatively low engagement in literacy and numeracy related job tasks. This is good for growing knowledge economies in the long run, but a lack of skills use in the workplace may be problematic in the short run. This follows from the “use it or lose it” hypothesis.

## 6.2 Skills in knowledge economies

Various processes including globalisation, technological and labour force changes as well as the increased use of flexible work practices have caused major structural changes in OECD economies and are likely to continue to do so (OECD and Statistics Canada, 2000; OECD 2001a; OECD 2001b; Judy and D’Amico, 1997). Many developments linked to such processes have led to more jobs that require higher levels of knowledge and skills. These are the types of jobs that form knowledge economies and raise the importance of skills such as those measured in the ALL survey. Accordingly this section reports on distributions of adult skills among different types of jobs. Findings are presented by two key variables often used to monitor growth in knowledge economies but also to describe the nature of one’s employment, namely reclassifications of the International Standard Industry Classification (ISIC) and International Standard Classification of Occupations (ISCO).

### Box 6A

#### Measuring technology- and knowledge-intensive industries

All industries are to some extent dependent on technology and knowledge inputs. However, some industries rely more on these than others. Recent efforts drawing on methodological work carried out at the OECD and by others have led to a categorization used in this section that delimits industries according to their relative intensity of technology in the case of manufacturing industries, and knowledge in the case of market service industries. See *Science, Technology and Industry Scoreboard* (OECD, 1999, pp. 18, 60, 137-140; and 2001b, p. 124) for further details.

In summary, all manufacturing industries are classified according to technology intensity into four categories as follows: high technology manufacturing, medium-high technology manufacturing, medium-low technology manufacturing, and low technology manufacturing. But note that due to sample size limitations for some countries the first and last two categories are collapsed when reporting skill distributions.

The knowledge-intensive market service activities category includes post and telecommunications (ISIC division 64), finance and insurance (ISIC divisions 65-67), and business activities excluding real estate (ISIC divisions 71-74).

In general, high-skill industries feature higher proportions of adults with medium to high levels of skill. In particular, Figure 6.1 shows that industries related to knowledge-intensive market service activities; public administration, defense, education and health; and high and medium-high technology manufacturing tend to have relatively higher proportions of adults at Levels 3 and 4/5 on the document scale than other types of industries (see Box 6A). The results, however, vary substantially by country.

For example, primary type industries in Norway feature comparatively high rates of medium to high skilled workers, reaching over 85 per cent. Bermuda and Canada also have about 50 per cent of those working in primary industries at Levels 3 and 4/5. Consequently, these countries are likely to have a comparative advantage in implementing technological, process and organizational innovations in the primary sector. Note that Norway has a high proportion of skilled workers in every type of industry, with at least 60 per cent of workers in each type of industry scoring at Levels 3 and 4/5. Canada also has high proportions in all types of industries, where only low and medium-low technology manufacturing industries have less than 50 per cent of workers with medium to high levels of document literacy skills.

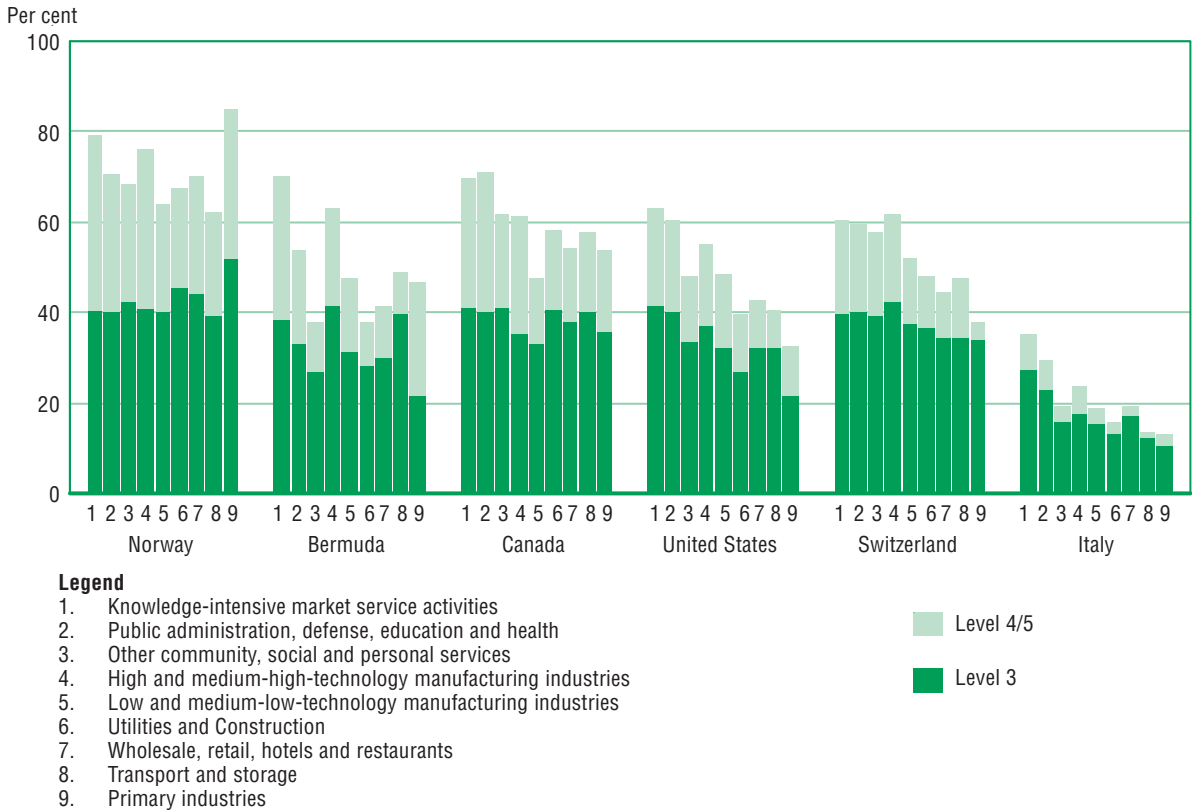
In every country, high and medium-high technology compared to low and medium-low technology manufacturing industries have comparatively more skilled workers. Results are similar for other skill domains but are not reported here. High-technology industries account for a growing share of OECD-wide value added and international trade and are expected to play a significant role in economic growth (OECD, 2004). Therefore, this is an expanding sector that is likely to put upward pressure on the demand for skills.

Industry classifications are relevant to skills analysis (and vice versa) because they are useful in delimiting the extent and nature of particular technologies and work practices that are prevailing in different industry sectors. But skills represent much of the know-how used to carry out job tasks and therefore, are likely to be more closely associated with occupational classifications. After all, occupational classifications are partly based on descriptions of work tasks and the skills needed to complete those successfully.

FIGURE 6.1

**Knowledge- and technology-based industry classification by skills**

Per cent of labour force populations aged 16 to 65 at document literacy Levels 3 and 4/5, by type of industry, 2003



Countries are ranked by the combined proportion of persons at Levels 3 and 4/5 in knowledge-intensive market service activities.

Source: Adult Literacy and Life Skills Survey, 2003.

**Box 6B**

**Measuring knowledge-based occupations**

A number of recent efforts reclassify the International Standard Classification of Occupations (ISCO) into fewer occupational groups (e.g., Osberg, Wolff and Baumol, 1989; Lavoie and Roy, 1998; Boothby, 1999). These efforts attempt to delimit types of occupations on the basis of knowledge content and common skills requirements including cognitive, communication, management and motor skills. Many skills are required in varying degrees to carry out typical tasks associated with different jobs, but some preliminary evidence suggests that occupations tend to cluster according to relatively few mixes of skill requirements and accordingly few occupational types (Béjaoui, 2000). Note that the types of skills measured in ALL are considered to be associated with cognitive skills only.

In this section, all ISCO occupations are classified according to different types of job tasks that require varying skills as follows: knowledge expert, management, information high-skill, information low-skill, services low-skill, and goods-related.



See Boothby (1999) and Béjaoui (2000) for a more detailed description of the relative requirements of different skills by occupational types. In summary, knowledge expert types of occupations require the most use of cognitive skills, more than average management and communication skills as well as fine motor skills. Although managers are required to use cognitive skills slightly less intensively than experts, they are required to use management and communication skills the most often, making their required skills set the most balanced. Similar to experts, high-skill information occupations require the use of cognitive, management and communication skills more than the average. Although lower, low-skill information occupations also require the use of these skills slightly more than average. Low-skill services and good-related occupations require the use of these types of skills comparatively less often.

Figure 6.2a-c reports on skill distributions by the occupational types described in Box 6B. In general, occupational types that have higher requirements for the use of cognitive skills also tend to feature higher proportions of persons with medium to high levels (Levels 3 and 4/5) of the skills measured in ALL. This is the case for all domains including prose and document literacy, numeracy and problem solving. Within countries, the pattern of distributions are very similar. Occupations that form knowledge economies including expert, management, high-skill and low-skill information types, have higher proportions of skilled workers than “old economy” types of occupations such as low-skill services and goods-related. Moreover, the supply of skills in the “old economy” appears to be limited.

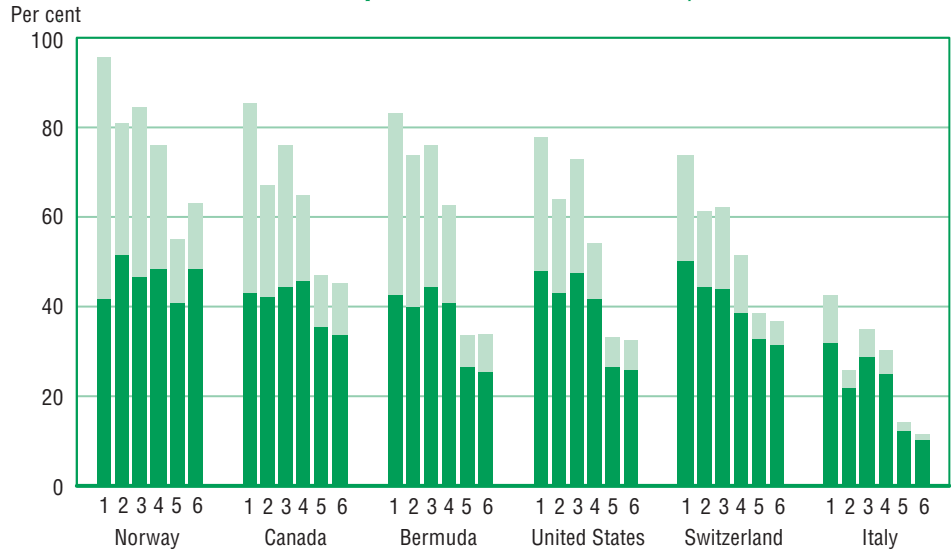
Following an economic downturn in the early 2000s, many OECD countries are placing even more emphasis on the development of knowledge economies (European Communities, 2004). The aim is to increase competitiveness, create ‘good’ jobs and sustain long-term economic growth. At the same time there is a major concern in most OECD countries about ageing populations (OECD, 2003). This combined with other upward pressures on the demand for skill, has many suggesting that labour markets cannot rely solely on higher graduation rates and quality improvements in initial education systems. Accordingly, many OECD countries also emphasize lifelong learning policies that aim to raise the skill levels of the current workforce. But as noted in Chapter 4, marked increases in the rate of participation in adult education and training experienced in most participating countries are also accompanied by strong indications that many people with low skills continue to be excluded from further education and training.

FIGURE 6.2 A to C

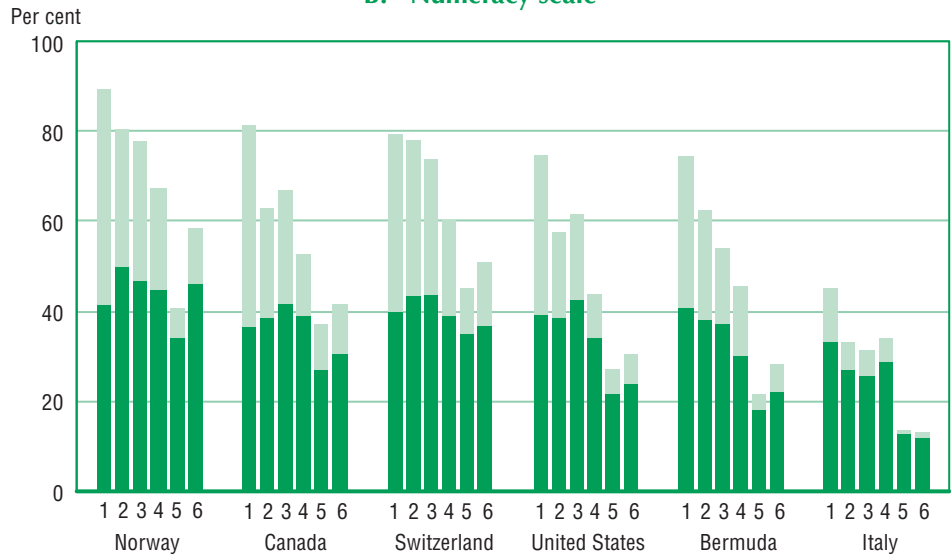
**Knowledge-based occupational classification by skills**

Per cent of labour force populations aged 16 to 65 at skills Levels 3 and 4/5, by type of occupation, 2003

**A. Combined prose and document literacy scale**



**B. Numeracy scale**



Legend

- 1. Knowledge expert
- 2. Managers
- 3. Information high-skill
- 4. Information low-skill
- 5. Services low-skill
- 6. Goods

- Level 4/5
- Level 3

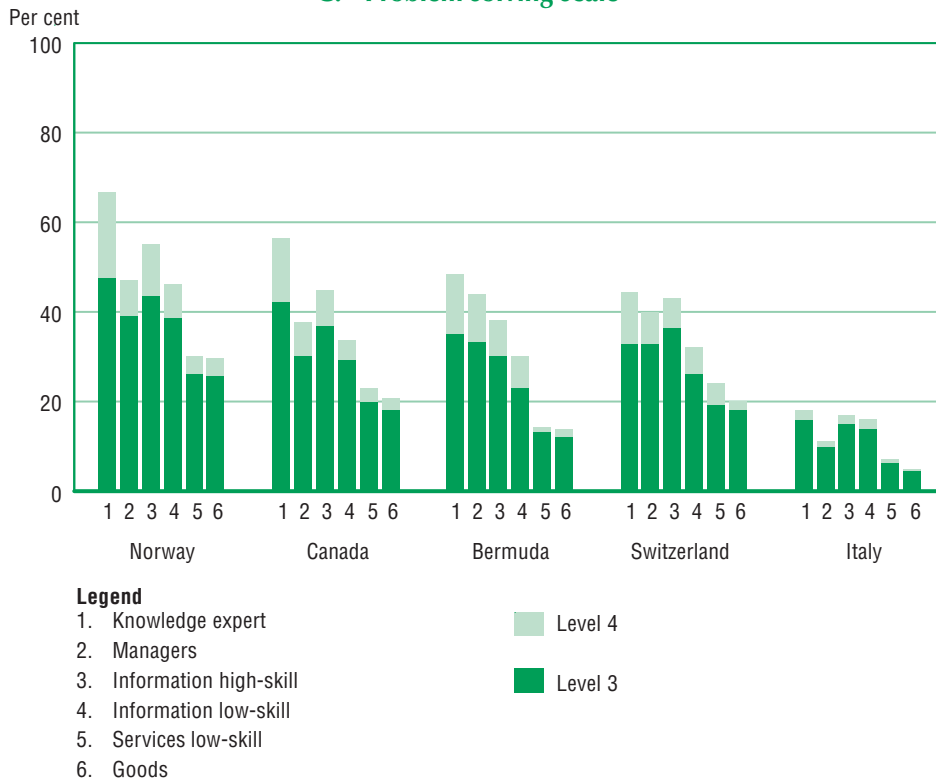
**Countries are ranked by the combined proportion of persons at Levels 3 and 4/5 in knowledge expert occupations.**

Source: Adult Literacy and Life Skills Survey, 2003.

FIGURE 6.2 A to C (concluded)

**Knowledge-based occupational classification by skills**

Per cent of labour force populations aged 16 to 65 at skills Levels 3 and 4/5, by type of occupation, 2003

**C. Problem solving scale<sup>1,2</sup>**

**Countries are ranked by the combined proportion of persons at Levels 3 and 4 in knowledge expert occupations.**

1. United States did not field the problem solving skills domain.
2. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

Source: Adult Literacy and Life Skills Survey, 2003.

### 6.3 The relationship between job tasks and skills

The various tasks that workers engage in on a day to day basis require different types of skills to complete them in a satisfactory manner. Thus certain skills are closely related to specific job tasks. Accordingly, the ALL survey collected information on select job tasks that are relevant to the skills assessed. These data are used to create measures that gauge the extent to which adults engage in reading, writing and numeracy related activities at work (see Box 6C). This section considers such job tasks in relation to skills and the occupational types described in the previous section.

As expected, there is a clear association between literacy and numeracy related practices at work and the skills measured in ALL. Figures 6.3a-d show that persons scoring at higher levels of skill engage more in these practices. The data also offer other insights into the distribution of skills. The case of Italy provides an example of how the average level of engagement among all employed adults has an impact on the overall skills performance of the country as measured by ALL. In relation to other countries, Italians on average engage the least in literacy and numeracy related practices at work. Yet Italian adults who engage more also score higher just like in comparison countries.

### Box 6C

#### Measuring engagement in literacy and numeracy related tasks at work

The ALL survey gathered information on select reading, writing and numeracy related activities at work. This includes 17 items as follows:

- Six items regarding the frequency of reading or using information from each of the following as part of the respondent's main job: letters, memos or e-mails; reports, articles, magazines or journals; manuals or reference books including catalogues; diagrams or schematics; directions or instructions; bills, invoices, spreadsheets or budget tables.
- Five items regarding the frequency of writing or filling out each of the following as part of the respondent's main job: letters, memos or e-mails; reports, articles, magazines or journals; manuals or reference books including catalogues; directions or instructions; bills, invoices, spreadsheets or budget tables.
- Six items regarding the frequency of doing each of the following as part of the respondent's main job: measure or estimate the size or weight of objects; calculate prices, costs or budgets; count or read numbers to keep track of things; manage time or prepare timetables; give or follow directions or use maps or street directories; use statistical data to reach conclusions.

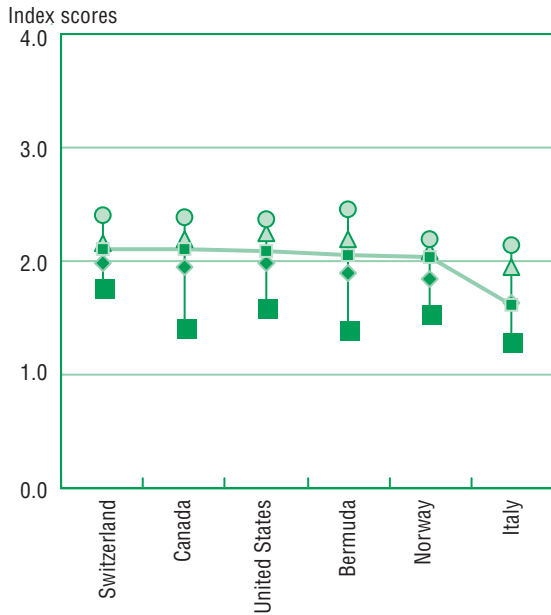
Using these items, reading, writing and numeracy indices were created. This involved a three step process. First, Exploratory Factor Analysis (EFA) was used to explore and model the data. Second, Confirmatory Factor Analysis (CFA) was used to validate the models chosen and hence the indices. Third, items were selected and scaled according to the CFA using the Rasch item response model. The scale score is a weighted maximum likelihood estimate, and countries were given equal weight in the scaling process. Indices are standardized so the mean of the index value for the combined sample of all participating countries is two and the standard deviation is one. But for the purpose of the analyses reported in Figures 6.3, 6.4 and 6.5, the index scores are reported as ranging from zero to four in order to facilitate the interpretation of the scale. The scale values roughly correspond as follows: one is "never"; two is "rarely"; three is "less than once a week"; and four is "at least once a week".

FIGURE 6.3 A to D

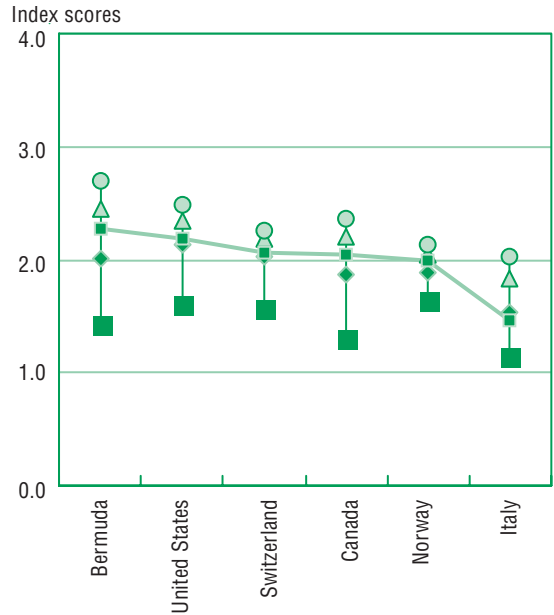
Practice engagement at work by skills levels

Index scores of reading, writing and numeracy engagement at work on a standardized scale (centred on 2), by skills levels, labour force populations aged 16 to 65, 2003

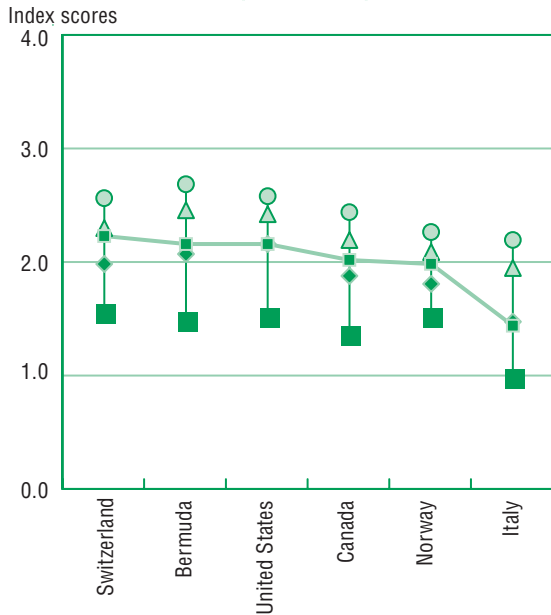
A. Reading engagement at work index by document literacy levels



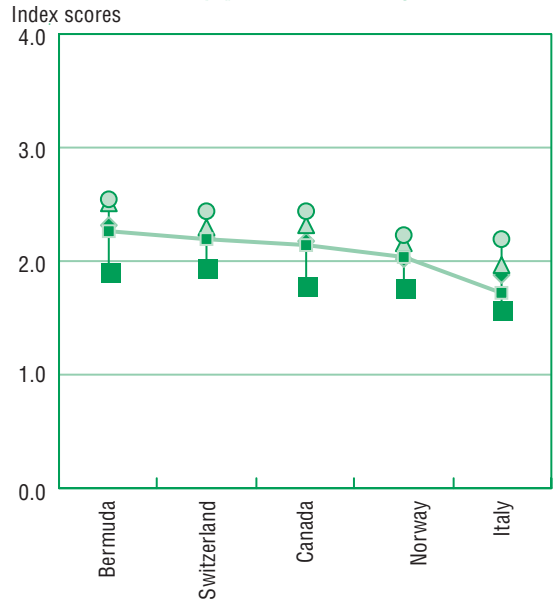
B. Writing engagement at work index by prose literacy levels



C. Numeracy engagement at work index by numeracy levels



D. Combined engagement at work index by problem solving levels



■ Level 1    ◆ Level 2    ▲ Level 3    ● Level 4/5    — Mean

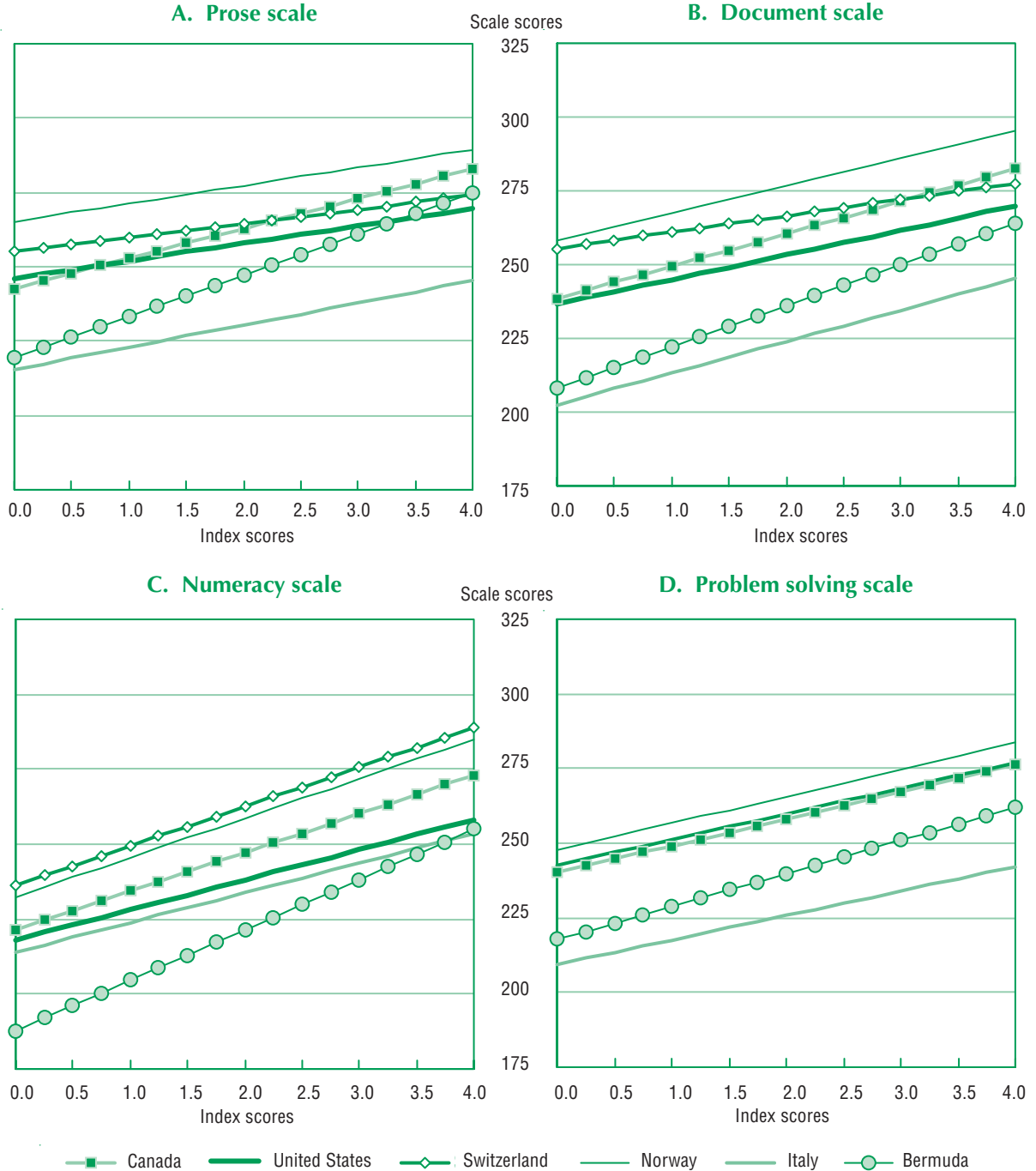
Countries are ranked by the mean of the index scale.

Source: Adult Literacy and Life Skills Survey, 2003.

FIGURE 6.4 A to D

**Practice engagement at work and skills, controlling for education**

Relationship between combined index scores of reading, writing and numeracy engagement at work on a standardized scale (centred on 2) and skills scores on scales 0 to 500 points, adjusted for years of schooling and native language status, labour force populations aged 16 to 65, 2003



1. United States did not field the problem solving skills domain.

2. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

Source: Adult Literacy and Life Skills Survey, 2003.

An important question is whether engagement in these practices leads to the formation of skills or whether persons are engaging in these tasks because they already have high levels of skill. This is a difficult question that is impossible to answer with certainty when working with cross-sectional data. But the answer has important implications for initial education and adult education and training systems. In reality, both possibilities are likely to be significant and vary according to individual life experiences. Figures 6.4a-d consider the relationships between practice engagement and skills, after taking into account completed years of schooling and whether the respondents mother tongue is the same as the test language. The results show that in every country, practice engagement maintains a strong positive relation with skills. Only in Switzerland is the extent of engagement in reading at work not related to skills after adjusting for education and native language status.

These findings imply that even after taking into account initial schooling experiences, practice engagement tends to have a significant relation to skills. This is not surprising, since learning by doing (or practice engagement or informal learning) in the work place and in daily life involves processes that play an important role in the formation of skills. Previous findings and research based on IALS also assert that skills are like muscles that need to be exercised in order to be developed and maintained (Statistics Canada and OECD, 1995).

Processes of informal learning as well as the formation, transmission, storage and dissemination of knowledge are increasingly managed by firms in a proactive manner (Mårtensson, 2000). In general, there is an increased emphasis on viewing the work place as a learning place. Hence the reason for slogans such as “learning while working, and working while learning” and “learning organizations” that have gained currency in recent years. Few doubt the importance of learning at work but many questions merit further investigation and support. Major issues at the level of the firm are to understand better the nature of skills required for developing high performance work practices, how firms recruit these skills, and how to develop them through training and work organization.

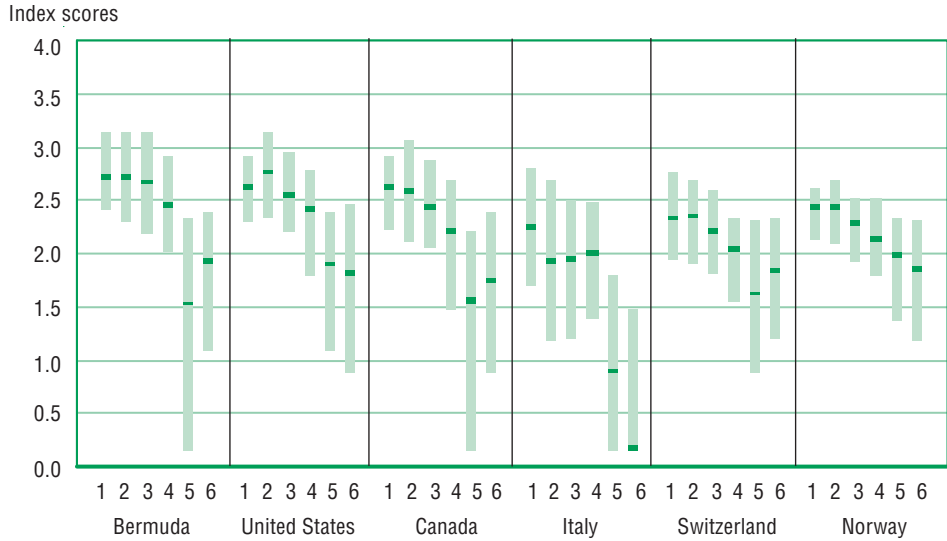
At a macro level, these issues take on added urgency because of the growing share of knowledge-intensive jobs in labour markets and associated possible skills shortages. More knowledge intensive jobs imply an increased demand for literacy and numeracy related skills, including increased use of information and communication technologies. This is because many of the jobs forming knowledge economies require higher engagement in the processing of information including reading, writing and numeracy practices. Figures 6.5a-c show that the extent of engagement in literacy and numeracy practices at work is strongly associated with the occupational types introduced in the previous section (see Box 6B). Results display a consistent pattern which suggests that knowledge related occupations including experts, managers and high-skill information workers tend to engage more in these types of practices. Another major issue at the macro level is to understand better how different models of lifelong learning articulate with different competition strategies in sectors and economies as a whole.

**FIGURE 6.5 A to C**

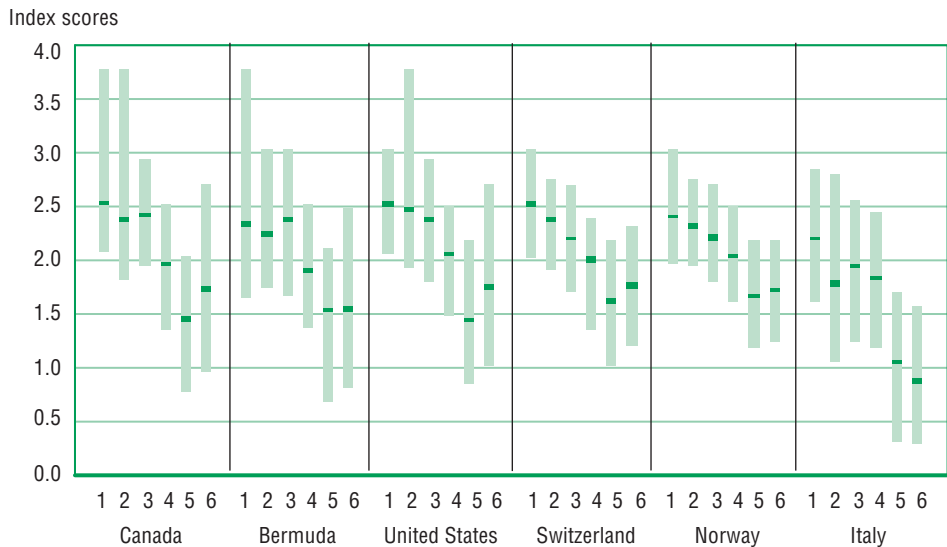
**Practice engagement at work by occupational types**

Index scores of reading, writing and numeracy engagement at work on a standardized scale (centred on 2) by aggregated occupational types, labour force populations aged 16 to 65, 2003

**A. Writing engagement at work**



**B. Reading engagement at work**



**Legend**

- |                           |                          |
|---------------------------|--------------------------|
| 1. Knowledge expert       | 4. Information low-skill |
| 2. Managers               | 5. Services low-skill    |
| 3. Information high-skill | 6. Goods                 |

**A. Countries are ranked by the mean of the 75th percentile in knowledge expert occupations.**

**B. Countries are ranked by the mean of the 75th percentile in knowledge expert occupations, if tied, then ranked by the means of the 50th/25th percentiles in knowledge expert occupations.**

Source: Adult Literacy and Life Skills Survey, 2003.

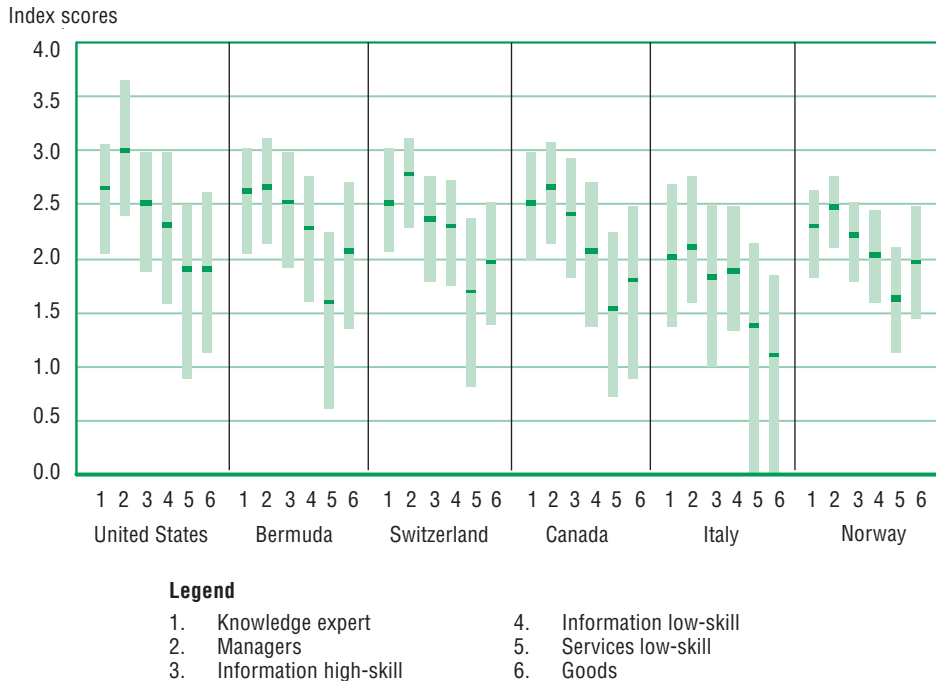


FIGURE 6.5 A to C (concluded)

### Practice engagement at work by occupational types

Index scores of reading, writing and numeracy engagement at work on a standardized scale (centred on 2) by aggregated occupational types, labour force populations aged 16 to 65, 2003

#### C. Numeracy engagement at work



C. Countries are ranked by the mean of the 75th percentile in knowledge expert occupations, if tied, then ranked by the mean of the 50th percentile in knowledge expert occupations.

Source: Adult Literacy and Life Skills Survey, 2003.

## 6.4 Match and mismatch between job tasks and observed skills

This section considers how workers actually use their skills in their jobs. Specifically it examines the match and mismatch between the day to day literacy and numeracy related requirements of workers and their actual skills as measured by ALL (See Box 6D). This is important for several reasons. First, there is a tendency to focus on individual deficits and remedial training, but the issue is broader than this. Deficits and the need for training depend on the requirements of the job. Also, skills are under-utilized in many labour markets (see Krahn and Lowe, 1998; Boothby, 1999). That is, many workers have high literacy and numeracy skills but do not use them at work. This is referred to as a “skills surplus”. On the other hand, there are also many workers who have low skills but engage relatively often in literacy and numeracy related activities for productive purposes. This is referred to as a “skills deficit”.

## Box 6D

**“Match” and “mismatch” between job tasks and skills**

Match and mismatch is determined on the basis of reported engagement in literacy and numeracy related tasks at work and measured skills. The approach in this section is based on a methodology developed by Krahn and Lowe (1998). Persons with engagement scores below the median were assigned to the “low-engagement” category, and those scoring above were assigned to the “high-engagement” category. Similarly, persons scoring at skills Levels 1 and 2 were assigned to the “low-skills” category, and those scoring at Levels 3 and 4/5 were assigned to the “medium to high skills” category. These four categories were combined and labeled as follows:

- Low-skills, low-engagement → MATCH
- High-skills, high-engagement → MATCH
- Low-skills, high-engagement → MISMATCH → SKILLS DEFICIT
- High-skills, low-engagement → MISMATCH → SKILLS SURPLUS

Mismatch in the labour market can arise because of asymmetric information. Employers do not have perfect information concerning the skills of potential employees. It can also occur because of a lack or excess of skills supply for particular jobs. Figures 6.6a-d show the extent of match and mismatch between literacy and numeracy related job tasks and observed skills. A number of important observations are worth noting. First, the proportion of matches consistently exceeds 50 per cent of workers in every country and ranges up to over 60 per cent in all countries for the case of numeracy skills and numeracy engagement (see Figure 6.6c). This is not surprising, since one would expect that over time workers with higher skills would find their way into jobs requiring more skills, whereas those with few skills would not move up.

Skills deficits are apparent in every country, but the extent of the problem varies. Approximately 10 to 30 per cent of the workforce can fall into this category, depending on the country. Some countries have a comparatively high skills deficit. This is indicated by a high proportion of workers with low document and problem solving skills who are working in jobs that require high-engagement in literacy and numeracy related tasks. Presumably, a certain level of mismatch is expected in the labour market but whether 10 per cent, for example, is normal cannot be answered with certainty. Higher rates, however, are likely to suggest a need for adjustment; in particular, the need for an increased effort to train persons in those jobs.

The reserve of skills, or skills surplus, as defined by the number of workers with medium to high skills employed in jobs requiring low-engagement also varies substantially by country. For example, Norway has a reserve of skills in the document literacy domain equivalent to approximately 30 per cent of working adults whereas Italy’s reserve is around 10 per cent. Overall country performances as measured by ALL tend to be related to the size of skill reserves. While a skills surplus is good for growing knowledge economies in the long run, a lack of skills use in the workplace may be problematic in the short run because it exposes

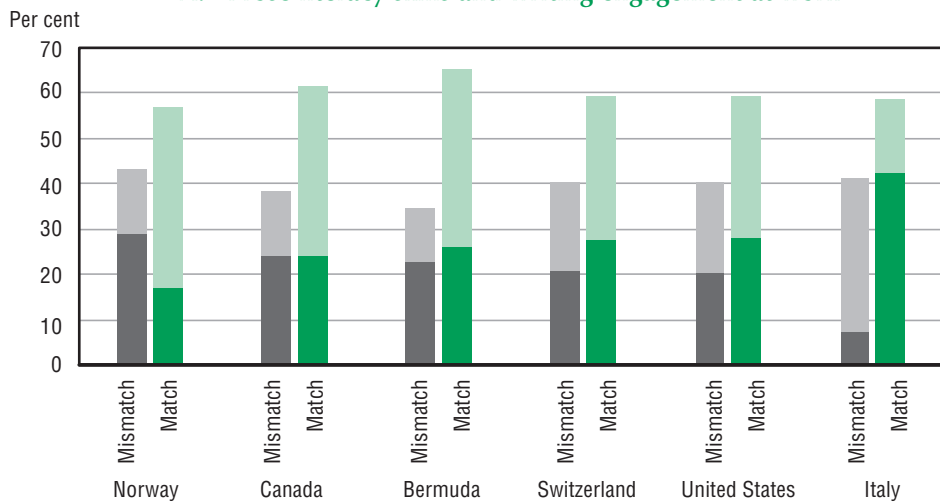
workers to the risk of skill loss. This follows from the “use it or lose it” hypothesis (OECD and HRDC, 1997; Krahn and Lowe, 1998). The previous section suggested that practice engagement is important to nurture and develop skills. Some evidence suggests that the opposite may also be true. Workers who are deprived of the opportunity to perform complex literacy and numeracy tasks may lose some of their skills proficiency.

