



Labour Market Matters

Volume 6, Issue 8

August 2014

Will the tolling of the retirement bell for the baby boom generation ring in the advent of brighter labour market prospects for younger generations?

Canada's population has been aging steadily for several decades. In 1976, the median age of men in the population was only 27.2 years, but by 2013, had risen to 39.4 years. The trend reflects both an increase in the life expectancy of Canadians at birth and also the impact of the aging baby boom generation. While youth have historically experienced higher unemployment rates than older workers, the post-recession reality of a workforce still dominated by the baby boom generation – some of whom have delayed retirement due to uncertain economic conditions left behind from the most recent recession – has created concern that older workers are filling jobs that would otherwise have been held by youth. Whereas some countries have attempted to address this concern with policy initiatives providing older workers with incentives to retire early (such as the Job Release Scheme (JRS) of the 1970s and 80s in the United Kingdom), such policy proposals are often criticized as lacking a theoretical foundation – given the fact that older workers and youth are generally not perfect substitutes for one another. A study entitled **“Workforce Aging and the Labour Market Opportunities of Youth: Evidence from Canada”** (CLSRN Working Paper no. 139) by CLSRN affiliates Sundip Dhanjal and Tammy Schirle (both of Wilfrid Laurier University) estimates the effect of workforce aging on youth unemployment, employment, wages and school enrolment. The study finds no evidence to suggest youth labour market outcomes would improve if fewer older individuals were active

in the labour market – and instead find some evidence that an aging workforce could have positive implications for young workers.

Using data from the Labour Force Survey (LFS), the researchers construct a panel data set of youth labour market outcomes and workforce demographics in each province over the years 1976-2013. The study finds that an increase in the share of the labour force aged 55 - 69 by one percentage point is associated with a 0.73 percentage point reduction in the unemployment rate of men aged 25 - 29. After accounting for the business cycle and provincial trends, the study estimates indicate that a one percentage point increase in share of the population aged 55 - 69 is associated with a 0.22 percentage point reduction in unemployment rates among men aged 25 - 29.

The researchers suggest that much of the variation in youth unemployment over time appears to follow the general business cycle. Indeed, peak youth unemployment in the mid - 1990s corresponded to a recessionary period and a low-point in participation rates among older men in the labour market, which suggests that older workers may not necessarily be a contributing factor to the under-participation of younger workers in the labour market.

The increasing tendency for youth to pursue higher education may also be a factor in the growing relative scarcity of younger people in the labour force. While employment rates of young men aged 20 to 24



Tammy Schirle
(Wilfrid Laurier University)

was found to decline by 8 percentage points from 1976 - 2013, the portion in school full time increased by 13 percentage points over the same period. The portion of the population with a university degree has increased substantially from 1976 (7.2 percent) to 2013 (22.7 percent). This reflects a general trend in higher educational attainment which has caused a collective delay of young people making a definitive entry to the labour market.

Dhanjal and Schirle's study finds that contrary to the popular fear that the older generation is holding younger generations back in the work force, this supposition is unsupported by empirical evidence. Rather, youth employment is likely to follow business cycle patterns. Further, younger individuals are increasingly choosing to delay entry into the labour market in favour of the pursuit of higher education, which provides younger people with better mobility and earnings in the labour market.

Special points of interest:

- In addition to having virtually no negative impact on the employment rates of younger workers, an increase in the number of older workers employed in the workforce is found to be associated with a reduction in the unemployment rate of younger workers.
- Fatal high school shootings found to have a significant impact on the academic achievement in Math and English for both surviving victims and witnesses to such events.

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Sundip Dhanjal
(Wilfrid Laurier University)

School shootings can create lasting negative impact on academic performance and future wage and job prospects for survivors

While high school shootings make up a relatively small percentage of teenage murders, their negative impact on student psyche can be lasting and damaging. Extremely violent incidents could be a distraction from learning, and fear and the perception of an unsafe learning environment could impede students from being open to new opportunities that are essential to learning and, even more problematically, students may avoid attending school. Violent incidents can affect the allocation of teaching time. These factors could influence students' cognitive performance and behavioral outcomes.

Apart from the emotional and psychological trauma inflicted by school shootings, what impacts do these events have on academic performance of students who survive these events and return to school? A CLSRN study entitled ***“The Effect of High School Shootings on Schools and Student Performance”*** (CLSRN Working Paper no. 136) by Louis-Philippe Béland (Louisiana State University) and Dongwoo Kim (University of Illinois at Urbana-Champaign) find that school shootings significantly decrease the enrollment of students in grade 9 (high-school entrance grade), and test scores in Math and English.

Merging existing data on fatal shootings with the high-school-level Common Core of Data (CCD) and school report cards, the researchers

examine the impact of fatal school shootings on enrollment patterns, academic performance, and a range of behavioural variables such as graduation, attendance and suspension rates. The analysis finds a 5.8 percent decline in grade 9 enrollment for the average school experiencing a shooting. The proficiency rate in math was also affected, decreasing by 4.92 percent for the average school following a shooting. The effect of shootings have a slightly smaller impact on English scores, decreasing by 3.9 percentage points relative to comparable schools. The negative impact of a school shooting on Math and English scores persists up to 3 years after the shooting and is not driven by change in student body.



Louis-Philippe Béland
(Louisiana State University)

Students achieving lower high school scores following deadly shooting events is troubling as previous research has found that test scores administered between the ages of 14 and 21

“Students achieving lower high school scores following deadly shooting events is troubling as previous research has found that test scores administered between the ages of 14 and 21 are highly significant predictors of wages at age 26 to 29, as well as being an indicator of wage level and probability of being employed at age 33.”

are highly significant predictors of wages at age 26 to 29, as well as being an indicator of wage level and probability of being employed at age 33. Previous research has shown that students who have been exposed to violent crime show a greater number of post-traumatic stress disorder (PTSD) symptoms, and among those exposed to a violent crime, 44.3 percent were categorized as having “moderate” PTSD, while another 18.6 percent were diagnosed as having “severe” PTSD symptoms. Furthermore, research has found that both victims and witnesses exhibit a similar number of PTSD symptoms making events such as school shooting an exceedingly damaging collective traumatic incident in a school environment as there are often more



Dongwoo Kim
(University of Illinois at Urbana-Champaign)

witnesses to such events than actual victims.¹

For two consecutive years in 2013 and 2014, US President Barack Obama has mentioned the negative effects of school shootings in his State of the Union address. The finding that school shootings have consequences for academic achievement for surviving students – which can have long-run impacts on the rest of their lives including their future earnings and employability, means that the policy makers should consider providing extra support to all students in schools where a shooting occurs as well as invest in preventative measures such as gun control, as a matter of an imperative collective investment for the future.

Please, click on bibliographical links, or see [full paper](#) for complete bibliographical information.
¹[Berman et al.](#) 1996.

Endnotes

[Labour Market Matters](#) is a publication of the Canadian Labour Market and Skills Researcher Network (CLSRN). The CLSRN is supported by the Social Science and Humanities Research Council of Canada (SSHRC) under its Strategic Research Clusters program. Opinions expressed in this publication do not necessarily reflect the views of the SSHRC. Articles in *Labour Market Matters* are written by Vivian Tran - Knowledge Transfer Officer, CLSRN, in collaboration with the researchers whose works are represented. For further inquiries about *Labour Market Matters* or the CLSRN, please visit the CLSRN Website at: <http://www.clsrn.econ.ubc.ca> or contact Vivian Tran at: Vivian.Tran@ubc.ca