

FIRST STEPS INTO THE LABOUR MARKET



How are Canada's bright young graduates coping in today's labour market, and how strong a pull do they feel from the booming US economy, with its high salaries, low taxes and myriad new career opportunities?

At IRPP's May conference, "Creating Canada's Advantage in an Information Age," a panel of new and recent graduates addressed this very question. The panel was not by any means random, but their comments provided an interesting cross-section of views. Here is an edited transcript of their remarks.

Comment les jeunes Canadiens qui font actuellement de brillantes études s'accommodent-ils de l'état du marché du travail dans leur pays ? Quelle attraction l'économie florissante des États-Unis exerce-t-elle sur eux, avec ses hauts niveaux salariaux, sa fiscalité très compétitive et ses multiples occasions de carrière ? Telles sont les questions sur lesquelles un panel, formé de personnes encore aux études ou récemment diplômées, s'est penché durant le colloque organisé en mai dernier par l'IRPP sur la meilleure manière de « Maintenir le Canada en tête à l'ère de l'information ». La composition du groupe n'avait certes rien d'aléatoire, mais les commentaires des participants exprimaient un large éventail d'opinions. Nous transcrivons ici les observations des participants, en commençant par les réflexions préliminaires de chacun.

Emi Nakamura: I am a third-year economics major at Princeton University in New Jersey. I went to high school in Vancouver, and my parents still live there.

Because Princeton is such a well-known university, as I come closer to graduation, I am bombarded by e-mails, job fairs, dinners, and cocktail parties put on by American firms trying to recruit me. Because I am an economics major, I think I am fairly well qualified for the investment banking and management consulting jobs that are most prominent on the job scene for Princeton graduates. But I have been amazed by how many of my friends who graduated this year—even majors in politics, literature, East Asian studies, electrical engineering, math and so on—have decided to take jobs in firms such as Goldman Sachs, J.P. Morgan, McKinsey and Anderson Consulting. It seems that at Princeton, consulting and I-banking are the great unifiers (though Internet startups are

also increasingly popular).

I think that one of the main reasons why graduates gravitate toward these fields is the great ease with which they are able to apply for and learn about jobs in these areas. I have already received (in June) an e-mail from McKinsey informing me about a cocktail party for Princeton graduates in New York City this summer, for the purpose of recruiting analysts for positions that don't start until next summer! Princeton's online recruitment system allows me to apply for jobs like these simply by dropping my résumé into an electronic mailbox on the website. (Since I've had ethernet access from my dorm room for the last three years, e-mail and the Internet have certainly become my preferred method of communication.) And the consulting and I-banking firms that I've mentioned all conduct job interviews on the Princeton campus.

But just because consulting and I-banking are the great unifiers at

Princeton does not mean that this selection of jobs is completely satisfying to all of us. Taking a job at one of these consulting or I-banking firms in New York City is commonly known on campus as "selling out." I think one reason for this sentiment is that there don't seem to be that many other options, and as a consequence, a lot of people seem to take these jobs by default.

The vast majority of the companies present at the Princeton job fair are, not surprisingly, investment banking or consulting firms based in New York City. So, after attending the job fair in the fall of my junior year, and browsing our career site (a Jobtrak site, since Princeton is a Jobtrak school), I felt like going home would mean not having a job or internship for the summer. Jobtrak has almost no postings for jobs in Western Canada, and I have never seen a recruiting effort by a Canadian company at Princeton. Many of my friends at UBC have got-



Emi Nakamura

ten jobs through the career services office or the co-op program, but of course these resources are unavailable to me, and since Princeton doesn't finish until the end of May, it is difficult for me to search for a job or a summer internship at home.

I brought up the issue of Canadian Internet job sites to the Canada Club at Princeton, and everyone was very excited. I think that in the future these job sites could do a lot to make Canadian students feel that they can still get a job in Canada even if they go to school in the US.

Ron Wexler: My name is Ron Wexler and I am an equity research associate at Gerard Klauer Mattison, an Investment Bank in NYC. Before I tell you how I got there, it might be helpful to give you a little background about myself. I recently graduated from McGill University with a Master's in Economics. Before that, I did an undergrad degree—at McGill, as well—in industrial relations and economics.