FIGURE 6.6 A to D

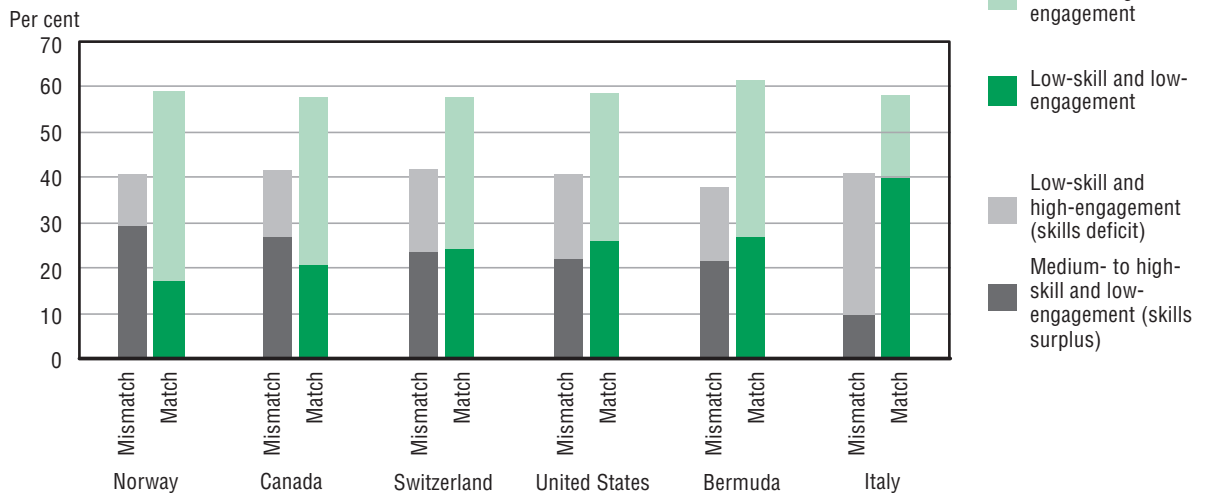
**“Match” and “mismatch” between individual skills and practice engagement in the workplace**

Per cent of labour force populations aged 16 to 65 whose skills match or mismatch their level of practice engagement at work, 2003

**A. Prose literacy skills and writing engagement at work**



**B. Document literacy skills and reading engagement at work**



Countries are ranked by proportion of persons with medium to high skills who report low engagement in reading at work.

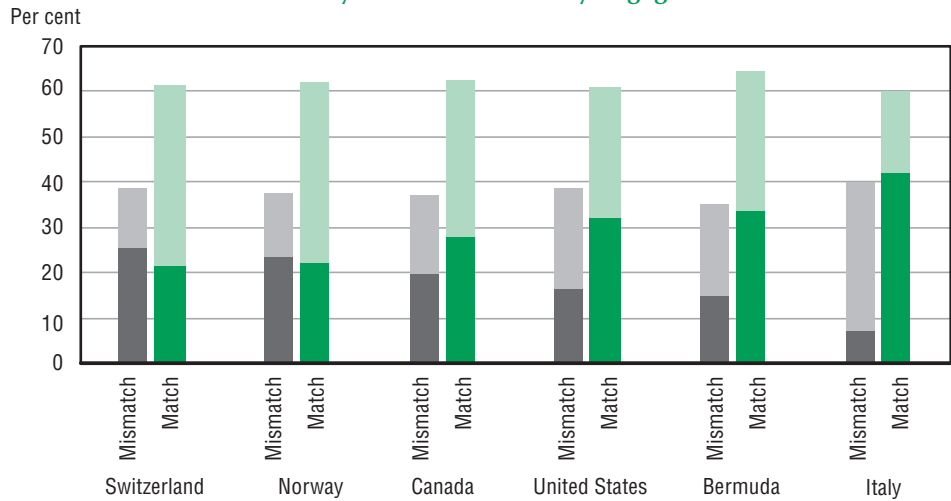
Source: Adult Literacy and Life Skills Survey, 2003.

FIGURE 6.6 A to D (concluded)

**“Match” and “mismatch” between individual skills and practice engagement in the workplace**

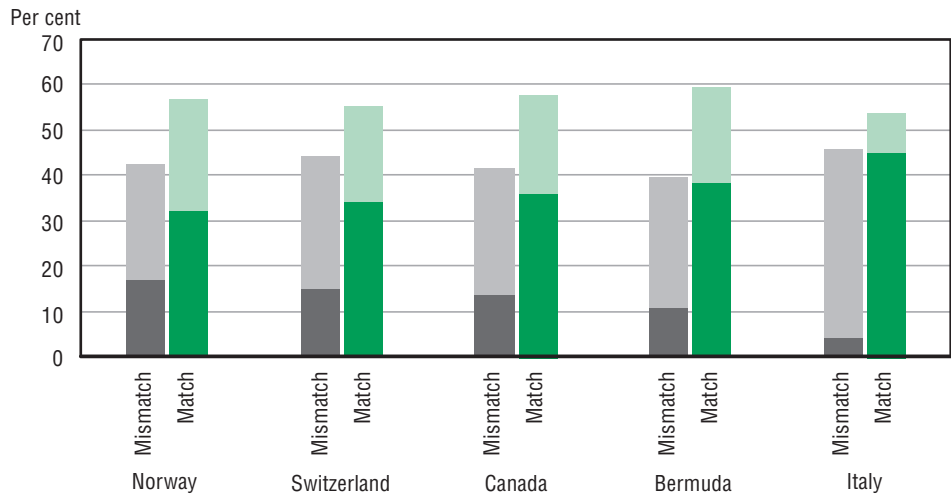
Per cent of labour force populations aged 16 to 65 whose skills match or mismatch their level of practice engagement at work, 2003

**C. Numeracy skills and numeracy engagement at work**



**D. Problem solving skills and combined reading, writing and numeracy engagement at work**

Medium- to high-skill and high-engagement  
 Low-skill and low-engagement  
 Low-skill and high-engagement (skills deficit)  
 Medium- to high-skill and low-engagement (skills surplus)



Countries are ranked by proportion of persons with medium to high skills who report low engagement in reading at work.

Source: Adult Literacy and Life Skills Survey, 2003.

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# Annex 6

## Data Values for the Figures

TABLE 6.1

Per cent of labour force populations aged 16 to 65 at document literacy  
Levels 3 and 4/5, by type of industry, 2003

	Level 3		Level 4/5	
<b>Bermuda</b>				
Knowledge-intensive market service activities	38.5	(4.8)	31.7	(2.6)
Public administration, defense, education and health	33.2	(4.2)	20.6	(2.8)
Other community, social and personal services	27.0	(5.4)	11.0	(3.1)
High and medium-high-technology manufacturing industries	41.4	(10.1)	21.4	(6.6)
Low and medium-low-technology manufacturing industries	31.3	(9.9)	16.4	(6.1)
Utilities and Construction	28.1	(4.8)	10.0	(2.9)
Wholesale, retail, hotels and restaurants	30.1	(4.3)	11.5	(2.1)
Transport and storage	39.6	(8.3)	9.4	(5.3)
Primary industries	21.4	(7.1)	25.3	(8.9)
<b>Canada</b>				
Knowledge-intensive market service activities	41.1	(2.0)	28.5	(2.0)
Public administration, defense, education and health	40.0	(1.8)	31.0	(1.8)
Other community, social and personal services	41.1	(4.7)	20.6	(4.1)
High and medium-high-technology manufacturing industries	35.2	(4.8)	26.1	(4.7)
Low and medium-low-technology manufacturing industries	32.9	(3.2)	14.8	(2.2)
Utilities and Construction	40.6	(4.6)	17.5	(2.9)
Wholesale, retail, hotels and restaurants	38.0	(2.2)	16.1	(1.4)
Transport and storage	40.2	(5.7)	17.6	(3.4)
Primary industries	35.8	(4.2)	18.0	(3.0)
<b>Italy</b>				
Knowledge-intensive market service activities	27.5	(3.6)	7.9	(2.2)
Public administration, defense, education and health	23.1	(2.3)	6.5	(1.3)
Other community, social and personal services	15.7	(4.9)	3.8	(1.6)
High and medium-high-technology manufacturing industries	17.8	(4.2)	5.8	(3.4)
Low and medium-low-technology manufacturing industries	15.6	(5.2)	3.3	(1.4)
Utilities and Construction	13.1	(3.2)	2.9	(1.5)
Wholesale, retail, hotels and restaurants	17.4	(2.3)	2.2	(1.0)
Transport and storage	12.3	(3.9)	1.4	(0.9)
Primary industries	10.7	(3.1)	2.6	(1.8)

6

TABLE 6.1 (concluded)

**Per cent of labour force populations aged 16 to 65 at document literacy  
Levels 3 and 4/5, by type of industry, 2003**

	Level 3		Level 4/5	
<b>Norway</b>				
Knowledge-intensive market service activities	40.7	(3.9)	38.7	(2.7)
Public administration, defense, education and health	40.1	(2.1)	30.4	(2.0)
Other community, social and personal services	42.1	(7.5)	26.3	(7.1)
High and medium-high-technology manufacturing industries	41.1	(7.1)	34.9	(5.9)
Low and medium-low-technology manufacturing industries	40.2	(5.6)	23.6	(4.3)
Utilities and Construction	45.2	(4.7)	22.4	(4.1)
Wholesale, retail, hotels and restaurants	44.0	(4.9)	26.0	(3.2)
Transport and storage	39.0	(5.9)	22.9	(4.8)
Primary industries	52.1	(8.5)	32.8	(7.6)
<b>Switzerland</b>				
Knowledge-intensive market service activities	39.8	(5.0)	20.7	(3.2)
Public administration, defense, education and health	39.9	(3.4)	19.4	(2.7)
Other community, social and personal services	39.3	(10.7)	18.5	(7.7)
High and medium-high-technology manufacturing industries	42.1	(8.6)	19.7	(4.9)
Low and medium-low-technology manufacturing industries	37.3	(7.4)	14.5	(4.8)
Utilities and Construction	36.4	(10.2)	11.7	(4.0)
Wholesale, retail, hotels and restaurants	34.5	(3.7)	9.8	(2.7)
Transport and storage	34.4	(7.5)	13.1	(5.4)
Primary industries	33.9	(10.5)	4.2	(3.5)
<b>United States</b>				
Knowledge-intensive market service activities	41.2	(3.8)	21.7	(3.4)
Public administration, defense, education and health	39.9	(3.1)	20.6	(2.2)
Other community, social and personal services	33.3	(6.1)	14.8	(3.5)
High and medium-high-technology manufacturing industries	37.0	(6.2)	17.9	(3.0)
Low and medium-low-technology manufacturing industries	32.3	(4.4)	16.0	(3.8)
Utilities and Construction	26.8	(3.9)	12.9	(3.5)
Wholesale, retail, hotels and restaurants	32.2	(2.5)	10.4	(1.8)
Transport and storage	32.2	(8.0)	8.2	(4.0)
Primary industries	21.7	(12.0)	11.0	(6.8)

Source: Adult Literacy and Life Skills Survey, 2003.



TABLE 6.2

**Per cent of labour force populations aged 16 to 65 at skills  
Levels 3 and 4/5, by type of occupation, 2003**

	Level 3		Level 4/5	
<b>A. Combined prose and document literacy scale</b>				
<b>Bermuda</b>				
Knowledge expert	42.6	(4.3)	40.7	(4.5)
Managers	40.1	(2.7)	33.6	(3.3)
Information high-skill	44.4	(4.9)	31.4	(4.4)
Information low-skill	40.8	(4.2)	22.0	(2.5)
Services low-skill	26.6	(4.2)	7.1	(3.2)
Goods	25.5	(3.3)	8.3	(1.6)
<b>Canada</b>				
Knowledge expert	43.0	(3.1)	42.5	(3.2)
Managers	42.4	(3.0)	24.8	(2.5)
Information high-skill	44.3	(2.6)	31.5	(2.0)
Information low-skill	45.6	(2.2)	19.2	(1.7)
Services low-skill	35.5	(2.9)	11.7	(1.9)
Goods	33.8	(2.1)	11.7	(1.5)
<b>Italy</b>				
Knowledge expert	31.9	(5.7)	10.6	(2.6)
Managers	21.6	(4.5)	4.4	(2.4)
Information high-skill	28.8	(3.1)	6.3	(2.3)
Information low-skill	25.1	(2.6)	5.3	(1.9)
Services low-skill	12.3	(2.3)	1.9	(0.8)
Goods	10.4	(1.1)	1.3	(0.6)
<b>Norway</b>				
Knowledge expert	41.6	(4.3)	54.1	(4.1)
Managers	51.4	(5.3)	29.7	(3.9)
Information high-skill	46.5	(2.1)	38.1	(1.9)
Information low-skill	48.5	(3.5)	27.5	(3.4)
Services low-skill	41.0	(3.8)	14.0	(3.2)
Goods	48.4	(4.3)	14.5	(3.1)
<b>Switzerland</b>				
Knowledge expert	50.4	(5.0)	23.3	(3.8)
Managers	44.4	(3.3)	17.1	(3.9)
Information high-skill	43.8	(4.9)	18.5	(3.4)
Information low-skill	38.5	(3.5)	13.0	(2.4)
Services low-skill	33.1	(3.2)	5.4	(2.5)
Goods	31.4	(3.4)	5.4	(1.9)
<b>United States</b>				
Knowledge expert	47.9	(5.1)	29.9	(4.8)
Managers	43.3	(2.8)	20.5	(2.7)
Information high-skill	47.7	(4.1)	25.1	(3.2)
Information low-skill	41.7	(2.4)	12.7	(1.7)
Services low-skill	26.8	(3.3)	6.6	(1.4)
Goods	25.9	(2.4)	6.5	(1.6)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 6.2 (continued)

Per cent of labour force populations aged 16 to 65 at skills  
Levels 3 and 4/5, by type of occupation, 2003

	Level 3		Level 4/5	
<b>B. Numeracy scale</b>				
<b>Bermuda</b>				
Knowledge expert	40.8	(5.7)	33.5	(3.4)
Managers	38.0	(3.5)	24.3	(3.9)
Information high-skill	37.1	(5.8)	17.1	(3.4)
Information low-skill	30.0	(3.1)	15.7	(1.4)
Services low-skill	18.2	(3.8)	3.4	(1.1)
Goods	22.0	(3.6)	6.2	(1.5)
<b>Canada</b>				
Knowledge expert	36.7	(3.0)	44.7	(3.7)
Managers	38.5	(2.7)	24.4	(2.2)
Information high-skill	41.6	(2.0)	25.0	(1.8)
Information low-skill	39.1	(1.8)	13.5	(1.2)
Services low-skill	26.9	(2.8)	10.2	(1.5)
Goods	30.7	(1.8)	10.8	(1.7)
<b>Italy</b>				
Knowledge expert	33.3	(4.3)	11.7	(3.7)
Managers	26.8	(5.9)	6.3	(2.7)
Information high-skill	25.7	(5.3)	5.9	(1.9)
Information low-skill	28.7	(2.2)	5.5	(1.5)
Services low-skill	12.7	(2.4)	1.0	(0.9)
Goods	11.9	(1.5)	1.3	(0.5)
<b>Norway</b>				
Knowledge expert	41.4	(5.8)	47.8	(5.1)
Managers	50.2	(3.5)	30.4	(3.0)
Information high-skill	47.1	(3.2)	30.6	(3.2)
Information low-skill	44.9	(3.3)	22.5	(3.0)
Services low-skill	33.9	(3.4)	6.7	(2.6)
Goods	45.9	(3.2)	12.4	(1.7)
<b>Switzerland</b>				
Knowledge expert	39.8	(4.6)	39.5	(5.4)
Managers	43.3	(4.6)	34.5	(3.6)
Information high-skill	43.6	(4.0)	30.1	(2.9)
Information low-skill	39.1	(4.9)	21.0	(3.1)
Services low-skill	34.9	(4.4)	10.3	(3.1)
Goods	36.7	(3.1)	14.2	(3.0)
<b>United States</b>				
Knowledge expert	39.2	(4.2)	35.5	(4.5)
Managers	38.3	(3.9)	19.4	(2.9)
Information high-skill	42.3	(2.5)	19.2	(2.0)
Information low-skill	34.0	(3.0)	10.0	(1.7)
Services low-skill	21.9	(2.7)	5.3	(1.4)
Goods	23.9	(2.0)	6.5	(1.6)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 6.2 (concluded)

**Per cent of labour force populations aged 16 to 65 at skills  
Levels 3 and 4/5, by type of occupation, 2003**

	Level 3		Level 4	
<b>C. Problem solving scale<sup>1</sup></b>				
<b>Bermuda</b>				
Knowledge expert	35.0	(4.7)	13.5	(3.3)
Managers	33.2	(2.9)	10.8	(2.0)
Information high-skill	30.1	(5.8)	8.3	(2.4)
Information low-skill	23.2	(3.1)	6.9	(1.4)
Services low-skill	13.2	(2.8)	1.2	(0.9)
Goods	11.9	(2.7)	2.1	(1.4)
<b>Canada</b>				
Knowledge expert	42.1	(3.8)	14.4	(2.7)
Managers	30.3	(2.7)	7.7	(1.9)
Information high-skill	36.8	(2.2)	8.2	(1.3)
Information low-skill	29.3	(2.0)	4.6	(1.1)
Services low-skill	19.9	(2.0)	3.3	(1.3)
Goods	18.4	(1.6)	2.4	(0.7)
<b>Italy</b>				
Knowledge expert	16.2	(3.8)	2.2	(1.0)
Managers	9.8	(3.0)	1.5	(1.5)
Information high-skill	15.1	(3.2)	1.8	(1.4)
Information low-skill	13.6	(2.4)	2.4	(1.0)
Services low-skill	6.2	(1.9)	1.1	(0.6)
Goods	4.5	(1.4)	0.4	(0.3)
<b>Norway</b>				
Knowledge expert	47.6	(5.6)	18.9	(3.2)
Managers	38.9	(5.5)	8.1	(2.1)
Information high-skill	43.6	(2.9)	11.6	(1.5)
Information low-skill	38.5	(4.2)	7.6	(1.9)
Services low-skill	26.3	(3.0)	3.9	(1.4)
Goods	25.9	(3.4)	3.8	(1.0)
<b>Switzerland<sup>2</sup></b>				
Knowledge expert	32.9	(5.2)	11.7	(3.0)
Managers	33.0	(3.5)	6.9	(2.2)
Information high-skill	36.5	(2.4)	6.4	(1.8)
Information low-skill	26.3	(4.1)	5.9	(2.0)
Services low-skill	18.9	(4.0)	5.0	(2.7)
Goods	18.1	(4.1)	2.1	(1.2)

1. United States did not field the problem solving skills domain.

2. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 6.3

**Index scores of reading, writing and numeracy engagement at work  
on a standardized scale (centred on 2), by skills levels,  
labour force populations aged 16 to 65, 2003**

	Level 1		Level 2		Level 3		Level 4/5	
<b>A. Reading engagement at work index by document literacy levels</b>								
Bermuda	1.4	(0.1)	1.9	(0.1)	2.2	(0.1)	2.5	(0.1)
Canada	1.4	(0.1)	1.9	(0.0)	2.2	(0.0)	2.4	(0.0)
Italy	1.3	(0.1)	1.6	(0.1)	1.9	(0.1)	2.1	(0.1)
Norway	1.5	(0.1)	1.9	(0.0)	2.1	(0.0)	2.2	(0.0)
Switzerland	1.8	(0.1)	2.0	(0.1)	2.2	(0.0)	2.4	(0.1)
United States	1.6	(0.1)	2.0	(0.1)	2.2	(0.1)	2.4	(0.1)
<b>B. Writing engagement at work index by prose literacy levels</b>								
Bermuda	1.4	(0.1)	2.0	(0.1)	2.5	(0.1)	2.7	(0.0)
Canada	1.3	(0.1)	1.9	(0.0)	2.2	(0.0)	2.4	(0.0)
Italy	1.2	(0.0)	1.5	(0.1)	1.8	(0.1)	2.0	(0.2)
Norway	1.6	(0.1)	1.9	(0.0)	2.0	(0.0)	2.1	(0.0)
Switzerland	1.6	(0.1)	2.0	(0.1)	2.2	(0.0)	2.3	(0.1)
United States	1.6	(0.1)	2.1	(0.1)	2.4	(0.0)	2.5	(0.1)
<b>C. Numeracy engagement at work index by numeracy levels</b>								
Bermuda	1.5	(0.1)	2.1	(0.1)	2.5	(0.1)	2.7	(0.0)
Canada	1.4	(0.0)	1.9	(0.0)	2.2	(0.0)	2.4	(0.0)
Italy	1.0	(0.1)	1.5	(0.1)	1.9	(0.1)	2.2	(0.1)
Norway	1.5	(0.1)	1.8	(0.0)	2.1	(0.0)	2.3	(0.0)
Switzerland	1.6	(0.1)	2.0	(0.1)	2.3	(0.0)	2.6	(0.1)
United States	1.5	(0.1)	2.2	(0.1)	2.4	(0.0)	2.6	(0.1)
<b>D. Combined engagement at work index by problem solving<sup>1</sup> levels</b>								
Bermuda	1.9	(0.0)	2.3	(0.0)	2.5	(0.1)	2.5	(0.1)
Canada	1.8	(0.0)	2.2	(0.0)	2.3	(0.0)	2.4	(0.1)
Italy	1.6	(0.0)	1.9	(0.1)	2.0	(0.1)	2.2	(0.3)
Norway	1.8	(0.0)	2.0	(0.0)	2.2	(0.0)	2.2	(0.1)
Switzerland <sup>2</sup>	1.9	(0.1)	2.2	(0.0)	2.3	(0.1)	2.4	(0.1)

1. United States did not field the problem solving skills domain.

2. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 6.4

**Relationship between combined index scores of reading, writing and numeracy engagement at work on a standardized scale (centred on 2) and skills scores on scales 0 to 500 points, adjusted for years of schooling and native language status, labour force populations aged 16 to 65, 2003**

	Unstandardized coefficients		t-value	Significance
	B	Standard error		
<b>A. Prose scale</b>				
<b>Bermuda</b>				
(Constant)	-0.53	0.06	-8.83	0.00
Combined index scores (scale 2 = 0)	0.27	0.03	9.00	0.00
Years of education (Grade 12 = 0)	0.14	0.01	14.00	0.00
Test language (Same as mother tongue = 0)	-0.20	0.07	-2.86	0.01
<b>Canada</b>				
(Constant)	-0.23	0.04	-5.75	0.00
Combined index scores (scale 2 = 0)	0.20	0.02	10.00	0.00
Years of education (Grade 12 = 0)	0.11	0.00		0.00
Test language (Same as mother tongue = 0)	-0.51	0.04	-12.75	0.00
<b>Italy</b>				
(Constant)	-0.86	0.05	-17.20	0.00
Combined index scores (scale 2 = 0)	0.15	0.03	5.00	0.00
Years of education (Grade 12 = 0)	0.08	0.01	8.00	0.00
Test language (Same as mother tongue = 0)	--	--	--	--
<b>Norway</b>				
(Constant)	0.06	0.05	1.20	0.28
Combined index scores (scale 2 = 0)	0.12	0.03	4.00	0.00
Years of education (Grade 12 = 0)	0.10	0.01	10.00	0.00
Test language (Same as mother tongue = 0)	-0.33	0.06	-5.50	0.00
<b>Switzerland</b>				
(Constant)	-0.19	0.06	-3.17	0.01
Combined index scores (scale 2 = 0)	0.09	0.02	4.50	0.00
Years of education (Grade 12 = 0)	0.10	0.00		0.00
Test language (Same as mother tongue = 0)	-0.44	0.06	-7.33	0.00
<b>United States</b>				
(Constant)	-0.33	0.05	-6.60	0.00
Combined index scores (scale 2 = 0)	0.11	0.02	5.50	0.00
Years of education (Grade 12 = 0)	0.13	0.01	13.00	0.00
Test language (Same as mother tongue = 0)	-0.84	0.06	-14.00	0.00

-- Estimate was not statistically different from zero at the five per cent level of significance in the first step of the analysis. Hence this parameter was not estimated in the country specific model.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 6.4

**Relationship between combined index scores of reading, writing and numeracy engagement at work on a standardized scale (centred on 2) and skills scores on scales 0 to 500 points, adjusted for years of schooling and native language status, labour force populations aged 16 to 65, 2003**

	Unstandardized coefficients		t-value	Significance
	B	Standard error		
<b>B. Document scale</b>				
<b>Bermuda</b>				
(Constant)	-0.72	0.07	-10.29	0.00
Combined index scores (scale 2 = 0)	0.26	0.03	8.67	0.00
Years of education (Grade 12 = 0)	0.13	0.01	13.00	0.00
Test language (Same as mother tongue = 0)	-0.15	0.07	-2.14	0.05
<b>Canada</b>				
(Constant)	-0.26	0.04	-6.50	0.00
Combined index scores (scale 2 = 0)	0.21	0.02	10.50	0.00
Years of education (Grade 12 = 0)	0.11	0.00		0.00
Test language (Same as mother tongue = 0)	-0.44	0.05	-8.80	0.00
<b>Italy</b>				
(Constant)	-0.95	0.04	-23.75	0.00
Combined index scores (scale 2 = 0)	0.20	0.03	6.67	0.00
Years of education (Grade 12 = 0)	0.07	0.01	7.00	0.00
Test language (Same as mother tongue = 0)	--	--	--	--
<b>Norway</b>				
(Constant)	0.04	0.07	0.57	0.53
Combined index scores (scale 2 = 0)	0.18	0.03	6.00	0.00
Years of education (Grade 12 = 0)	0.10	0.01	10.00	0.00
Test language (Same as mother tongue = 0)	-0.30	0.05	-6.00	0.00
<b>Switzerland</b>				
(Constant)	-0.15	0.04	-3.75	0.00
Combined index scores (scale 2 = 0)	0.10	0.02	5.00	0.00
Years of education (Grade 12 = 0)	0.09	0.01	9.00	0.00
Test language (Same as mother tongue = 0)	-0.36	0.05	-7.20	0.00
<b>United States</b>				
(Constant)	-0.40	0.05	-8.00	0.00
Combined index scores (scale 2 = 0)	0.16	0.02	8.00	0.00
Years of education (Grade 12 = 0)	0.12	0.01	12.00	0.00
Test language (Same as mother tongue = 0)	-0.72	0.07	-10.29	0.00

-- Estimate was not statistically different from zero at the five per cent level of significance in the first step of the analysis. Hence this parameter was not estimated in the country specific model.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 6.4

**Relationship between combined index scores of reading, writing and numeracy engagement at work on a standardized scale (centred on 2) and skills scores on scales 0 to 500 points, adjusted for years of schooling and native language status, labour force populations aged 16 to 65, 2003**

	Unstandardized coefficients		t-value	Significance
	B	Standard error		
<b>C. Numeracy scale</b>				
<b>Bermuda</b>				
(Constant)	-0.99	0.06	-16.50	0.00
Combined index scores (scale 2 = 0)	0.33	0.02	16.50	0.00
Years of education (Grade 12 = 0)	0.12	0.01	12.00	0.00
Test language (Same as mother tongue = 0)	--	--	--	--
<b>Canada</b>				
(Constant)	-0.48	0.04	-12.00	0.00
Combined index scores (scale 2 = 0)	0.25	0.02	12.50	0.00
Years of education (Grade 12 = 0)	0.11	0.00		0.00
Test language (Same as mother tongue = 0)	-0.38	0.04	-9.50	0.00
<b>Italy</b>				
(Constant)	-0.75	0.04	-18.75	0.00
Combined index scores (scale 2 = 0)	0.20	0.02	10.00	0.00
Years of education (Grade 12 = 0)	0.07	0.01	7.00	0.00
Test language (Same as mother tongue = 0)	--	--	--	--
<b>Norway</b>				
(Constant)	-0.26	0.05	-5.20	0.00
Combined index scores (scale 2 = 0)	0.26	0.03	8.67	0.00
Years of education (Grade 12 = 0)	0.09	0.01	9.00	0.00
Test language (Same as mother tongue = 0)	-0.25	0.06	-4.17	0.00
<b>Switzerland</b>				
(Constant)	-0.18	0.05	-3.60	0.01
Combined index scores (scale 2 = 0)	0.26	0.03	8.67	0.00
Years of education (Grade 12 = 0)	0.09	0.01	9.00	0.00
Test language (Same as mother tongue = 0)	-0.41	0.05	-8.20	0.00
<b>United States</b>				
(Constant)	-0.66	0.05	-13.20	0.00
Combined index scores (scale 2 = 0)	0.20	0.02	10.00	0.00
Years of education (Grade 12 = 0)	0.15	0.01	15.00	0.00
Test language (Same as mother tongue = 0)	-0.64	0.08	-8.00	0.00

-- Estimate was not statistically different from zero at the five per cent level of significance in the first step of the analysis. Hence this parameter was not estimated in the country specific model.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 6.4

**Relationship between combined index scores of reading, writing and numeracy engagement at work on a standardized scale (centred on 2) and skills scores on scales 0 to 500 points, adjusted for years of schooling and native language status, labour force populations aged 16 to 65, 2003**

	Unstandardized coefficients		t-value	Significance
	B	Standard error		
<b>D. Problem solving scale<sup>1</sup></b>				
<b>Bermuda</b>				
(Constant)	-0.56	0.07	-8.00	0.00
Combined index scores (scale 2 = 0)	0.22	0.03	7.33	0.00
Years of education (Grade 12 = 0)	0.11	0.01	11.00	0.00
Test language (Same as mother tongue = 0)	--	--	--	--
<b>Canada</b>				
(Constant)	-0.21	0.04	-5.25	0.00
Combined index scores (scale 2 = 0)	0.18	0.02	9.00	0.00
Years of education (Grade 12 = 0)	0.10	0.00	0.00	0.00
Test language (Same as mother tongue = 0)	-0.51	0.04	-12.75	0.00
<b>Italy</b>				
(Constant)	-0.84	0.04	-21.00	0.00
Combined index scores (scale 2 = 0)	0.16	0.03	5.33	0.00
Years of education (Grade 12 = 0)	0.06	0.01	6.00	0.00
Test language (Same as mother tongue = 0)	--	--	--	--
<b>Norway</b>				
(Constant)	-0.06	0.06	-1.00	0.30
Combined index scores (scale 2 = 0)	0.18	0.03	6.00	0.00
Years of education (Grade 12 = 0)	0.11	0.01	11.00	0.00
Test language (Same as mother tongue = 0)	-0.37	0.08	-4.63	0.00
<b>Switzerland<sup>2</sup></b>				
(Constant)	-0.18	0.10	-1.80	0.09
Combined index scores (scale 2 = 0)	0.17	0.04	4.25	0.00
Years of education (Grade 12 = 0)	0.08	0.01	8.00	0.00
Test language (Same as mother tongue = 0)	-0.28	0.08	-3.50	0.00

-- Estimate was not statistically different from zero at the five per cent level of significance in the first step of the analysis. Hence this parameter was not estimated in the country specific model.

1. United States did not field the problem solving skills domain.
2. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

Source: Adult Literacy and Life Skills Survey, 2003.



TABLE 6.5

**Index scores of reading, writing and numeracy engagement at work on a standardized scale (centred on 2) by aggregated occupational types, labour force populations aged 16 to 65, 2003**

	25th percentile		50th percentile		75th percentile	
<b>A. Writing engagement at work</b>						
<b>Bermuda</b>						
Knowledge expert	2.4	(0.1)	2.7	(0.1)	3.1	(0.1)
Managers	2.3	(0.1)	2.7	(0.1)	3.1	(0.1)
Information high-skill	2.2	(0.1)	2.7	(0.1)	3.1	(0.1)
Information low-skill	2.0	(0.1)	2.4	(0.1)	2.9	(0.1)
Services low-skill	0.2	(0.0)	1.5	(0.1)	2.3	(0.1)
Goods	1.1	(0.1)	1.9	(0.1)	2.4	(0.0)
<b>Canada</b>						
Knowledge expert	2.2	(0.0)	2.6	(0.0)	2.9	(0.0)
Managers	2.1	(0.0)	2.6	(0.0)	3.1	(0.1)
Information high-skill	2.1	(0.0)	2.4	(0.0)	2.9	(0.0)
Information low-skill	1.5	(0.1)	2.2	(0.0)	2.7	(0.0)
Services low-skill	0.2	(0.0)	1.5	(0.1)	2.2	(0.1)
Goods	0.9	(0.2)	1.7	(0.1)	2.4	(0.0)
<b>Italy</b>						
Knowledge expert	1.7	(0.1)	2.2	(0.1)	2.8	(0.1)
Managers	1.2	(0.4)	1.9	(0.1)	2.7	(0.1)
Information high-skill	1.2	(0.2)	1.9	(0.1)	2.5	(0.1)
Information low-skill	1.4	(0.1)	2.0	(0.1)	2.5	(0.1)
Services low-skill	0.2	(0.0)	0.9	(0.3)	1.8	(0.1)
Goods	0.2	(0.0)	0.2	(0.0)	1.5	(0.1)
<b>Norway</b>						
Knowledge expert	2.1	(0.1)	2.4	(0.0)	2.6	(0.0)
Managers	2.1	(0.1)	2.4	(0.0)	2.7	(0.1)
Information high-skill	1.9	(0.0)	2.3	(0.0)	2.5	(0.0)
Information low-skill	1.8	(0.0)	2.1	(0.0)	2.5	(0.1)
Services low-skill	1.4	(0.1)	2.0	(0.1)	2.3	(0.0)
Goods	1.2	(0.1)	1.8	(0.1)	2.3	(0.1)
<b>Switzerland</b>						
Knowledge expert	2.0	(0.1)	2.3	(0.1)	2.8	(0.1)
Managers	1.9	(0.0)	2.3	(0.1)	2.7	(0.0)
Information high-skill	1.8	(0.0)	2.2	(0.1)	2.6	(0.1)
Information low-skill	1.6	(0.1)	2.0	(0.0)	2.3	(0.1)
Services low-skill	0.9	(0.2)	1.6	(0.1)	2.3	(0.1)
Goods	1.2	(0.1)	1.8	(0.1)	2.3	(0.1)
<b>United States</b>						
Knowledge expert	2.3	(0.1)	2.6	(0.0)	2.9	(0.0)
Managers	2.3	(0.0)	2.7	(0.1)	3.1	(0.1)
Information high-skill	2.2	(0.1)	2.5	(0.0)	3.0	(0.0)
Information low-skill	1.8	(0.1)	2.4	(0.0)	2.8	(0.1)
Services low-skill	1.1	(0.1)	1.9	(0.1)	2.4	(0.0)
Goods	0.9	(0.2)	1.8	(0.1)	2.5	(0.1)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 6.5

Index scores of reading, writing and numeracy engagement at work on a standardized scale (centred on 2) by aggregated occupational types, labour force populations aged 16 to 65, 2003

	25th percentile		50th percentile		75th percentile	
<b>B. Reading engagement at work</b>						
<b>Bermuda</b>						
Knowledge expert	1.6	(0.1)	2.3	(0.1)	3.8	(0.3)
Managers	1.8	(0.1)	2.2	(0.1)	3.0	(0.3)
Information high-skill	1.7	(0.1)	2.4	(0.1)	3.0	(0.3)
Information low-skill	1.4	(0.1)	1.9	(0.0)	2.5	(0.1)
Services low-skill	0.7	(0.1)	1.5	(0.1)	2.1	(0.1)
Goods	0.8	(0.1)	1.5	(0.1)	2.5	(0.1)
<b>Canada</b>						
Knowledge expert	2.1	(0.1)	2.5	(0.1)	3.8	(0.2)
Managers	1.8	(0.0)	2.4	(0.1)	3.8	(0.3)
Information high-skill	1.9	(0.0)	2.4	(0.0)	3.0	(0.0)
Information low-skill	1.4	(0.0)	1.9	(0.0)	2.5	(0.0)
Services low-skill	0.8	(0.1)	1.4	(0.1)	2.0	(0.1)
Goods	1.0	(0.1)	1.7	(0.1)	2.7	(0.1)
<b>Italy</b>						
Knowledge expert	1.6	(0.1)	2.2	(0.1)	2.9	(0.1)
Managers	1.1	(0.2)	1.8	(0.1)	2.8	(0.4)
Information high-skill	1.2	(0.1)	1.9	(0.1)	2.6	(0.1)
Information low-skill	1.2	(0.0)	1.8	(0.1)	2.5	(0.2)
Services low-skill	0.3	(0.1)	1.0	(0.1)	1.7	(0.1)
Goods	0.3	(0.1)	0.9	(0.1)	1.6	(0.1)
<b>Norway</b>						
Knowledge expert	2.0	(0.1)	2.4	(0.1)	3.0	(0.1)
Managers	1.9	(0.1)	2.3	(0.1)	2.8	(0.1)
Information high-skill	1.8	(0.0)	2.2	(0.0)	2.7	(0.1)
Information low-skill	1.6	(0.1)	2.0	(0.1)	2.5	(0.1)
Services low-skill	1.2	(0.1)	1.6	(0.1)	2.2	(0.1)
Goods	1.2	(0.1)	1.7	(0.1)	2.2	(0.1)
<b>Switzerland</b>						
Knowledge expert	2.0	(0.1)	2.5	(0.1)	3.0	(0.2)
Managers	1.9	(0.1)	2.4	(0.1)	2.8	(0.0)
Information high-skill	1.7	(0.0)	2.2	(0.1)	2.7	(0.1)
Information low-skill	1.4	(0.1)	2.0	(0.1)	2.4	(0.1)
Services low-skill	1.0	(0.1)	1.6	(0.1)	2.2	(0.1)
Goods	1.2	(0.1)	1.7	(0.1)	2.3	(0.1)
<b>United States</b>						
Knowledge expert	2.1	(0.1)	2.5	(0.0)	3.0	(0.2)
Managers	1.9	(0.1)	2.5	(0.1)	3.8	(0.3)
Information high-skill	1.8	(0.1)	2.4	(0.1)	3.0	(0.1)
Information low-skill	1.5	(0.1)	2.0	(0.1)	2.5	(0.1)
Services low-skill	0.9	(0.1)	1.4	(0.0)	2.2	(0.0)
Goods	1.0	(0.1)	1.7	(0.1)	2.7	(0.1)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 6.5

Index scores of reading, writing and numeracy engagement at work on a standardized scale (centred on 2) by aggregated occupational types, labour force populations aged 16 to 65, 2003

	25th percentile		50th percentile		75th percentile	
<b>C. Numeracy engagement at work</b>						
<b>Bermuda</b>						
Knowledge expert	2.1	(0.1)	2.6	(0.1)	3.0	(0.0)
Managers	2.1	(0.1)	2.6	(0.1)	3.1	(0.2)
Information high-skill	1.9	(0.1)	2.5	(0.1)	3.0	(0.1)
Information low-skill	1.6	(0.1)	2.3	(0.1)	2.8	(0.1)
Services low-skill	0.6	(0.3)	1.6	(0.1)	2.2	(0.1)
Goods	1.3	(0.1)	2.1	(0.1)	2.7	(0.1)
<b>Canada</b>						
Knowledge expert	2.0	(0.0)	2.5	(0.0)	3.0	(0.1)
Managers	2.1	(0.1)	2.6	(0.1)	3.1	(0.0)
Information high-skill	1.8	(0.1)	2.4	(0.0)	2.9	(0.1)
Information low-skill	1.4	(0.0)	2.1	(0.0)	2.7	(0.0)
Services low-skill	0.7	(0.1)	1.5	(0.1)	2.2	(0.1)
Goods	0.9	(0.1)	1.8	(0.1)	2.5	(0.0)
<b>Italy</b>						
Knowledge expert	1.4	(0.1)	2.0	(0.1)	2.7	(0.1)
Managers	1.6	(0.1)	2.1	(0.1)	2.8	(0.1)
Information high-skill	1.0	(0.2)	1.8	(0.1)	2.5	(0.1)
Information low-skill	1.3	(0.1)	1.9	(0.0)	2.5	(0.1)
Services low-skill	-0.3	(0.0)	1.1	(0.2)	1.9	(0.1)
Goods	-0.3	(0.0)	0.8	(0.1)	1.6	(0.1)
<b>Norway</b>						
Knowledge expert	1.8	(0.1)	2.3	(0.1)	2.6	(0.0)
Managers	2.1	(0.0)	2.5	(0.0)	2.8	(0.1)
Information high-skill	1.8	(0.0)	2.2	(0.0)	2.5	(0.0)
Information low-skill	1.6	(0.1)	2.0	(0.0)	2.5	(0.1)
Services low-skill	1.1	(0.1)	1.6	(0.1)	2.1	(0.1)
Goods	1.4	(0.1)	2.0	(0.1)	2.5	(0.0)
<b>Switzerland</b>						
Knowledge expert	2.1	(0.1)	2.5	(0.0)	3.0	(0.1)
Managers	2.3	(0.1)	2.8	(0.0)	3.1	(0.2)
Information high-skill	1.8	(0.1)	2.4	(0.0)	2.8	(0.1)
Information low-skill	1.8	(0.1)	2.3	(0.1)	2.7	(0.1)
Services low-skill	0.8	(0.1)	1.7	(0.1)	2.4	(0.1)
Goods	1.4	(0.1)	2.0	(0.1)	2.5	(0.1)
<b>United States</b>						
Knowledge expert	2.0	(0.1)	2.6	(0.1)	3.1	(0.0)
Managers	2.4	(0.1)	3.0	(0.1)	3.7	(0.1)
Information high-skill	1.9	(0.1)	2.5	(0.1)	3.0	(0.1)
Information low-skill	1.6	(0.1)	2.3	(0.1)	3.0	(0.1)
Services low-skill	0.9	(0.1)	1.9	(0.1)	2.5	(0.0)
Goods	1.1	(0.1)	1.9	(0.1)	2.6	(0.1)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 6.6

**Per cent of labour force populations aged 16 to 65 whose skills match or mismatch their level of practice engagement at work, 2003**

	Match				Mismatch			
	Low-skill and low-engagement		Medium- to high-skill and high-engagement		Low-skill and high-engagement (skills deficit)		Medium- to high-skill and low-engagement (skills surplus)	
<b>A. Prose literacy skills and writing engagement at work</b>								
Bermuda	25.9	(1.2)	39.3	(1.1)	11.8	(0.9)	22.9	(1.3)
Canada	24.1	(0.7)	37.4	(0.9)	14.2	(0.6)	24.2	(0.8)
Italy	42.3	(1.5)	16.5	(1.2)	34.1	(1.4)	7.2	(0.6)
Norway	17.0	(0.9)	40.0	(0.9)	14.0	(0.9)	29.0	(1.0)
Switzerland	27.5	(1.9)	32.1	(1.7)	19.7	(1.1)	20.7	(1.9)
United States	28.1	(1.2)	31.5	(1.3)	20.2	(1.2)	20.2	(0.8)
<b>B. Document literacy skills and reading engagement at work</b>								
Bermuda	26.9	(1.4)	35.0	(1.4)	16.1	(1.3)	21.9	(1.3)
Canada	20.8	(0.7)	37.5	(1.0)	14.7	(0.8)	27.0	(0.7)
Italy	40.3	(1.5)	18.3	(1.6)	31.8	(1.4)	9.7	(0.8)
Norway	17.2	(0.9)	42.0	(1.2)	11.2	(0.7)	29.6	(1.3)
Switzerland	24.6	(1.3)	33.4	(1.4)	18.2	(1.3)	23.8	(1.3)
United States	26.1	(1.1)	32.8	(1.3)	19.0	(1.1)	22.1	(1.0)
<b>C. Numeracy skills and numeracy engagement at work</b>								
Bermuda	33.8	(1.6)	30.9	(1.1)	20.1	(1.0)	15.1	(1.3)
Canada	28.4	(0.6)	34.1	(0.8)	17.5	(0.7)	19.9	(0.7)
Italy	42.3	(1.6)	17.7	(1.3)	32.7	(1.5)	7.3	(0.6)
Norway	22.6	(1.0)	39.8	(1.2)	14.0	(0.9)	23.6	(1.2)
Switzerland	21.9	(1.3)	39.3	(1.3)	12.9	(1.2)	25.9	(1.0)
United States	32.2	(1.1)	28.8	(1.1)	22.2	(1.3)	16.8	(1.1)
<b>D. Problem solving skills<sup>1</sup> and combined reading, writing and numeracy engagement at work</b>								
Bermuda	38.7	(1.4)	21.1	(1.1)	28.8	(1.3)	11.3	(1.3)
Canada	36.1	(1.0)	21.9	(1.0)	28.1	(1.0)	13.9	(0.9)
Italy	45.5	(1.2)	8.3	(1.4)	41.6	(1.8)	4.6	(0.8)
Norway	32.6	(1.0)	24.5	(1.4)	25.4	(1.4)	17.5	(1.0)
Switzerland <sup>2</sup>	34.7	(1.4)	20.9	(1.1)	29.1	(1.2)	15.3	(1.3)

1. United States did not field the problem solving skills domain.

2. The problem solving skills scores for Switzerland apply to the German and French speaking communities only since they did not field the problem solving skills domain in the Italian speaking community.

