

# Labour market outcomes for high school leavers [\(1\)](#)

*Sid Gilbert*

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Whether students graduate from high school or leave before completion has important employment consequences. Job prospects for young people lacking a high school diploma are grim. Even those who graduate but receive little or no further training face stiff competition on the job market. The latter, however, do at least possess the minimum academic credentials that most employers demand and that are necessary to enter postsecondary institutions.

According to Statistics Canada's School Leavers Survey (SLS), in 1991, approximately 152,000 18 to 20 year-olds were "leavers" [\(2\)](#) in that they had withdrawn from high school before graduating and had received little or no additional formal instruction (see [Data Source](#)). A somewhat larger number (189,000) of 18 to 20 year-olds were high school graduates who had little or no further education or training. A comparison of these two groups reveals the effect that a high school diploma alone has on early labour market experiences and income. [\(3\)](#) This comparison is apt to be a conservative estimate of the impact of high school completion, because some of the leavers had been out of school for five or more years and, therefore, had more time than did the graduates to find employment.

## Employment patterns

The majority of both leavers and graduates had held a job at some time since leaving school. There was little difference among the men, with more than nine out of ten male leavers and graduates reporting that they had worked. By contrast, female graduates were more likely than female leavers to have been employed (92% versus 84%).

In the spring of 1991, fewer than two-thirds of male leavers were employed, compared with three-quarters of male graduates ([Chart A](#)). This discrepancy was ironic in that work-related considerations had been among the main reasons for male leavers' decision to quit school (see [Why did they leave?](#)).



## Chart A **High school leavers were less likely than graduates to be employed.**

Source: *1991 School Leavers Survey*

The same pattern held among women, with just half of female leavers working, compared with three-quarters of graduates. With regard to unemployment, the proportion of female leavers who were unemployed exceeded that of graduates (26% versus 18%). The most notable difference between the two groups was in the proportion outside the labour force: close to 25% of the female leavers, compared with only 6% of the graduates.

## Different jobs

The occupational distributions of employed leavers and graduates differed sharply. Among men, a higher proportion of leavers (61%) than graduates (47%) had blue-collar jobs. On the other hand, clerical, sales and service occupations together accounted for a larger share of jobs held by male graduates than by leavers (44% compared with 28%).

The occupations of female leavers and graduates also varied. Leavers were more likely than graduates to be in service occupations: 40% versus 26%. Alternatively, the percentage of female graduates in clerical positions (39%) was almost double that of female leavers (20%).

## Long hours

Male leavers tended to work longer hours than did male graduates. In part, this may reflect the leavers' concentration in blue-collar occupations where overtime is common ([Cohen](#), 1993). While the same proportion (73%) of male leavers and graduates put in work weeks of 40 or more hours, a quarter (26%) of the leavers worked 50 or more hours a week, compared with 17% of the graduates.

On the other hand, among women, graduates spent more time than leavers on the job. Almost half of female graduates (49%) worked 40 or more hours a week, compared with 42% of female leavers. Few women, whether leavers or graduates, worked 50 or more hours a week.

There was little difference between the proportions of leavers and graduates working less than 30 hours a week. Among those who were employed, just over 10% of the men and around 25% of the women reported weekly hours in this range. The leading reasons cited for working short hours were that the job

was part time or that they could not get more hours.

## Low incomes

Both leavers and graduates had very modest incomes, which undoubtedly reflect their low level of education and entry-level jobs.

In the 12 months before the survey, 51% of both male leavers and graduates had a pre-tax personal income of \$10,000 or less. A small minority of both groups (12% of leavers and 11% of graduates) reported more than \$20,000.

The income situation of young women was even less favourable than that of men: 66% of female graduates and 60% of female leavers had personal incomes of \$10,000 or less. A negligible proportion of both groups reported \$20,000 or more.

The major difference between leavers' and graduates' income was the sources from which it came. Leavers tended to rely more than graduates on government transfer payments and other types of social assistance. [\(4\)](#)

Not unexpectedly, considering their high unemployment, leavers were more likely than graduates to receive unemployment insurance (28% versus 23%). As well, the percentage of leavers with social assistance or welfare payments (18%) was more than twice the figure for graduates (8%).

The discrepancy in transfer payments was particularly pronounced among women ([Chart B](#)). For example, 30% of female leavers, but just 10% of female graduates, received social assistance. These figures are not surprising in light of the sizeable proportion of female leavers who were not in the labour force.



### **Chart B A larger proportion of high school leavers than graduates received government transfer payments.**

*Source: 1991 School Leavers Survey*

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## Future training

Most leavers and high school graduates seemed to acknowledge the need for additional training to

enhance their labour market prospects. In fact, 95% of leavers and 97% of graduates either planned to take further training or were interested in acquiring new skills.