My job search started roughly a year ago. I began with a self-assessment. In terms of hard skills I found that I was very limited in terms of what I had to offer. I had some eco-

nomics training, and computer skills but aside from that, I was rather limited in what I could offer. On the other hand, I had a good attitude, I was willing to learn, and had many soft skills that employers were looking for. For example, my university training enabled me to develop writing skills, public speaking capabilities, and the ability to meet deadlines, all skills that I felt an employer could use.

Since I wasn't sure what I wanted to do or who could make use of these skills, I decided to work online and peruse the websites of various investment banks and government institutions. My goal was to find a position that was well paying and intellectually stimulating, and that would provide me with the opportunity to grow both intellectually and within the organization.

After several weeks of research, one thing became clear: My preference was to work for an investment bank rather than a government institution. I had yet to decide where I wanted to live or what I wanted to do, but it seemed research was where my interest lay, and the US was where I would end up living.

In the meantime, McGill was not very helpful in assisting economics students to find work. We did have the Bank of Canada, and the Department of Finance come to recruit but, by and large, the job search was left for students to do on their own. The companies that did come to McGill to recruit were either looking for management students or engineering students. Arts students were left out of the loop.

So, after exams were over I took a more proactive role. I began sending out my résumé to a number of companies and recruiters. I sent them to the HR departments, which turned out to be ineffective. So, I picked up the phone and began circumventing HR and actually calling analysts and economists in order to set up informational interviews. I originally wanted to pursue a career in economics but those jobs were few and far between, and as a result I had to

expand my job search. Surprisingly, companies hiring for finance positions were open to hiring candidates from all disciplines. Given the extremely tight US labor market, the most important characteristics employers were looking for were a positive attitude, willingness to learn and ability to learn—all characteristics I felt I had.

I decided to move to New York City because I had friends and family who spoke very highly of the city and because the prospects for success were limitless. As a tourist, I always found the city to be exciting, vibrant and full of opportunity.

Once I got to New York, I couldn't believe how much work was available. I decided to hold out until I got the right offer. Each day I surfed the job boards, and applied online. In the afternoons, I called companies and recruiters. Recruiters began sending me on job interviews, and companies began to call back in a short period of time. I developed some good contacts and had the opportunity to interview at CS First Boston, J.P. Morgan, Deutsche Bank, Goldman Sachs, Morgan Stanley, Merrill Lynch and a number of other smaller operations.



Ron Wexler

I had received several offers from large investment banks but decided to work at a small shop instead. Without going into too much detail, I decided to work for a smaller firm because the hours were reasonable (60 hrs/wk), the pay was excellent, and I would get both responsibility and exposure. I could have made close to double at any of the larger firms but decided in true Canadian fashion that I did not live to work, rather worked to live.

Ironically, I now do equity research and we cover staffing sector stocks and it is only in hindsight that I realize to what extent I made the right decision. In the last six months, I have spoken to hundreds of CEO's of staffing firms, and also conducted a

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2000-company survey estimating wage inflation for the next year. The theme is the same: Skilled labor is extremely hard to find and if a company is lucky enough to find it, it will pay handsomely to keep it.

This leads me to why I decided to choose to work in the US. The sky is the limit in New York City. I did not feel I had the same opportunities back home, especially in Quebec. My friends doing the same work back home are making about 40 per cent of what I make for the same position. Taxes are lower in New York. I get full health care for \$50/month (dental, eye, and medical), mostly everything is tax deductible and my prospects for sequential wage increases are very bright—much brighter than if I were working back home.

For those who like to believe that crime is bad in New York City, I can attest that there are probably more

homeless people in Montreal than in New York, and proportionately the same amount of crime. The city is much safer than it ever has been.