Source: Adult Literacy and Life Skills Survey, 2003.

# Chapter 7

## Skills and Economic Outcomes

### Summary

This chapter examines economic outcomes associated with differences in observed skills. First, the rewards to literacy, numeracy and problem solving skills on labour markets are studied with a structural model that specifies the joint determination of personal earnings, education and cognitive skills. Second, the likelihood of receiving social assistance transfers for individuals at different skill levels is estimated. This latter analysis adjusts for education, age, gender and household income levels. Similarly, findings on the likelihood of earning investment income for respondents at different skill levels are presented.

7

## Table of Contents

---

Summary	163
---------	-----

---

### **Chapter 7**

<b>Skills and Economic Outcomes</b>	<b>163</b>
-------------------------------------	------------

---

7.1 Overview and highlights	165
7.2 Earnings returns to skills and education	166
7.3 Skills, social assistance and investment income	171

---

References	173
------------	-----

---

### **Annex 7**

<b>Data Values for the Figures</b>	<b>175</b>
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# Skills and Economic Outcomes

## 7.1 Overview and highlights

This chapter examines economic outcomes associated with differences in observed skills. First, the rewards to literacy, numeracy and problem solving skills on labour markets are studied with a structural model that specifies the joint determination of personal earnings, education and cognitive skills. Second, the likelihood of receiving social assistance transfers for individuals at different skill levels is estimated. This latter analysis adjusts for education, age, gender and household income levels. Similarly, findings on the likelihood of earning investment income for respondents at different skill levels are presented.

Key findings of these analyses are:

- Skills have a large effect on earnings in the majority of countries. The extent to which economic rewards are attributable to either skill or education is mixed and varies by country.
- In Bermuda and Italy, the returns to skill overshadow the effect of education. After accounting for individual skills, wage returns to education are either zero or negative. This suggests that adults with additional years of schooling who do not display a commensurate level of skill are not rewarded for their additional schooling on the labour market.
- In Canada and the United States, the labour market appears to separately reward both the skills measured in ALL and additional schooling.
- In Norway, the findings indicate that both education and skill are valued, but with a higher relative return accruing to the latter. In fact, the labour market returns to numeracy overshadow the return to education. Hence if well-educated adults lack in numeracy skill then they derive no benefit from any additional years of schooling.
- Results suggest that the labour market in Switzerland does not reward prose, document, numeracy or problem solving skills separately from

years of schooling. Skills are only rewarded in so far as adults who have completed additional years of schooling also have higher skill proficiencies.

- Despite the strong associations between skill and economic outcomes reported above, there are significant proportions of workers who have medium to high levels of skill but who nevertheless occupy low-paying jobs. Naturally the opposite is also true. There are low to medium skilled workers who are nevertheless well paid.
- Low-skilled respondents are more likely than high skilled respondents to receive social transfers in half of the countries surveyed. This is the case in Canada, Norway and the United States, even after adjusting for education as well as age, gender and household income. This relationship is not significant in Bermuda, Italy and Switzerland.
- Not surprisingly, since medium to high skilled adults tend to be paid higher wages, they also have more opportunity to accumulate capital. Hence they are more likely than low skilled workers to have investment income on top of their wage earnings. This is the case in Bermuda, Canada, Switzerland and the United States. In Italy, however, this relationship is not significant once the effect of education and household income have been taken into account.

## 7.2 Earnings returns to skills and education

According to neo-classical economic theory, individuals who contribute more to the final value of production are expected to earn more. Furthermore, the theory of human capital suggests that the relative contribution of individuals depends on the knowledge, skills and other attributes embodied within them (Schultz, 1961; Becker, 1964; Blaug, 1976). Education plays an important role by imparting skills and also by providing easy to observe information about skills on the labour market (Stigler, 1961; Arrow, 1973; Spence, 1973). Thus education and skills are expected to influence the distribution of economic rewards. Previous research indeed supports the notion that skills are rewarded on the labour market (Rivera-Batiz, 1992; Murnane, Willet and Levy, 1995; OECD and HRDC, 1997; Osberg, 2000; Green and Riddell, 2001; Murnane, *et al.*, 2001). This section examines the extent to which the skills measured in ALL are rewarded by labour markets.

Figure 7.1 compares the labour market returns attributable to skill with those accruing to schooling. Results are obtained in a multivariate model that specifies the joint determination of earnings, education and skills (see Box 7A). Because prose and document literacy, numeracy and problem solving skills are highly correlated, four models, each focusing on a particular skills domain, are estimated. Each adjusts for years of schooling and several other factors such as age, experience, community size, language status and gender. The findings confirm labour markets are unique in the sense that they reward schooling and skills differently.

When interpreting the results it is important to note that the potential effects of education on the development of skills measured in ALL are fully taken into account. Each additional year of schooling is estimated to raise an individual's ranking in the distribution of skills by a substantial amount. Thus for the purposes of this analysis, it is useful to attribute any remaining effects of education on



earnings to other unobserved skills not measured in ALL, such as communication skills, leadership or entrepreneurial skills, as well as attitudinal factors.

In Bermuda and Italy, the returns to skill overshadow those accruing to education. This suggests that skills are highly valued on the labour market and that education is rewarded only in so far as it is associated with these skills. For example, every increase of 10 percentiles in the ranking of the distribution of prose, document, numeracy or problem solving skills is associated with between 15 to 55 per cent higher weekly earnings, depending on the skill domain considered. Returns to education that are not statistically different from zero or are negative imply that if additional years of schooling are not associated with higher skill proficiencies, then those extra years of schooling are not rewarded on the labour market.

In Canada, Norway and the United States, there is evidence that the labour market directly rewards both the observed skills in ALL and other unobserved skills associated with schooling. The results for Canada are consistent with previously reported findings that use data from IALS (see Green and Riddell, 2001). Skills of the type measured in ALL are rewarded separately from schooling, ranging from about seven to 11 per cent for every increase of 10 percentiles in the ranking of distributions, depending on the skill domain. Also, each additional year of schooling is on average associated with about five per cent higher weekly earnings even after adjusting for directly observed skills. This suggests that the Canadian labour market rewards schooling above and beyond its effect on the development of cognitive skills. The results are similar in the United States with returns ranging from six to nine per cent.

Returns to skills in Norway range from eight to 15 per cent, depending on the domain. The returns to skill are also larger relative to the return to years of schooling. This is especially the case for numeracy skills. This suggests that in the Norwegian context, additional years of schooling are only rewarded if they are also associated with higher numeracy skills.

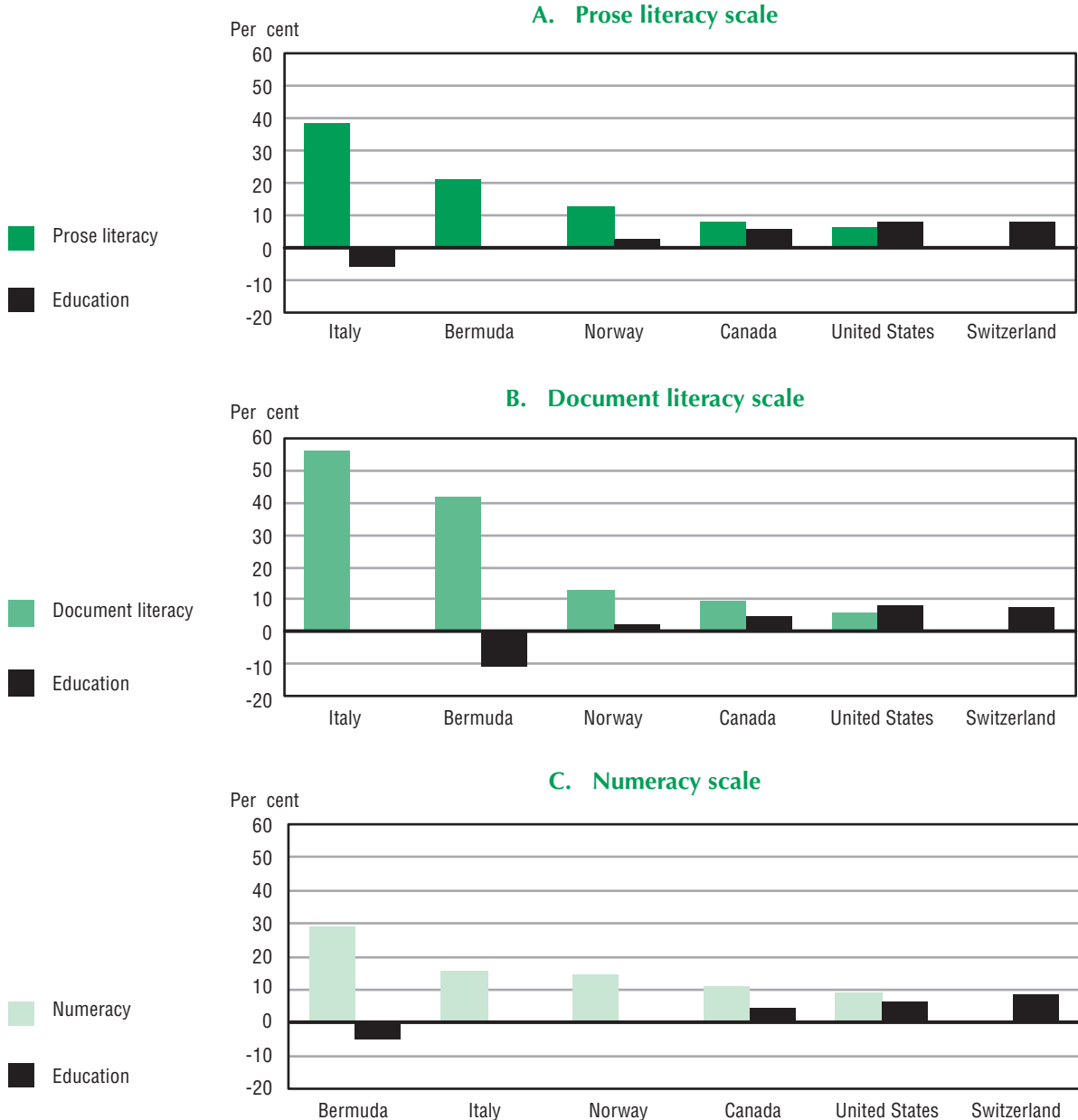
Finally, results suggest that the labour market in Switzerland does not reward prose, document, numeracy or problem solving skills separately from education. Skills are only rewarded when adults have also completed an expected corresponding number of years of schooling. Accordingly, those in high paying jobs have more years of schooling on average, but skills of the type measured in ALL are more evenly distributed among high and low paying jobs compared to other countries.

Findings reported in Figure 7.2 suggest that skills and education alone do not fully explain who benefits from high wages – occupation also plays an important role in the wage determination process. High-skill occupations such as experts, managers, and high-skill information jobs are on average well-paying jobs in all countries. These are also jobs that require higher engagement in reading, writing and numeracy tasks (see Figure 6.5). Thus the expectation is that literacy and numeracy skills are rewarded systematically, but it is shown in Chapter 6 that there is a degree of possible “mismatch” between the literacy and numeracy skills of individuals and the extent to which workers are required to engage in reading, writing and numeracy tasks at work.

FIGURE 7.1

Returns to skills and education

Per cent increase in weekly earnings per increase of 10-percentiles on the prose, document, numeracy and problem solving scales, and per increase of additional year of schooling, adjusted three stage least squares model<sup>1</sup>, labour force populations aged 16 to 65, 2003



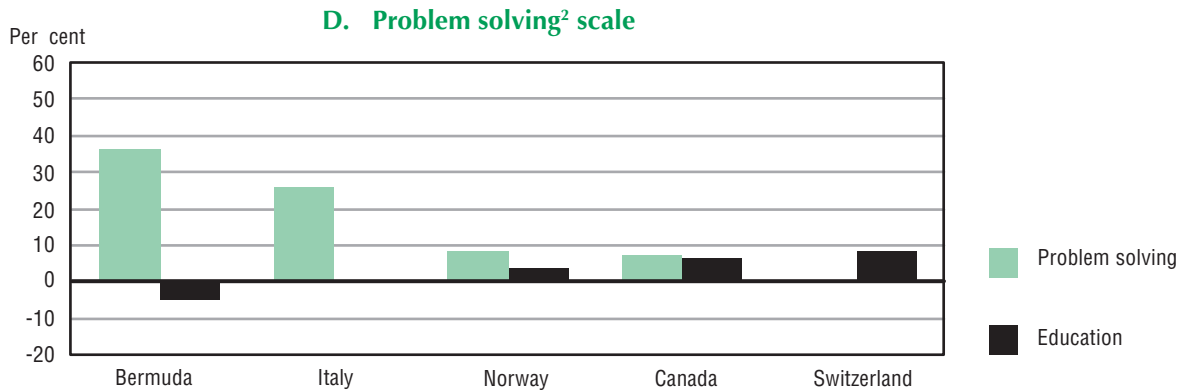
- A. Countries are ranked by the effect of prose literacy.
- B. Countries are ranked by the effect of document literacy.
- C. Countries are ranked by the effect of numeracy.

Source: Adult Literacy and Life Skills Survey, 2003.

FIGURE 7.1 (concluded)

## Returns to skills and education

Per cent increase in weekly earnings per increase of 10-percentiles on the prose, document, numeracy and problem solving scales, and per increase of additional year of schooling, adjusted three stage least squares model<sup>1</sup>, labour force populations aged 16 to 65, 2003

**D. Countries are ranked by the effect of problem solving.**

1. See Box 7A.
2. Switzerland (Italian) and the United States did not field the problem solving skills domain.

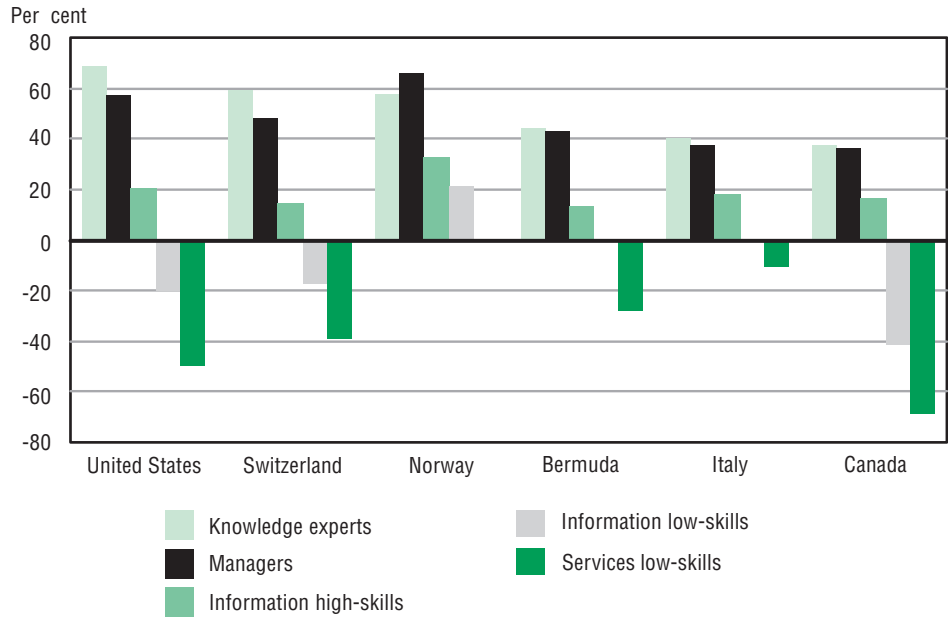
Source: Adult Literacy and Life Skills Survey, 2003.

Earnings premiums reported in Figure 7.2 are calculated as the percentage difference of expected weekly earnings for each occupational type relative to “goods related” or manufacturing type occupations. Experts and managers earn the most in all countries, with premiums on the order of 36 to 68 per cent. High-skill information jobs earn an average premium of 13 to 33 per cent, while low-skill information jobs earn less than manufacturing type jobs in Canada, Italy, Switzerland and the United States. In Bermuda and Norway, low-skill information jobs earn more on average than “goods related” occupations. In all countries, low-skills service occupations earn less on average than manufacturing employment. This ranges from as low as 69 per cent in Canada to eight per cent in Norway.

FIGURE 7.2

Earnings premiums associated with occupational types

Per cent difference of expected weekly earnings for each occupational type relative to “goods related” occupations, labour force populations aged 16 to 65, 2003



Countries are ranked by the earnings premium associated with expert occupations.

1. Difference estimates that are not statistically different from “goods related” occupations at conventional levels of significance are set to zero in the figure.

Source: Adult Literacy and Life Skills Survey, 2003.

Box 7A

Estimating the rates of return to skill

The rates of return to skill are estimated using a structural model. The estimation method is three stage least squares. This allows for the possible correlation between some of the explanatory variables and unobserved factors, which would otherwise lead to bias, to be taken into account. The model is based on Green and Riddell (2001). Both education and observed skill are specified as endogenous variables in the first equation, which is essentially an extension of Mincer’s (1974) human capital model, and includes experience and some other factors commonly adjusted for in a model predicting earnings. The full model is based on the assumption that education affects skill proficiencies, and in turn, both skills and education influence weekly earnings.

Other control variables in the analysis are potential work experience, gender, community size, parents’ education and non-native language. The instrumental variable used for education is the respondent’s age when the highest level of schooling was completed, which is thought to affect directly educational attainment but not directly earnings. Non-native language is the instrumental variable adjusting variance in skill proficiencies.

### 7.3 Skills, social assistance and investment income

Skills yield potential economic returns to both individuals and societies beyond employment and earnings. Previous research suggests that there is an association between more education and reduced dependence on social transfers during prime working years (Kiefer, 1985; An, Haveman, and Wolfe, 1993). The findings presented in Figure 7.3 suggest that skills are a part of the explanation. Adults who score at Levels 1 and 2 on the numeracy scale are more likely to obtain social assistance payments from the state. This is the case in Canada, Norway and the United States, even after adjusting for education as well as age, gender and household income. The results are rather similar for the other domains measured. In Bermuda, Italy and Switzerland, the relationship is not significant when education and household income are taken into account.

Many adults have difficulties to earn sufficient income because they do not have the literacy and numeracy skills needed to cope with modern working life. For example, numeracy was shown to be associated with employability in Chapter 5. Other previous research shows that low skills are a common barrier to employment among recipients of social assistance, and that individuals who fail to obtain remedial education have lower odds of succeeding in the labour market (Heinrich, 1998; Danziger et al., 1999).

FIGURE 7.3

#### Likelihood of low-skilled adults collecting social assistance payments

Adjusted and unadjusted odds ratios<sup>1</sup> showing the likelihood of low-skilled adults (Levels 1 and 2) collecting social assistance payments, numeracy scale, populations aged 16 to 65, 2003



Countries are ranked according to the difference in the unadjusted odds.

1. Odds estimates that are not statistically different from one at conventional levels of significance are set to one in the figure.

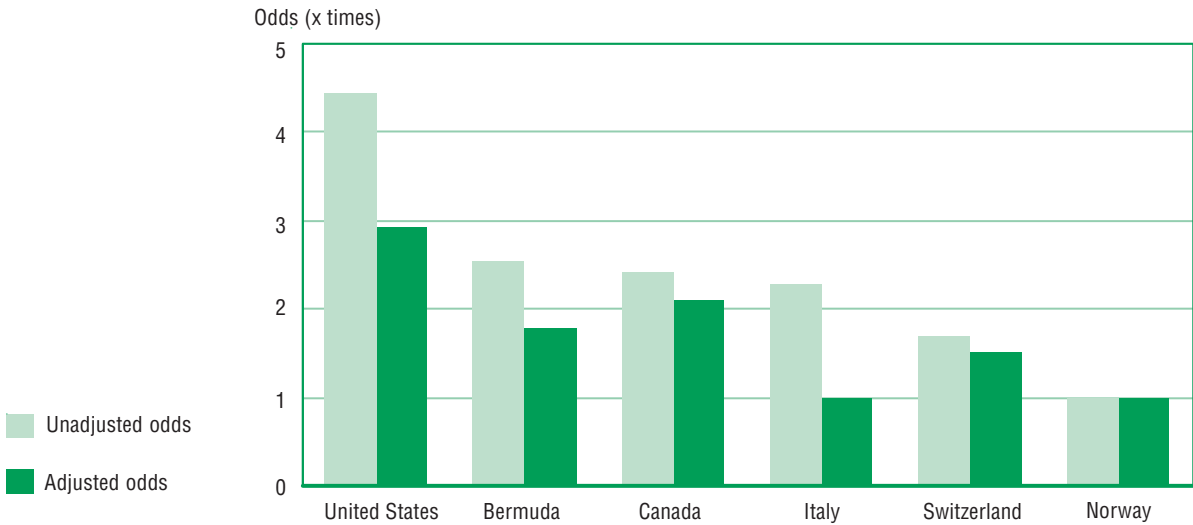
Source: Adult Literacy and Life Skills Survey, 2003.

Figure 7.4 shows the relationship between skills and the likelihood of earning income from interest, dividends, capital gains or other investment income such as net rental income. Previous research provides some evidence that more schooling is associated with higher savings rates (Solomon 1975). But even after adjusting for levels of education and income, the findings show that in Bermuda, Canada, Switzerland and the United States, medium to high skilled adults (Levels 3 and 4/5) are more likely to earn investment income. In Italy, there is a relationship but not above and beyond the effect of education and household income on wealth. This suggests that in most countries, numeracy skills are a prerequisite to individuals realizing investment income.

**FIGURE 7.4**

**Likelihood of medium to high-skilled adults earning investment income**

Adjusted and unadjusted odds ratios<sup>1</sup> showing the likelihood of medium to high-skilled adults (Levels 3 and 4/5) earning investment income, numeracy scale, populations aged 16 to 65, 2003



Countries are ranked according to the difference in the unadjusted odds.

1. Odds estimates that are not statistically different from one at conventional levels of significance are set to one in the figure.  
 Source: Adult Literacy and Life Skills Survey, 2003.

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# Annex 7

## Data Values for the Figures

TABLE 7.1

Three stage least squares estimates of the effect of observed skills (percentile scale) on weekly log-earnings, prose, document, numeracy and problem solving scales, labour force populations aged 16 to 65, 2003

	Prose literacy		Document literacy		Numeracy		Problem solving <sup>1</sup>	
<b>Bermuda</b>								
Observed skills (percentiles)	0.18***	(0.05)	0.37***	(0.06)	0.25***	(0.05)	0.29***	(0.07)
Years of schooling	0.01	(0.02)	-0.07	(0.03)	-0.02	(0.02)	-0.01	(0.02)
Years of experience	0.04***	(0.00)	0.04***	(0.01)	0.04***	(0.00)	0.03***	(0.01)
Years of experience-squared	0.00***	(0.00)	0.00***	(0.00)	0.00***	(0.00)	0.00***	(0.00)
Male	0.39***	(0.04)	0.26***	(0.04)	0.16***	(0.05)	0.41***	(0.04)
Urban resident	4.98***	(0.10)	5.16***	(0.12)	5.25***	(0.12)	4.71***	(0.12)
<b>Canada</b>								
Observed skills (percentiles)	0.09***	(0.01)	0.11***	(0.01)	0.13***	(0.01)	0.08***	(0.01)
Years of schooling	0.06***	(0.00)	0.05***	(0.00)	0.04***	(0.01)	0.07***	(0.00)
Years of experience	0.06***	(0.00)	0.06***	(0.00)	0.06***	(0.00)	0.06***	(0.00)
Years of experience-squared	0.00***	(0.00)	0.00***	(0.00)	0.00***	(0.00)	0.00***	(0.00)
Male	0.42***	(0.02)	0.37***	(0.01)	0.30***	(0.02)	0.39***	(0.01)
Urban resident	0.04	(0.02)	0.04	(0.02)	0.02	(0.02)	0.03	(0.02)
<b>Italy</b>								
Observed skills (percentiles)	0.35***	(0.09)	0.40***	(0.19)	-0.06	(0.10)	0.38***	(0.10)
Years of schooling	-0.03	(0.02)	-0.05***	(0.04)	0.07***	(0.03)	-0.03	(0.02)
Years of experience	0.01	(0.01)	0.01***	(0.01)	0.02***	(0.01)	0.00	(0.01)
Years of experience-squared	0.00	(0.00)	0.00***	(0.00)	0.00**	(0.00)	0.00**	(0.00)
Male	0.37***	(0.05)	0.21***	(0.05)	0.24***	(0.03)	0.34***	(0.05)
Urban resident	0.00	(0.04)	0.00***	(0.06)	0.07***	(0.04)	-0.05	(0.05)
<b>Norway</b>								
Observed skills (percentiles)	0.05	(0.08)	0.08	(0.08)	0.05	(0.07)	0.00	(0.07)
Years of schooling	0.06***	(0.02)	0.05***	(0.02)	0.06**	(0.02)	0.07***	(0.02)
Years of experience	0.07***	(0.01)	0.07***	(0.01)	0.07***	(0.01)	0.07***	(0.01)
Years of experience-squared	0.00***	(0.00)	0.00***	(0.00)	0.00***	(0.00)	0.00***	(0.00)
Male	0.34***	(0.04)	0.29***	(0.07)	0.28***	(0.08)	0.34***	(0.04)
Urban resident	0.30***	(0.05)	0.30***	(0.05)	0.31***	(0.05)	0.32***	(0.05)

TABLE 7.1 (concluded)

**Three stage least squares estimates of the effect of observed skills  
(percentile scale) on weekly log-earnings, prose, document, numeracy and  
problem solving scales, labour force populations aged 16 to 65, 2003**

	Prose literacy		Document literacy		Numeracy		Problem solving <sup>1</sup>	
<b>Switzerland</b>								
Observed skills (percentiles)	0.03	(0.03)	0.04*	(0.02)	0.02	(0.02)	0.03	(0.03)
Years of schooling	0.07***	(0.01)	0.07***	(0.01)	0.08***	(0.01)	0.08***	(0.01)
Years of experience	0.04***	(0.00)	0.04***	(0.00)	0.04***	(0.00)	0.04***	(0.00)
Years of experience-squared	0.00***	(0.00)	0.00***	(0.00)	0.00***	(0.00)	0.00***	(0.00)
Male	0.72***	(0.03)	0.69***	(0.03)	0.69***	(0.03)	0.72***	(0.03)
Urban resident	0.18***	(0.03)	0.18***	(0.03)	0.18***	(0.03)	0.18***	(0.03)
<b>United States</b>								
Observed skills (percentiles)	0.05*	(0.03)	0.06	(0.03)	0.08**	(0.04)	...	...
Years of schooling	0.09***	(0.02)	0.09***	(0.02)	0.07***	(0.02)	...	...
Years of experience	0.06***	(0.01)	0.06***	(0.01)	0.06***	(0.01)	...	...
Years of experience-squared	0.00***	(0.00)	0.00***	(0.00)	0.00***	(0.00)	...	...
Male	0.50***	(0.04)	0.47***	(0.04)	0.42***	(0.05)	...	...
Urban resident	0.15***	(0.05)	0.15***	(0.05)	0.15***	(0.06)	...	...

\* p<0.10, statistically significant at the 10 per cent level.

\*\* p<0.05, statistically significant at the 5 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

... Not applicable.

1. Switzerland (Italian) and the United States did not field the problem solving skills domain.

Note: The results reported in the table are from the first equation of the three equation system. The estimates for the other two equations are available upon request.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 7.2

**Per cent difference of expected weekly earnings for each occupational type relative to “goods related” occupations, labour force populations aged 16 to 65, 2003**

<b>Bermuda</b>		
Experts	44.6***	(0.06)
Managers	43.0***	(0.07)
Information high-skills	13.2 *	(0.07)
Information low-skills	4.3	(0.06)
Services low-skills	-27.8***	(0.07)
<b>Canada</b>		
Experts	37.1***	(0.04)
Managers	36.0***	(0.04)
Information high-skills	16.4***	(0.04)
Information low-skills	-41.3***	(0.03)
Services low-skills	-68.6***	(0.04)
<b>Italy</b>		
Experts	40.0***	(0.07)
Managers	37.2***	(0.08)
Information high-skills	18.1***	(0.04)
Information low-skills	-2.6	(0.04)
Services low-skills	-10.2 *	(0.06)
<b>Norway</b>		
Experts	57.9***	(0.08)
Managers	65.5***	(0.10)
Information high-skills	32.7***	(0.07)
Information low-skills	21.1***	(0.08)
Services low-skills	-7.9	(0.08)
<b>Switzerland</b>		
Experts	59.2***	(0.10)
Managers	48.2***	(0.08)
Information high-skills	14.4 *	(0.09)
Information low-skills	-17.6 *	(0.09)
Services low-skills	-39.0***	(0.11)
<b>United States</b>		
Experts	68.3***	(0.07)
Managers	57.1***	(0.07)
Information high-skills	20.9***	(0.08)
Information low-skills	-19.9***	(0.06)
Services low-skills	-49.8***	(0.07)

\* p<0.10, statistically significant at the 10 per cent level.

\*\* p<0.05, statistically significant at the 5 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

Note: Values in brackets are standard errors for the per cent estimates divided by 100.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 7.3

**Adjusted and unadjusted odds ratios showing the likelihood of low skilled adults (Levels 1 and 2) collecting social assistance payments, numeracy scale, populations aged 16 to 65, 2003**

	Adjusted odds <sup>1</sup>		Unadjusted odds	
Bermuda	1.00	(1.0)	2.11	(1.0)
Canada	2.45***	(0.2)	4.89***	(0.2)
Italy	2.13	(0.8)	3.49	(0.8)
Norway	2.86**	(0.4)	3.52***	(0.4)
Switzerland	1.92	(0.7)	2.61	(0.6)
United States	3.32**	(0.5)	7.06***	(0.4)

\* p<0.10, statistically significant at the 10 per cent level.

\*\* p<0.05, statistically significant at the 5 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

1. Odds are adjusted for gender, age, educational attainment and total personal income.

Note: Standard errors are of the logarithm of the odds ratios.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 7.4

**Adjusted and unadjusted odds ratios showing the likelihood of medium to high skilled adults (Levels 3 and 4/5) earning investment income, numeracy scale, populations aged 16 to 65, 2003**

	Adjusted odds <sup>1</sup>		Unadjusted odds	
Bermuda	1.77***	(0.18)	2.54***	(0.12)
Canada	2.10***	(0.13)	2.42***	(0.10)
Italy	1.36	(0.28)	2.28***	(0.26)
Norway	0.98	(0.20)	1.32	(0.17)
Switzerland	1.52**	(0.15)	1.68***	(0.09)
United States	2.93***	(0.19)	4.44***	(0.15)

\* p<0.10, statistically significant at the 10 per cent level.

\*\* p<0.05, statistically significant at the 5 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

1. Odds are adjusted for gender, age, educational attainment and total personal income.

Note: Standard errors are of the logarithm of the odds ratios.

Source: Adult Literacy and Life Skills Survey, 2003.

# Chapter 8

## Skills and Information and Communications Technologies

### Summary

This chapter explores the relationship between skills and Information and Communications Technology (ICT) use and familiarity. The ALL survey collected information on the use of, and familiarity with ICTs, at the individual level, including a series of self-assessment questions on ICT use, perceptions of experience, and degree of comfort with ICTs. First, access rates to computers and the Internet are considered. Second, the relationship between ICT use and literacy skills is studied. This is important because it demonstrates the fundamental relationship between ICT use and other skill sets. Third, the determinants of ICT use are examined, including income, age, gender, educational attainment and occupation. Finally, outcomes associated with the use of ICTs in combination with literacy skills are explored.

8

## Table of Contents

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Summary	179
---------	-----

---

### Chapter 8

<b>Skills and Information and Communications Technologies</b>	<b>179</b>
---	------------

---

8.1 Overview and highlights	181
8.2 Connectivity and income as a key determinant	182
8.3 ICTs and literacy skills	184
8.4 ICT use and familiarity by key demographic characteristics	187
8.5 ICT use and outcomes	193

---

References	195
------------	-----

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### Annex 8

<b>Data Values for the Figures</b>	<b>197</b>
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# Skills and Information and Communications Technologies

## 8.1 Overview and highlights

This chapter explores the relationship between skills and Information and Communications Technology (ICT) use and familiarity. The ALL survey collected information on the use of, and familiarity with ICTs, at the individual level, including a series of self-assessment questions on ICT use, perceptions of experience, and degree of comfort with ICTs. First, access rates to computers and the Internet are considered. Second, the relationship between ICT use and literacy skills is studied. This is important because it demonstrates the fundamental relationship between ICT use and other skill sets. Third, the determinants of ICT use are examined, including income, age, gender, educational attainment and occupation. Finally, outcomes associated with the use of ICTs in combination with literacy skills are explored.

The main findings presented in this chapter are summarized below:

- Patterns of Internet and computer access confirm the existence of “digital divides” both within and between nations. Apart from Italy, differences in ICT use and access between countries are not large. Home computer access rates are about 80 per cent and home Internet access rates approximately 70 per cent for the majority of countries surveyed.
- Within countries, however, there are large divides in access and use of ICTs. Among other factors, income differentials stand out in predicting access to, and use of ICTs. Home computer and Internet access vary significantly by income and the largest drop in access rates typically occurs between the third and second income quartiles.
- Many factors including age, gender, level of education, type of occupation and level of literacy proficiency are associated with adults’ use and familiarity of computers and the Internet. These factors help to predict whether a respondent is a “high-intensity” computer user.
- Age exerts a strong influence on computer use, showing a significant decline after age 45.

- Clear gender differences in computer and Internet use exist in the European countries but not in North America.
- Respondents with less than upper secondary education use computers significantly less often for task-oriented purposes. This effect is most pronounced in Bermuda and Italy.
- Those without access to ICTs also tend to have lower literacy levels than the rest of the population. Non-users tend to have significantly lower literacy skills than computer users.
- The proportion of adults in different literacy and computer use profiles varies substantially by country. In half of the countries, respondents with both low literacy (Levels 1 and 2) and “low-intensity” computer use represent the largest group. The group of respondents with both medium to high literacy (Levels 3 and 4/5) and “high-intensity” computer use is small in all countries.
- As prose, document, numeracy and problem solving levels increase, adults’ perceived usefulness and attitude toward computers, Internet use, and use of computers for various tasks also increase. In most countries, respondents with medium to high literacy have between two and three times the odds of being a high-intensity computer user.
- Finally, literacy and computer use profiles are strongly related to the likelihood that respondents have high earnings. In most countries, adults who have medium to high literacy skills (Levels 3 and 4/5) and are high-intensity computer users have about three to six times the odds of being in the top quartile of personal income compared to respondents who have low literacy and are low-intensity computer users.

## 8.2 Connectivity and income as a key determinant

The widespread diffusion and use of ICTs, including the personal computer and the Internet, is a major source of change on many fronts. In parallel with the profound economic and social transformations underway, people have learned to develop new and rapidly changing skill sets to use ICTs effectively. This has brought to the fore the notion that ICT skills are necessary to function in today’s world. Differences in the penetration and use of various ICTs, both within and between countries, have been well documented in recent years. Studies of the digital divide (e.g., U.S. Department of Commerce, 1995; 1998, 1999, 2000, 2002; OECD, 2001; Sciadas, 2002, 2003) have also identified and analyzed many factors that influence connectivity and use of ICTs, whether at the household or individual level. While income is usually a key determinant, many other factors are found to exert an influence. These include education, age, gender, area of residence (urban vs rural) and even family composition.

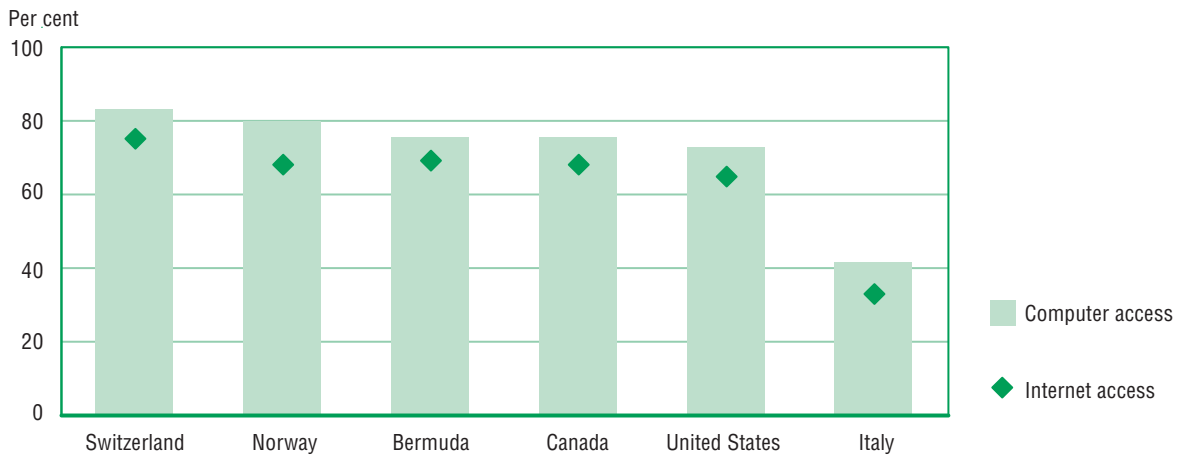
Results presented in Figure 8.1 confirm previous findings on the digital divide. Apart from Italy, differences in ICT use and access between countries are not large. Estimates show that computer access ranges from a high of over 80 per cent in Switzerland to just over 40 per cent in Italy. Closely related to this pattern is Internet access, where nearly three-quarters of individuals in Switzerland compared to less than one-third of individuals in Italy live in a home with Internet access.



FIGURE 8.1

**Home computer and internet access at home**

Per cent of adults aged 16 to 65 who report having access to a computer and the internet at home, 2003



**Countries are ranked by the per cent who have access to computers at home.**

Source: Adult Literacy and Life Skills Survey, 2003.

