

## Experiences of youth in terms of their financial literacy

**50%** responded average to poor in ability to make comparisons between TFSA and RRSP

Most youth expressed good saving tendencies instilled by frugal immigrant parents, with 40% always making an attempt to save money.

Most youth also did not feel they had adequate financial literacy to turn savings into investments.

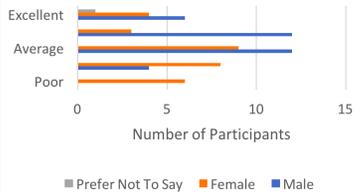
**66%** participants thought social media effects their spending habits

About 56% of youth said they had some form of investments, including saving accounts, in their own name.

Close friends and social media were significant influences for some youth in defining their relationship with money.

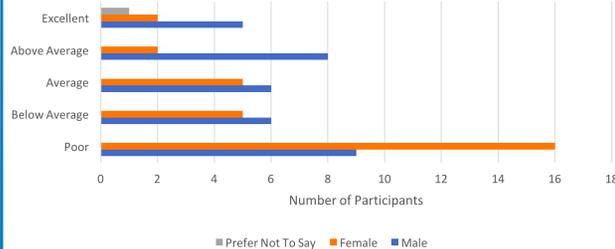
Youth would typically go to family for help with financial matters such as doing taxes.

Participant Sex and Confidence in Explaining Savings, Debts, and Financial Net Worth



Gender was the single most critical influence on personal literacy confidence.

Participant Sex and Confidence In Explaining Difference and Similarities Between TFSA and RRSP



## CONCLUSION

Labour market and financial literacy experiences of underprivileged urban youth remain an area of great interest.

There are reasons to be cautiously optimistic.

Institutions, such as schools and community centers, need to play a greater role in promoting and enhancing financial literacy as well as the need for programs catered towards females who are likely to be less confident in their financial capabilities.

Scarborough youth studied expressed high labour market ambitions and decent exposure to financial literacy concepts and practices needed to succeed for the future.

Further room to study how to link community youth employment programs with financial literacy programs as well as create culturally sensitive programs that can

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# 2018 LABOUR MARKET AND FINANCIAL LITERACY EXPERIENCES OF SCARBOROUGH YOUTH

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## OVERVIEW

The aim of this research is to explore how gaps in opportunity, awareness, and achievement impact financial literacy and labor market experiences among certain underprivileged youth groups.

This exploratory study uses a mixed-method approach; 65 online surveys combined with 5 follow-up semi-structured interviews with immigrant youth (generation 1.5 and 2) between the ages of 18-24, residing in Scarborough (a predominantly ethnic suburb of Toronto) who are susceptible to challenges such as racialization and poverty.

### What is financial literacy and how does it impact Canadian youth?

Financial literacy is the possession of the set of skills and knowledge that allows an individual to make informed and effective decisions with all their financial resources.

Most studies would suggest that Canadian youth are more financially literate than global peers, the level of financial literacy differs when we take into account social and institutional barriers, like race, gender, and class.

A 2016 study by Statistic Canada has found that female Canadians are less knowledgeable about financial concepts than their male counterparts (Drolet, 2016).

Aim of this research is to find out how barriers can impact the level of financial literacy among youth in Scarborough who are prone to multiple challenges.

### What is the labour market and how does it impact Canadian youth?

Labor market is where employers compete to get the best workers and workers compete to get the best jobs; employers create the demand for workers and workers create the supply.

“Precarious youth employment is on the rise, as jobs for young people are increasingly contractual or temporary. Work in the “gig” economy is increasing, too, and will likely continue in the decades to come” (Alexander & Mckean, 2017).

Labour market challenges can be exacerbated for youth who come from vulnerable sections of society, such as low-income youth, Indigenous youth, youth with disabilities, LGBTQ2S and racialized youth and newcomers to Canada.

### Is there a relationship between labour markets and financial literacy?

Changing dynamics of the labor market and the youth labor force requires Canadian youth to adapt and be more financially savvy as they deal with increasingly limited resources and precarious gigs with limited income stability.

2015 study by Prosper Canada illustrates that youth who come from newcomer families’ act as intermediary to help their families access information and services (Prosper Canada, 2015). Their ability to adapt quickly to Canadian languages, customs and norms alters the range of responsibilities they take on within their family.

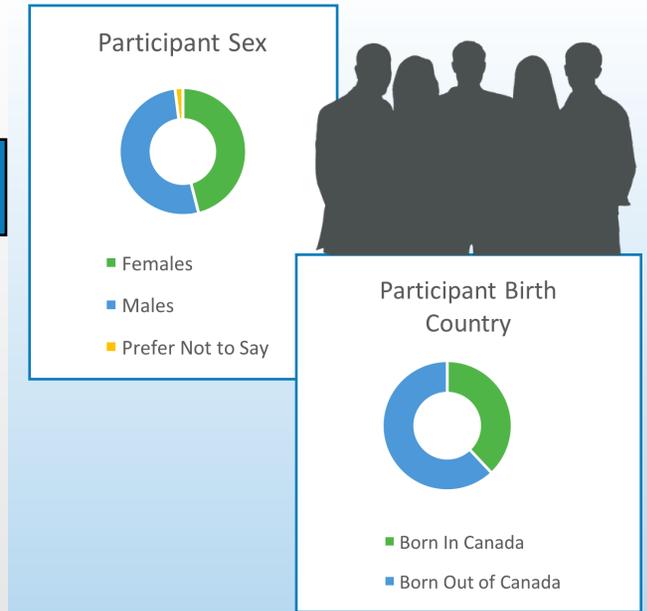
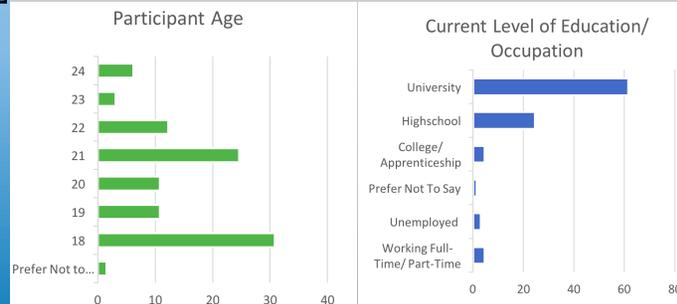
Newcomer and immigrant youth may have added responsibilities to supplement lack of sustainable income for the family.

Experiences with upbringing and its demands can affect the way some newcomer youth relate to money, viewing money as a necessity to meet short term needs, rather than accumulating savings or investments for longer-term personal or family goals.

Youth raised in newcomer families are susceptible to make decision based on inaccurate or misunderstood information, because they do not have access to the same kind of tools and resources that native-born Canadians do (Prosper Canada, 2015). These decisions can lead to years of credit recovery, lost investment gains and other financial difficulties.

## WHAT DOES THE RESEARCH TELL US?

### SURVEY PROFILES



### Experiences of youth in terms of their labour market

Youth have immense pressures from family members to get into secure, well-paying white-collar professions such as law and medicine.

Youth agree that growing up in Scarborough surrounding by co-ethnics and other newcomers/immigrants has an impact on employment choices and chance but there were macro factors that affect all youth regardless of geography.

Macro factors that were perceived as affecting all youth include; rise of the gig economy, lack of experiences needed to land a job and not having adequate grades.

More nuanced factors tied to Scarborough and their ethnic upbringing included not having adequate social capital and networks and not being aware of as many opportunities as their ‘Canadian’ peers.

Youth would typically go to institutions such as community centers and career centers at university with labour market issues from job searches to interview preparation.