

## **Canada's well-being relies on improved literacy skills: TD Bank**

*Raising literacy levels is a national imperative: Frank McKenna*

TORONTO – Canada must redouble efforts to address its literacy challenge given the evolving structure of the global economy, according to a report published today by TD Bank Financial Group. ([http://www.td.com/community/literacy\\_matters\\_report.jsp](http://www.td.com/community/literacy_matters_report.jsp))

The report counters the prevailing view that Canada is largely a literate nation, citing that many individuals lack the adequate literacy skills to fully participate in the economy and civil society. Moreover, this challenge is concentrated in specific regions and among various populations, which can accentuate and entrench economic disparity.

“Our place in the world is increasingly defined by its intellectual, rather than political, boundaries,” said Frank McKenna, Deputy Chair of TD Bank Financial Group and TD’s literacy champion. “High levels of literacy ensure that we all have the ability to comprehend, compute and convey information and ideas necessary to support our future prosperity. Improving literacy levels is a national imperative.”

### **Divides and discrepancies in literacy levels**

The report, which was authored by TD’s Deputy Chief Economist, Craig Alexander, noted that almost four in 10 youths aged 15 have insufficient reading skills; while more than two in 10 university graduates, almost five in 10 Canadian adults and six in 10 immigrants have inadequate literacy skills in English or French. Francophones and aboriginals also scored lower than the national average in literacy scores. Significant regional differences were also cited. Literacy levels tend to decline from above national average in western Canada to below national average in eastern Canada.

Not only do these outcomes suggest many Canadians are ill-prepared to participate in the knowledge economy, they can also lead to a number of pressing societal problems. For instance, poor youth literacy is related to high school drop out rates, long-term unemployment and higher crime rates. Poor literacy in English and French amongst immigrants severely hampers the ability of many new arrivals to integrate into Canadian society and its economy.

### **Renewed efforts to address the literacy challenge**

Concerted efforts must focus on youth literacy, particularly at the early childhood education, primary and secondary levels. The rationale is simple: benefits accrue over a longer time span than for adults. Moreover, literacy appears to be a virtuous circle in skill development. Higher literacy promotes greater education that, in turn, lifts literacy and helps to develop skills. Given the particular need in disadvantaged households, and among immigrant and aboriginal communities, policy makers should treat these challenges with the highest priority.

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Both the provinces and the federal government support literacy initiatives – and this is most welcome. However, there is little evidence of any improvement in literacy levels in recent years, which suggests that the current approach is not working. It may be that meaningful progress is impeded by lack of coordination. For instance, youth literacy falls largely under the umbrella of education, a provincial responsibility, but immigration is a federal concern. There is overlap too in adult literacy. At the federal level, Human Resources and Social Development Canada runs the Office of Literacy and Essential Skills. Indian and Northern Affairs Canada, Canadian Heritage, and Citizenship and Immigration Canada also run literacy-promoting activities. Meanwhile, the provinces have their own adult literacy initiatives through a variety of social-economic programs.

TD suggests a more coordinated and complementary approach could come about if the federal government becomes responsible for national literacy standards, while the provincial governments are explicitly responsible for program delivery. Both levels of government would need to provide financing for the initiatives.

The private sector should also be encouraged to offer employees the opportunity to develop language skills and more basic abilities that could reinforce or bolster their literacy. This can be done in-house or through employer-sponsored training.

### **The case for improved outcomes**

TD estimates that a one per cent increase in literacy rates could boost the national income by as much as \$32 billion, noting that an economic payoff of more than \$80 billion could be achieved if all Canadians reached the desired level of literacy. Raising literacy skills could also create thousands of new jobs, lower unemployment and significantly raise personal income – all of which could play a big role in combating poverty. It could also be key in reversing Canada's recent dismal productivity performance.

Yet Mr. McKenna notes improved literacy rates extend well beyond economic gain. “No price tag can be placed on parents who read bedtime stories to their children. It's an immeasurable but profoundly valuable investment for family, community and society as a whole.”

TD prepared this report with the intent to shine a spotlight on literacy and provoke discussion about current challenges. This is the first in a series of studies, with future installments focusing on specific issues or dimensions. The bank also invests more than \$1.5 million in children's literacy programs annually, including the TD Summer Reading Club and TD Canadian Children's Book Week that encourage children to discover the joy of reading.

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