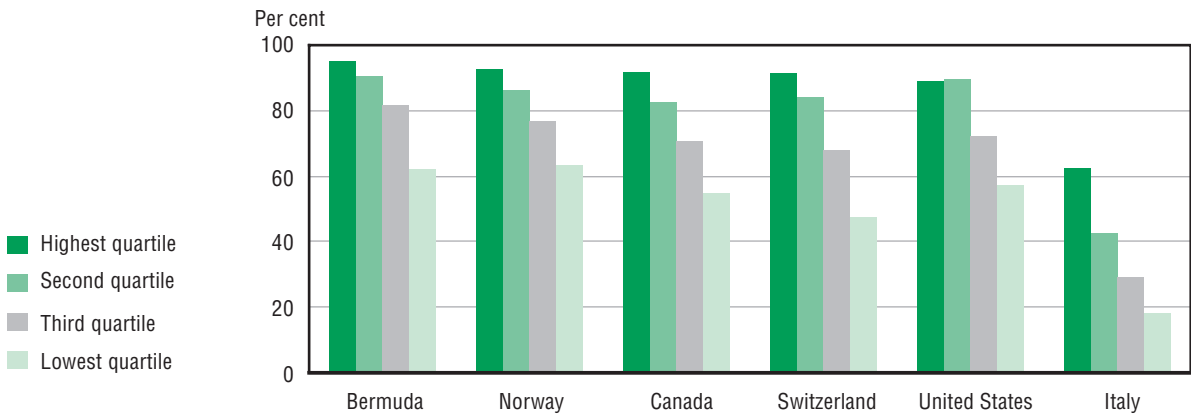
Confirming previous findings, Figure 8.2 shows the strong correlation between income and ICT use and access. Income is a key factor shaping the digital divide. It determines whether households can afford to purchase computers and access to the Internet as well as other ICTs. Use and access of computers and the Internet by income quartile varies substantially by country. These results have potentially serious consequences because individuals living in low-income households may face computer-related learning disadvantages (Felstead, Duncan and Green, 2002).

There exists little difference between the highest and second income quartiles. It is between the second, third, and lowest quartiles that differences become evident. Italy lags the other countries in terms of computer and Internet access for each quartile. In fact, computer and Internet access for users in the top income quartile living in Italy approximates the access rates of the lower quartiles of other countries. In this respect Italy is not only lagging behind the other countries, but it is subject to a greater divide within the nation in terms of computer and Internet access.

FIGURE 8.2

## Home computer access by income quartiles

Per cent of adults aged 16 to 65 who report having access to a computer at home, by household income quartiles, 2003



Countries are ranked by the rate of access among those in the highest income quartile.

Source: Adult Literacy and Life Skills Survey, 2003.

### 8.3 ICTs and literacy skills

A key question that emerged from the IALS is the extent to which foundation skills relate to other skills such as ICT skills, which are thought to be important for workplace productivity and labour market success (OECD and Statistics Canada, 2000; McAuley and Lowe, 1999). In practice, ICT use is linked to literacy skills in a number of ways. Some studies suggest that literacy skills are essential to the development of ICT literacy (e.g., Massé, Roy and Gingras, 1998). While ICT skills may depend on technological proficiency to a certain extent, it also requires cognitive skills, such as those underlying literacy, numeracy and problem solving, which are critical for using ICTs effectively (International ICT Literacy Panel, 2002). Most ICT content, notably the Internet, remains text-based (Stewart, 2000), and the format and content of web pages often demand skills similar in nature to those assessed by the document literacy domain in ALL, namely unstructured and non-continuous texts such as tables and documents. In general, literacy is becoming increasingly important as more information is transmitted and shared through ICTs than ever before (Leu Jr., 2000).

A comparison of computer users and non-users reveals a literacy gap in all countries. Figure 8.3 shows that users consistently score higher on average by approximately 50 or more points. Thus, non-users face not only a digital divide, but also a literacy gap. Separately, among 15-year-old students, findings show a positive relationship between access to home computers and reading skills (Bussi re and Gluszynski, 2004).

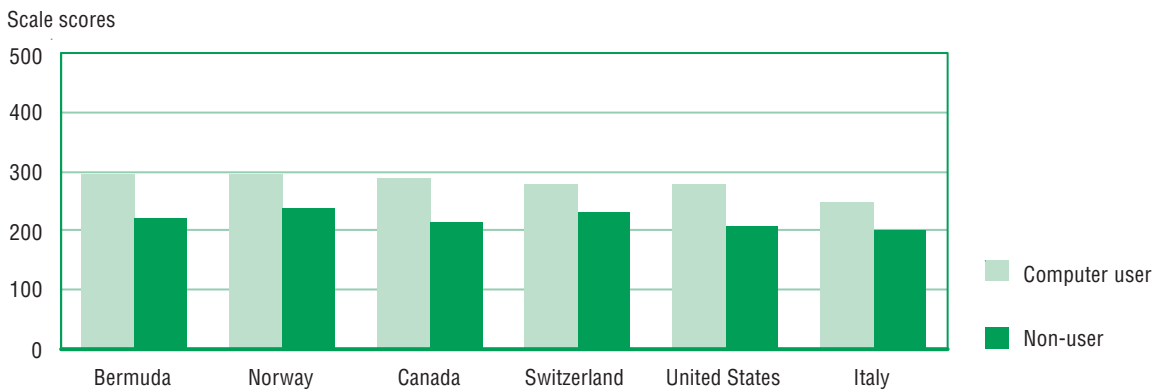
Three broad indices of ICT use and familiarity are used for further analysis. These assess the respondent's perceived usefulness and attitude towards computers, the diversity and intensity of their Internet use, and their use of computers for specific task-oriented purposes (see Box 8A). Figure 8.4 displays the average index scores by country. Bermuda emerges as a leader in all three measures, but it

is closely followed by Canada, Norway, Switzerland and the United States. Scores are substantially lower in Italy, particularly for diversity and intensity of Internet use, and use of computers for task-oriented purposes. In Switzerland, scores for the perceived usefulness of computers, and diversity and intensity of Internet use, are lower than most other countries, but together with Bermuda it is one of the leading countries for use of computers for task-oriented purposes.

FIGURE 8.3

### Skills of computer users and non-users

Mean scores on the prose literacy scale ranging from 0 to 500 points, by whether respondents are computer users or non-users, populations aged 16 to 65, 2003



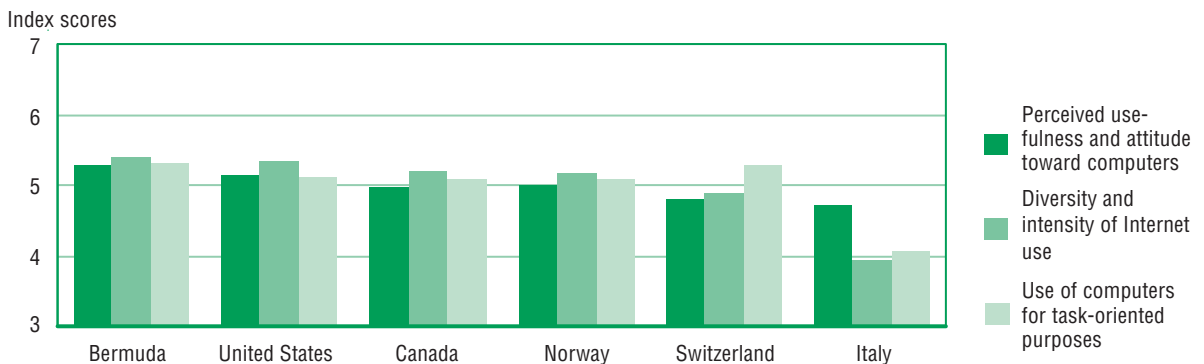
Countries are ranked by the scores of computer users.

Source: Adult Literacy and Life Skills Survey, 2003.

FIGURE 8.4

### Index scores of ICT use and familiarity

Mean index scores on three scales of ICT use and familiarity, perceived usefulness and attitude towards computers, diversity and intensity of Internet use, and use of computers of for specific task-oriented purposes, populations aged 16 to 65, 2003



Countries are ranked by the sum of the mean scores on the three scales.

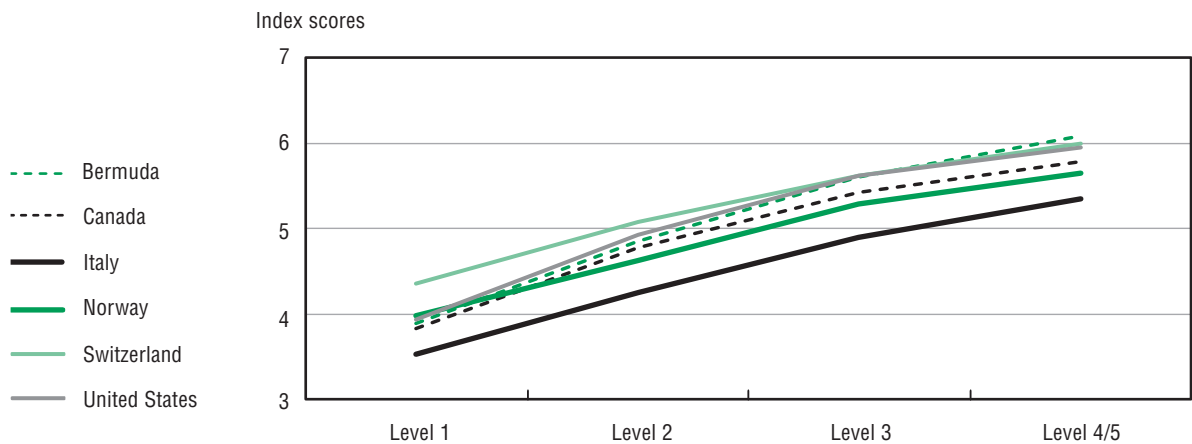
Source: Adult Literacy and Life Skills Survey, 2003.

Results displayed in Figure 8.5 demonstrate that prose literacy increases with the use of computers for task-oriented purposes. The findings are similar for the other two indices and for other skills measured in ALL. Moreover, the patterns are similar for all countries in the survey, without exceptions. These results are consistent with another study that suggests that adults with higher literacy and numeracy skills also perform better on an assessment of ICT skills (see DfES, 2003).

FIGURE 8.5

Use of computers for task-oriented purposes by literacy skills

Mean index scores on a scale measuring the intensity of use of computers for specific task-oriented purposes, by prose literacy levels, populations aged 16 to 65, 2003



Source: Adult Literacy and Life Skills Survey, 2003.

Box 8A

Indices of ICT use and familiarity

Three indices of ICT use and familiarity were derived from several observed variables that were collected in the ALL survey. ICT related variables were examined using Exploratory Factor Analysis with principal components specified as the method. Confirmatory Factor Analysis was then used to validate three models that were hypothesized on the basis of the exploratory results and an interpretation of the observed variables. Index scores were derived according to the specified models using a Rasch scaling approach. Scores for each index are expressed as standardized scores on a 10-point scale, with a mean of 5 and a standard deviation of 1.5.

The underlying variables used to construct the three measures are outlined below:

1. Index of perceived usefulness and attitude toward computers

Please tell me whether you strongly agree, agree, disagree, or strongly disagree with each of the following statements:

- Computers have made it possible for me to get more done in less time

- Computers have made it easier for me to get useful information
- Computers have helped me to learn new skills other than computer skills
- Computers have helped me to communicate with people
- Computers have helped me reach my occupational (career) goals

#### 2. Index of diversity and intensity of Internet use

In a typical month, how often did you use the Internet for the following purposes? (Daily, a few times a week, a few times a month, never)

- Electronic mail (email)
- Participate in chat groups or other on-line discussions
- Shopping (including browsing for products or services but not necessarily buying)
- Banking
- Formal education or training (part of a formal learning activity such as a course or a program of studies)
- Obtain or save music
- Read about news and current events
- Search for employment opportunities
- Search for health related information
- Search for weather related information
- Search for government information
- Playing games with others
- General browsing
- Other purposes; specify

In a typical month, how many hours did you use a computer at home?

#### 3. Index of using computers for task-oriented purposes

In a typical month, how often did you use a computer for the following purposes? (Daily, a few times a week, a few times a month, never).

- Writing or editing text
- Accounts, spreadsheets or statistical analysis
- Creating graphics, designs, pictures or presentations
- Programming or writing computer code
- Keeping a schedule or calendar
- Reading information on a CD-ROM or DVD
- In a typical month, how many hours did you use a computer at home?

## 8.4 ICT use and familiarity by key demographic characteristics

The strong relationship between income and ICT use and access was established above. This section examines other factors that are associated with using computers for task-oriented purposes (see Box 8A). In particular, these factors include age, gender, educational attainment and occupation.

Some are concerned that older workers have fewer ICT skills and that this may result in a deterioration of their position in the labour force (OECD, 2004). A 'generation gap' with respect to exposure to computers and other ICTs may

explain a reduced opportunity to learn ICT skills. Younger adults are more likely to grow up with a computer in the home than those who are older than 25 (DfES, 2003). As a result, there are fears of a growing mismatch between the skills of older workers and the demand for ICT skills. Further, a lack of skills may cause a slowdown in the introduction of ICTs in the jobs filled by older workers, hurting a company’s productivity growth and competitiveness (OECD, 2004). However, to date there is no firm evidence of such a competitive disadvantage.

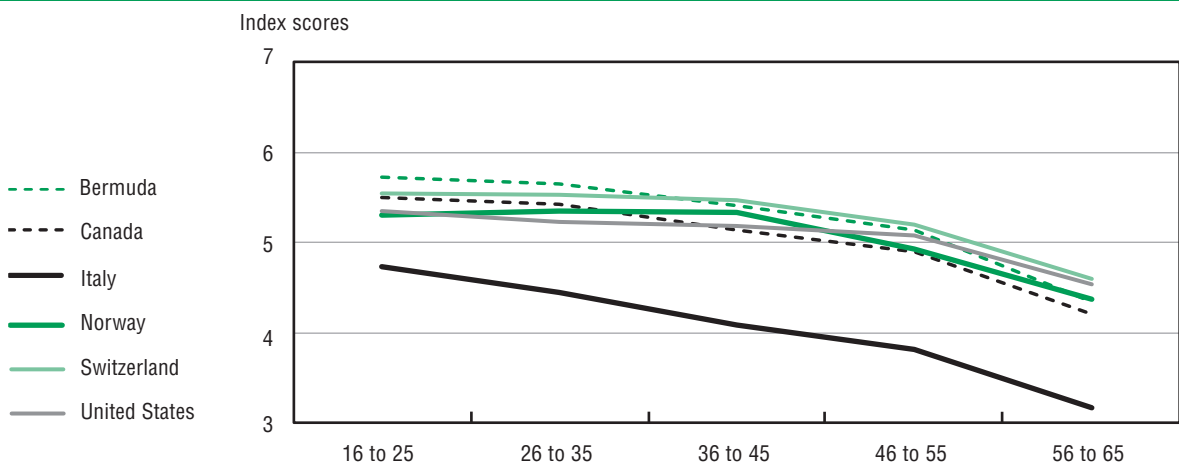
Results presented in Figure 8.6 suggest that there is a strong relationship between age and the intensity of using computers for task-oriented purposes. Moreover, the patterns are similar across countries. Older adults use computers for task-oriented purposes less intensively than younger adults. Many of the tasks used to construct the index are associated with computer use at work, such as writing or editing text, managing accounts or spreadsheets, programming, creating presentations or keeping a schedule or calendar. The largest difference in intensity of use is between the ages of 46 to 55 and 56 to 65, suggesting that older workers and retired persons are not performing these tasks regularly. While not reported here, the ICT-age relationship is even stronger with respect to the diversity and intensity of Internet use. In contrast, the index measuring the perceived usefulness and attitudes toward computers does not decrease uniformly with increasing age.

Many studies have found gender differences in patterns of computer use. For example, in Canada, one study found that with the exception of word processing, men were more likely than women to use computers for a range of common tasks (Marshall, 2001). Men have also been found to perform slightly higher than women on a practical performance assessment of ICT skills, and also to have higher awareness of ICTs (DfES, 2003). The fact that men were more likely to be frequent users of computers is suggested as a reason for much of the difference in performance (DfES, 2003). Access to ICTs is found to be lowest among unemployed women (Commission of the European Communities, 2002).

FIGURE 8.6

Use of computers for task-oriented purposes by age groups

Mean index scores on a scale measuring the intensity of use of computers for specific task-oriented purposes, by age groups, populations aged 16 to 65, 2003



Source: Adult Literacy and Life Skills Survey, 2003.

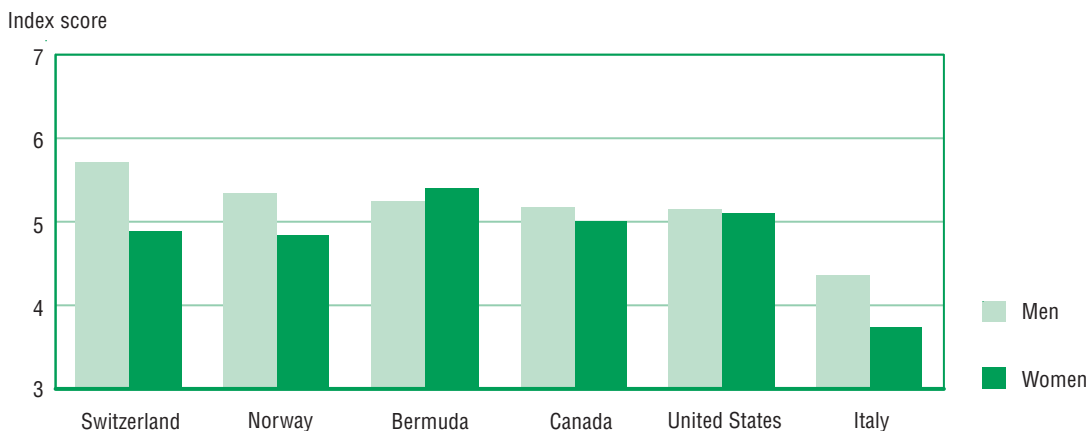
Figure 8.7 shows that differences in using computers for task-oriented purposes by gender are more pronounced in Italy, Norway and Switzerland. The results are similar for the other two measures of ICT use and familiarity. In these countries, men tend to be more familiar with and use ICTs more intensively than women. In contrast, gender differences are much smaller in Bermuda, Canada and the United States. In fact, in Bermuda, women score higher than men on all three ICT measures.

Although there appears to be a relationship between gender and ICT use, gender alone does not tell the entire story. There is ample evidence that gender differences in ICT usage are higher during the early stages of the introduction of new ICTs but decline over time. Therefore, gender differences must be analyzed in conjunction with the actual penetration of ICTs, as well as the fact that significant inter-dependencies exist with age. For example, while a Canadian study found that the gender difference increases with age, it was non-existent among 15 to 19 year olds (Silver, 2001).

FIGURE 8.7

### Use of computers for task-oriented purposes by gender

Mean index scores on a scale measuring the intensity of use of computers for specific task-oriented purposes, by gender, populations aged 16 to 65, 2003



Countries are ranked by mean index scores for men.

Source: Adult Literacy and Life Skills Survey, 2003.

While an individual may master certain skills — for example, the ability to produce tables and graphs using spreadsheet software — one characteristic of ICT skills is that they are often the product of a process of continuous learning (HRDC, 2002; Bertelsmann Foundation and AOL Time Warner Foundation, 2002; Committee on Information Technology Literacy, 1999; Ginsburg and Elmore, 1998). Because the learning process is continuous, learners often incorporate several methods to learn necessary computer skills, both formal and informal, and seldom rely on only one method of learning. Formal methods include courses sponsored by an employer, while less formal methods may include help from colleagues or family, the use of manuals and books, observing others, or self-teaching through trial-and-error, for example (Dryburgh, 2002; Felstead *et al.*, 2002). Skill requirements change because of the particularly rapid introduction

of new ICTs (e.g., software upgrades, new supporting hardware or interface technologies). The ability to learn and keep up with application-specific knowledge while also developing and maintaining a growing set of foundation skills therefore becomes essential to one's level of participation in a digital world.

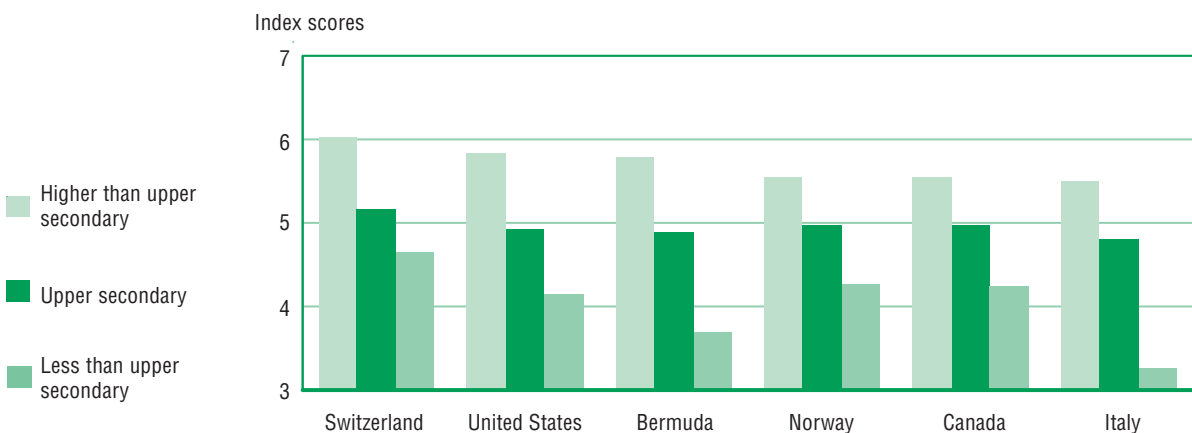
The role of formal education in building a workforce equipped with ICT skills is currently debated. While training at schools, colleges and universities may be an effective means to reach the future workforce, the rapid pace of technological change necessitates lifelong learning rather than one-time instruction. Nonetheless, education can be an important means to develop at least basic ICT skills. The relatively recent introduction of ICTs in schools may mean that as time goes by, higher proportions of people are likely to become ICT users (OECD, 2004). One study found that those with more formal education have higher proficiency in ICT skills. But because more educated people also tend to work with computers more intensively, it is difficult to determine whether education or employment has the biggest impact on ICT skills (DfES, 2003). While beyond the scope of this study, more effort is needed in future to measure ICT skills directly and gain insight into their development.

Differences in ICT use and familiarity between levels of education are largest in Bermuda and Italy and slightly smaller in Canada, Norway, Switzerland and the United States. Figure 8.8 displays the intensity of computer use by levels of educational attainment. The pattern is similar for the intensity and diversity of Internet use, but those with less education still perceive computers to be useful, even if they do not use them as much.

FIGURE 8.8

Use of computers for task-oriented purposes by educational attainment

Mean index scores on a scale measuring the intensity of use of computers for specific task-oriented purposes, by educational attainment, populations aged 16 to 65, 2003



Countries are ranked by mean index scores for respondents with higher than upper secondary education.

Source: Adult Literacy and Life Skills Survey, 2003.



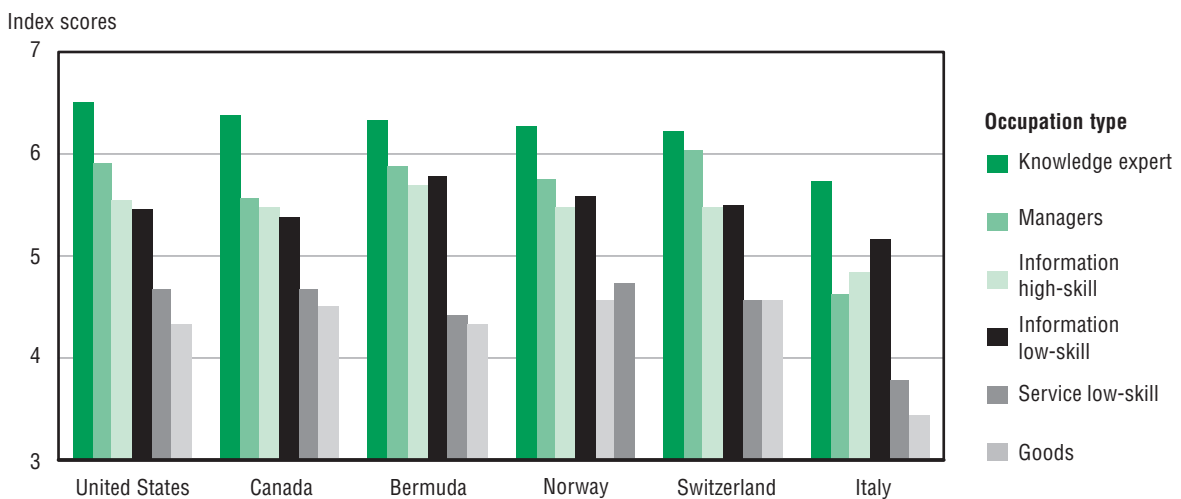
ICT skills have become necessary for a broad range of activities in many workplaces (OECD, 2002). While the introduction of ICTs has affected the workplace at many levels, the distribution of ICT-related tasks is not necessarily even. Certain types of workers, in particular “knowledge” and “information” workers, have become an important part of the knowledge economy. The intensity of ICT use can be expected to vary both by industrial sector and by type of occupation.

‘Expert’ knowledge workers (e.g., scientists, computing and other professionals) and managers tend to use ICTs more intensively and be more familiar with them than those in other types of occupations. But the pervasive nature of ICTs in the workplace is demonstrated by the fact that ‘low-skill’ information workers (e.g., office and customer service clerks) are just as likely to use ICTs as ‘high-skill’ information workers (e.g., professionals, teachers and most technicians). Figure 8.9 shows that managers and information workers use computers for task-oriented purposes at about the same level of intensity. The only types of jobs with substantially lower ICT use and familiarity are low-skill services and goods-related manufacturing type jobs, but even for low-skill service jobs, ICT use is becoming an important phenomenon.

FIGURE 8.9

### Use of computers for task-oriented purposes by type of occupation

Mean index scores on a scale measuring the intensity of use of computers for specific task-oriented purposes, by type of occupations, populations aged 16 to 65, 2003



Countries are ranked by mean index score for knowledge expert occupations.

Source: Adult Literacy and Life Skills Survey, 2003.

The following analysis considers all the above factors including age, gender, education, occupation and literacy skill in a multivariate framework. Logistic regression analysis is used to study the factors affecting the intensity of computer use for task-oriented purposes (see Box 3A — Using odds ratios). In particular, the influence of literacy on the likelihood of being a high-intensity computer user for task-oriented purposes is presented in Figure 8.10.

The results vary substantially by country. Gender, for example, exerts a particularly strong influence in some countries. While controlling for other factors, men in Italy, Norway and Switzerland are also more likely to be high-intensity computer users for task-oriented purposes. In contrast, gender differences with respect to ICTs are smaller in North America and in Italy. In fact, in Bermuda there is no difference between men and women in the odds of being a high-intensity computer user.

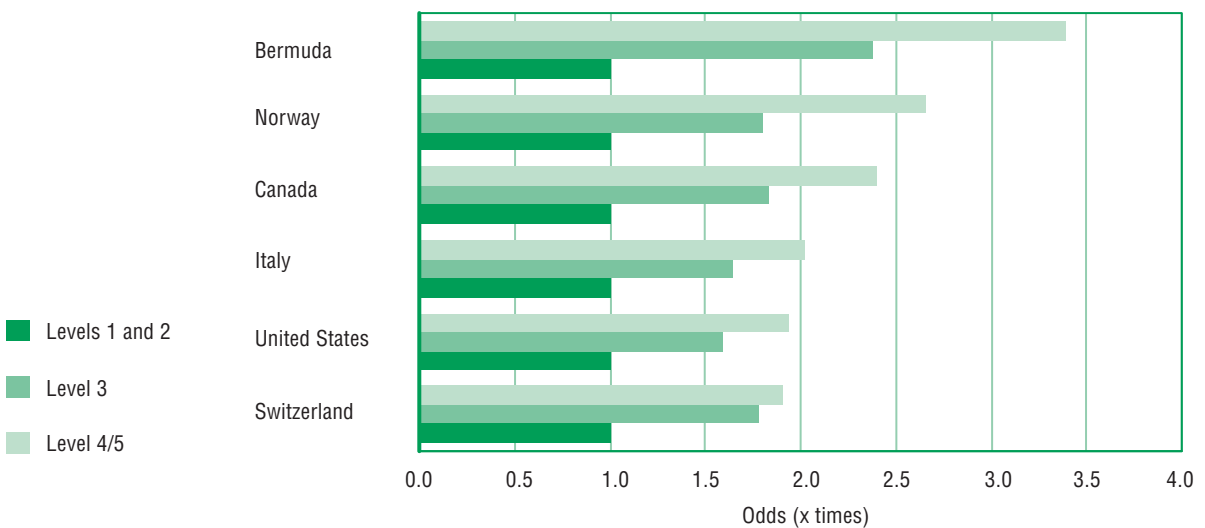
Education exerts a significant influence on computer use. In the United States and Italy, adults with more than upper secondary education have more than two times the odds of being high-intensity computer users compared to those with less education. In the remaining countries, the odds are approximately twice as high for adults with post-secondary attainment. The results also confirm that those with high levels of household income are more likely to be intense computer users. In most countries, respondents whose income falls in the top income quartile have approximately two times the odds of being high-intensity computer users.

Finally, literacy skills are also an important factor. Figure 8.10 shows that as literacy skill levels increase, the odds of being a high-intensity computer user also increase. In Switzerland and the United States, adults scoring at Level 4/5 have nearly twice the odds of being a high-intensity user compared to respondents with low literacy (Levels 1 and 2). Comparable estimates range from two to over three times for Italy, Canada, Norway and Bermuda.

FIGURE 8.10

Likelihood of being a high-intensity computer user by literacy skill levels

Adjusted odds ratios showing the likelihood of adults aged 16 to 65 of being high-intensity computer users, by prose literacy levels, 2003



Countries are ranked by the odds of those who score at Level 4/5.

Source: Adult Literacy and Life Skills Survey, 2003.

## 8.5 ICT use and outcomes

This section considers the possible outcomes associated with ICT use. In particular, the combined effect of literacy skills and different levels of ICT use on personal income are studied. Logistic regression analysis is used to estimate the odds of being a high-income earner, while controlling for various socio-economic characteristics, including different combinations of literacy skill and computer use profiles (see Box 8B).

### Box 8B

#### Measuring combined literacy skill and computer use profiles

The logistic regression in this section models the effects of various socio-economic characteristics, as well as combined literacy skill and computer use profiles, on personal income. The combined profiles consist of four groups as follows:

Profile	Literacy level	Use of computers for task-oriented purposes
Group 1	Low (Levels 1 and 2)	Low-intensity (< top quartile of computer users)
Group 2	Medium/high (Levels 3 and 4/5)	Low-intensity (< top quartile of computer users)
Group 3	Low (Levels 1 and 2)	High-intensity (top quartile of computer users)
Group 4	Medium/high (Levels 3 and 4/5)	High-intensity (top quartile of computer users)

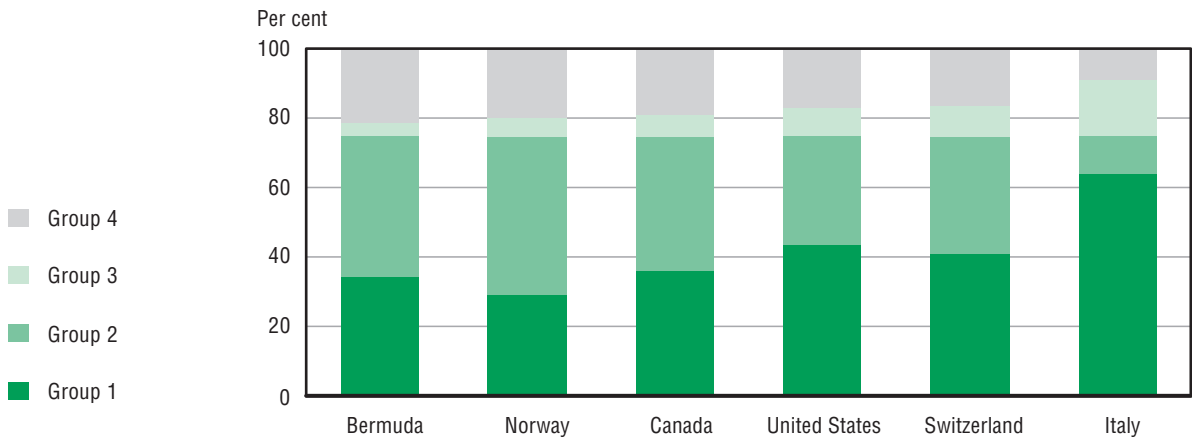
Figure 8.11 displays the distribution of different literacy and computer use profiles by country. In Italy, Switzerland and the United States, adults with a combined profile of low literacy and low intensity computer use is the largest group. In Italy this group is particularly large, reaching over 60 per cent of all adults aged 16 to 65. Conversely, in Bermuda, Canada and Norway, the largest group consists of users with medium to high literacy skills (Levels 3 and 4/5) and low intensity computer use. For all countries except Italy, adults with medium to high literacy skills and high intensity computer use represent the third largest group. The smallest group is composed of individuals with high computer use but low literacy skills.

Results of the logistic regression analysis are presented in Figure 8.12. The findings suggest that combined literacy skill and computer use profiles are strongly associated with personal income. Apart from Italy, respondents who have medium to high literacy skills and are high-intensity computer users have about three to six times the odds of being in the top quartile of personal income compared to respondents with low literacy levels and low computer use. In Italy the same group has almost twice the likelihood of being a top earner. Thus a good foundation of literacy skills combined with a high use of ICTs is associated with high income. Further research is necessary to shed more light on the economic and social outcomes associated with ICT use and literacy skills.

FIGURE 8.11

Combined literacy and computer use profiles

Per cent of adults aged 16 to 65 in each combined literacy and computer use profile<sup>1</sup>, 2003



Countries are ranked by the per cent in Group 4.

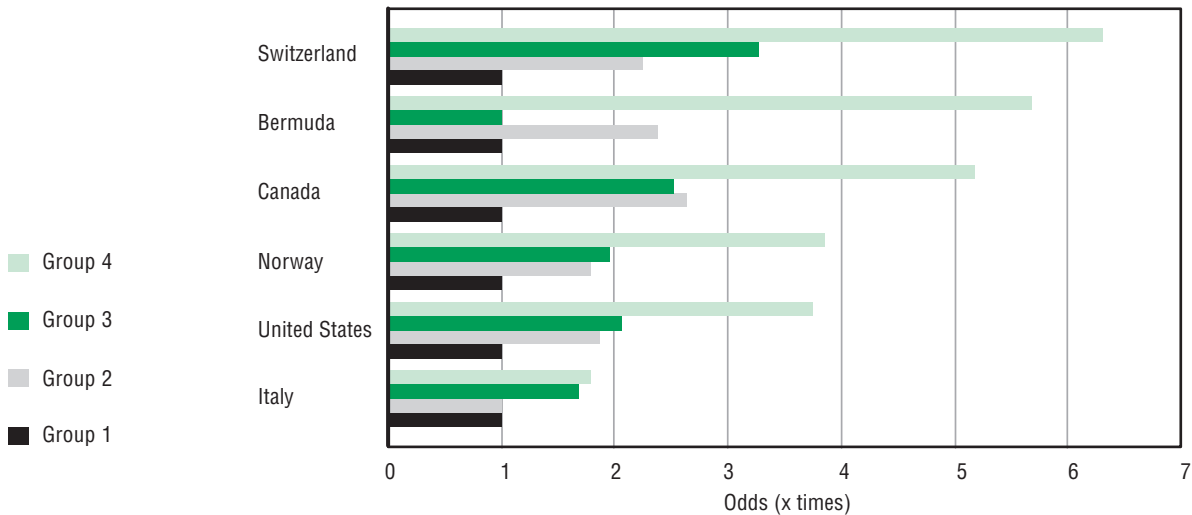
1. See Box 8B.

Source: Adult Literacy and Life Skills Survey, 2003.

FIGURE 8.12

Likelihood of being a top income quartile earner by combined skill and user profiles

Adjusted odds ratios<sup>1</sup> showing the likelihood of adults aged 16 to 65 of being a top income quartile earning, by combined literacy and computer user profiles<sup>2</sup>, 2003



Countries are ranked by the odds of those in Group 4.

1. Odds estimates that are not statistically different from one at conventional levels of significance are reported as one in the figure. For the actual estimate and its corresponding significance, see Table 8.12 in the annex to this chapter.

2. See Box 8B.

Source: Adult Literacy and Life Skills Survey, 2003.

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# Annex 8

## Data Values for the Figures

TABLE 8.1

Per cent of adults aged 16 to 65 who report having access to a computer and the Internet at home, 2003

	Computer access		Internet access	
Bermuda	75.6	(1.0)	69.4	(1.1)
Canada	75.6	(0.6)	68.1	(0.6)
Italy	41.5	(0.8)	33.2	(0.9)
Norway	79.9	(0.7)	68.3	(0.8)
Switzerland	83.3	(0.7)	74.9	(1.2)
United States	72.8	(1.0)	64.9	(1.3)

Source: Adult Literacy and Life Skills Survey, 2003.

8

TABLE 8.2

Per cent of adults aged 16 to 65 who report having access to a computer at home, by household income quartiles, 2003

	Lowest quartile		Third quartile		Second quartile		Highest quartile	
Bermuda	57.0	(2.6)	72.2	(3.3)	89.6	(1.5)	88.9	(2.3)
Canada	54.6	(1.5)	70.9	(1.3)	82.5	(1.1)	91.8	(0.9)
Italy	18.2	(2.0)	29.2	(1.8)	42.5	(2.1)	62.5	(1.7)
Norway	63.6	(1.4)	76.8	(1.7)	86.2	(1.5)	92.9	(0.9)
Switzerland	62.0	(2.7)	81.9	(1.9)	90.2	(1.4)	94.9	(1.1)
United States	47.6	(2.1)	68.2	(1.8)	84.2	(1.1)	91.3	(1.4)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 8.3

Mean scores on the prose literacy scale ranging from 0 to 500 points, by whether respondents are computer users or non-users, populations aged 16 to 65, 2003

	Computer users		Non-users	
	Mean score	(S.E.)	Mean score	(S.E.)
Bermuda	296.9	(1.4)	221.9	(3.7)
Canada	289.1	(0.7)	214.1	(2.3)
Italy	249.3	(1.6)	202.2	(2.6)
Norway	294.1	(1.0)	238.5	(3.6)
Switzerland	279.7	(1.4)	231.5	(4.8)
United States	278.1	(1.3)	207.5	(3.5)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 8.4

Mean index scores on three scales of ICT use and familiarity, perceived usefulness and attitude toward computers, diversity and intensity of Internet use, and use of computers for specific task-oriented purposes, populations aged 16 to 65, 2003

	Perceived usefulness and attitude toward computers		Diversity and intensity of Internet use		Use of computers for task-oriented purposes	
	Mean score	(S.E.)	Mean score	(S.E.)	Mean score	(S.E.)
Bermuda	5.3	(0.0)	5.4	(0.0)	5.3	(0.0)
Canada	5.0	(0.0)	5.2	(0.0)	5.1	(0.0)
Italy	4.7	(0.1)	3.9	(0.0)	4.1	(0.0)
Norway	5.0	(0.0)	5.2	(0.0)	5.1	(0.0)
Switzerland	4.8	(0.0)	4.9	(0.0)	5.3	(0.0)
United States	5.1	(0.0)	5.4	(0.0)	5.1	(0.0)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 8.5

Mean index scores on a scale measuring the intensity of use of computers for specific task-oriented purposes, by prose literacy levels, populations aged 16 to 65, 2003

	Prose literacy scale							
	Level 1		Level 2		Level 3		Level 4/5	
	Mean score	(S.E.)	Mean score	(S.E.)	Mean score	(S.E.)	Mean score	(S.E.)
Bermuda	3.9	(0.1)	4.9	(0.1)	5.6	(0.1)	6.1	(0.1)
Canada	3.8	(0.1)	4.8	(0.0)	5.4	(0.0)	5.8	(0.1)
Italy	3.5	(0.0)	4.3	(0.1)	4.9	(0.1)	5.3	(0.2)
Norway	4.0	(0.2)	4.6	(0.1)	5.3	(0.0)	5.7	(0.0)
Switzerland	4.4	(0.1)	5.1	(0.1)	5.6	(0.0)	6.0	(0.1)
United States	3.9	(0.1)	4.9	(0.1)	5.6	(0.1)	6.0	(0.1)

Source: Adult Literacy and Life Skills Survey, 2003.



