



Labour Market Matters

Special points of interest:

- Study finds that Aboriginal students perform better in schools with greater proportions of peers who are also Aboriginal.
- A pair of companion studies examines the reasons behind the Aboriginal educational gap; and how much of a gap remains after accounting for academic and socio-economic differences between Aboriginals and non-Aboriginals

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Brian Krauth
(Simon Fraser University)

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Peer Effects and the Achievement of Aboriginal Students in British Columbia

Aboriginal Canadians experience a disproportionate incidence of social and economic deprivation, including: poverty, health outcomes, drug and alcohol addiction and suicide. Some analysts believe that the key to breaking the cycle of poverty among off-reserve Aboriginal Canadians lies in improving educational outcomes among Aboriginal children and youth. A CLSRN study by Jane Friesen and Brian Krauth (both of Simon Fraser University) entitled **“Sorting, peers and achievement of Aboriginal students in British Columbia”** ([CLSRN Working Paper no. 43](#))¹ examines the extent to which differences in school environment contribute to the achievement gap between Aboriginal and non-Aboriginal students as measured by standardized test scores.

Data from the 2006 Census and the 2004 Department of Indian and Northern Development Educational Statistics indicate that over 92% of Aboriginal students in British Columbia in the grades 4 – 7 age groups attend school off-reserve. The researchers follow three cohorts of students – 9% of whom self-identify as Aboriginal – from their entry into grade 4 in 1999, 2000 and 2001 through their completion of grade 7. The study found that the grade 7 achievement gap between Aboriginal and non-Aboriginal children is large in both reading and numeracy; and find that although most of the test score gap between Aboriginal and

non-Aboriginal children observed in grade 7 is already established in grade 4; the gap continues to widen over grades 4 to 7.

The researchers note that the incidence of assessed disabilities is two-and-a-half times higher among Aboriginal students compared to non-Aboriginal students and that those with disabilities have significantly weaker academic performance. The researchers find however, that differences in disability rates only explain a small proportion of the test score gap between Aboriginal and non-Aboriginal students. Therefore, they hypothesize that while important, services for disabled students will not, on their own, contribute substantially to closing the overall achievement gap. The study also found a high degree of segregation of Aboriginal and non-Aboriginal students across schools.

The “peer environment” that Aboriginal students tended to be in was found to be generally different from that of non-Aboriginal students. The researchers found that the average Aboriginal student has a substantially higher proportion of Aboriginal peers and somewhat higher proportion of peers with disabilities. This peer environment may create a number of challenges. For example, students may learn less when in contact with peer who do not perform well academically; parents with limited resources, time, money or skills may be unable to contribute to their child’s schooling; and students with behavioural disorders or learning disabilities may take instructor time



Jane Friesen
(Simon Fraser University)

or energy away from classmates.

Interestingly, the analysis finds that almost none of the test score gap between Aboriginal students and non-Aboriginal students can be explained by differences in peer group composition. In fact, Aboriginal students perform better when they attend school with a greater proportion of peers who are also Aboriginal, and they experienced limited if no disadvantage from attending school with a greater population of peers with disabilities. One explanation for these findings that the researchers note is that classes that are more homogenous may allow teachers to provide more specialized services and may contribute to a more comfortable and supportive school community.

¹ After its release in the CLSRN Working Paper series in October 2009, this paper was subsequently published in the [November 2010 issue of the Canadian Journal of Economics](#).

Investigating the Educational Attainment Gap between Aboriginals and Non-Aboriginals

Education is one of the cornerstones to building labour market success and economic well-being in Canada. In Canada, a significant gap between Aboriginal and non-Aboriginal individuals in terms of educational attainment exists. While this educational gap is well-documented, relatively little is known about the causes behind this disparity. A pair of companion studies by CLSRN Affiliate Marc Frenette (Social Research and Demonstration Corporation) entitled **“What Explains the Educational Attainment Gap between Aboriginal and Non-Aboriginal Youth?”** ([CLSRN Working Paper no. 78](#)) and **“Are the Labour Market Benefits to School Different for Aboriginal and Non-Aboriginal People?”** ([CLSRN Working Paper no. 79](#)) examine the possible reasons behind the educational attainment gap between aboriginal and non-aboriginal individuals in Canada.

In the first study, Frenette examines how much of a gap in educational attainment remains after accounting for observed differences in academic and socio-economic characteristics between Aboriginal and non-Aboriginal youth, and to determine the extent to which these characteristics are correlated with educational attainment.

Using the Youth in Transition Survey (YITS) Frenette finds that differences in academic and socio-economic characteristics account for 90 percent of the university attendance gap between aboriginal and non-

aboriginal individuals. Of these characteristics, the lower academic performance of Aboriginal youth account for almost half of the gap with performance on scholastic tests explaining a larger portion of the gap than performance on standardized tests. Differences in the home environment (maternal education, books in the home, etc.) account for a smaller portion of the gap, while differences in parental income had very little direct effect on the university attendance gap. Differences in academic and socio-economic characteristics account for a smaller proportion of the gap in high school completion than in university attendance.

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In the next study, Frenette examines an alternative explanation behind the gap in educational attainment: the possibility that Aboriginals may benefit less from typical labour market benefits attributed to additional schooling than do their non-Aboriginal



Marc Frenette
(Social Research and
Demonstration Corporation)

counterparts. According to the 2006 Census of population, more than one in five (21.8 percent) of Aboriginal individuals lived in families with after-tax income below the “low-income cut-off” (LICO). This is about twice the level as for non-Aboriginal individuals (11.1 percent). As education is widely understood to be an important contributor to labour market success, a strong understanding of the benefits to schooling experienced by Aboriginal people, could help our understanding of why Aboriginal individuals tend to experience more poverty than non-Aboriginal individuals.

Using the 2006 Census Population micro-data file, and focusing on three groups of Aboriginal people: off-reserve North American Indians, Metis, and Inuit, Frenette found that among individuals working full-year and full-time, additional schooling is associated with roughly the same increase in wages and salaries for Aboriginal and non-Aboriginal people. Among bachelor degree

graduates, Aboriginal and non-Aboriginal individuals who have chosen similar disciplines earn roughly the same wages. Although unemployment is higher among Aboriginal than non-Aboriginal people (even if their degrees are in the same disciplines), the probability of unemployment is reduced to the same extent with additional schooling for both groups. These results hold true regardless of whether Aboriginal people live off-reserve, on-reserve or in northern communities.

These findings suggest that the labour market benefits to schooling are not likely to be a factor behind the lower levels of educational attainment among Aboriginal people, as it appears that higher-education benefits Aboriginal individuals, much the way it benefits non-aboriginal individuals (and more so in terms of reducing unemployment). Furthermore, the study did not find significant evidence that perceptions of the benefits to schooling are any different for Aboriginal youth than they are for non-Aboriginal youth.

The main conclusion that can be drawn from the two studies is that the educational attainment gap is not likely to be related to parental income or to the economic incentives of pursuing higher education. School level factors are more plausible. Frenette cites earlier work stressing the importance of introducing Aboriginal content in school curricula, as well as Aboriginal community involvement in schools.

Endnotes

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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