However, leavers were less likely than graduates to have specific, long-term occupational goals. For example, when asked what skill or type of training they wanted, 24% of leavers, but just 13% of graduates, indicated "no specialization" or "don't know." Similarly, 20% of leavers did not know where they would get the type of training or education that they wished to pursue, compared with 9% of graduates.

## Summary

A high school diploma does make some difference for young people entering the labour market. Graduates are more likely than leavers to be working and less likely to receive public assistance.

Nonetheless, a high school diploma alone is clearly not enough. While graduates fared somewhat better than leavers, a large proportion of them were unemployed, and their incomes were low. For graduates, however, additional education is a more realistic possibility than it is for leavers, as most postsecondary programs require high school graduation for entry.

The timing of the SLS, however, may have had an effect on the labour market picture of both leavers and graduates. The survey was conducted in the midst of a recession that was particularly hard on young people. Thus, the data on the employment and income of both groups may considerably underestimate young people's prospects and the impact of education on long-term employment outcomes.

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## Why did they leave?

Students leave school for a variety of reasons that include financial considerations, personal problems, and boredom with the classroom routine. However, the most frequently reported reasons for early departure were work-related. Overall, 22% of leavers said that they preferred work to school, and another 8% declared that they left for financial reasons or because they had to work. Male leavers were more likely than their female counterparts to give work-related reasons for quitting: 38% versus 16%. For both men and women, boredom also figured prominently (19% and 22%, respectively). Family and personal reasons were mentioned more often by women than by men. In fact, among female leavers, pregnancy/marriage ranked among the top five reasons for quitting school before graduation.

## Data source

The School Leavers Survey (SLS), a joint initiative by Statistics Canada and Human Resources and Labour Canada, was conducted from April to June of 1991. The purpose of the survey was to determine a school leaver rate and obtain data on the factors associated with early withdrawal from formal education.

The target population consisted of people aged 18 to 20 as of April 1, 1991, who were living in Canada. Residents of the Yukon and the Northwest Territories were excluded, as were institutional residents (those living in a shelter, transition home, prison, etc.). Using the Family Allowance file as the sampling frame, a stratified random sample of 18,000 was selected. A total of 10,782 individuals were traced (60% contact rate), and 9,460 were interviewed (88% response rate). A computer-assisted telephone interview obtained data on demographic, social and economic characteristics, school experiences, and postschool outcomes. These respondents represented 1,136,000 individuals: 184,000 leavers, 241,000 continuers (still in high school), and 711,000 high school graduates.

The leavers and graduates compared in this article are those who took no further education or training after high school, as well as a small number who had taken some type of instruction (although they did not know whether it was a course or a program) but were not in school at the time of the interview. Leavers who had completed additional education or training were excluded; therefore, the group of leavers analyzed here is somewhat smaller than the estimate of all leavers (152,000 versus 184,000). Similarly, the group of graduates examined in this article is much smaller than the total number of high school graduates, most of whom had gone on to postsecondary studies (189,000 versus 711,000).

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## Notes

### *Note 1*

This article is based on a chapter in *Leaving School: Results from a national survey comparing school leavers and high school graduates 18 to 20 years of age*. ([Gilbert et al](#), 1993).

### *Note 2*

The terms high school "leaver," "non-completer," and "dropout" are often used interchangeably to indicate students who have left school without receiving a diploma or certificate. Because "dropout" has a pejorative and stigmatizing connotation, the more neutral designation, high school "leaver," is used to describe SLS findings.

### **Note 3**

These "pure" graduates and leavers represent only 30% of the total population surveyed. About one-fifth of all 18 to 20 year-olds were still enrolled in high school, while the majority of those who had graduated had gone on to postsecondary education and a few had even completed their programs. As well, some of the leavers had entered postsecondary education or had received additional training.

### **Note 4**

Social assistance/welfare refers to money provided by provincial or municipal authorities to those who qualify, based on a needs test.

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## **References**

- Cohen, G.L. "[Paid overtime.](#)" *Perspectives on labour and income* (Statistics Canada Catalogue 75-001E) 5, no. 3 (Autumn 1993): 11-16.
- Gilbert, S., L. Barr, W. Clark, M. Blue, and D. Sunter. *Leaving school: Results from a national survey comparing school leavers and high school graduates 18 to 20 years of age*. Ottawa: Statistics Canada and Human Resources and Labour Canada, September 1993.

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## **Source**

*Perspectives on Labour and Income*, Winter 1993, Vol. 5, No. 4 (Statistics Canada, Catalogue 75-001E). This is the second of six articles in the issue.