TABLE 8.6

**Mean index scores on a scale measuring the intensity of use of computers for specific task-oriented purposes, by age groups, populations aged 16 to 65, 2003**

	Age groups									
	16 to 25		26 to 35		36 to 45		46 to 55		56 to 65	
Bermuda	5.7	(0.1)	5.6	(0.1)	5.4	(0.1)	5.1	(0.1)	4.3	(0.1)
Canada	5.5	(0.0)	5.4	(0.0)	5.1	(0.0)	4.9	(0.0)	4.2	(0.1)
Italy	4.7	(0.1)	4.4	(0.1)	4.1	(0.1)	3.8	(0.0)	3.2	(0.0)
Norway	5.3	(0.1)	5.4	(0.0)	5.3	(0.1)	4.9	(0.1)	4.4	(0.1)
Switzerland	5.5	(0.1)	5.5	(0.1)	5.5	(0.0)	5.2	(0.0)	4.6	(0.1)
United States	5.4	(0.1)	5.2	(0.1)	5.2	(0.1)	5.1	(0.1)	4.5	(0.1)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 8.7

**Mean index scores on a scale measuring the intensity of use of computers for specific task-oriented purposes, by gender, populations aged 16 to 65, 2003**

	Men				Women			
	Bermuda	5.2	(0.1)	5.4	(0.0)			
Canada	5.2	(0.0)	5.0	(0.0)				
Italy	4.4	(0.0)	3.8	(0.0)				
Norway	5.3	(0.0)	4.8	(0.0)				
Switzerland	5.7	(0.0)	4.9	(0.0)				
United States	5.2	(0.1)	5.1	(0.0)				

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 8.8

**Mean index scores on a scale measuring the intensity of use of computers for specific task-oriented purposes, by educational attainment, populations aged 16 to 65, 2003**

	Less than upper secondary		Upper secondary		Higher than upper secondary	
	Bermuda	3.7	(0.1)	4.9	(0.1)	5.8
Canada	4.3	(0.1)	5.0	(0.0)	5.5	(0.0)
Italy	3.3	(0.0)	4.8	(0.1)	5.5	(0.1)
Norway	4.3	(0.1)	5.0	(0.0)	5.5	(0.0)
Switzerland	4.6	(0.1)	5.2	(0.0)	6.0	(0.0)
United States	4.2	(0.1)	4.9	(0.0)	5.8	(0.0)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 8.9

**Mean index scores on a scale measuring the intensity of use of computers  
for specific task-oriented purposes, by type of occupation,  
populations aged 16 to 65, 2003**

	Knowledge expert		Managers		Information high-skill		Information low-skill		Service low-skill		Goods	
Bermuda	6.3	(0.1)	5.9	(0.1)	5.7	(0.1)	5.8	(0.1)	4.4	(0.1)	4.3	(0.1)
Canada	6.4	(0.1)	5.6	(0.1)	5.5	(0.0)	5.4	(0.0)	4.7	(0.1)	4.5	(0.0)
Italy	5.7	(0.1)	4.6	(0.2)	4.8	(0.1)	5.2	(0.1)	3.8	(0.1)	3.4	(0.1)
Norway	6.3	(0.1)	5.7	(0.1)	5.5	(0.0)	5.6	(0.1)	4.6	(0.1)	4.7	(0.1)
Switzerland	6.2	(0.1)	6.0	(0.1)	5.5	(0.1)	5.5	(0.1)	4.6	(0.1)	4.6	(0.1)
United States	6.5	(0.1)	5.9	(0.1)	5.5	(0.1)	5.5	(0.1)	4.7	(0.1)	4.3	(0.1)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 8.10

**Adjusted odds ratio showing the likelihood of adults aged 16 to 65 of  
being high-intensity computer users, by prose literacy levels, 2003**

	Levels 1 and 2		Level 3		Level 4/5	
Bermuda	1.00		2.38***	(0.26)	3.39***	(0.25)
Canada	1.00		1.83***	(0.12)	2.40***	(0.14)
Italy	1.00		1.64**	(0.19)	2.02**	(0.34)
Norway	1.00		1.80***	(0.19)	2.66***	(0.15)
Switzerland	1.00		1.78***	(0.19)	1.91**	(0.25)
United States	1.00		1.59***	(0.14)	1.94***	(0.15)

\* p<0.10, statistically significant at the 10 per cent level.

\*\* p<0.05, statistically significant at the 5 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

Notes: Standard errors are of the logarithm of the odds ratios.

Odds are adjusted for gender, age, educational attainment, labour force status and total household income.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 8.11

**Per cent of adults aged 16 to 65 in each combined literacy  
and computer use profile,<sup>1</sup> 2003**

	Group 1		Group 2		Group 3		Group 4	
Bermuda	34.2	(1.2)	40.7	(1.3)	3.9	(0.6)	21.2	(1.0)
Canada	35.9	(0.7)	39.1	(0.7)	6.0	(0.4)	19.0	(0.5)
Italy	63.7	(1.1)	11.1	(0.7)	16.0	(0.5)	9.3	(0.6)
Norway	29.1	(1.0)	45.9	(1.0)	4.9	(0.6)	20.1	(0.6)
Switzerland	40.9	(1.7)	34.1	(1.5)	8.6	(0.9)	16.4	(0.9)
United States	43.4	(1.1)	31.6	(1.1)	8.1	(0.6)	17.0	(0.9)

1. See Box 8B.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 8.12

**Adjusted odds ratio showing the likelihood of adults aged 16 to 65  
of being a top income quartile earning, by combined literacy and  
computer user profiles<sup>1</sup>, 2003**

	Group 1	Group 2	Group 3	Group 4
Bermuda	1.00	2.38*** (0.25)	2.06 (0.42)	5.68*** (0.24)
Canada	1.00	2.63*** (0.08)	2.52*** (0.20)	5.18*** (0.10)
Italy	1.00	1.27 (0.22)	1.69*** (0.18)	1.80** (0.26)
Norway	1.00	1.79*** (0.15)	1.95** (0.29)	3.85*** (0.22)
Switzerland	1.00	2.25*** (0.16)	3.27*** (0.27)	6.30*** (0.27)
United States	1.00	1.86*** (0.17)	2.07*** (0.22)	3.75*** (0.17)

1. See Box 8B.

\*  $p < 0.10$ , statistically significant at the 10 per cent level.

\*\*  $p < 0.05$ , statistically significant at the 5 per cent level.

\*\*\*  $p < 0.01$ , statistically significant at the 1 per cent level.

Notes: Standard errors are of the logarithm of the odds ratios.

Odds are adjusted for gender, age, educational attainment and labour force status.

Source: Adult Literacy and Life Skills Survey, 2003.



# Chapter 9

## Skills and Immigration

### Summary

This chapter compares the skill profiles of immigrant and native-born adults for the countries participating in ALL. First, the significance of immigration in OECD countries is considered. Projections forecast declining population growth and for some countries a net decrease by 2050. Second, the knowledge and skills that immigrants contribute to host countries in terms of their educational attainment are examined. Third, the extent to which educational credentials translate into useable skills of the type measured in ALL for the host country is considered. In comparing the education credentials and observed skills of immigrants, it is apparent that there is an education-skills gap among immigrants. In light of this, the potential role of native versus foreign language status in explaining the education-skills gap is considered briefly. Finally, the chapter concludes by studying some of the labour market outcomes of immigrants.

## Table of Contents

---

Summary	203
---------	-----

---

### Chapter 9

<b>Skills and Immigration</b>	<b>203</b>
-------------------------------	------------

---

9.1 Overview and highlights	205
-----------------------------	-----

9.2 The significance of immigration in OECD countries	206
---	-----

9.3 Education credentials and observed skills of immigrants	208
---	-----

9.4 The relationship between language status and skills	212
---	-----

9.5 Skills and labour market outcomes of immigrants	213
---	-----

---

References	216
------------	-----

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### Annex 9

<b>Data Values for the Figures</b>	<b>217</b>
------------------------------------	------------

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# Skills and Immigration

## 9.1 Overview and highlights

This chapter compares the skill profiles of immigrant and native-born adults for the countries participating in ALL. First, the significance of immigration in OECD countries is considered. Projections forecast declining population growth and for some countries a net decrease by 2050. Second, the knowledge and skills that immigrants contribute to host countries in terms of their educational attainment are examined. Third, the extent to which educational credentials translate into useable skills of the type measured in ALL for the host country is considered. In comparing the education credentials and observed skills of immigrants, it is apparent that there is an education-skills gap among immigrants. In light of this, the potential role of native versus foreign language status in explaining the education-skills gap is considered briefly. Finally, the chapter concludes by studying some of the labour market outcomes of immigrants.

The highlights of the chapter are as follows:

- The continuing shift in immigration policies toward selecting those with higher skills is evident from the data. In all of the countries considered, recent immigrants appear more likely to have completed higher than upper secondary education.
- Education credentials, however, do not necessarily translate into functional levels of literacy, numeracy and problem solving skills in the official language(s) of the host country. It is apparent that in some countries there is an education-skills gap among immigrants. While the proportion of immigrants who complete higher than upper secondary education is relatively high, there are much fewer who score at Levels 3 and 4/5.
- The results confirm that knowledge of the official language (as measured by the mother tongue of the immigrant) is favourably associated with literacy performance in all countries studied.
- The pattern of skill composition of immigrants among countries is mixed.

- In Bermuda, recent and established immigrants are highly skilled, outperforming native-born adults in all skill domains.
- In Canada and the United States, the average proficiency of immigrants is significantly lower than their native-born counterparts. But recent immigrants tend to perform slightly better than established immigrants.
- Norway has a similar pattern to that observed in Canada and the United States except that recent immigrants have, on average, lower scores than established immigrants.
- In Switzerland, the distribution of skills among recent immigrants and native-born adults is similar. In contrast, the majority of established immigrants are low skilled with over 60 per cent scoring at Levels 1 and 2 on the prose scale.
- The patterns of labour market outcomes for immigrants by skill level among countries are mixed.
- In Switzerland, low skilled immigrants are particularly disadvantaged in terms of employment, even compared to low skilled native-born adults, whereas medium to high skilled immigrants do not face a comparable disadvantage.
- In Canada, both low and medium to high skilled immigrants are disadvantaged in terms of employment, even compared to low skilled native-born adults.
- In the United States, low skilled adults are more likely to be unemployed, regardless of whether adults have immigrated or are native-born.

## 9.2 The significance of immigration in OECD countries

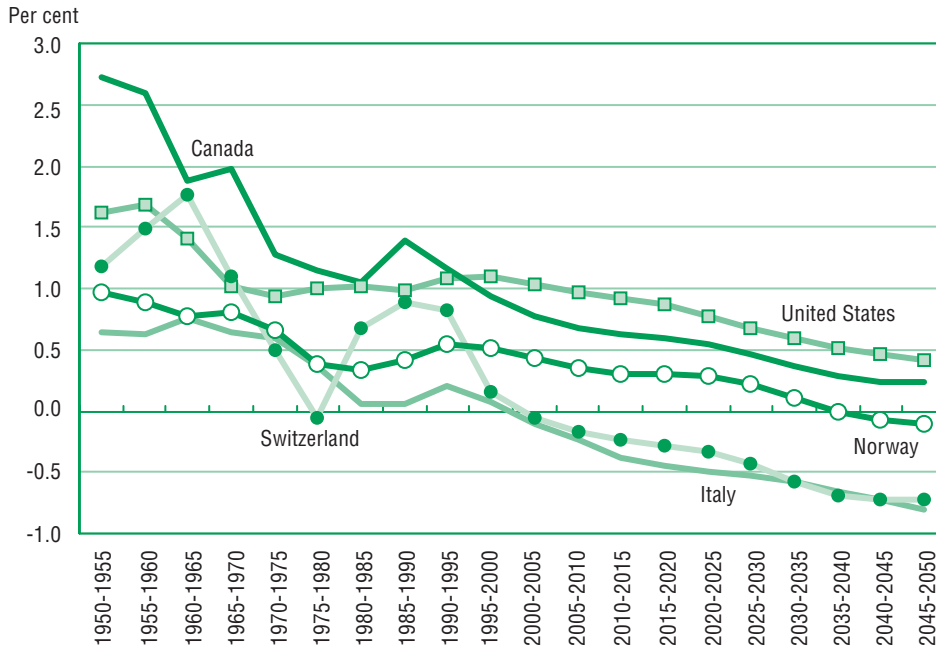
Ageing populations, low birth rates and increased life expectancy are posing new challenges for policy makers in most OECD countries (OECD, 2003a). Natural population growth as measured by the difference between the birth and death rate is also expected to decline. Figure 9.1 portrays some projections of natural population growth in five OECD countries<sup>1</sup>. The trend is clear. Projections forecast declining population growth and are expected to be negative in Italy, Norway and Switzerland by 2050. Many are concerned that these trends will lead to slower economic growth in the long term and will put added strain on social security systems, including pension systems. Apart from encouraging older workers to remain longer in the work force, immigration is seen to provide a direct and immediate solution to this growing problem.



FIGURE 9.1

## Natural population growth in OECD countries

The number of births minus number of deaths from 1950 to 1999  
and projections to 2050



Note: The natural growth rate equals the birth rate minus the death rate.

Source: World Population Prospects: The 2004 Revision (population database), Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat.

Indeed, there is a general upward trend in international migration in recent years that has partly addressed this problem (SOPEMI, 2002). In Canada, for example, nearly 60 per cent of population growth between 1991 and 2001 can be attributed to immigration (Statistics Canada, 2002). During the 1990s, more immigrants came to United States than in any decade in the nation's history. Both Canada and the United States have encouraged immigration for permanent settlement throughout the twentieth century. While some countries have embraced immigration as a solution, others are still setting their policies and have less experience. Many European countries have regulated immigration flows mainly for temporary migration (Bauer, Lofstrom and Zimmerman, 2000). Norway and Switzerland have used immigration for balancing the situation in the labour market. Figure 9.2 shows the proportion of immigrants for the OECD countries participating in the ALL survey. Canada and Switzerland have the highest proportions with nearly one in every five persons being foreign-born.

FIGURE 9.2

### Per cent of foreign-born in population and in labour force for OECD countries participating in ALL, 2001

	Per cent of foreign-born in population	Per cent of foreign-born in labour force
Canada	18.4	19.9
Italy	2.4	3.8
Norway	4.1	4.9
Switzerland	19.7	18.1
United States	11.1	13.9

Note: The reference year for per cent of foreign-born in labour force in Italy is 2000. The reference year for all other data is 2001.

Source: OECD (2003b); Canada 2001 Census of Population.

## 9.3 Education credentials and observed skills of immigrants

The skill composition of immigrants measured in terms of their educational attainment is determined largely by the immigration policies pursued by each country. Canada, and to a lesser extent the United States, have adjusted their policies towards more skill-based migration. The trends indicate that the educational attainment of immigrants has been rising in Canada and falling in the United States. For example, Borjas (1993) showed that the average Canadian immigrant has about one more year of schooling than the average immigrant in the United States. Most countries now actively seek to attract skilled foreign workers with high credentials. In Norway, for example, high skilled workers or workers with specific skills readily receive immigration and work permits (SOPEMI, 1999). This section considers the education credentials of immigrants as well as their skill levels as measured by the ALL survey.

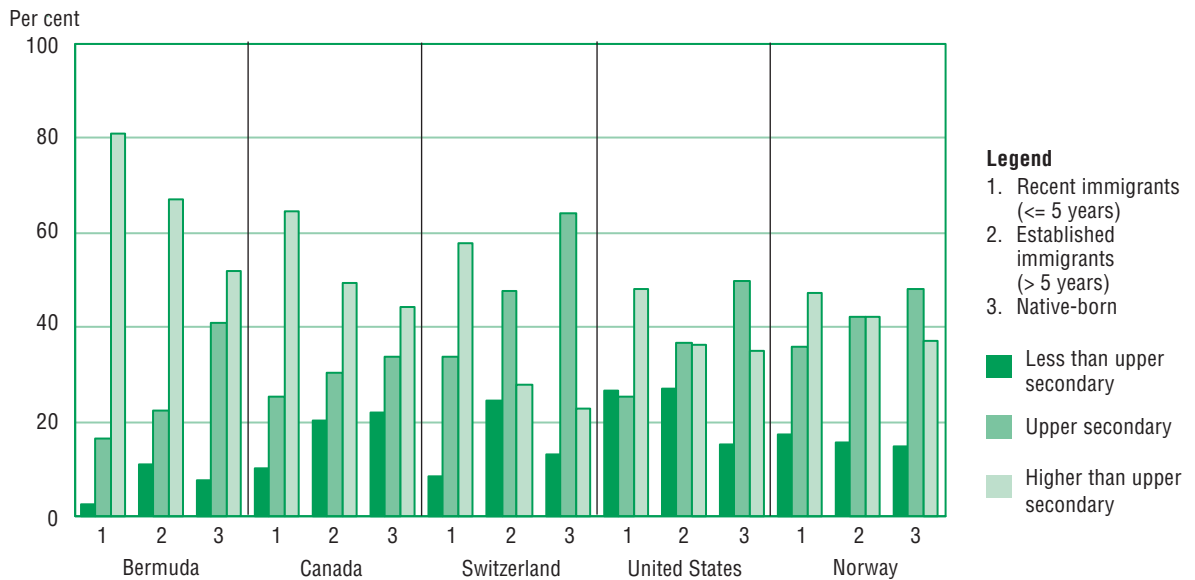
Figure 9.3 compares the highest levels of educational attainment of immigrants with those of the native-born population. A distinction is also made between recent and established immigrants. For the purposes of the analysis presented here, recent immigrants are those who have lived in the host country for five years or less, while established immigrants have lived there for more than five years.

A continuing shift in immigration policies toward selecting those with higher skills is evident from the data. In all countries, recent immigrants appear more likely to have completed higher than upper secondary education. Over 80 per cent of recent immigrants in Bermuda and nearly 65 per cent in Canada have attained higher than upper secondary education. The proportion of established immigrants with higher education exceeds those of the native population in all countries. A different pattern emerges at the lower end of the educational distribution. In Norway and the United States, there are more recent immigrants who have not attained upper secondary education when compared to the native-born population. Moreover, apart from Canada, the proportion of established immigrants with less than upper secondary education exceeds that of the native born population in all the countries. In summary, however, there is an overall tendency toward an increase in the educational attainment of recent immigrants. This is particularly noticeable in Bermuda, Canada and Switzerland.

FIGURE 9.3

## Recent versus established immigrant status by educational attainment

Per cent of population aged 16 to 65 at each level of educational attainment, by recent vs established immigrant status, 2003



Countries are ranked by the per cent of recent immigrants with higher than upper secondary education.

Source: Adult Literacy and Life Skills Survey, 2003.

Education credentials do not necessarily translate into functional levels of literacy, numeracy and problem solving skills in the official language(s) of the host country. This is especially the case if the credentials were attained abroad in a language other than that used in the host country.

Figures 9.4a-d display the distributions of skill level by immigration status. In general, the patterns of skill composition among recent and established immigrant groups are mixed. In Bermuda, recent and established immigrants outperform native-born adults on all four domains. For example, only about 25 per cent of recent immigrants score at Levels 1 and 2 on the prose scale compared to 32 per cent of established immigrants and 42 per cent of native-born adults. This suggests that the majority of recent and established immigrants to Bermuda are highly skilled.

In Canada and the United States, the average proficiency of immigrants is significantly lower than their native-born counterparts. There are fewer immigrants compared to native-born adults who score at Levels 3 and 4/5. Both countries have large proportions (over 60 per cent) of immigrants at Levels 1 and 2. But there are appreciable differences in the literacy performance of recent and established immigrants. Recent immigrants tend to outperform established immigrants.

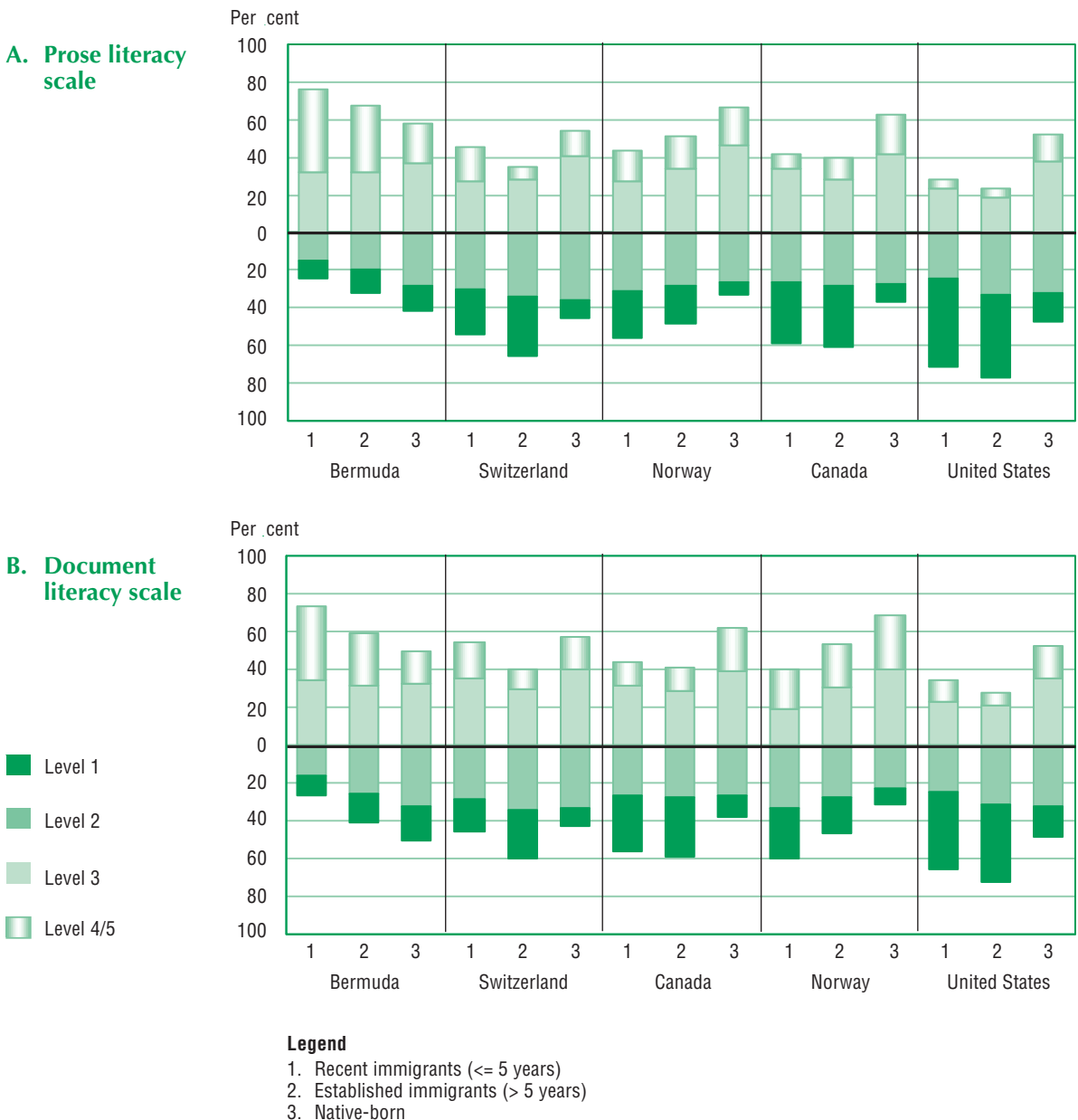
Norway has a similar pattern to that observed in Canada and the United States. However, in Norway, a higher proportion of recent immigrants perform at Levels 1 and 2 compared to established immigrants. In Switzerland, the

distribution of skills among recent immigrants and native-born adults is similar, with nearly 50 per cent scoring at Levels 3 and 4/5. But the majority of established immigrants are low skilled with about 65 per cent scoring at Levels 1 and 2 on the prose scale.

FIGURE 9.4 A and B

Recent versus established immigrant status by skill level

Per cent of population aged 16 to 65 at each skill level, by recent vs established immigrant status, 2003



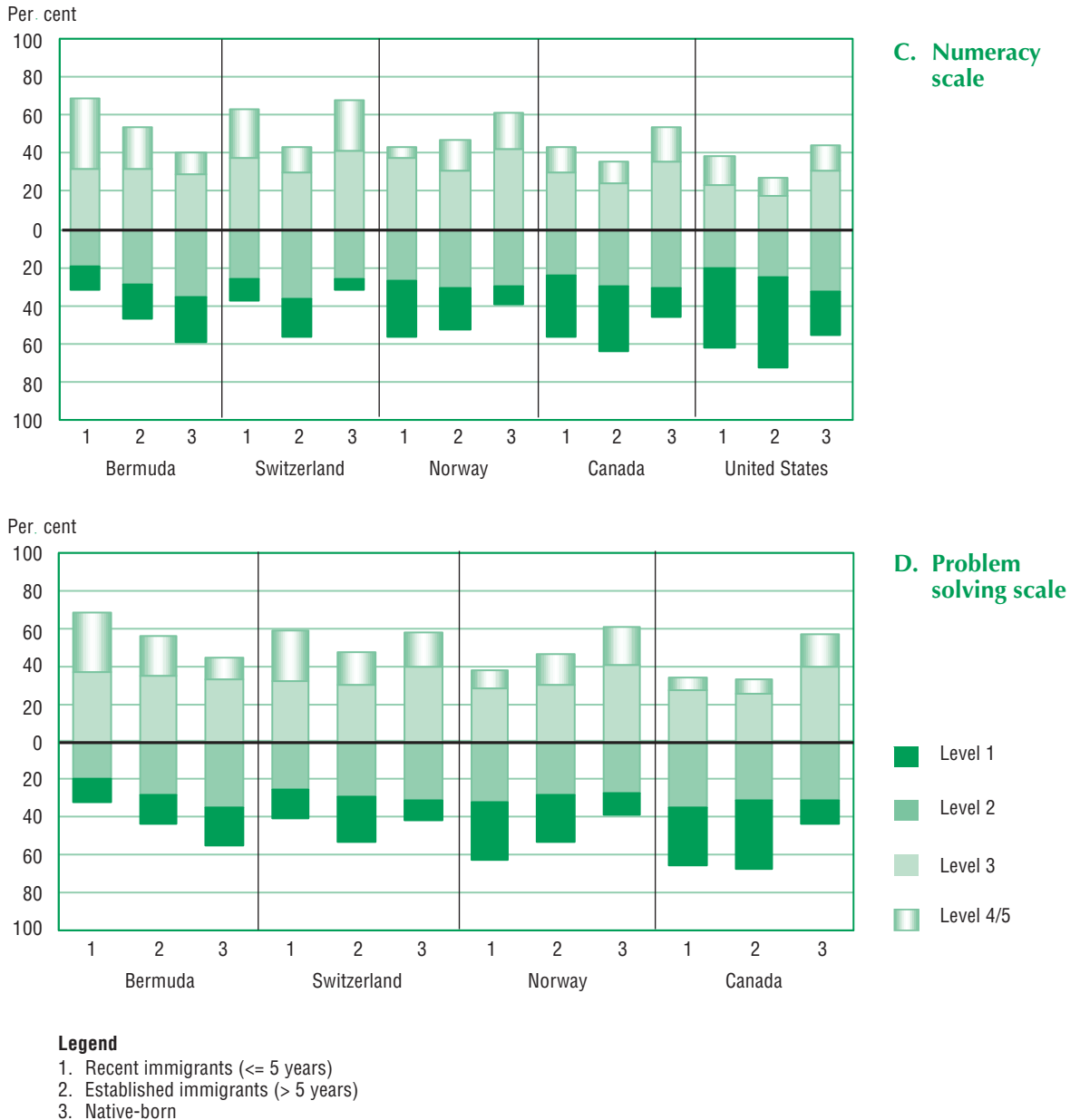
Countries are ranked by the per cent of recent immigrants at Levels 3 and 4/5.

Source: Adult Literacy and Life Skills Survey, 2003.

FIGURE 9.4 C and D (concluded)

Recent versus established immigrant status by skill level

Per cent of population aged 16 to 65 at each skill level, by recent vs established immigrant status, 2003



Countries are ranked by the per cent of recent immigrants at Levels 3 and 4/5.

Source: Adult Literacy and Life Skills Survey, 2003.

When comparing the education credentials and skills of immigrants presented in Figures 9.3 and 9.4, it is apparent that in some countries there is an education-skills gap among immigrants. In Canada, for example, there are 65 per cent of recent immigrants who have completed higher than upper secondary education, but nevertheless only about 40 per cent attain Levels 3 and 4/5. The pattern is similar for Switzerland and the United States. This raises an important question regarding whether the knowledge and skills acquired abroad are useable in the host country and to what extent the portability is attenuated by (official) language proficiency. The next section explores this issue in greater detail.

## 9.4 The relationship between language status and skills

The theoretical framework of immigrant adjustment in the labour market of the host country is based on the international transferability of human capital (Chiswick, 1978, 1986; Duleep and Regets, 1997). The similarity of the sending and receiving country with regard to language, culture and institutional settings affects the extent of transferability and therefore earnings upon arrival. Chiswick and Miller (1992) found that immigrants who arrive in Canada and the United States from non-English speaking countries are at a disadvantage upon arrival. In many cases, the altering source-country mix of immigrants can explain the decline in the skills and the earnings of immigrants (Borjas, 1992). For example, in Canada, the proportion of immigrants who had no knowledge of either official language increased in the 1970s and 1980s, because of changes in the source-country mix (Beaujot, 2003). But more recently, the proportion of immigrants with some knowledge of Canada's official languages upon arrival has levelled off to about 66 per cent, and in June of 2002, Canada adopted a revised approach to skill-based immigration that includes among other things an emphasis on language proficiency in one of the official languages.

In the ALL survey, assessments were conducted in the official language(s) of participating countries. Thus it is expected that immigrants whose mother tongue is different than the language of the assessment are less likely to perform well when compared to immigrants whose mother tongue is the same. Previous research indicates that the effect of language status is a significant determinant of literacy skill proficiency, especially in countries with relatively large proportions of immigrants (Boudard, 2001; Desjardins, 2004).

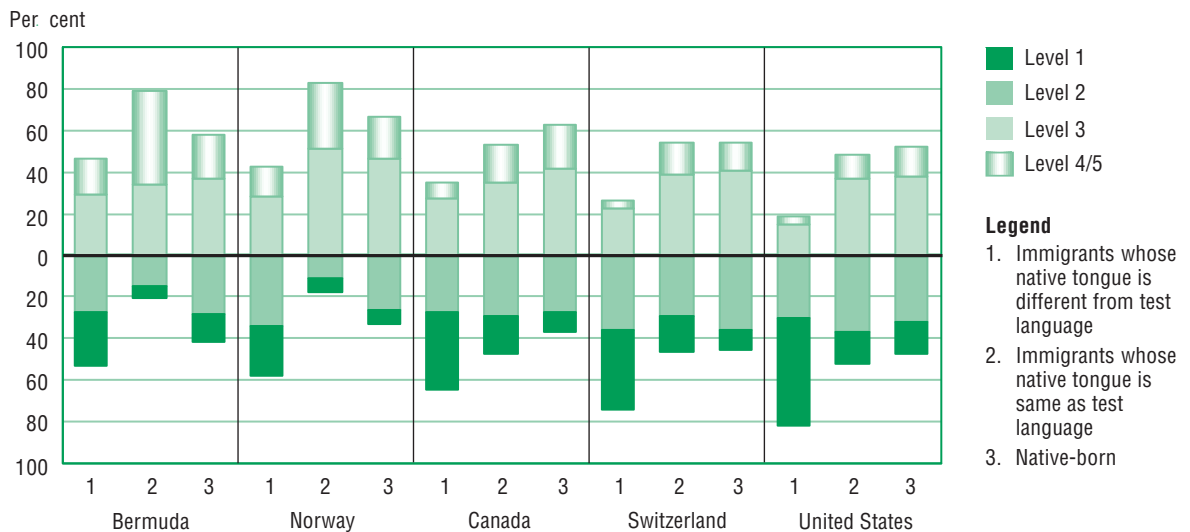
Figure 9.5 compares the distribution of skill levels by language status. Three subgroups are considered for this analysis – immigrants whose mother tongue is different than the language of the test, immigrants whose mother tongue is same as the language of the test, and native-born adults. The results confirm that knowledge of the official language (as measured by the mother tongue of the immigrant) is favourably associated with literacy performance in all countries. There is a higher proportion of immigrants scoring at Levels 1 and 2 among those whose mother tongue is different than the language of the test. The data also reveal large differences between countries. For example, nearly 80 per cent of immigrants with a mother tongue different than the language of the test in Switzerland and the United States score at Level 1 and 2, but in Norway there are fewer than 60 per cent.<sup>2</sup>

In all countries, the distribution of skills is nearly the same among immigrants who have a mother tongue that is the same or very similar to the language of assessment and among native-born persons. In fact, in Bermuda and Norway, there are higher proportions of immigrants who have the same or similar mother tongue as the native-born adults who score at Level 4/5.

FIGURE 9.5

### Native versus foreign language status of immigrants by skill level

Per cent of adults aged 16 to 65 at each literacy level on the prose scale, by whether their native tongue is same or different from the official language(s) of host country, 2003



Countries are ranked by the per cent of immigrants whose native tongue is different from the language of test who score at Levels 3 and 4/5.

Source: Adult Literacy and Life Skills Survey, 2003.

## 9.5 Skills and labour market outcomes of immigrants

Country-of-origin differences and admission criteria have a strong influence on the labour market performance of immigrants. Nearly all countries have recently experienced a decline in the labour market performance of immigrants upon arrival. Bauer, Lofstrom and Zimmerman (2000) provide empirical evidence for 12 OECD countries including Canada and the United States. Although the relative earnings of immigrants are declining, they are declining less rapidly in the United States than in Canada. This section compares the labour market outcomes of immigrants by their skill levels. Previous research suggests that those with higher education credentials are more likely to find employment and earn more than those with low education credentials. But among immigrant populations an important question remains; that is, whether the knowledge and skills represented by educational credentials can be translated into useable human capital in the local labour market. For this reason, the analysis in this section controls for educational attainment, language status, age and gender, and therefore, focuses on observed skill proficiencies (on the prose scale).

Figure 9.6 displays the likelihood of unemployment among immigrants and native-born adults by skill level (see Box 3A – Using odds ratios). There are

four groups for comparison purposes – low skilled immigrants, medium to high skilled immigrants, low skilled native-born adults and medium to high skilled native-born adults. All comparisons are with reference to the baseline group – medium to high skilled native-born adults. The first thing to note is that there is no uniform pattern across countries. This is not surprising since the immigration policies and their specific purposes do differ markedly across these countries.

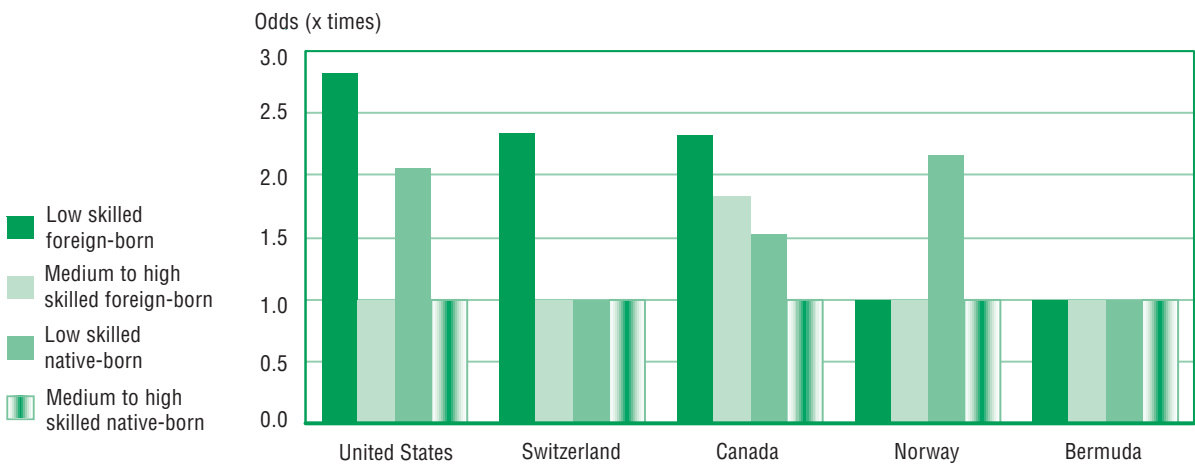
In Switzerland, low skilled immigrants (Levels 1 and 2) are particularly disadvantaged in terms of employment, even compared to low skilled native-born adults. They are over two times more likely to be unemployed compared to native-born adults who score at Levels 3 and 4/5, whereas low skilled native-born adults have about the same chance of being unemployed than medium to high skilled native-born adults. In contrast, medium to high skilled immigrants are as likely to be unemployed as medium to high skilled native-born adults.

In the United States, a low skilled adult is two times more likely to be unemployed compared to a medium to high skilled adult, regardless of whether adults have immigrated or are native-born. Hence, the odds of being unemployed are governed by skill differential and not by country of origin.

**FIGURE 9.6**

**Likelihood of being unemployed among native-born and foreign-born by skill level**

Adjusted odds ratios<sup>1</sup> indicating the likelihood of low skilled (Levels 1 and 2) and medium to high skilled (Levels 3 and 4/5) foreign-born and native-born populations aged 16 to 65 of being unemployed, prose literacy scale, 2003



**Countries are ranked by the odds ratios of foreign-born adults who score at Levels 1 and 2.**

1. Odds estimates that are not statistically different from one at conventional levels of significance are reported as one in the figure. For the actual estimate and its corresponding significance, see Table 9.6 in the annex to this chapter.

Source: Adult Literacy and Life Skills Survey, 2003.

On the other hand, in Canada, there seems to be differential odds by skill level as well as country of origin. A low skilled immigrant is nearly 2.5 times more likely to be unemployed when compared to a medium to high skilled native-born worker. Similarly, medium to high skilled immigrants are two times more



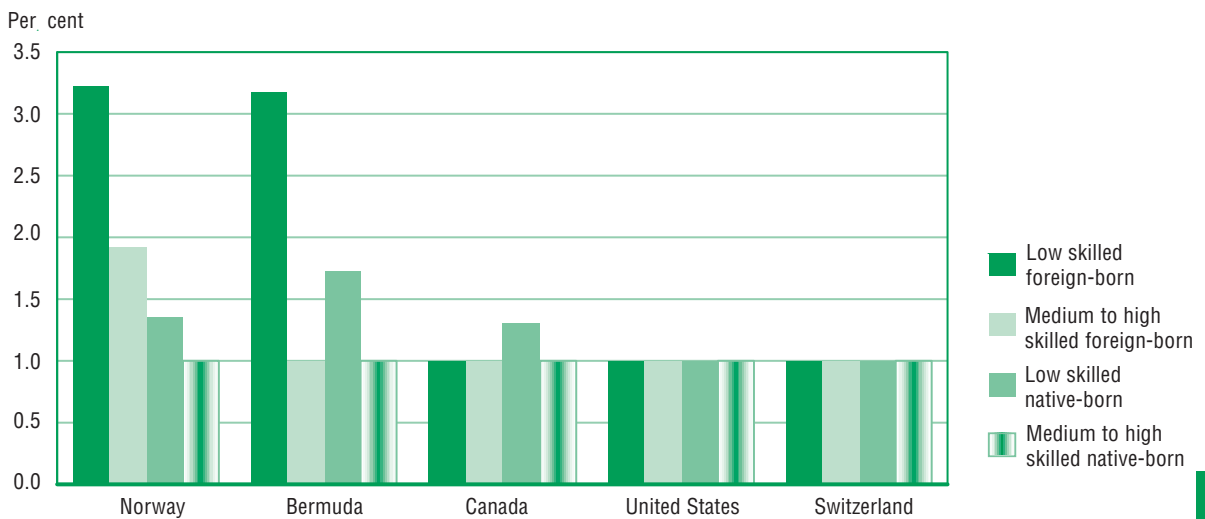
likely to be unemployed compared to medium to high skilled native-born adults, but low skilled native-born adults are only about 1.5 times more likely to be unemployed.

Are immigrants more likely to earn low incomes? Figure 9.7 shows the likelihood of earning in the lowest personal earnings quartile by skill level. Once again patterns differ across countries. There are no significant differences in the likelihood of earning in the lowest quartile by skill level or country of origin in Switzerland and the United States. It appears that the immigration policies in these countries are tightly connected to labour market outcomes. In terms of income, low skilled immigrants fair the worst in Bermuda and Norway, but in these countries low skilled native-born adults also have higher odds of earning in the lowest earnings quartile than medium to high skilled native-born adults.

FIGURE 9.7

### Likelihood of earning low income among native-born and foreign-born by skill level

Adjusted odds ratios<sup>1</sup> indicating the likelihood of low skilled (Levels 1 and 2) and medium to high skilled (Levels 3 and 4/5) foreign-born and native-born populations aged 16 to 65 of being in the lowest personal earnings income quartile, prose literacy scale, 2003



#### Countries are ranked by the odds ratios of foreign-born adults who score at Levels 1 and 2.

- Odds estimates that are not statistically different from one at conventional levels of significance are reported as one in the figure. For the actual estimate and its corresponding significance, see Table 9.7 in the annex to this chapter.

Source: Adult Literacy and Life Skills Survey, 2003.

## Endnotes

- Note that while Italy included immigrants in the ALL survey, there were too few cases to be included in the remainder of this chapter.
- For the purposes of this analysis, the Danish and Swedish languages are considered similar to the Norwegian language.

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# Annex 9

## Data Values for the Figures

TABLE 9.1

The number of births minus number of deaths from 1950 to 1999  
and projections to 2050

Period	Canada	Italy	Norway	Switzerland	United States
1950-1955	2.72	0.64	0.97	1.18	1.61
1955-1960	2.59	0.63	0.88	1.48	1.69
1960-1965	1.88	0.75	0.78	1.77	1.41
1965-1970	1.97	0.65	0.81	1.10	1.01
1970-1975	1.27	0.59	0.66	0.49	0.94
1975-1980	1.15	0.36	0.39	-0.06	1.00
1980-1985	1.05	0.06	0.33	0.67	1.02
1985-1990	1.39	0.05	0.42	0.89	0.98
1990-1995	1.16	0.20	0.55	0.82	1.08
1995-2000	0.94	0.08	0.51	0.15	1.09
2000-2005	0.77	-0.10	0.43	-0.05	1.03
2005-2010	0.67	-0.24	0.35	-0.17	0.97
2010-2015	0.63	-0.38	0.30	-0.24	0.92
2015-2020	0.60	-0.45	0.30	-0.28	0.87
2020-2025	0.54	-0.49	0.29	-0.33	0.78
2025-2030	0.47	-0.53	0.22	-0.43	0.68
2030-2035	0.36	-0.58	0.11	-0.57	0.59
2035-2040	0.28	-0.66	-0.01	-0.69	0.51
2040-2045	0.23	-0.73	-0.08	-0.73	0.46
2045-2050	0.23	-0.80	-0.10	-0.72	0.41

Source: World Population Prospects: The 2004 Revision (population database), Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat

TABLE 9.2 For data values of TABLE 9.2 see FIGURE 9.2

9

TABLE 9.3

**Per cent of populations aged 16 to 65 at each level of educational attainment,  
by recent vs established immigration status, 2003**

	Less than upper secondary		Upper secondary		Higher than upper secondary	
<b>Bermuda</b>						
Recent immigrants (<= 5 years)	2.6	(1.2)	16.4	(2.8)	80.9	(2.7)
Established immigrants (> 5 years)	10.8	(1.3)	22.3	(2.5)	66.9	(2.4)
Native-born	7.4	(0.4)	40.9	(0.8)	51.7	(0.8)
<b>Canada</b>						
Recent immigrants (<= 5 years)	10.0	(2.0)	25.5	(3.5)	64.6	(3.9)
Established immigrants (> 5 years)	20.3	(1.1)	30.3	(1.5)	49.3	(1.3)
Native-born	21.8	(0.6)	33.8	(0.7)	44.4	(0.7)
<b>Norway</b>						
Recent immigrants (<= 5 years)	17.1	(8.2)	35.7	(11.4)	47.3	(10.3)
Established immigrants (> 5 years)	15.5	(3.0)	42.2	(3.1)	42.3	(3.2)
Native-born	14.7	(0.2)	48.2	(0.5)	37.1	(0.5)
<b>Switzerland</b>						
Recent immigrants (<= 5 years)	8.3	(4.4)	33.8	(9.7)	58.0	(9.7)
Established immigrants (> 5 years)	24.4	(2.1)	47.6	(1.7)	28.0	(0.9)
Native-born	13.2	(0.1)	64.2	(0.1)	22.7	(0.1)
<b>United States</b>						
Recent immigrants (<= 5 years)	26.7	(4.4)	25.3	(5.4)	48.0	(5.8)
Established immigrants (> 5 years)	26.8	(2.5)	36.9	(3.4)	36.3	(2.8)
Native-born	15.2	(0.3)	49.6	(1.0)	35.1	(0.9)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 9.4 A

**Per cent of populations aged 16 to 65 at each skill level,  
by recent vs established immigrant status, 2003**

	<b>Prose literacy scale</b>							
	Level 1		Level 2		Level 3		Level 4/5	
<b>Bermuda</b>								
Recent immigrants (<= 5 years)	8.9	(2.2)	15.2	(3.4)	32.3	(4.7)	43.6	(4.3)
Established immigrants (> 5 years)	12.2	(2.2)	19.9	(2.8)	32.5	(2.5)	35.3	(2.5)
Native-born	13.2	(1.1)	28.7	(1.6)	37.0	(1.6)	21.1	(1.3)
<b>Canada</b>								
Recent immigrants (<= 5 years)	32.1	(4.0)	26.3	(4.1)	34.1	(5.6)	7.6	(1.6)
Established immigrants (> 5 years)	32.5	(1.5)	28.3	(1.6)	28.1	(1.6)	11.2	(0.9)
Native-born	9.9	(0.4)	27.0	(0.8)	41.2	(1.0)	21.8	(1.0)
<b>Norway</b>								
Recent immigrants (<= 5 years)	25.3	(11.4)	31.1	(11.9)	27.3	(11.2)	16.3	(7.3)
Established immigrants (> 5 years)	19.8	(3.1)	28.6	(3.6)	33.9	(3.8)	17.7	(3.8)
Native-born	7.0	(0.7)	26.1	(1.2)	46.2	(1.4)	20.7	(0.7)
<b>Switzerland</b>								
Recent immigrants (<= 5 years)	24.4	(11.0)	29.9	(13.1)	27.6	(6.1)	18.1	(6.8)
Established immigrants (> 5 years)	31.1	(3.2)	34.1	(2.9)	28.0	(3.7)	6.8	(1.9)
Native-born	10.1	(1.2)	35.5	(1.7)	40.2	(2.1)	14.3	(0.9)
<b>United States</b>								
Recent immigrants (<= 5 years)	47.0	(5.1)	24.4	(6.3)	23.6	(7.6)	4.9	(3.4)
Established immigrants (> 5 years)	44.0	(3.3)	32.9	(3.3)	18.2	(2.8)	4.9	(1.2)
Native-born	15.0	(0.9)	32.4	(1.1)	38.1	(1.3)	14.5	(1.1)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 9.4 B

Per cent of population aged 16 to 65 at each skill level,  
by recent vs established immigrant status, 2003

	Document literacy scale							
	Level 1		Level 2		Level 3		Level 4/5	
<b>Bermuda</b>								
Recent immigrants (<= 5 years)	10.4	(3.1)	16.5	(3.4)	34.4	(3.4)	38.6	(3.5)
Established immigrants (> 5 years)	15.1	(2.2)	25.8	(2.8)	31.8	(3.5)	27.3	(3.0)
Native-born	18.1	(1.0)	32.5	(2.0)	32.6	(2.1)	16.7	(1.0)
<b>Canada</b>								
Recent immigrants (<= 5 years)	29.9	(4.1)	26.2	(3.9)	31.0	(4.7)	12.9	(2.9)
Established immigrants (> 5 years)	31.2	(1.2)	27.7	(1.6)	28.3	(1.6)	12.9	(1.1)
Native-born	11.5	(0.4)	26.8	(0.8)	39.2	(1.1)	22.5	(0.7)
<b>Norway</b>								
Recent immigrants (<= 5 years)	26.2	(11.6)	33.5	(14.2)	19.5	(9.2)	20.8	(7.8)
Established immigrants (> 5 years)	18.6	(4.0)	27.8	(5.0)	30.1	(4.4)	23.5	(3.9)
Native-born	8.2	(0.4)	23.2	(1.1)	40.4	(1.1)	28.2	(0.9)
<b>Switzerland</b>								
Recent immigrants (<= 5 years)	16.9	(7.8)	28.7	(11.5)	34.9	(10.4)	19.5	(6.1)
Established immigrants (> 5 years)	25.7	(2.7)	34.0	(2.9)	29.9	(4.0)	10.4	(3.4)
Native-born	9.6	(0.9)	33.3	(1.8)	39.6	(2.0)	17.5	(1.9)
<b>United States</b>								
Recent immigrants (<= 5 years)	40.4	(5.9)	24.9	(7.8)	23.3	(6.6)	11.4	(3.5)
Established immigrants (> 5 years)	41.0	(4.0)	31.1	(3.9)	20.7	(2.9)	7.2	(1.9)
Native-born	16.0	(1.0)	32.1	(1.5)	35.4	(1.3)	16.6	(1.0)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 9.4 C

**Per cent of population aged 16 to 65 at each skill level,  
by recent vs established immigrant status, 2003**

	Numeracy scale							
	Level 1		Level 2		Level 3		Level 4/5	
<b>Bermuda</b>								
Recent immigrants (<= 5 years)	12.4	(3.6)	19.3	(3.1)	31.5	(3.8)	36.9	(3.2)
Established immigrants (> 5 years)	18.1	(2.2)	28.8	(3.3)	31.8	(2.5)	21.4	(1.6)
Native-born	23.8	(1.5)	35.7	(1.8)	29.2	(1.6)	11.3	(1.0)
<b>Canada</b>								
Recent immigrants (<= 5 years)	32.4	(4.7)	24.4	(3.5)	29.6	(4.6)	13.5	(4.6)
Established immigrants (> 5 years)	34.2	(1.7)	29.9	(1.8)	24.6	(1.7)	11.4	(1.2)
Native-born	15.6	(0.5)	30.6	(0.8)	35.6	(1.1)	18.3	(0.8)
<b>Norway</b>								
Recent immigrants (<= 5 years)	29.7	(12.8)	27.1	(19.0)	37.4	(15.3)	5.8	(4.9)
Established immigrants (> 5 years)	21.6	(4.4)	31.2	(5.2)	31.2	(5.6)	16.0	(2.6)
Native-born	9.8	(0.5)	29.5	(1.1)	42.1	(1.6)	18.6	(1.0)
<b>Switzerland</b>								
Recent immigrants (<= 5 years)	11.0	(6.8)	26.3	(13.1)	37.1	(18.0)	25.7	(9.9)
Established immigrants (> 5 years)	20.5	(2.0)	36.3	(3.8)	30.2	(3.2)	12.9	(3.1)
Native-born	5.6	(0.8)	26.3	(1.7)	41.1	(1.4)	27.1	(1.5)
<b>United States</b>								
Recent immigrants (<= 5 years)	41.5	(4.9)	20.5	(6.7)	23.5	(5.7)	14.5	(5.2)
Established immigrants (> 5 years)	47.2	(3.1)	25.4	(3.1)	17.8	(3.2)	9.6	(2.3)
Native-born	22.7	(0.8)	32.8	(1.1)	31.1	(1.2)	13.4	(1.2)

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 9.4 D

**Per cent of population aged 16 to 65 at each skill level,  
by recent vs established immigrant status, 2003**

	<b>Problem solving<sup>1</sup> scale</b>							
	Level 1		Level 2		Level 3		Level 4/5	
<b>Bermuda</b>								
Recent immigrants (<= 5 years)	12.0	(3.3)	19.7	(4.4)	37.3	(5.0)	31.0	(3.7)
Established immigrants (> 5 years)	15.5	(2.3)	28.4	(3.4)	34.5	(3.7)	21.6	(2.8)
Native-born	20.4	(1.4)	35.0	(2.1)	32.8	(2.1)	11.8	(1.2)
<b>Canada</b>								
Recent immigrants (<= 5 years)	30.9	(3.9)	35.1	(5.8)	27.0	(5.8)	6.9	(2.2)
Established immigrants (> 5 years)	36.0	(1.7)	31.2	(1.6)	25.7	(1.1)	7.1	(0.9)
Native-born	12.1	(0.6)	31.3	(0.6)	40.0	(1.0)	16.7	(1.1)
<b>Norway</b>								
Recent immigrants (<= 5 years)	30.2	(15.2)	32.1	(15.4)	28.0	(13.9)	9.7	(5.5)
Established immigrants (> 5 years)	24.9	(4.2)	28.4	(5.5)	30.5	(5.0)	16.3	(3.4)
Native-born	11.5	(1.0)	27.5	(1.2)	41.1	(1.3)	20.0	(1.0)
<b>Switzerland</b>								
Recent immigrants (<= 5 years)	15.2	(7.4)	25.5	(11.1)	32.0	(12.3)	27.3	(10.4)
Established immigrants (> 5 years)	23.8	(3.4)	29.1	(4.7)	30.2	(4.0)	16.9	(3.5)
Native-born	10.8	(1.2)	30.8	(2.2)	40.1	(1.7)	18.2	(1.4)

1. Switzerland (Italian) and United States did not field the problem solving skills domain.

Source: Adult Literacy and Life Skills Survey, 2003.



TABLE 9.5

Per cent of adults aged 16 to 65 at each literacy level on the prose scale,  
by whether their native tongue is same or different from the  
official language(s) of host country, 2003

	Level 1		Level 2		Level 3		Level 4/5	
<b>Bermuda</b>								
Immigrants whose native tongue is different from test language	25.7	(3.9)	27.6	(3.0)	29.6	(4.2)	17.2	(2.5)
Immigrants whose native tongue is same as test language	5.8	(1.4)	15.0	(2.2)	33.5	(2.6)	45.7	(2.8)
Native-born	13.2	(1.1)	28.7	(1.6)	37.0	(1.6)	21.1	(1.3)
<b>Canada</b>								
Immigrants whose native tongue is different from test language	37.4	(1.7)	27.5	(1.7)	27.2	(1.8)	7.9	(0.9)
Immigrants whose native tongue is same as test language	18.0	(2.8)	29.2	(3.0)	34.5	(2.6)	18.4	(2.1)
Native-born	9.9	(0.4)	27.0	(0.8)	41.2	(1.0)	21.8	(1.0)
<b>Norway<sup>1</sup></b>								
Immigrants whose native tongue is different from test language	23.8	(3.7)	34.0	(4.1)	28.3	(4.8)	13.9	(4.2)
Immigrants whose native tongue is same as test language	6.5	(4.1)	10.8	(4.6)	51.5	(8.3)	31.2	(6.8)
Native-born	7.0	(0.7)	26.1	(1.2)	46.2	(1.4)	20.7	(0.7)
<b>Switzerland</b>								
Immigrants whose native tongue is different from test language	37.8	(3.6)	35.9	(3.4)	22.8	(3.2)	3.5	(1.1)
Immigrants whose native tongue is same as test language	16.6	(4.2)	29.5	(7.0)	38.3	(6.4)	15.7	(5.0)
Native-born	10.1	(1.2)	35.5	(1.7)	40.2	(2.1)	14.3	(0.9)
<b>United States</b>								
Immigrants whose native tongue is different from test language	51.4	(3.3)	30.0	(3.1)	15.3	(2.2)	3.4	(1.4)
Immigrants whose native tongue is same as test language	14.8	(6.0)	37.0	(8.5)	36.6	(9.4)	11.6	(4.6)
Native-born	15.0	(0.9)	32.4	(1.1)	38.1	(1.3)	14.5	(1.1)

1. For the purposes of this analysis, the Danish and Swedish languages are considered similar to the Norwegian language.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 9.6

**Adjusted odds ratios indicating the likelihood of low skilled (Levels 1 and 2) and medium to high skilled (Levels 3 and 4/5) foreign-born and native-born populations aged 16 to 65 of being unemployed, prose literacy scale, 2003**

	Foreign-born				Native-born		
	Low skilled (Levels 1 and 2)		Medium to high skilled (Levels 3 and 4/5)		Low skilled (Levels 1 and 2)		Medium to high skilled (Levels 3 and 4/5)
Bermuda	2.51	(0.69)	1.26	(0.51)	1.41	(0.44)	1.00
Canada	2.32***	(0.23)	1.83**	(0.29)	1.52***	(0.15)	1.00
Norway	1.53	(0.66)	0.39	(0.76)	2.17**	(0.32)	1.00
Switzerland	2.34**	(0.32)	1.07	(0.60)	0.83	(0.40)	1.00
United States	2.82**	(0.45)	1.00	(0.43)	2.06***	(0.19)	1.00

\* p<0.10, statistically significant at the 10 per cent level.

\*\* p<0.05, statistically significant at the 5 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

Notes: Odds are adjusted for gender, age, educational attainment and language status.

Standard errors are of the logarithm of the odds ratios.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 9.7

**Adjusted odds ratios indicating the likelihood of low skilled (Levels 1 and 2) and medium to high skilled (Levels 3 and 4/5) foreign-born and native-born populations aged 16 to 65 of being in the lowest personal earnings income quartile, prose literacy scale, 2003**

	Foreign-born				Native-born		
	Low skilled (Levels 1 and 2)		Medium to high skilled (Levels 3 and 4/5)		Low skilled (Levels 1 and 2)		Medium to high skilled (Levels 3 and 4/5)
Bermuda	3.17***	(0.28)	1.28	(0.32)	1.72**	(0.23)	1.00
Canada	1.25	(0.17)	1.08	(0.23)	1.30*	(0.13)	1.00
Norway	3.23***	(0.40)	1.92**	(0.30)	1.36*	(0.15)	1.00
Switzerland	0.69	(0.36)	0.98	(0.33)	1.02	(0.23)	1.00
United States	0.91	(0.34)	1.40	(0.41)	1.01	(0.14)	1.00

\* p<0.10, statistically significant at the 10 per cent level.

\*\* p<0.05, statistically significant at the 5 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

Notes: Odds ratios are adjusted for gender, age, educational attainment and language status.

Standard errors are of the logarithm of the odds ratios.

Source: Adult Literacy and Life Skills Survey, 2003.

# Chapter 10

## Skills, Parental Education and Literacy Practice in Daily Life

### Summary

This chapter examines the relationship between the skills measured in ALL and family socio-economic background as well as literacy related practices in daily life. The analysis explores the extent to which observed differences in skills can be attributed to socio-economic inequalities. This is done for three cohorts of adults, namely youth aged 16 to 25, early middle aged adults 26 to 45 and late middle aged adults 46 to 65. The three age groups differ in the relationship between skills and socio-economic background. For example, the strength of the link between family background and skills among youth has changed in some countries over time between the IALS and ALL survey periods. The analysis further shows interesting variation in the impact of engaging in literacy practices at home and at work on inequality in skill.

10

## Table of Contents

---

Summary	225
---------	-----

---

### Chapter 10

<b>Skills, Parental Education and Literacy Practice in Daily Life</b>	<b>225</b>
---	------------

---

10.1 Overview and highlights	227
10.2 The relationship between parents' education and skills of youth	228
10.3 Comparison of socio-economic gradients for three cohorts of adults	234
10.4 Engagement in literacy practices at home and in daily life	237

---

References	241
------------	-----

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### Annex 10

<b>Data Values for the Figures</b>	<b>243</b>
------------------------------------	------------

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# Skills, Parental Education and Literacy Practice in Daily Life

## 10.1 Overview and highlights

This chapter examines the relationship between the skills measured in ALL and family socio-economic background as well as literacy related practices in daily life. The analysis explores the extent to which observed differences in skills can be attributed to socio-economic inequalities. This is done for three cohorts of adults, namely youth aged 16 to 25, early middle aged adults 26 to 45 and late middle aged adults 46 to 65. The three age groups differ in the relationship between skills and socio-economic background. For example, the strength of the link between family background and skills among youth has changed in some countries over time between the IALS and ALL survey periods. The analysis further shows interesting variation in the impact of engaging in literacy practices at home and at work on inequality in skill.

The main results of the analysis undertaken in this chapter are:

- Family socio-economic background as measured by respondent's parents' level of education has a significant relationship with literacy scores in all countries. On average, adults whose parents have a high level of education score higher than adults whose parents have a low level of education. Moreover, the strength of this relationship varies substantially by country.
- A comparison of socio-economic gradients reveals that Norway has the least inequality in among youth from differing socio-economic backgrounds. In contrast, the United States exhibits the largest gap in skill levels by socio-economic background.
- Results suggest that the literacy scores of youth in Canada are on average lower in the ALL survey than in IALS. Moreover, the decline is predominantly among youth who are from lower socio-economic backgrounds, as gauged by parental education. In Norway and the United States, there is little change among the performance of youth between the two survey periods.

- After adjusting for parents' education, youth are on average performing lower than adults aged 26 to 45. Patterns of lower average youth performances in relation to parents' level of education are mixed. In Bermuda, Canada and the United States, youth performance is lower at nearly all levels of parental education. In Italy and Norway, it is lower for average to high levels of parental education, while performance among those whose parents' have low levels of education has improved compared to adults aged 26 to 45.
- The level of engagement in literacy activities at home has a significant impact on literacy scores. The magnitude of the association is similar across all age groups and is in the order of 16 to 20 points on the prose scale for the half of adults who engage in literacy activities the most. The relationship is similar for all age groups. There is an additional positive effect for engaging more in literacy practices at work of about 1 to 14 points, but the effect grows stronger with increasing age.

## 10.2 The relationship between parents' education and skills of youth

This section considers the impact of parental education upon the skill levels of young adults participating in the ALL study. Children are immersed in the language of their family from the moment they are born (DeCasper *et al.*, 1994; Werker and Tees, 2002; Kisilevsky *et al.*, 2003). Speech emerges naturally, with most children saying their first recognizable word at about 12 months, and thereafter there is rapid, exponential growth in their vocabulary (Huttenlocher *et al.*, 1991). But the pace of language development differs among children, and is related to their exposure to language in the home and the quality of their interactions with their parents (Hart and Risley, 1995). The importance of growing up in a nurturing and language-rich environment during the early years is supported further by studies of the effects of early childhood centres on children's linguistic, cognitive and social abilities (Ramey and Ramey, 1998).

When children reach school-age, they continue to develop their literacy skills both at school and at home. Several large-scale studies of school effectiveness have shown that the school a child attends affects the rate of literacy development (Hill and Crevola, 1999; Scheerens, 1992; Willms, 2001). While curriculum, the quality of classroom teaching and other factors relating to the atmosphere of the school and classroom affect student literacy, results from the Programme for International Student Assessment (PISA) suggest that the family environment also plays an important role during this period (Willms, 2004). Parents' background and their involvement in their child's schooling, exert strong long-term effects on life career outcomes (Epstein and Dauber, 1991; Ho and Willms, 1996; Stevenson and Baker, 1987; Tuijnman, 1989).

The ALL survey collected data to examine the persistence of this observed relationship among young adults. Figure 10.1 displays, for young persons aged 16 to 25, the relationship between literacy scores and parents' education measured in years. Each line was drawn to encompass the range of parents' education within each country from the 5th to the 95th percentiles. The graphs also map the individual prose reading literacy scores and corresponding parents' levels of education (these are the small black dots above and below the gradient lines).

The lines are commonly referred to as “socio-economic gradients”, and they are useful because they portray the relative level of proficiency in each country, and the extent of inequalities among people with differing family socio-economic backgrounds (see Box 10A). The primary indicator of family socio-economic background is the respondent’s parents’ level of education. The research literature supports the notion that adults whose parents have attained higher levels of education are advantaged, not least in terms of better access to wealth, prestige and power, but also in the formation of foundation skills (Desjardins, 2004a).

Socio-economic gradients are summarized by three components: their level, their slope, and the strength of the relationship (see Box 10A).

The levels of the gradients reflect the average prose literacy scores at each level of parental education. On average, Bermuda and Norway have the highest scores at all levels of parental education. This means that independent of the educational investments made by the previous generation these countries were more successful in forming literacy skills among younger generations than other countries. Bermuda and Norway are also among the countries with the lowest socio-economic inequality with respect to prose literacy and parental education, as indicated by their relatively flat gradients. This suggests that they have also been successful at forming literacy skills among those youth whose parents’ have low levels of education.

The slope of the gradients indicates the extent to which parents’ education has influenced the development of literacy skills in their children. A steep slope suggests that youth whose parents have relatively low levels of education tend to be low skilled (Levels 1 and 2), and conversely, youth whose parents have higher levels of education tend to be more skilled. Large differences indicate that access to good literacy instruction and engagement in practices related to skills formation is systematically related to socio-economic differences.

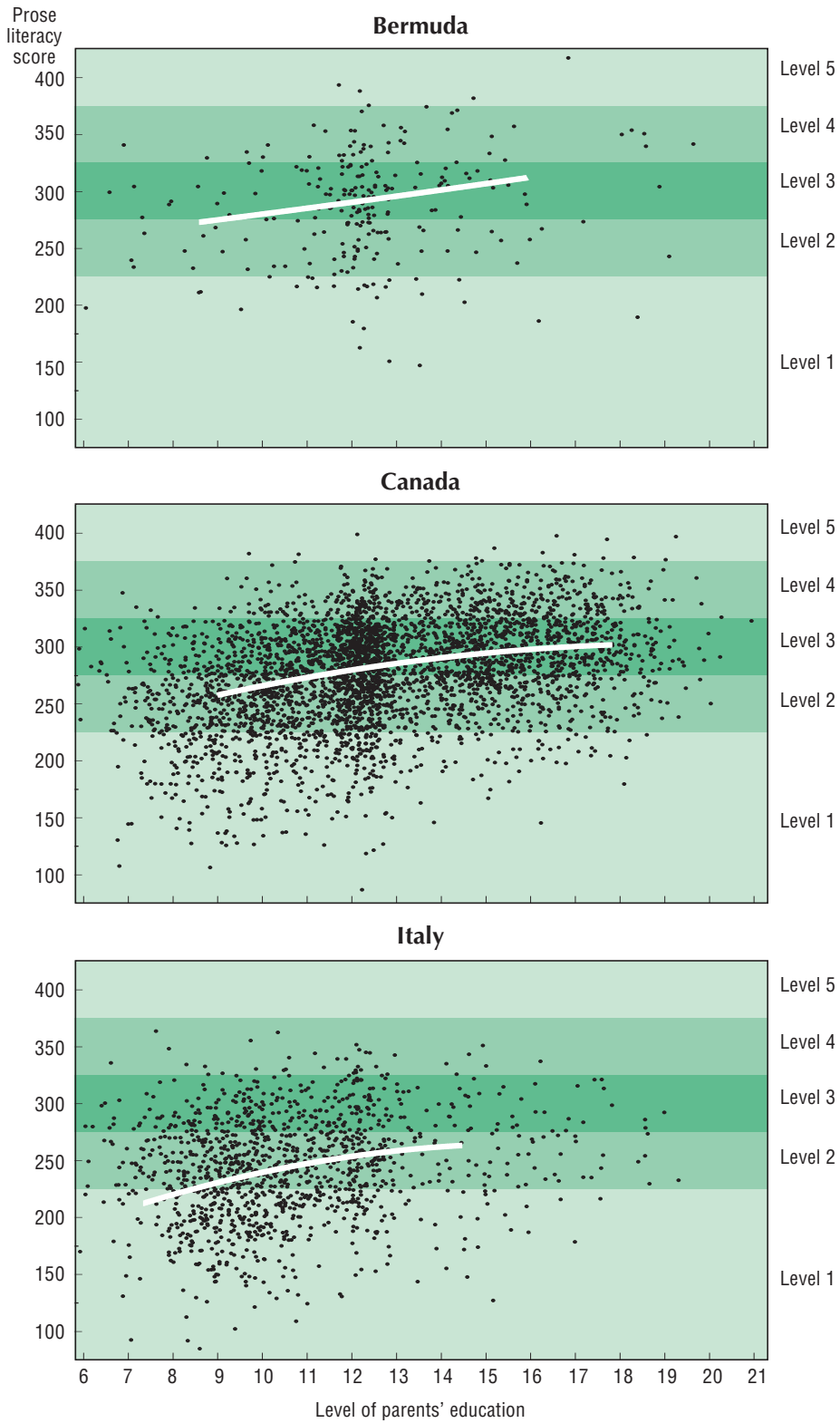
A comparison of slopes suggests that Norway is the most successful at reducing the skills disadvantages that are typically associated with low levels of parental education. On average, there is an approximate 13 point difference between the skills of Norwegians whose parents completed eight years of schooling compared to those who completed 12 years. In contrast, the United States, followed by Canada and Switzerland, has the steepest socio-economic gradient. In the former country, youth whose parents have completed 12 years of schooling score about 39 points higher than those whose parents completed eight years. This difference is about 24 points in Canada and Switzerland, and 22 in Bermuda and Italy.

Although there are disproportionately more youth from low socio-economic backgrounds who score at Levels 1 and 2, there are also many youth at all levels of parental education who display low levels of literacy. In Figure 10.1, this is indicated by the black dots that lie below Level 3. Conversely, in some countries there are many “resilient” youth scoring at Level 4/5 whose parents had relatively low levels of education. This is especially the case in Canada and Norway. But in Switzerland and the United States few youth scoring at Level 4/5 have parents with below average levels of education.

FIGURE 10.1

Socio-economic gradients of youth

Relationship between respondent's prose literacy scores and parents' education in years, populations aged 16 to 25, 2003

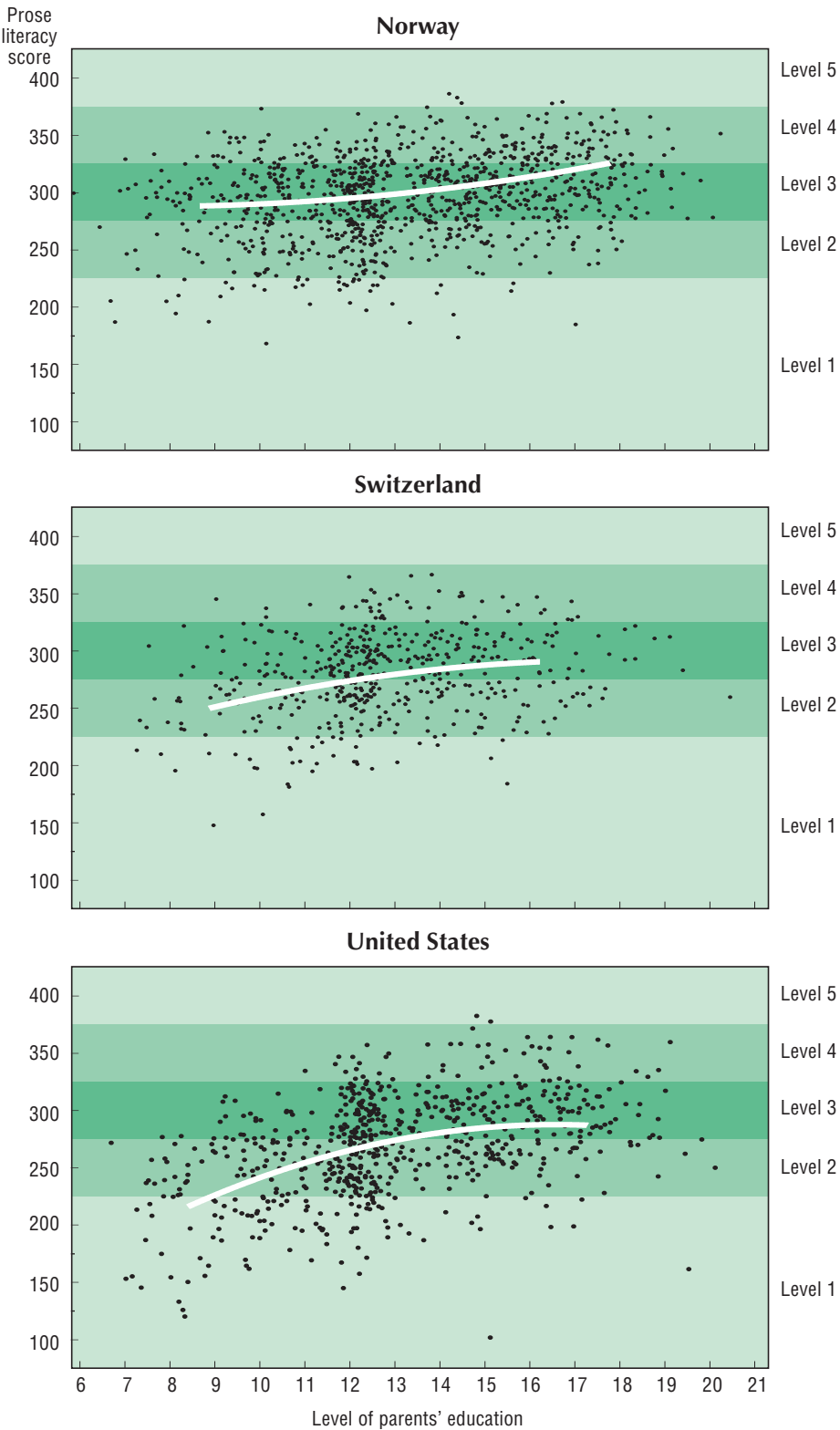




**FIGURE 10.1 (concluded)**

**Socio-economic gradients of youth**

Relationship between respondent's prose literacy scores and parents' education in years, populations aged 16 to 25, 2003



Finally, the strength of the gradient should be taken into account. This is indicated by the proportion of variance in literacy performance that is explained by differences in levels of parental education. The strength of this relationship varies substantially by country. It is the weakest in Bermuda and Italy, for example, with only about five and six per cent of the variation in literacy explained by differences in parents' levels of education. In Italy, many youth who score at Levels 3 and 4/5 have parents who also have low levels of education. But there are also many youth whose parents have high levels of education who nevertheless score at Levels 1 and 2. The gradients are strongest in Canada and the United States where about nine and 19 per cent of the variance in prose literacy can be attributed to differences in parental education.

### Box 10A

#### What are socio-economic gradients and what do they show?

A socio-economic gradient describes the relationship between a social outcome and socio-economic status for individuals in a specific jurisdiction, such as a school, a province or state, or a country (Willms, 2002). For the purposes of this analysis, the social outcome is adults' literacy scores on the prose scale. The term socio-economic status (SES) refers to people's relative position on a social hierarchy, based on their access to, or control over, wealth, prestige and power (Mueller and Parcel, 1981). The primary indicator of family SES is the respondent's parents' level of education, and thus the gradients could be simply called "parental education gradients", but for consistency with the literature, they are referred to as socio-economic gradients.

Socio-economic gradients comprise three components: their level, their slope and the strength of the relationship (Willms, 2003):

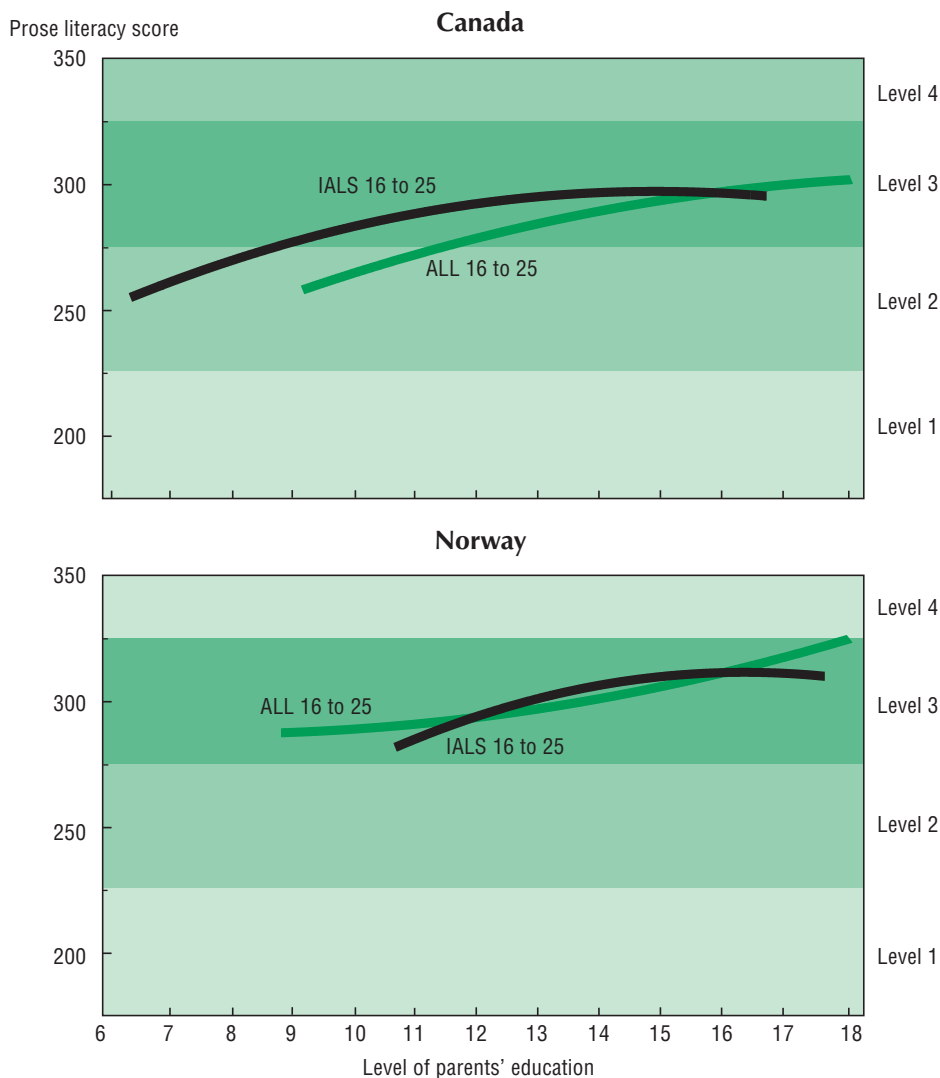
- a. The *level* of the gradient is defined as the expected score on the outcome measure for a person with a particular level of SES. The *average level* of the gradient is defined as the expected score for those whose parents' have completed the average level of education. The average level of a gradient for a country (or for a province or state, or a school) is an indicator of its average performance, after taking parental background into account.
- b. The *slope* of the gradient indicates the extent of inequality among subpopulations that are attributable to SES. Shallow gradients indicate that there are relatively few inequalities in literacy levels among adults with differing levels of SES. Steep gradients indicate greater inequalities.
- c. The *strength* of the gradient refers to the proportion of variance in literacy performance that is explained by SES. If the strength of the relationship is strong, then a considerable amount of the variation in the outcome measure is associated with SES, whereas a weak relationship indicates that relatively little of the variation is associated with SES. The most common measure of the strength of the relationship is a measure called R-squared, which is the proportion of variance explained.

The ALL and IALS prose and document literacy scales are identical. This allows one to examine whether changes in the relationship between the respondent's prose literacy scores and parents' education have occurred. Note that the IALS data for Canada and the United States were collected in 1994. Data for Norway was gathered in 1998. Figure 10.2 shows the gradients for youth aged 16 to 25 in IALS alongside the comparable results obtained using ALL data. The results suggest that in Canada, the levels of literacy scores for youth have declined during the intervening nine year period. This decline is predominantly among youth who are from lower socio-economic backgrounds. In Norway and the United States the gradients are fairly similar, indicating relatively small changes over the five and nine year periods, respectively.

**FIGURE 10.2**

**Changes in socio-economic gradients of youth from IALS to ALL**

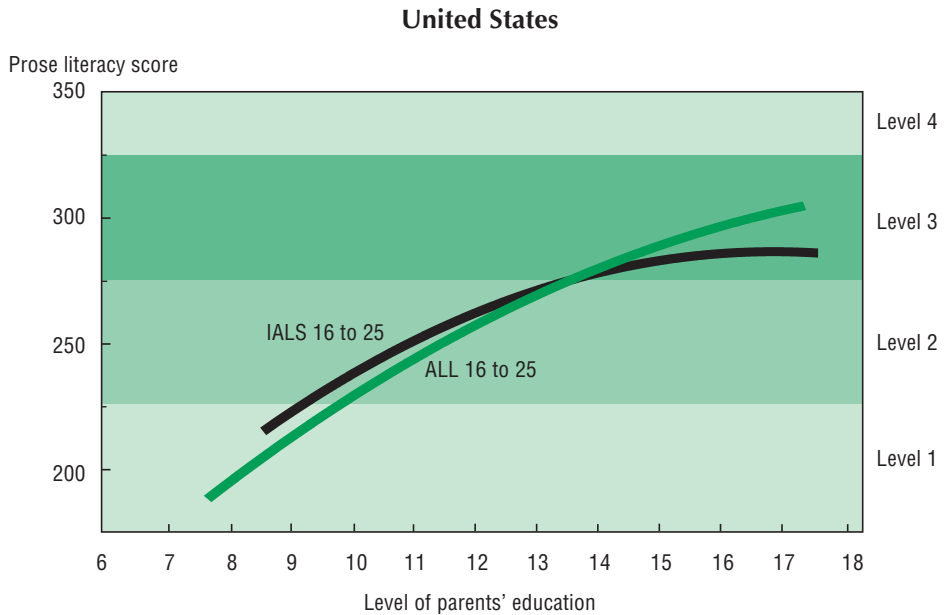
Relationship between respondent's prose literacy scores and parents' education in years, populations aged 16 to 25, IALS 1994/1998 and ALL 2003



**FIGURE 10.2 (concluded)**

**Changes in socio-economic gradients of youth from IALS to ALL**

Relationship between respondent's prose literacy scores and parents' education in years, populations aged 16 to 25, IALS 1994/1998 and ALL 2003



**10.3 Comparison of socio-economic gradients for three cohorts of adults**

This section extends the analysis of the relationship between parents' education and skills by comparing socio-economic gradients for three cohorts of adults. The three age groups are referred to as youth (16 to 25), early middle age (26 to 45) and late middle age (46 to 65). The results are shown in Figure 10.3.

It is important to reiterate that there are limitations to interpreting data obtained from studies using a cross-sectional design. Ageing, practice, cohort, period and quality of education effects are confounded (see Chapter 2). For example, the literacy skills of adults aged 26 to 45 in the United States and Canada are higher than those of youth aged 16 to 25 at all levels of parental education.

It is possible that older cohorts exhibit higher average skills because of practice effects. By practicing their literacy skills older cohorts may have developed their skills to a higher level. Another explanation could be that the quality of schooling has deteriorated compared with standards set previously. Whatever the precise reason, the results show that the levels of the gradients for youth aged 16 to 25 are lower than the gradients for adults aged 26 to 45 in all countries studied<sup>1</sup> except in the United States. Average score differences between the two cohorts, which adjust for levels of parental education, range from one point on the prose literacy scale in Switzerland to 12 points in Canada. It is interesting to compare these results with Figure 2.7 in Chapter 2, where the skills of youth

aged 16 to 25 are slightly higher on average than the skills of adults aged 26 to 45, but this is without adjusting for parents' levels of education. This implies that the effect of parents' education is substantial.

Patterns of decline in average youth performance among countries are not uniform. In Bermuda, Canada and the United States, current youth performance is lower at nearly all levels of parental education. In Italy and Norway, current average youth performance is lower for average to high levels of parental education, while performance among those whose parents have low levels of education has improved compared to adults aged 26 to 45.

In contrast, the levels of gradients among adults aged 46 to 65 are uniformly lower in Norway and Switzerland at all levels of parental education. This suggests that educational reforms and a web of factors such as improved living standards, health care and nutrition, among others, have had a beneficial impact on all youth regardless of their socio-economic background. In Canada and the United States, however, the group aged 46 to 65 score, on average, somewhat higher once the variance associated with parental education has been removed.

Finally, the socio-economic gradients in Bermuda, Canada, Norway and Italy are steeper for adults aged 46 to 65 than for youth. This suggests that in these countries, there has been a reduction in socio-economic inequalities in recent years. The most marked reduction in observed inequality is in Bermuda and Italy. There is a significant gap of about 36 and 32 points in Bermuda and Italy, respectively, between the average literacy scores of adults whose parents had 12 years of schooling and those whose parents had only eight years of schooling. The comparable gap among the youth is slightly less – about 21 and 22 points – attributable mainly to shallower gradients.