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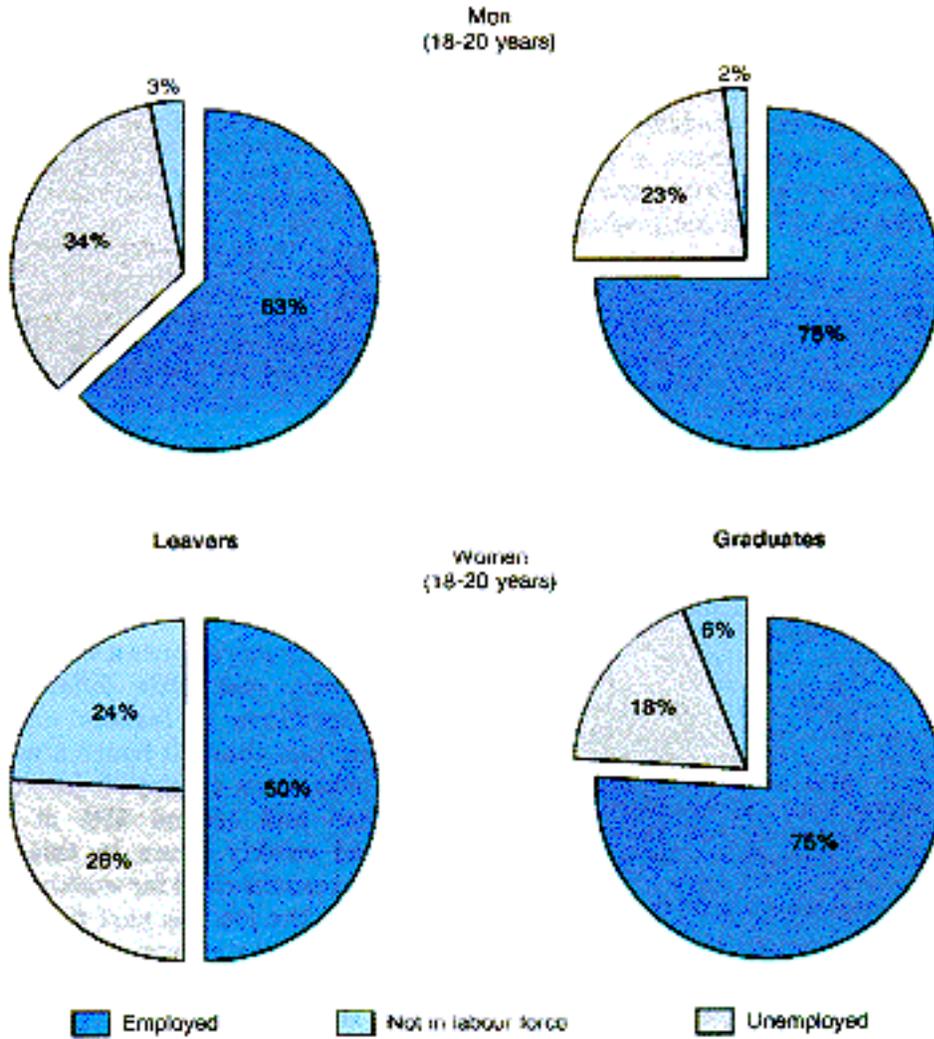
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Chart A

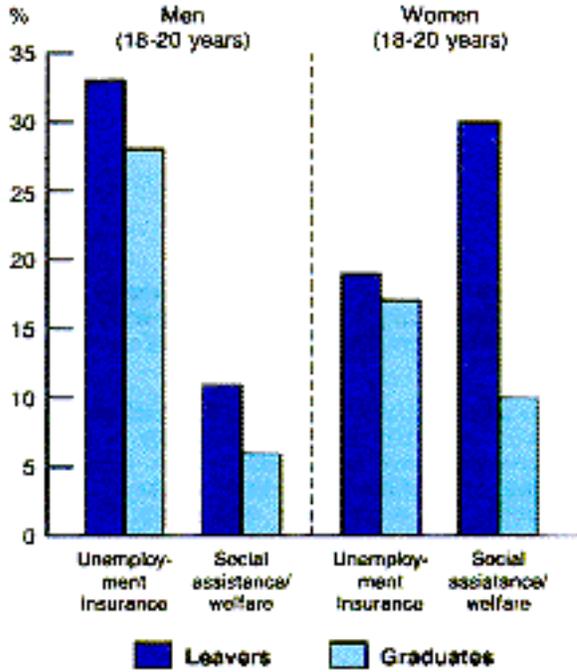
High school leavers were less likely than graduates to be employed.



Source: 1991 School Leavers Survey

**Chart B**

**A larger proportion of high school leavers than graduates received government transfer payments.**



Source: 1991 School Leavers Survey