**FIGURE 10.3**

### Socio-economic gradients for three cohorts of adults

Relationship between respondent's prose literacy scores and parents' education in years, populations aged 16 to 25, 26 to 45 and 46 to 65, 2003

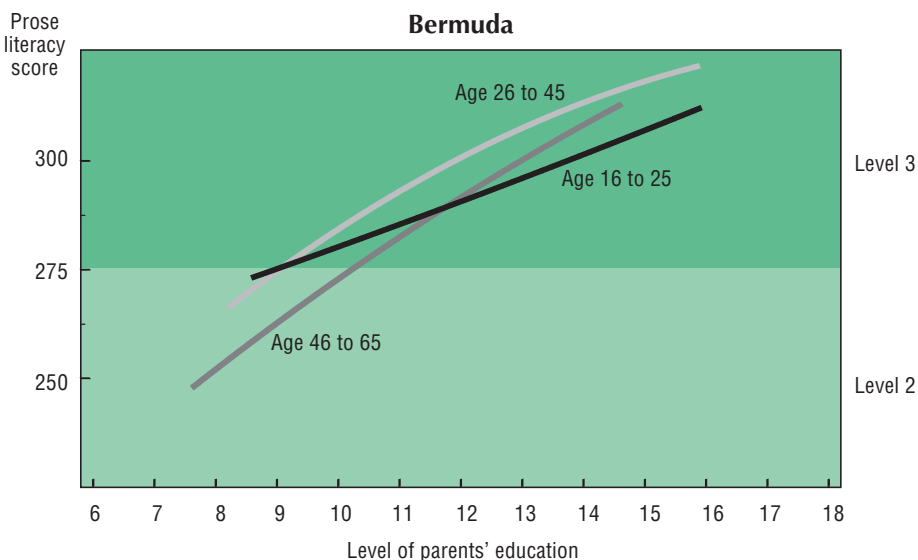


FIGURE 10.3 (continued)

Socio-economic gradients for three cohorts of adults

Relationship between respondent's prose literacy scores and parents' education in years, populations aged 16 to 25, 26 to 45 and 46 to 65, 2003

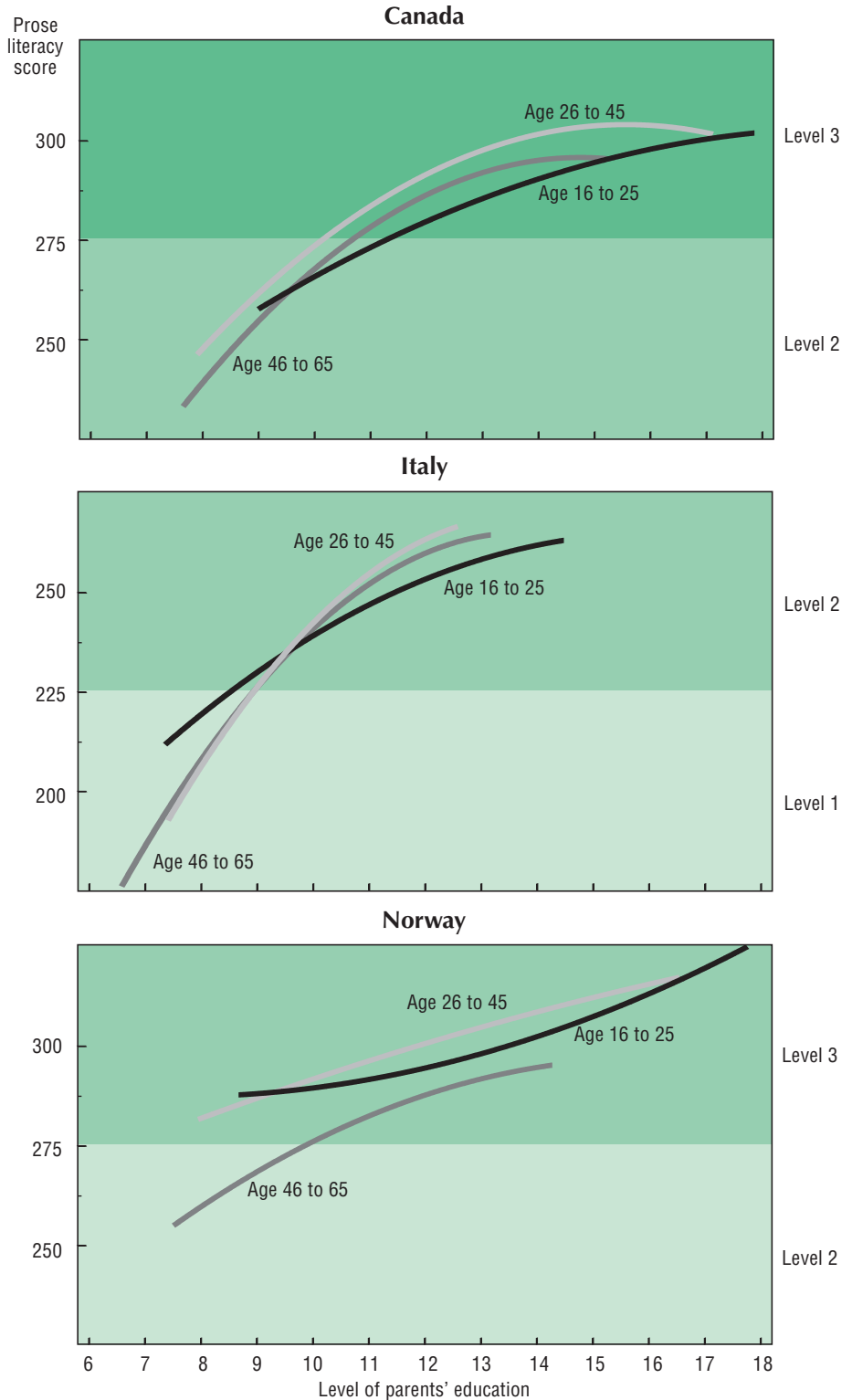
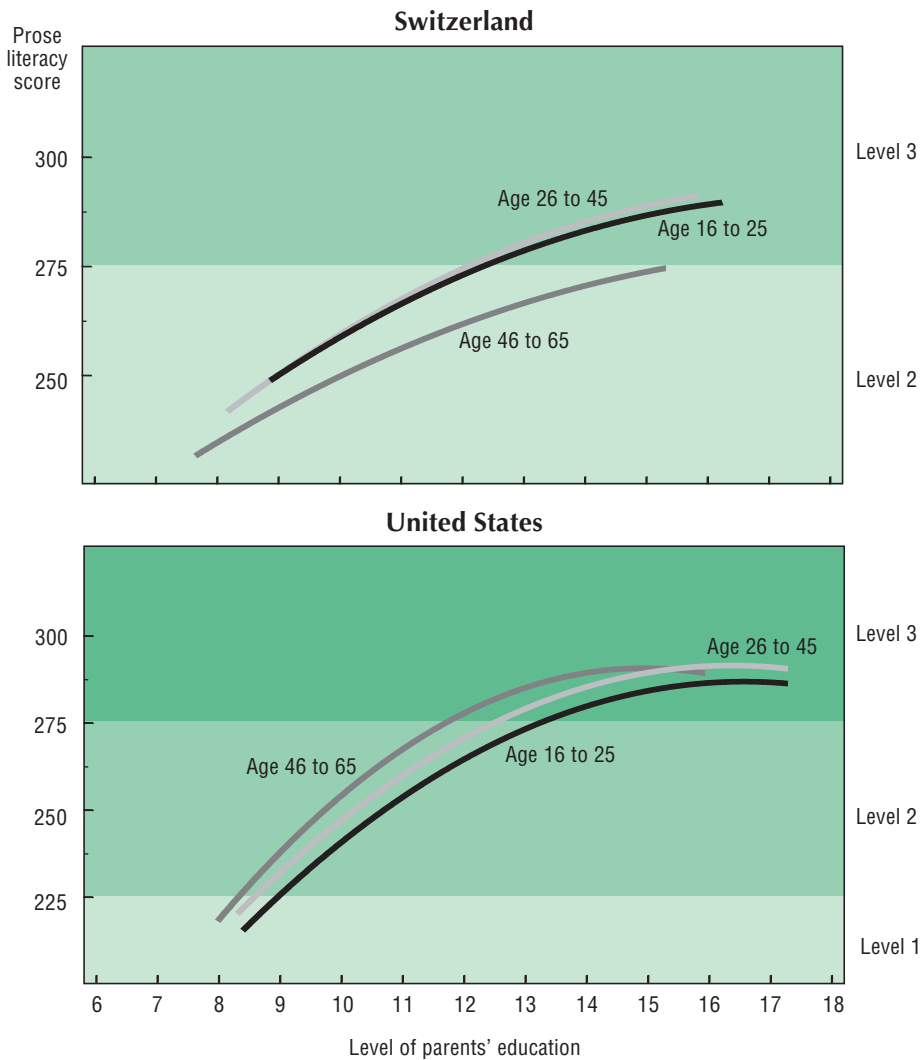


FIGURE 10.3 (concluded)

**Socio-economic gradients for three cohorts of adults**

Relationship between respondent's prose literacy scores and parents' education in years, populations aged 16 to 25, 26 to 45 and 46 to 65, 2003



## 10.4 Engagement in literacy practices at home and in daily life

During and beyond schooling age, adult literacy continues to be affected by engagement in literacy activities at home and in daily life (Desjardins, 2004b). Moreover, after the transition period from school to work, a majority of adults are in the workforce and engage in literacy practices at work (see Chapter 6). This section considers the relationship between skills and engagement in literacy activities at home and at work.

To discern the potential impact of engagement, two 10-point scales of engagement in literacy activities at home and at work are constructed (see Box 10B). These measures are included in a multivariate analysis, which use pooled data for the six countries participating in ALL, and adjust for the

respondent's level of education, parents' level of education, and the amount of time they spend watching television or videos each day (see Box 10C). The findings for prose literacy are summarized in Figure 10.4.

Not surprisingly, respondents' level of education has the strongest effect on literacy outcomes among the variables specified. The education effects are shown in relation to upper secondary graduates who are not pursuing post-secondary education. Those who have not completed upper secondary education have lower average scores ranging from about 17 to 31 points depending on the age group. The effect of completing some post-secondary education is about 20 points for all three age groups. Similarly, completing university education has a substantial impact, ranging from about 17 to 31 points.

The effects associated with engagement in literacy activities at work range from very low for youth to nearly three points for every one point increase on the 10-point engagement scale for adults aged 46 to 65. This suggests that literacy practices at work are more important for maintaining literacy skill as people get older. The effect is especially substantial among persons aged 46 to 65, where a five point increase in engagement is associated with an approximate 14 point increase on the prose scale. Although not reported here, the effects are stronger on the document literacy and numeracy scales.

Engaging in literacy activities at home also has a substantial effect. The magnitude is similar to engaging at work but it appears to be more important among younger age groups. This is likely due to the fact that comparatively fewer youth engage in literacy practices at work while there is little difference in patterns of engagement at home across the three age groups.

Among youth, watching TV for five hours or more per day significantly co-varies with lower skill scores. This negative relation to skill is on the order of about 13 points, which nearly corresponds to the skill gain associated with attaining upper secondary education. Even after adjusting for various factors,<sup>2</sup> the overall results show that the positive relationship between the respondent's prose literacy scores and parents' level of education remains significant. But in a multivariate framework the SES effects are reduced because mediating factors such as the respondents' engagement in literacy practices and their level of education are taken into account (see Kraemer *et al.*, 2001).

### Box 10B

#### Measures of engagement at home and at work

Respondents were asked how often they read or use information from (a) letters, memos, or emails, (b) reports, articles, magazines or journals, and (c) manuals or reference books, including catalogues, (d) diagrams or schematics, (e) directions or instructions, and (f) bills, invoices, spreadsheets or budgets. They were also asked how often they write materials in each of these categories. The engagement in literacy activities at work scale is derived from responses to their frequency in reading or using information in the first three categories above, and writing material in the first two categories. The second scale, engagement in literacy activities at home, is based on respondents' reports of how often they read or used information from newspapers, magazines or books. Both scales were constructed such that one point represents 10 percentile points for the pooled sample. For example, a person scoring at 4.3 would be at the 43rd percentile, while a person at 7.6 would be at the 76th percentile. The median score is 5.0 points.



## Box 10C

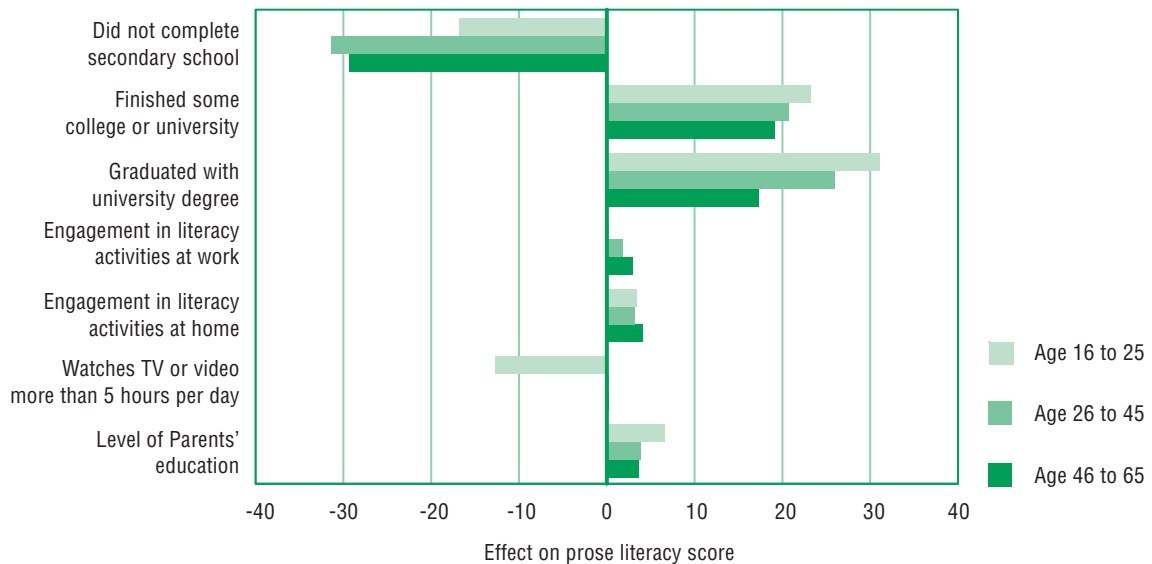
### Multivariate analysis

Table 10.4 in Annex 10 displays the results of several multiple regression analyses aimed at uncovering the relationship between literacy scores in each of the three domains and people's engagement in literacy activities. The findings represent averages across the participating countries. The first model includes the level of parental education as well as a quadratic term used to measure the curvilinear relationship observed in some countries. The second model includes variables representing parental education, respondents' level of education, their engagement in literacy activities at home and at work, and intensity of TV viewing.

FIGURE 10.4

### Literacy skills and literacy practices at home and in daily life

Relationship between prose literacy scores and engagement in literacy practices at home and in daily life, adjusted for respondent's and parents' education, populations aged 16 to 25, 26 to 45 and 46 to 65, 2003



Note: Estimates that are not statistically different from zero at conventional levels of significance are reported as zero in the figure. For the actual estimate and its corresponding significance, see Table 10.4 in the annex of this chapter.

Source: Adult Literacy and Life Skills Survey, 2003.

## Endnotes

1. The results are statistically significant in every country except Switzerland.
2. Respondent's level of education, level of engagement in literacy practices at home and at work, and TV viewing.

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# Annex 10

## Data Values for the Figures

TABLE 10.1

Relationship between respondent's prose literacy scores and parents' education in years, populations aged 16 to 25, 2003

	Gradient specifications for ALL 2003						
	Average level <sup>1</sup>		Slope <sup>2</sup>		Slope squared <sup>3</sup>		Strength <sup>4</sup>
	Estimate		Estimate		Estimate		
Bermuda	290.7 ***	(4.5)	5.3 **	(2.2)	0.05	(0.68)	0.05
Canada	279.9 ***	(2.7)	6.1 ***	(0.91)	-0.40	(0.30)	0.09
Italy	253.2 ***	(3.6)	5.6 ***	(1.3)	-0.69	(0.41)	0.06
Norway	294.7 ***	(2.7)	3.2 ***	(0.9)	0.36	(0.28)	0.08
Switzerland	273.3 ***	(3.9)	6.1 ***	(1.4)	-0.51	(0.59)	0.07
United States	264.6 ***	(3.2)	9.8 ***	(1.1)	-1.07 ***	(0.32)	0.19

\*\* p<0.05, statistically significant at the 5 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

1. The average level defines the expected score for those whose parents completed the average years of schooling in each country.
2. The slope defines the average effect on prose literacy associated with each additional year of parents' schooling.
3. The estimation model allows for the effect of parents' schooling on skill to be non-linear (i.e., quadratic).
4. The strength is measured by R-square, which is the variance explained.

Source: Adult Literacy and Life Skills Survey, 2003.

10

TABLE 10.2

**Relationship between respondent's prose literacy scores and parents' education in years, populations aged 16 to 25, IALS 1994/1998**

	Gradient specifications for IALS 1994/1998						Strength <sup>4</sup>
	Average level <sup>1</sup>		Slope <sup>2</sup>		Slope squared <sup>3</sup>		
	Estimate		Estimate		Estimate		
Canada	293.1 ***	(6.9)	3.2 *	(1.7)	-0.6	(0.6)	0.09
Norway	296.0 ***	(2.9)	7.8 ***	(1.5)	-1.0 ***	(0.3)	0.05
United States	260.3 ***	(5.0)	12.6 ***	(1.5)	-0.7	(0.5)	0.28

\* p<0.10, statistically significant at the 10 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

1. The average level defines the expected score for those whose parents completed the average years of schooling in each country.
2. The slope defines the average effect on prose literacy associated with each additional year of parents' schooling.
3. The estimation model allows for the effect of parents' schooling on skill to be non-linear (i.e., quadratic).
4. The strength is measured by R-square, which is the variance explained.

Source: International Adult Literacy Survey, 1994-1998.

TABLE 10.3

**Relationship between respondent's prose literacy scores and parents' education in years, populations aged 16 to 25, 26 to 45 and 46 to 65, 2003**

	Average level <sup>1</sup>		Slope <sup>2</sup>		Slope squared <sup>3</sup>		Strength <sup>4</sup>
	Estimate		Estimate		Estimate		
<b>A. Gradient specifications for ALL 2003 aged 16 to 25</b>							
Bermuda	290.7 ***	(4.5)	5.3 **	(2.2)	0.1	(0.7)	0.05
Canada	279.9 ***	(2.7)	6.1 ***	(0.9)	-0.4	(0.3)	0.09
Italy	253.2 ***	(3.6)	5.6 ***	(1.3)	-0.7	(0.4)	0.06
Norway	294.7 ***	(2.7)	3.2 ***	(0.9)	0.4	(0.3)	0.08
Switzerland	273.3 ***	(3.9)	6.1 ***	(1.4)	-0.5	(0.6)	0.07
United States	264.6 ***	(3.2)	9.8 ***	(1.1)	-1.1 ***	(0.3)	0.19
<b>B. Gradient specifications for ALL 2003 aged 26 to 45</b>							
Bermuda	300.8 ***	(2.5)	7.3 ***	(1.0)	-0.5	(0.4)	0.09
Canada	291.7 ***	(1.4)	7.0 ***	(0.5)	-1.0 ***	(0.2)	0.11
Italy	263.2 ***	(3.9)	6.6 ***	(1.2)	-1.9 ***	(0.4)	0.05
Norway	300.8 ***	(1.4)	4.2 ***	(0.6)	-0.1	(0.2)	0.06
Switzerland	274.7 ***	(1.9)	6.4 ***	(0.9)	-0.5 *	(0.3)	0.11
United States	270.7 ***	(1.8)	9.6 ***	(0.6)	-1.1 ***	(0.3)	0.18
<b>C. Gradient specifications for ALL 2003 aged 46 to 65</b>							
Bermuda	291.6 ***	(3.4)	8.9 ***	(1.2)	-0.3	(0.5)	0.10
Canada	286.5 ***	(2.1)	6.8 ***	(0.7)	-1.2 ***	(0.3)	0.09
Italy	250.5 ***	(5.6)	7.9 ***	(1.6)	-2.5 ***	(0.8)	0.04
Norway	287.9 ***	(2.4)	4.6 ***	(0.7)	-0.6 *	(0.3)	0.05
Switzerland	262.2 ***	(1.6)	5.2 ***	(1.1)	-0.4	(0.4)	0.07
United States	276.1 ***	(2.9)	7.0 ***	(1.0)	-1.1 **	(0.4)	0.17

\* p<0.10, statistically significant at the 10 per cent level.

\*\* p<0.05, statistically significant at the 5 per cent level.

\*\*\* p<0.01, statistically significant at the 1 per cent level.

1. The average level defines the expected score for those whose parents' completed the average years of schooling in each country.
2. The slope defines the average effect on prose literacy associated with each additional year of parents' schooling.
3. The estimation model allows for the effect of parents' schooling on skill to be non-linear (i.e., quadratic).
4. The strength is measured by R-square, which is the variance explained.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 10.4

**Relationship between prose literacy scores and engagement in literacy practices  
at home and in daily life, adjusted for respondent's and parents' education,  
populations aged 16 to 25, 26 to 45 and 46 to 65, 2003**

	Aged 16 to 25		Aged 26 to 45		Aged 46 to 65	
	Estimate		Estimate		Estimate	
Did not complete secondary school	-16.89 ***	(3.84)	-31.37 ***	(2.55)	-29.22 ***	(3.83)
Finished some college or university	23.27 ***	(4.69)	20.59 ***	(2.35)	19.11 ***	(3.11)
Graduated with university degree	31.19 ***	(5.11)	25.82 ***	(3.20)	17.38 ***	(3.56)
Engagement in literacy activities at work	0.12	(0.62)	1.71 ***	(0.47)	2.86 ***	(0.56)
Engagement in literacy activities at home	3.34 ***	(0.63)	3.10 ***	(0.52)	4.05 ***	(0.46)
Watches TV or video 2 to 5 hours per day	-3.01	(2.39)	3.00	(2.29)	3.37	(2.74)
Watches TV or video more than 5 hours per day	-12.76 ***	(3.87)	-4.61	(4.68)	-3.98	(3.53)
Level of parents' education	6.70 ***	(0.80)	3.90 ***	(0.40)	3.59 ***	(0.59)
Level of parents' education squared	-0.97 ***	(0.25)	-0.67 ***	(0.18)	-0.91 ***	(0.21)
R-Squared, explained variance	0.28		0.34		0.39	

\*\*\* p<0.01, statistically significant at the 1 per cent level.

Source: Adult Literacy and Life Skills Survey, 2003.





# Chapter 11

## Skills and Health

### Summary

This chapter examines the relationship between skills measured in *ALL* and various aspects of individual health. Two latent class analyses are performed to identify groups of individuals sharing response tendencies to a set of 13 health-related background questions. The first analysis identifies four classes of individuals based upon questions related to general health status, as follows: excellent health, good health, fair health and poor health. The second analysis identifies four classes of individuals based upon questions related to their health status at work, as follows: no work-related limitations, physically limited at work, emotionally limited at work and physically and emotionally limited at work. These analyses are then used to explore the relationship between skills measured in *ALL* and health status.

## Table of Contents

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Summary	247
<hr/>	
<b>Chapter 11</b>	
<b>Skills and Health</b>	<b>247</b>
<hr/>	
11.1 Overview and highlights	249
11.2 Skills and general health status	250
11.3 Skills and work-related health status	256
<hr/>	
References	261
<hr/>	
<b>Annex 11A</b>	
<b>Data Values for the Figures</b>	<b>263</b>
<hr/>	
<b>Annex 11B</b>	
<b>Work Related and General Health Questions from ALL</b>	<b>267</b>

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# Skills and Health

## 11.1 Overview and highlights

This chapter examines the relationship between skills measured in ALL and various aspects of individual health. Two latent class analyses are performed to identify groups of individuals sharing response tendencies to a set of 13 health-related background questions. The first analysis identifies four classes of individuals based upon questions related to general health status, as follows: excellent health, good health, fair health and poor health. The second analysis identifies four classes of individuals based upon questions related to their health status at work, as follows: no work-related limitations, physically limited at work, emotionally limited at work and physically and emotionally limited at work. These analyses are then used to explore the relationship between skills measured in ALL and health status.

The results of these analyses are as follows:

- The findings indicate interesting similarities. First, the relative proportions of the four classes on both the general and work-related health status classifications are rather comparable across countries. Second, the pattern of average literacy and numeracy scores by health classes in surveyed countries is also similar.
- The respondents who answered health related questions in a way that led to their being classified as healthy not only represent the largest percentage of adults but are also the ones with noticeably higher average literacy and numeracy scores compared to the least healthy group of adults — those most likely to report experiencing emotional and physical adversities limiting their activities and capping their accomplishments.
- The analysis of general health status indicates that two identified classes of adults – comprising 20 and 52 per cent respectively – are very satisfied with their lives. Members of these groups tend to state that health does not impede their physical or social activities. The difference between the two groups lies in their assessment of their overall health. The smaller group of 20 per cent tends to evaluate

both their health and emotional status using the extreme positive categories, whereas the larger group reports their physical and mental well being in more moderate terms.

- Both the general and work-related health status analyses identified relatively small groups of adults who report that they are adversely affected by both physical and emotional problems. These groups have significantly lower average scores than the other groups on the literacy and numeracy scales.

While this chapter provides only a first look at the data from ALL relating to health status and literacy, it does support the growing recognition that skills and health status are related. It is not too surprising that as technology continues to evolve and becomes more integrated into all aspects of our lives, modern health care systems are increasingly being characterized by their complexity and sophistication (Bernhardt, Brownfield and Parker, 2005). This increase in complexity and sophistication comes at a time when some believe that individuals are expected to assume more responsibility for the management of their health and well being, thereby placing an even greater emphasis on the importance of literacy and numeracy skills. If true, how will this emerging trend impact current disparities in health outcomes noted in recent research?

## 11.2 Skills and general health status

While health professionals have long known about the association between years of schooling and health outcomes, education itself was not the major consideration, but was instead viewed as a marker of socioeconomic status. Large-scale national and international surveys such as the National Adult Literacy Survey (NALS) and the International Adult Literacy Survey (IALS)<sup>1</sup> offered researchers and policy makers critical insight into literacy as a possible pathway linking education and health outcomes (Rudd, Kirsch and Yamamoto, 2004). A number of studies conducted over the past decade have focused on the relationships between literacy and health-related outcomes. In summarizing some of these studies, Weiss (2005) noted that having lower health knowledge is associated with lower health status, higher utilization of health services and not too surprisingly increased costs for health care. These and other data suggest that literacy may be a contributing factor to the wide disparities in health care that many adults in the United States and elsewhere receive.

A growing recognition of the importance of literacy as a potential pathway linking years of schooling and health outcomes has led to two recent publications; one titled *Understanding Health Literacy: Implications for Medicine and Public Health*, published in 2005 by the American Medical Association and the other *Health Literacy: A Prescription to End Confusion* published in 2004 by the Institute of Medicine of the National Academies. It also led the developers of the ALL survey to include a set of background questions focusing on general and work-related health issues. This section presents results of a Latent Class Analysis (LCA) that is used to classify individuals into groups or “latent classes” based on their patterns of responses to a set of background questions associated with general health and emotional well being (see Box 11A). Eight questions from the ALL questionnaire were used to create a general health status variable (see Annex 11B for questions). Figure 11.1 reports the probability that the individuals in each class responded in a particular way to each question. A high probability indicates

a strong likelihood that the characteristic is present in that class while a low probability indicates a strong likelihood that the characteristic is absent. Box 11B summarizes the response tendencies associated with each class and points out key differences between them.

### Box 11A

#### How does latent class analysis work?

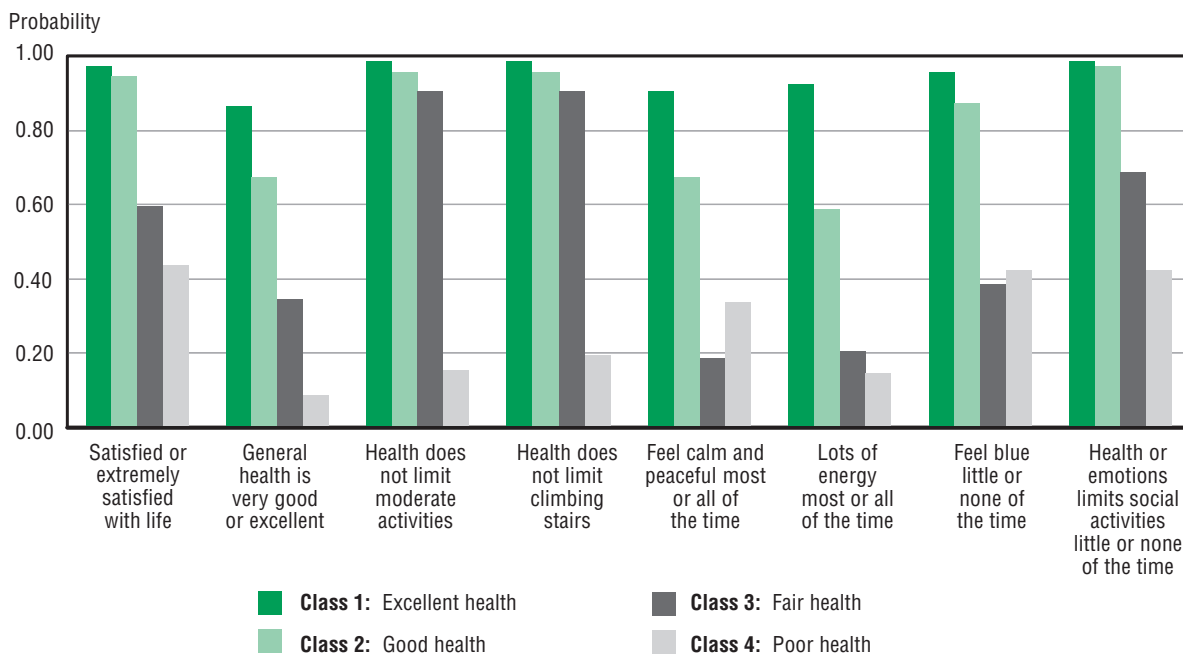
In this chapter, literacy and numeracy scores are analyzed in relationship to several derived variables that distinguish among groups of participants based on their self-reported health status. Individuals are organized into groups or “classes” based on their patterns of responses to a set of background questions associated with either work or general health and emotional well being. More specifically, the health related questions from the ALL background questionnaire are analyzed using Latent Class Analysis (LCA) methods (Lazarsfeld and Henry, 1968; Patterson, Dayton and Graubard, 2002). LCA is a statistical tool for clustering subjects based on categorical variables. This analysis yields a probabilistic classification for each survey participant, where the classes are represented by different tendencies to respond in a certain way (more formally, each class is characterized by its conditional response probabilities) to a set of questions. The population profiles and group sizes reported in this chapter are expressed in percentages. The different classes are identified by predominant response profiles. The necessary number of latent classes to describe the different response tendencies found in the data is determined using statistical measures based on the likelihood of the data given models with different numbers of classes. For parsimony, the model with the smallest number of latent classes that can adequately describe the data is chosen.

Most of the questions relating to general health status offer a range of ordered response options. With regard to their satisfaction with life, adults were asked to respond on a 5-point ordinal scale that ranged from extremely unsatisfied to extremely satisfied. Similarly, they could respond that their overall health ranged from poor to excellent. With regard to their activities, they had a 3-point scale that ranged from no limitations, to a little, to a lot. Adults could respond on a 6-point ordinal scale with respect to three additional questions focusing on: how calm and peaceful they felt, whether they had a lot of energy and whether they felt blue or downhearted. Finally, they had a 5-point scale on which they could indicate the extent to which their health or emotional well being interfered with their social activities. This scale ranged from none to all of the time.

FIGURE 11.1

**Classification of general health status**

Response profiles of the four latent classes based on general health status, populations aged 16 to 65, 2003



Source: Adult Literacy and Life Skills Survey, 2003.

**Box 11B**

**Classifying adults' general health status**

Eight questions from the ALL questionnaire (see Annex 11B) were combined into a general health status variable using the Latent Class Analysis method. The resulting four latent classes relating to general health status are interpreted as follows:

- Class 1 is labelled as a group with “excellent health”. It represents about 20 per cent of the pooled sample. Adults in this group overwhelmingly report that they are satisfied with their life and that their general health is good or excellent. They are not limited in any of their activities by either physical or emotional issues. In addition, these adults report having a lot of energy and feeling calm and peaceful most or all of the time. As a result, they are also likely to report that they feel blue little or none of the time.
- Class 2 is labelled as a group with “good health”. They represent 52 per cent of the pooled sample. Adults in this group are also very satisfied with their life and are not limited in their activities by either physical or emotional problems. What distinguishes them from Class 1 is that they are somewhat less likely to say that their overall health is very good or excellent and less likely to have lots of energy most or all the time.

- Class 3 is labelled as a group with “fair health”. They comprise 20 per cent of the pooled sample. Unlike Class 1 or 2, this group is less likely to report being satisfied or extremely satisfied with their life and much less likely to say their health is very good or excellent. However, they are similar to adults in Classes 1 and 2 in that they are highly likely to report not being limited in their physical activities. Unlike adults in Classes 1 and 2, they have a much lower likelihood of reporting having a lot of energy or feeling calm and peaceful most or all of the time, and less likely to report their health does not limit their physical or social activities. They are also much less likely to report that they feel blue little or none of the time.
- Class 4 is labelled as a group with “poor health”. It represents eight per cent of the pooled sample. These are the least healthy adults based on their responses to the eight general health questions. This group is much less likely to report being satisfied with life or that their health is good or excellent. They are also much more likely to report being limited in their physical or social activities by poor health. They seem to feel less energetic, less peaceful and more blue than adults in Classes 1 and 2 but they are more so than adults in Class 3.

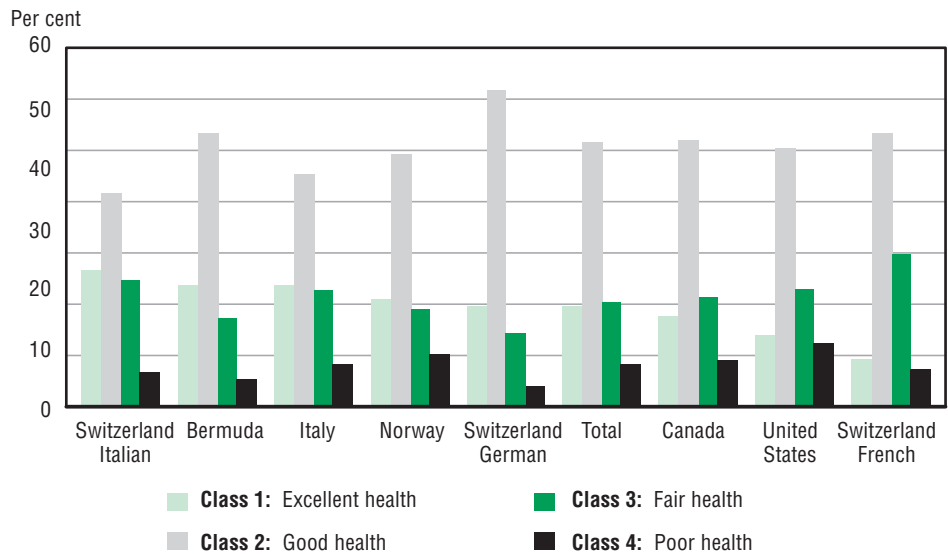
How much does the distribution of general health status vary by country? Figure 11.2 shows the percentages by class for each participating ALL country or language group and for the total population, ranked with reference to the healthiest group. While the overall pattern is rather similar there are some interesting between-country variations. For example, while 20 per cent of all participating adults are in Class 1, the healthiest group, this percentage varies from a low of 10 per cent among French speaking Swiss adults to a high of 27 per cent among Italian speaking Swiss. Different language groups living in Switzerland account for both the highest and lowest percentages of adults classified as having the highest general health status. Note that the deviation in class sizes from the total sample is particularly large among the Swiss language-based samples, which are at the same time the smallest samples. Therefore, this variation within the Swiss population may be due in part to increased error variance associated with relatively small samples.

Countries also vary in terms of the proportion of adults who are in Class 2. The percentages range from a low of 42 per cent among Italian speaking Swiss to 62 per cent among German speaking Swiss. Corresponding figures for the other countries range from 45 to 54 per cent. Adults in Class 2 are similar to those in Class 1 in that they are likely to be very satisfied with their life and not limited in any of their activities by physical or emotional issues. Where they differ from adults in Class 1 is that they are somewhat less likely to report their health as *excellent* and they are also less likely to report that they have a lot of energy *all the time* or feel calm and peaceful *all the time*. Adults in Class 3 range from a low of 14 per cent among German speaking Swiss to a high of 30 per cent among French speaking Swiss. Among the least healthy adults (Class 4), the range was from four per cent among German speaking Swiss to 13 per cent among adults in the United States.

FIGURE 11.2

General health status by country

Per cent of adults in each of four general health status groups by country, populations aged 16 to 65, 2003



Countries are ranked by the per cent of adults in Class 1: Excellent health.

Source: Adult Literacy and Life Skills Survey, 2003.

Figure 11.3 shows the average literacy and numeracy scores for all respondents by their general health status and selected background characteristics. While there is variation in average literacy and numeracy scores among adults with various background characteristics, the pattern that emerges is quite similar in each of the countries. Adults who are classified as being among the most healthy have higher average literacy and numeracy scores while those who are classified as the least healthy (Class 4) have the lowest average proficiencies.

Interestingly, adults in Class 2 have somewhat higher average proficiencies than those in Class 1. As we noted, both groups are quite healthy and satisfied with their lives. The primary difference between these two classes lies in their assessment of their overall health; Class 1 tends to use the extreme values on the reporting scale in terms of their overall health whereas adults in Class 2 tend to use more modest values. It cannot be determined from these data whether these differences are real or reflect more subtle subjectivity in response styles. It is interesting to note, however, that adults in Class 1 (the smaller of the two groups) tend to be a bit over represented at the lower educational levels and tend to have more males. Nevertheless, this pattern of results holds across each of the selected background characteristics shown in Figure 11.3.

An interesting pattern emerges among age cohorts. As expected, average proficiencies begin to decrease in the group 36 to 45 years of age and continue to decline thereafter. The average decrease, however, is somewhat smaller between the two healthiest classes of adults (Class 1 and Class 2) when compared with the least healthy adults. For example, the average difference between the youngest and oldest cohort in Class 2 is 26 points on the prose scale, 31 points on the



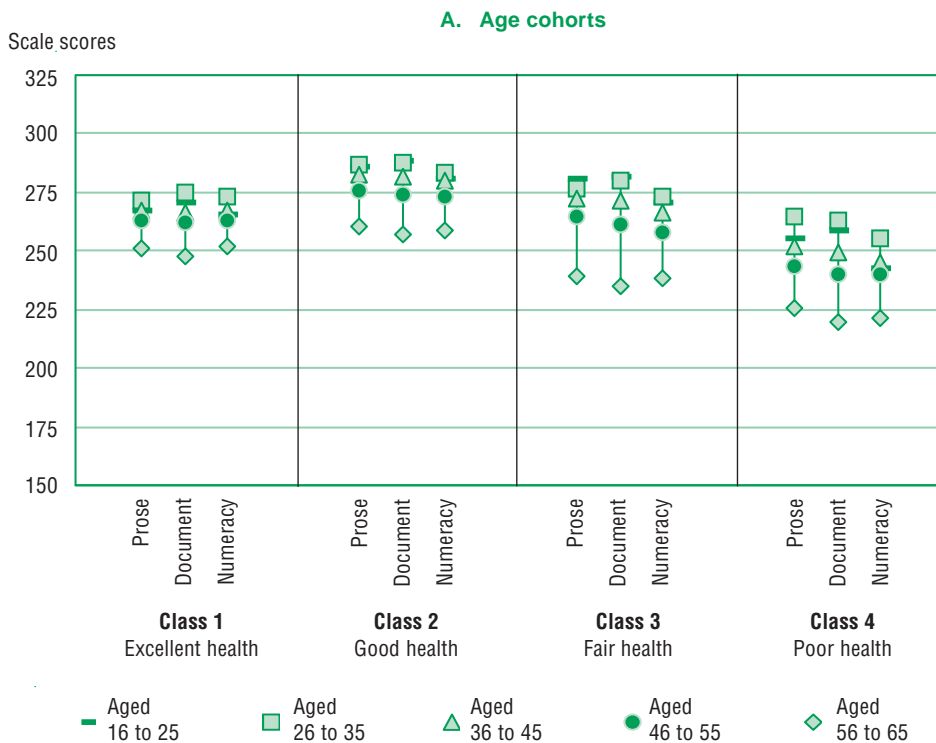
document scale and 22 points on the numeracy scale. Among adults in Class 4, the average difference between these two age cohorts is 30, 39 and 22 points, respectively. In addition, the average difference between the young adults in Class 2 and Class 4 is again somewhat smaller than between the oldest adults in Class 2 and Class 4. Among youth aged 16 to 25, the average difference across the three scales is 30, 30 and 38 points. Among adults 56 to 65, the average difference is 35, 38 and 37 points. These are significant differences in the sense that, on average, a 50 point gain is associated with an additional year of schooling in the IALS sample of 24 countries (Willms, 2003).

The distribution of health status by educational attainment is somewhat different from the pattern associated with age. The association is stronger for educational attainment. While average differences between adults in Class 2 and Class 4 range from 22 to 31 points depending on level of education and proficiency scale, the average difference between those with a primary or less education and those with more than upper secondary education is around 100 points, regardless of health status.

FIGURE 11.3

### Skills and general health status by key demographic variables

Mean scores on the prose, document and numeracy scales ranging from 0 to 500 points by key demographic variables, populations aged 16 to 65, 2003

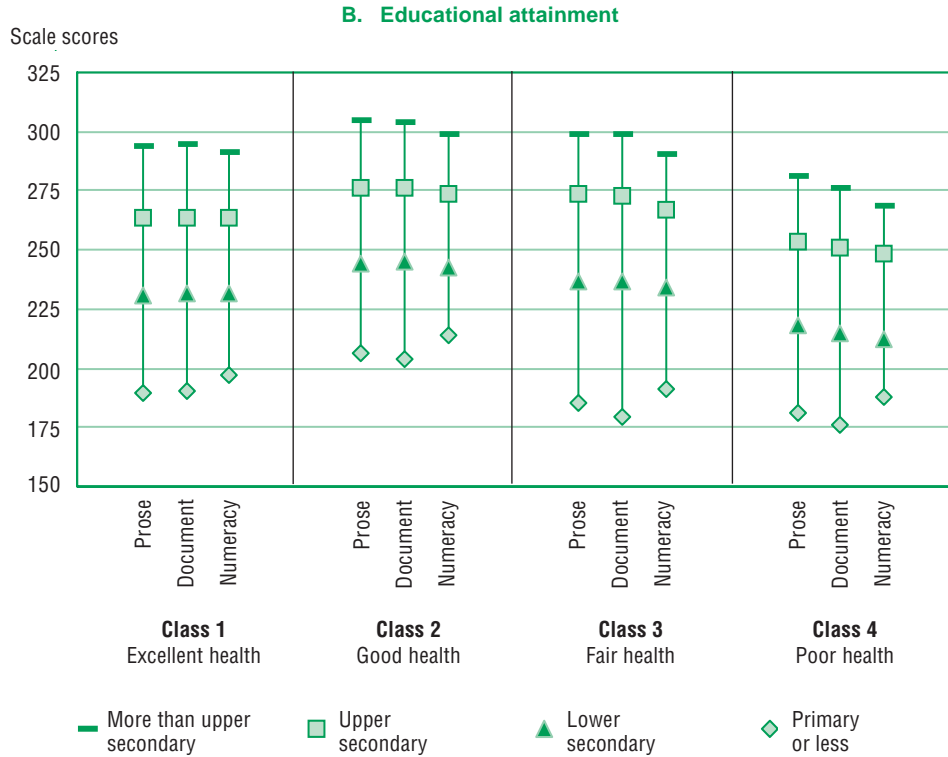


Source: Adult Literacy and Life Skills Survey, 2003.

FIGURE 11.3 (concluded)

**Skills and general health status by key demographic variables**

Mean scores on the prose, document and numeracy scales ranging from 0 to 500 points by key demographic variables, populations aged 16 to 65, 2003



Source: Adult Literacy and Life Skills Survey, 2003.

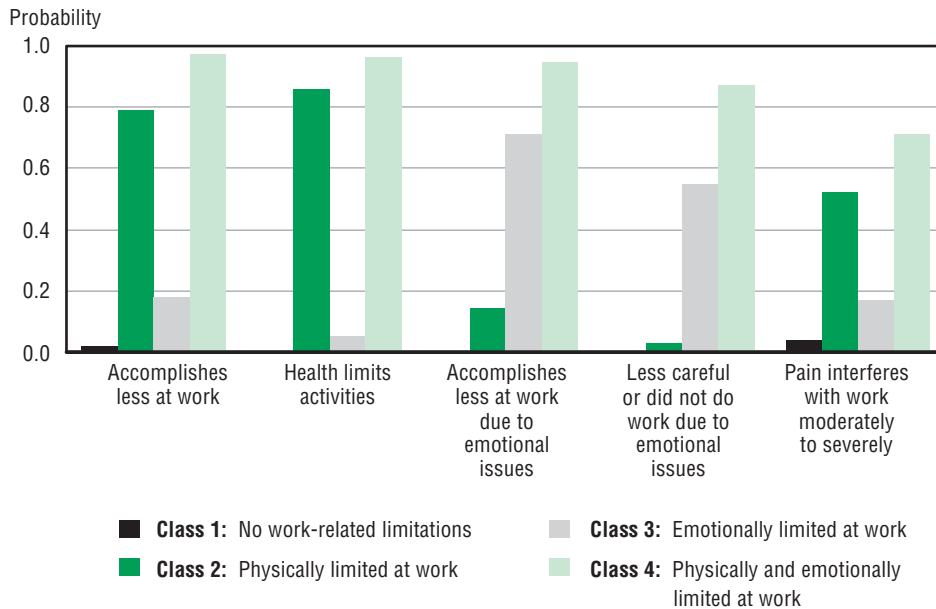
**11.3 Skills and work-related health status**

A work-related health status variable was also created using latent class analysis. Five questions from the ALL questionnaire were used in this analysis (see Annex 11B for questions). Figure 11.4 reports the probability that the individuals in each class responded in a particular way to each question. Note that response profiles are an output of the latent class analysis, not an input. Accordingly, classes are identified by predominant response profiles found in the survey sample. This means, for example, that Class 4 was identified as being different from Classes 3 and 2 through the persistent tendency to respond with “yes” to all questions related to limitations at work due to *both* emotional and physical issues. Box 11C summarizes the response tendencies associated with each class and points out key differences between them.

FIGURE 11.4

### Classification of work-related health status

Response profiles of the four latent classes based on work-related health status, populations aged 16 to 65, 2003



Source: Adult Literacy and Life Skills Survey, 2003.

### Box 11C

#### Classifying adults' work related health status

Five questions from the ALL questionnaire (see Annex 11B) were combined to create a work-related health status variable using the Latent Class Analyses method. The resulting four latent classes relating to health status at work can be interpreted as follows:

- Class 1 is labelled as a group with “no work-related limitations”. It represents the healthiest group of adults, accounting for 76 per cent of the pooled sample. Adults in this group overwhelmingly report that they are not limited in their activities or accomplishments at work by any physical or emotional issues. In addition, there is a low likelihood that individuals in this group report they suffer from any pain that interferes with their work.
- Class 2 is labelled as a group that reports being “physically limited at work”. It represents about 12 per cent of the pooled sample. This group has a high likelihood of reporting that their health limits the work they are able to accomplish. However, they have a low likelihood of reporting any emotional issues that may detract from their work.

- Class 3 is labelled as a group that reports being “emotionally limited at work”. It represents about nine per cent of the pooled sample. Unlike Class 2, this group is not characterized by limitations in either their activities or work-related accomplishments. However, they are reasonably likely to report limitations in activities due to emotional issues. Unlike adults in Class 2, they have a much lower likelihood of reporting moderate to severe pain related limitations with respect to work.
- Class 4 is labelled as a group that reports being “physically and emotionally limited at work”. It represents about four per cent of the pooled sample. These are the least healthy adults participating in the ALL study in terms of their responses to the work-related questions. Adults in this latent class are highly likely to report that they are limited in their activities and accomplishments at work by both health and emotional issues. Unlike adults in Class 1 who are highly likely to report little or no pain, adults in this class are likely to report pain interferes with their work.

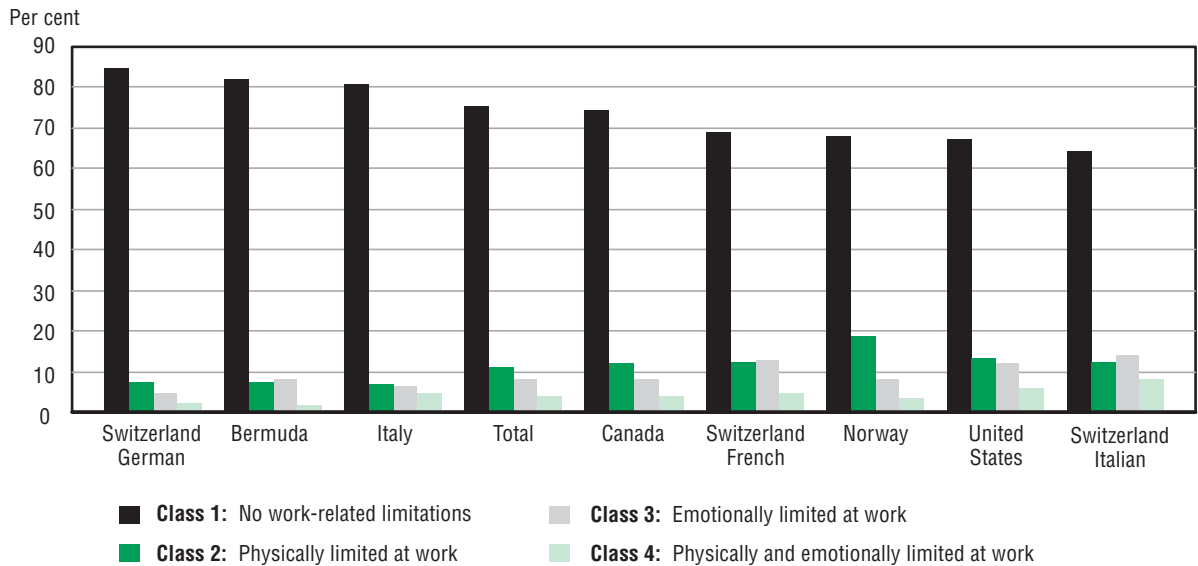
How much does the distribution of work-related health status vary by country? Figure 11.5 shows the percentages of adults by work-related health class for each participating country. Although the overall pattern is consistent across countries, there is some notable variation. For example, while 76 per cent of all participating adults are in Class 1, which predominantly report that they are not limited in their activities or accomplishments by any health or emotional issues, this varies from a low of 64 per cent among Italian speaking Swiss to a high of 85 per cent among German speaking Swiss.<sup>2</sup>

There is also variation among countries in terms of the percentages of adults who are likely to report their health limits their activities and accomplishments (Class 2). Here the percentages range from a low of seven per cent among Italian adults to 19 per cent in Norway. United States had about 14 per cent of their adults in this group. Adults in Canada had about 13 per cent of their adults in this group, as were Italian and French speaking Swiss adults. In comparison, only eight per cent of German speaking Swiss were likely to report that their health limits their activities (Class 2). Among adults who report that emotional issues impact their work and accomplishments (Class 3), the percentages range from a low of five per cent among German speaking Swiss to 15 per cent among Italian speaking Swiss. French speaking Swiss adults and those in the United States had 13 and 12 per cent respectively in Class 3. Among the least healthy adults in the sense that they were most likely to report health and emotional issues limited their activities and accomplishments at work (Class 4), the range was from two per cent in Bermuda to nine per cent among Italian speaking Swiss.

FIGURE 11.5

**Work-related health status by country**

Per cent of adults in each of four work-related health status groups by country, populations aged 16 to 65, 2003



### Countries are ranked by the per cent of adults in Class 1: No worked-related limitations

Source: Adult Literacy and Life Skills Survey, 2003.

Figure 11.6 shows the average literacy and numeracy scores for the total sample of adults participating in ALL by their work-related health status and selected background characteristics. The findings show substantial variation in literacy and numeracy scores among adults with various background characteristics. Adults who are classified as being the healthiest (Class 1) have the highest average literacy and numeracy scores while those who are classified as the least healthy (Class 4) have the lowest average proficiencies.

Among age cohorts the pattern is slightly different. As expected, average literacy and numeracy proficiencies begin to decrease as adults pass through the forties and into the fifties, sixties and beyond. The average difference between young and old age cohorts tends to be somewhat larger than the average difference between the most healthy (Class 1) and least healthy (Class 4) within each age cohort. With respect to their health status, the largest differences are among those adults who are classified as the least healthy (Class 4) and those in the other groups. There is little variation in skills among adults in Classes 1, 2 or 3.

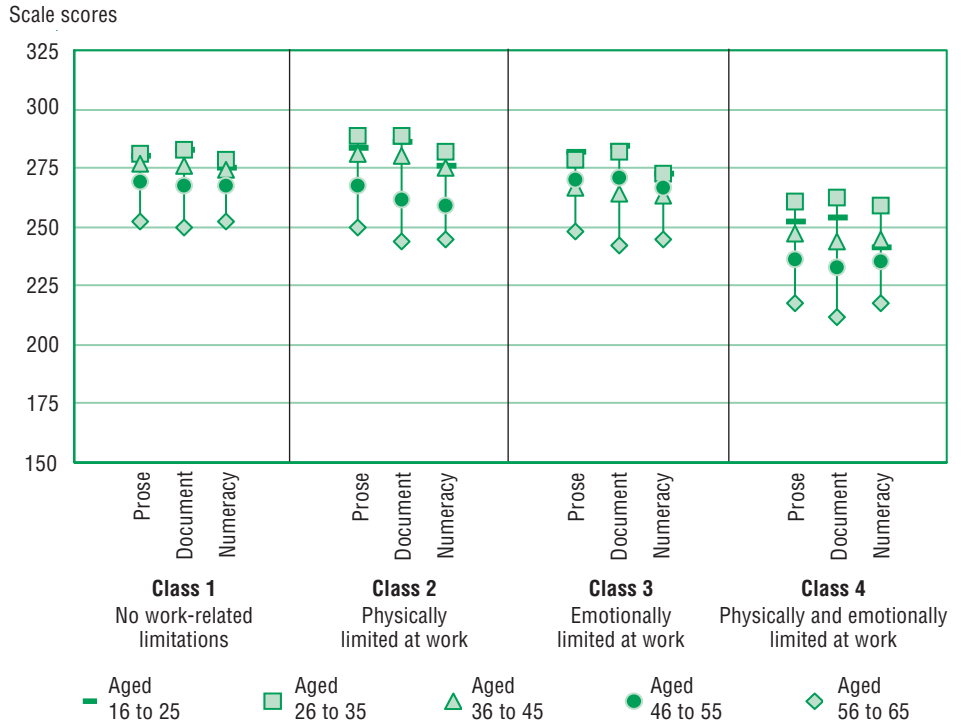
The pattern found for age is similar to that observed for educational attainment. The average difference between adults with a primary or less education and those with more than upper secondary education is around 100 points. In addition, while there is little difference between adults in Classes 1, 2 or 3, there is a difference between these adults and those in Class 4, the least healthy, for every educational group.

FIGURE 11.6

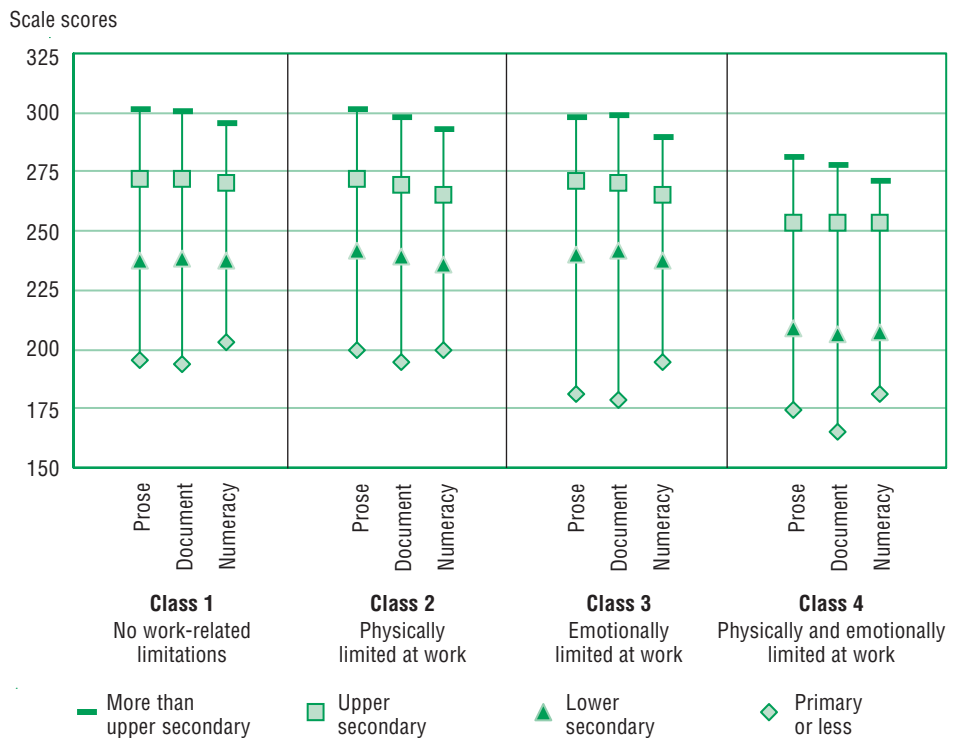
Skills and work-related health status by key demographic variables

Mean scores on the prose, document and numeracy scales ranging from 0 to 500 points by key demographic variables, populations aged 16 to 65, 2003

A. Age cohorts



B. Educational attainment



Source: Adult Literacy and Life Skills Survey, 2003.

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## Endnotes

1. For more information on NALS see Kirsch *et al.* (1993) and for more information on the IALS, see OECD and Statistics Canada (2000).
2. The amount of variation seen within a country like Switzerland may be due in part to error variance that results from estimating their latent classes based on relatively small samples.



# Annex 11A

## Data Values for the Figures

TABLE 11.1

Response profiles in the four latent classes based on general health status, populations aged 16 to 65, 2003

	Size of class	Satisfied or extremely satisfied with life	General health is very good or excellent	Health does not limit moderate activities	Health does not limit climbing stairs	Feel calm and peaceful most or all of the time	Lots of energy most or all of the time	Feel blue little or none of the time	Health or emotions limits social activities little or none of the time
	Probability								
<b>Class 1</b>									
Excellent health	19.6	0.97	0.86	0.98	0.98	0.90	0.92	0.95	0.98
<b>Class 2</b>									
Good health	51.6	0.94	0.67	0.95	0.95	0.67	0.58	0.87	0.97
<b>Class 3</b>									
Fair health	20.3	0.59	0.34	0.90	0.90	0.18	0.20	0.38	0.68
<b>Class 4</b>									
Poor health	8.4	0.43	0.08	0.15	0.19	0.33	0.14	0.42	0.42

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 11.2

Per cent of adults in each of four general health status groups by country, populations aged 16 to 65, 2003

Countries	Class 1		Class 2		Class 3		Class 4	
	Excellent health		Good health		Fair health		Poor health	
Bermuda	23.8	(1.0)	53.5	(1.0)	17.3	(0.8)	5.5	(0.6)
Canada	17.8	(0.6)	52.1	(0.8)	21.3	(0.6)	8.9	(0.4)
Italy	23.7	(1.0)	45.2	(1.4)	22.8	(1.0)	8.3	(0.4)
Norway	20.9	(0.7)	49.5	(0.9)	19.0	(0.5)	10.5	(0.5)
Switzerland (French)	9.5	(1.0)	53.3	(1.9)	29.7	(1.6)	7.4	(0.8)
Switzerland (German)	19.8	(1.3)	61.8	(1.6)	14.4	(0.8)	3.9	(0.9)
Switzerland (Italian)	26.7	(1.5)	41.8	(1.9)	24.6	(1.2)	6.8	(0.7)
United States	14.0	(0.6)	50.3	(1.1)	23.1	(0.8)	12.5	(0.7)
<b>Total</b>	<b>19.6</b>	<b>(0.4)</b>	<b>51.6</b>	<b>(0.5)</b>	<b>20.3</b>	<b>(0.3)</b>	<b>8.4</b>	<b>(0.2)</b>

Source: Adult Literacy and Life Skills Survey, 2003.

11

TABLE 11.3

Mean scores on the prose, document and numeracy scales ranging from 0 to 500 points by key demographic variables, populations aged 16 to 65, 2003

	Class 1: Excellent health						Class 2: Good health					
	Prose		Document		Numeracy		Prose		Document		Numeracy	
<b>Total</b>	264.7	(1.1)	265.2	(1.2)	264.7	(1.0)	279.8	(0.7)	279.6	(0.7)	276.6	(0.7)
<b>Gender</b>												
Male	262.1	(1.5)	266.4	(1.6)	269.3	(1.4)	277.6	(0.9)	282.4	(0.9)	283.8	(0.9)
Female	268.3	(1.4)	263.6	(1.6)	258.5	(1.6)	282.0	(0.8)	276.7	(0.9)	269.4	(0.9)
<b>Age</b>												
16 to 25	267.6	(2.2)	270.4	(2.3)	265.4	(2.3)	286.0	(1.4)	288.6	(1.5)	280.8	(1.9)
26 to 35	271.8	(2.4)	275.2	(2.1)	273.2	(1.7)	287.1	(1.6)	287.9	(1.3)	283.4	(1.6)
36 to 45	267.6	(2.5)	266.8	(2.4)	267.1	(2.4)	282.5	(1.1)	281.7	(1.1)	280.0	(1.1)
46 to 55	262.6	(2.3)	262.5	(2.4)	262.6	(2.4)	275.6	(1.6)	273.9	(1.9)	273.0	(1.9)
56 to 65	250.8	(2.1)	247.7	(2.5)	252.3	(1.6)	260.3	(1.5)	257.4	(1.8)	258.5	(1.7)
<b>Education level</b>												
More than upper secondary	293.5	(1.7)	294.5	(1.7)	291.7	(1.5)	305.1	(1.0)	304.3	(1.0)	298.7	(1.0)
Upper secondary	263.6	(1.8)	263.6	(2.1)	263.9	(1.8)	276.0	(1.0)	276.0	(1.0)	274.0	(1.1)
Lower secondary	230.6	(2.4)	231.3	(2.3)	231.6	(2.6)	244.1	(1.7)	245.3	(1.8)	242.9	(1.6)
Primary or less	189.6	(4.6)	190.2	(5.6)	196.8	(4.8)	206.2	(3.3)	204.2	(3.4)	214.0	(2.9)
<b>Nativity</b>												
Native	266.2	(1.2)	266.3	(1.4)	266.1	(1.0)	281.9	(0.6)	281.6	(0.7)	278.1	(0.7)
Non-native	257.5	(3.1)	260.1	(2.8)	258.3	(2.8)	278.1	(2.0)	277.9	(2.1)	274.6	(1.9)
	Class 3: Fair health						Class 4: Poor health					
	Prose		Document		Numeracy		Prose		Document		Numeracy	
<b>Total</b>	270.0	(1.2)	269.3	(1.2)	264.2	(1.3)	243.0	(1.8)	239.8	(1.7)	237.4	(1.6)
<b>Gender</b>												
Male	268.3	(1.7)	272.6	(1.6)	272.4	(1.6)	237.5	(2.6)	239.3	(3.0)	240.7	(2.8)
Female	271.3	(1.5)	266.8	(1.6)	257.7	(1.6)	246.5	(2.3)	240.1	(2.2)	235.3	(2.1)
<b>Age</b>												
16 to 25	280.6	(2.3)	281.9	(2.9)	271.1	(3.1)	255.6	(7.7)	258.9	(8.1)	242.8	(6.5)
26 to 35	276.9	(1.7)	279.7	(2.1)	273.1	(1.7)	264.8	(4.6)	263.0	(4.5)	255.6	(4.1)
36 to 45	272.7	(2.8)	271.2	(2.6)	266.8	(2.6)	251.8	(3.4)	249.7	(3.7)	245.5	(2.6)
46 to 55	265.1	(2.4)	261.5	(2.2)	258.0	(2.1)	243.5	(3.3)	240.0	(3.4)	240.1	(2.8)
56 to 65	239.4	(2.3)	235.2	(2.5)	238.5	(2.8)	225.3	(2.8)	219.4	(2.7)	221.2	(2.4)
<b>Education level</b>												
More than upper secondary	298.9	(1.5)	299.2	(1.6)	290.7	(1.9)	281.3	(2.9)	276.5	(2.9)	268.6	(2.8)
Upper secondary	273.8	(1.6)	272.5	(1.9)	266.6	(1.6)	253.9	(2.6)	251.3	(3.1)	248.5	(2.8)
Lower secondary	236.5	(2.4)	236.9	(2.1)	234.5	(2.6)	218.0	(3.4)	214.7	(3.7)	212.4	(3.4)
Primary or less	185.3	(3.2)	179.8	(3.4)	191.0	(3.7)	180.8	(4.6)	175.8	(5.2)	187.9	(4.3)
<b>Nativity</b>												
Native	270.8	(1.3)	269.4	(1.4)	264.3	(1.4)	245.3	(1.8)	241.7	(1.8)	238.6	(1.7)
Non-native	265.3	(3.3)	268.9	(2.9)	263.3	(2.8)	230.6	(5.5)	229.4	(4.8)	231.1	(4.0)

Note: See Box 11B in text for a description of Class 1 to Class 4 of health status.

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 11.4

**Response profiles in the four latent classes based on work-related health status, populations aged 16 to 65, 2003**

	Size of class	Accomplishes less at work	Health limits activities	Accomplishes less at work due to emotional issues	Less careful or didn't do work due to emotional issues	Pain interferes with work moderately to severely
	Per cent	Probability				
<b>Class 1</b>						
No work-related limitations	75.7	0.02	0.00	0.00	0.00	0.04
<b>Class 2</b>						
Physically limited at work	11.5	0.79	0.86	0.14	0.03	0.52
<b>Class 3</b>						
Emotionally limited at work	8.7	0.18	0.05	0.71	0.55	0.17
<b>Class 4</b>						
Physically and emotionally limited at work	4.1	0.97	0.96	0.95	0.87	0.71

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 11.5

**Per cent of adults in each of four work-related health status groups by country, populations aged 16 to 65, 2003**

Countries	Class 1		Class 2		Class 3		Class 4	
	No work-related limitations		Physically limited at work		Emotionally limited at work		Physically and emotionally limited at work	
Bermuda	82.2	(1.0)	7.5	(0.6)	8.4	(0.7)	2.0	(0.3)
Canada	74.8	(0.5)	12.5	(0.3)	8.4	(0.4)	4.3	(0.3)
Italy	81.2	(1.0)	7.2	(0.5)	6.7	(0.6)	4.9	(0.5)
Norway	68.4	(0.8)	19.0	(0.6)	8.6	(0.5)	3.9	(0.3)
Switzerland (French)	69.2	(2.2)	12.8	(1.3)	13.0	(1.3)	5.0	(0.8)
Switzerland (German)	84.8	(1.1)	7.6	(0.7)	5.2	(0.7)	2.4	(0.6)
Switzerland (Italian)	64.4	(1.2)	12.6	(1.1)	14.5	(1.0)	8.5	(1.1)
United States	67.6	(1.3)	13.7	(0.7)	12.4	(0.7)	6.4	(0.5)
<b>Total</b>	<b>75.7</b>	<b>(0.5)</b>	<b>11.5</b>	<b>(0.2)</b>	<b>8.7</b>	<b>(0.2)</b>	<b>4.1</b>	<b>(0.2)</b>

Source: Adult Literacy and Life Skills Survey, 2003.

TABLE 11.6

Mean scores on the prose, document and numeracy scales ranging from 0 to 500 points by key demographic variables, populations aged 16 to 65, 2003

	Class 1: No work-related limitations						Class 2: Physically limited at work					
	Prose		Document		Numeracy		Prose		Document		Numeracy	
<b>Total</b>	273.4	(0.7)	273.4	(0.6)	270.9	(0.6)	272.9	(1.3)	270.1	(1.3)	265.9	(1.6)
<b>Gender</b>												
Male	271.4	(0.9)	276.0	(0.9)	277.5	(0.8)	268.9	(2.1)	272.0	(2.2)	272.2	(2.3)
Female	275.6	(0.8)	270.6	(0.7)	263.7	(0.8)	276.0	(1.7)	268.7	(1.8)	260.8	(2.0)
<b>Age</b>												
16 to 25	280.1	(1.2)	282.4	(1.3)	275.1	(1.7)	283.6	(3.5)	286.4	(3.7)	276.1	(4.2)
26 to 35	280.9	(1.2)	282.6	(1.0)	278.9	(0.9)	289.0	(2.5)	288.8	(2.3)	282.0	(2.6)
36 to 45	276.9	(1.1)	276.2	(1.1)	274.2	(1.0)	281.4	(2.5)	279.9	(2.8)	274.8	(2.2)
46 to 55	269.2	(1.3)	267.8	(1.3)	267.1	(1.3)	267.8	(2.4)	261.8	(2.9)	259.1	(2.9)
56 to 65	252.3	(1.4)	249.6	(1.5)	251.9	(1.1)	249.8	(2.9)	243.8	(3.1)	244.6	(2.9)
<b>Education level</b>												
More than upper secondary	301.2	(0.8)	301.0	(0.9)	295.7	(0.8)	301.2	(1.9)	298.1	(1.9)	292.7	(2.0)
Upper secondary	272.2	(0.9)	272.0	(0.8)	270.2	(0.9)	272.3	(2.2)	269.7	(2.4)	265.2	(2.5)
Lower secondary	237.7	(1.4)	238.7	(1.5)	237.1	(1.4)	241.8	(2.7)	238.8	(3.3)	236.1	(3.4)
Primary or less	195.7	(2.0)	193.9	(2.3)	203.4	(2.6)	199.3	(5.9)	194.3	(5.8)	199.4	(5.5)
<b>Nativity</b>												
Native	275.1	(0.7)	274.8	(0.6)	272.0	(0.6)	274.3	(1.4)	271.2	(1.6)	266.7	(1.6)
Non-native	270.0	(1.6)	271.3	(1.7)	268.0	(1.4)	262.6	(3.6)	262.3	(4.0)	259.7	(3.5)
	Class 3: Emotionally limited at work						Class 4: Physically and emotionally limited at work					
	Prose		Document		Numeracy		Prose		Document		Numeracy	
<b>Total</b>	271.8	(1.7)	272.1	(1.3)	266.3	(1.5)	238.4	(2.7)	235.7	(3.0)	236.2	(2.5)
<b>Gender</b>												
Male	268.9	(2.6)	273.4	(2.3)	273.2	(2.3)	232.9	(3.8)	235.9	(4.8)	241.8	(3.5)
Female	274.1	(2.2)	271.2	(1.9)	260.9	(2.4)	241.5	(3.5)	235.7	(3.6)	233.1	(3.1)
<b>Age</b>												
16 to 25	281.9	(3.1)	284.1	(3.2)	272.3	(3.4)	252.5	(11.9)	254.1	(10.1)	241.5	(9.0)
26 to 35	278.9	(2.9)	281.9	(3.6)	272.6	(3.5)	260.8	(5.9)	262.8	(7.1)	259.3	(5.8)
36 to 45	266.3	(3.5)	264.0	(2.7)	262.9	(2.9)	246.8	(4.4)	244.2	(5.1)	244.5	(5.1)
46 to 55	269.9	(5.8)	271.2	(5.9)	266.5	(4.1)	236.3	(4.4)	232.9	(4.6)	235.4	(4.1)
56 to 65	248.0	(5.6)	242.2	(4.6)	245.0	(4.9)	217.7	(3.5)	212.1	(4.0)	217.4	(4.0)
<b>Education level</b>												
More than upper secondary	298.3	(3.0)	299.1	(3.1)	289.8	(2.6)	281.1	(4.2)	277.8	(3.5)	271.5	(3.8)
Upper secondary	271.1	(2.2)	270.4	(2.4)	265.1	(2.2)	253.6	(2.2)	253.2	(3.0)	253.2	(3.0)
Lower secondary	239.9	(4.1)	242.1	(4.1)	237.5	(3.0)	209.2	(3.5)	206.5	(3.8)	206.8	(3.5)
Primary or less	181.0	(13.5)	178.8	(14.9)	194.2	(7.3)	174.1	(6.1)	165.5	(6.6)	181.1	(6.4)
<b>Nativity</b>												
Native	273.8	(1.6)	274.0	(1.6)	267.6	(1.7)	239.4	(2.7)	235.8	(2.9)	236.3	(2.6)
Non-native	261.8	(5.5)	262.8	(4.8)	259.4	(3.9)	233.1	(6.3)	235.5	(8.0)	235.8	(6.7)

Note: See Box 11C in text for a description of Class 1 to Class 4 of work-related health status.

Source: Adult Literacy and Life Skills Survey, 2003.

# Annex 11B

## Work-Related and General Health Questions from ALL

- G13A Because of your health, do you accomplish less at work...
- G13B Health limits kind of work or activities ...
- G14A Accomplish less because of emotional problems
- G14B Didn't do work or other activities as careful because of emotional...

### Value Label

- 1 Yes
- 2 No
- 8 Refused
- 9 Not stated

- G15 How much did pain interfere with work?

### Value Label

- 1 Not at all
- 2 A little bit
- 3 Moderately
- 4 Quite a bit
- 5 Extremely
- 8 Refused
- 9 Not stated

- G10 General feeling about your life?

### Value Label

- 1 Extremely satisfied
- 2 Satisfied
- 3 Neither satisfied nor dissatisfied
- 4 Unsatisfied
- 5 Extremely unsatisfied

11

**Value Label**

- 6 No opinion
- 8 Refused
- 9 Not stated

G11 In general, how is your health?

**Value Label**

- 1 Excellent
- 2 Very good
- 3 Good
- 4 Fair
- 5 Poor
- 8 Refused
- 9 Not stated

G12A Does your health limit moderate activities

G12B Does your health limit climbing stairs?

**Value Label**

- 1 Yes, limited a lot
- 2 Yes, limited a little
- 3 No, not at all limited
- 8 Refused
- 9 Not stated

G16A Feeling calm and peaceful?

G16B Did you have a lot of energy?

G16C Have felt downhearted and blue?

**Value Label**

- 1 All of the time
- 2 Most of the time
- 3 A good bit of the time
- 4 Some of the time
- 5 A little of the time
- 6 None of the time
- 8 Refused
- 9 Not stated

G17 Physical and emotional problems interfered with social activities?

**Value Label**

- 1 All of the time
- 2 Most of the time
- 3 Some of the time
- 4 A little of the time
- 5 None of the time
- 8 Refused
- 9 Not stated

# Conclusion

## Directions for further work

This report confirms many of the conclusions revealed through analysis of IALS data, including:

- Large differences in skills exist both within and between countries.
- Most of the differences in the level and distribution of skill can be explained using the variables that are available from the study background questionnaire. These include social background, education and a range of variables that reflect how adults lead their lives.
- The differences in the level and distribution of skill are associated with large differences in outcomes in multiple life domains – work, education, home and the community.

This report also reveals a number of new insights including:

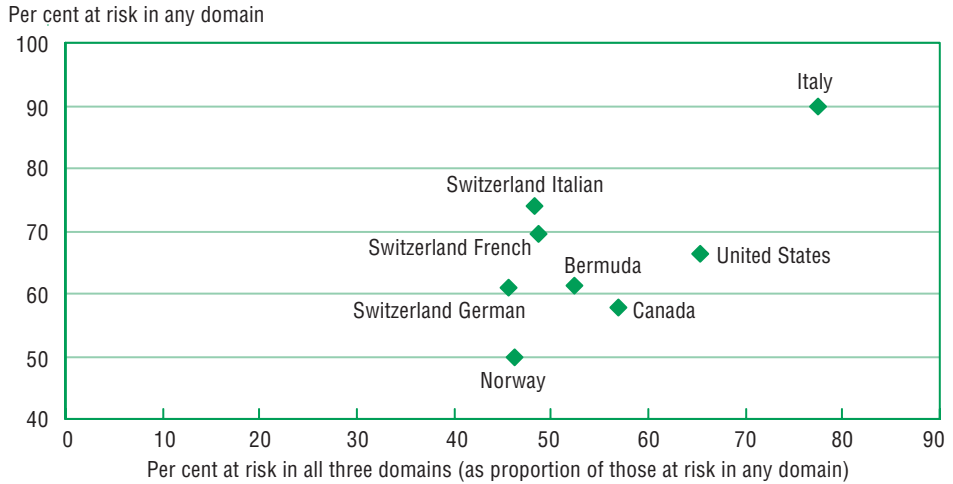
- Evidence of significant changes in the distribution of skill by skill level that differ by country and by age. Although changes in mean country performance are not substantial, the results show some improvement among the five per cent of adults with the lowest scores. There is also some evidence of skill loss in some population sub-group.
- Large differences within and between countries in the intensity of ICT use were observed. In some countries, respondents with medium to high literacy skills have between two and three times the odds of being high intensity computer user. This has implications for future wage inequality, given the strong relationship observed between literacy, high ICT use and income.
- General health status and health status at work both appear to be strongly related to literacy.

As mentioned at the outset, the ALL study also makes it possible to explore patterns of individual strength and weakness among the four skill domains assessed by the ALL. The fact that large numbers of adults in each country display weakness in multiple skill domains is a matter of serious concern. Figure C1 reveals, however, that the pattern of skill weakness varies considerably by country.

FIGURE C1

The depth of risk

Number of adults aged 16 to 65 at Levels 1 and 2 in prose literacy, document literacy and numeracy as a per cent of the total population at Level 1 and 2 in any domain by country, 2003



Source: Adult Literacy and Life Skills Survey, 2003.

Information on patterns of disadvantage provides useful input for the design of remedial education programs. Precisely what the policy prescription would be for each country will need to be the subject of focused national analysis, using the ALL data set. The purpose of this conclusion, therefore, is not to explore policy directions or options for countries to pursue. Rather the goal is to highlight priorities for further analysis of the ALL data and to identify missing data elements that must be addressed by future comparative surveys of adult skills.

Priorities for further analysis

As revealed in Figure C1 there are significant proportions of adults in all countries who display serious weaknesses in multiple skill domains. Thus, there is an urgent need to analyze the complementarity and substitutability of different skills clusters. It is not at all clear whether ad hoc part time workplace or informal approaches will yield the desired skill gains. There is a particular need to clarify this issue for vulnerable groups such as language minorities, immigrants and indigenous populations

The findings show that the high ICT use requires prior literacy and numeracy skill. ICT skills, in turn, amplify the productivity effects of capital and labour and hence drive inequality in wages. Thus any attempt to mitigate the digital divide must first address shortcomings in literacy and numeracy (Kirsch and Lennon, 2002). Thus more in-depth analysis is required to understand the link between the skills measured in ALL and industrial and occupational segmentation and productivity growth.

The countries surveyed here differ greatly in the investments they are making to support formal, non-formal and informal learning. These differences



in strategy are often the result of unintended consequences of differing assumptions about the balance of skill demand and supply, in particular, the extent to which the initial education system can satisfy the skill requirements of labour markets. It has often been assumed that informal learning at work and in daily life can mitigate skill shortages. The ALL findings would seem to challenge this assumption but further analysis is required to understand the interaction between different modes of adult learning and especially the role of the workplace in skill formation.

The relationships between literacy, numeracy, health status, and various labour market outcomes are sufficiently strong to posit that investments in foundation skills would lead to improved levels of health, increased productivity, reduced social costs, and higher growth. Further analysis could attempt to identify separately the direct and indirect effects of literacy and numeracy on health.

Analyses of the IALS data have revealed much larger than expected effects of foundation skills on long-term macro-economic growth (Coulombe, Tremblay and Marchand, 2004). Yet there still remains considerable doubt about the relationship between literacy and numeracy and higher order skills, and how skill hierarchies precipitate growth. A large challenge for further analysis is therefore to undertake macro-economic growth modelling while disentangling the direct and mediated effects of different types of skill.

This report has presented the first analysis of change in skill profiles over time for the countries that collected data at two time intervals. The results point to significant skill loss in several countries. Given the high costs and returns accruing to skill development, the top priority for further work is to study the determinants of skill gain and loss.

## Priorities for future adult skill assessments

Three priorities flow naturally from the findings presented above. First, there is a need to directly assess the ICT skills of workers to better understand their impact on productivity growth and individual outcomes. Second, the link between skill and health calls for a focused assessment of health literacy demands, corresponding skills, and direct observations on health indicators. Third, understanding the dynamic of skill gain and loss depends critically on a survey design that samples workers from within firms and segmented labour markets.

The *Definition and Selection of Key Competencies* (DeSeCo) programme of work (Rychen and Salganik, 2001, 2003) identifies key competencies that are essential for the personal and social development of people in modern, complex societies. Supported and endorsed by the OECD and Member states, DeSeCo provides a conceptual frame of reference to guide future adult skill assessments. It defines three skill categories: interacting in socially heterogeneous groups; acting autonomously; and using tools interactively. The ALL survey has made progress towards measuring the latter type of skill and related values and beliefs. It remains a priority for future surveys to enrich the DeSeCo conceptual framework as well as to develop more operational assessment frameworks and associated measurement instruments. The assessment of the ability to relate well to others, to co-operate, and to manage and resolve conflicts, and to act autonomously, is particularly relevant to future assessments of adult skills in pluralistic societies.

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# Data Values for the Figures

TABLE C1

Number of adults aged 16 to 65 at Levels 1 and 2 in prose literacy, document literacy and numeracy as a per cent of the total population at Level 1 and 2 in any domain by country, 2003

	Number of domains in which individuals are at risk (Below Level 3)								At risk in all 3 domains as a percentage of those at risk in any domain	
	0		1		2		3			
Bermuda	38.8	(0.02)	16.0	(0.01)	13.1	(0.01)	32.1	(0.01)	52.5	(0.01)
Canada	42.1	(0.01)	14.5	(0.01)	10.5	(0.01)	32.9	(0.01)	56.8	(0.01)
Italy	10.3	(0.01)	8.5	(0.01)	11.7	(0.01)	69.5	(0.01)	77.4	(0.01)
Norway	50.2	(0.01)	16.0	(0.01)	10.8	(0.01)	23.1	(0.01)	46.3	(0.01)
Switzerland (French)	30.4	(0.02)	16.7	(0.02)	19.0	(0.02)	33.9	(0.02)	48.7	(0.02)
Switzerland (German)	39.1	(0.02)	15.8	(0.01)	17.3	(0.02)	27.8	(0.02)	45.6	(0.02)
Switzerland (Italian)	26.1	(0.02)	16.6	(0.01)	21.6	(0.02)	35.6	(0.01)	48.2	(0.01)
United States	33.7	(0.02)	12.3	(0.01)	10.7	(0.01)	43.3	(0.01)	65.4	(0.01)

Source: Adult Literacy and Life Skills Survey, 2003.