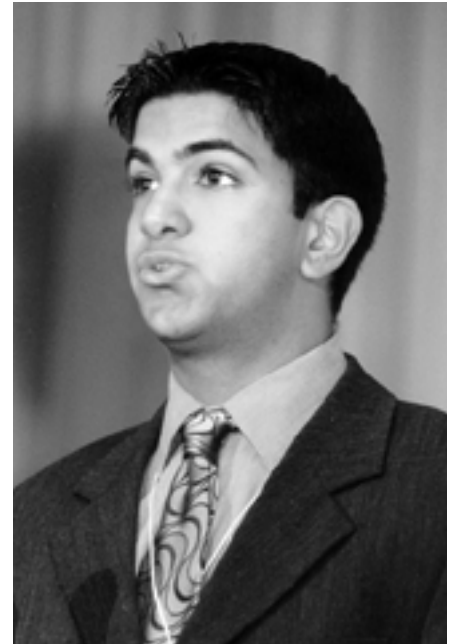
For those who fear exorbitant health care bills, I would argue that professionals have nothing to worry about: Everyone gets full coverage with a job. Companies can't afford not to provide it. Private plans are not expensive either. Mine is considered the "Rolls Royce" of health care and would cost \$3000 per year privately. That is still much less (percentage-wise) than what I would pay back in Canada.

Finally, life is grand in New York City. It has culture, great restaurants, great sports teams, and tons of opportunity. The weather is warmer, there is no separation looming over the city, and people walking in the street actually smile. I love Canada but my time has simply come to move on and pursue better opportunities elsewhere.

Bobby Dosanj: I would like to introduce myself. I'm a third-year B.Comm. Co-op student at the University of Alberta, with a major in marketing and a minor in operations management. I'm currently starting my first co-op placement in Edmonton at KPMG Consulting.

As you can probably tell from my accent, I was born and brought up in England and I immigrated to Canada about four years ago. From a student's perspective, England appears to be an ideal country to live in. I really liked England and loved London as a city. It would be fair to assume that there will always be employment opportunities in England. Why would I want to leave when I can do a degree in Britain and have the government pay for the most part, if not all, of my tuition and books?

The question why did I come here leads me to one of the topics I want to discuss today. Having completed high school, I had the opportunity to attend good colleges in England but chose Canada because of several pull factors and a push factor in that my



Bobby Dosanj

parents wanted to retire here. I knew I wanted to do a degree in business and had heard good things about the University of Alberta. My parents and I had been to Canada on vacations and loved the people and the country. The standard of living in Canada and the way of life we saw here were a big factor in choosing to move. As everyone knows, Canada was voted number one by the UN in terms of standards of living as a country. That alone speaks volumes about why it is such a great country to live in.

I also believe a good part of our decision was due to opportunity cost: Despite the job opportunities in England, do I want to walk down Oxford Street in London bumping into people left, right and centre, and struggling to find clean air? I would swap that for the downtown of Edmonton or Ottawa in a second, because what I have in Canada is clean air and open space. I have some of the most beautiful mountains in the world in Jasper, three or four hours away from me, and I haven't mentioned the ski slopes!

Of course, if there aren't any jobs in Canada, then obviously I'm going

back to England.

In fact, finding employment was a challenging task for me. With no work experience in Canada I found it difficult to break into career-related jobs in business. It became the old problem of how do I get any experience when all the jobs ask for experience. What I did was look into the world of volunteering, and after a year I became vice-president of the Business Students' Association (BSA) at the U. of A. The skills I learned and the contacts I made

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with fellow student leaders across Canada gave me valuable experience and tangible skills to present to employers.

Having started my first co-op placement in Edmonton I am now looking towards doing my second or third work term out east, possibly in Toronto or Ottawa. Finding such a placement out east will be difficult. Eighty or 90 per cent of the placements at the co-op office in Edmonton are in Alberta; there are only a few in Ottawa and Toronto.

This is where an Internet recruiting site such as CareerOwl.ca can come into play and make the task of finding employment in Canada a whole lot easier. CareerOwl has a far more diversified job bank, with jobs from across Canada, especially Ontario. I can set up my personal profile to suit my requirements and when a job that matches my needs in, say, Toronto or Ottawa comes through then I'll receive a message in my inbox. For me, this makes my life as a student seeking employment a

whole lot easier.

While I was VP of the BSA, I would often hear complaints from students that it was tough to find top-quality jobs from companies like P&G, or McKinsey & Co Consulting for example. This is because some companies only post their jobs in post-secondary institutions in, say, Toronto or Montreal.

At the U. of A., we often comment on how our standard of teaching is excellent, that we have four 3M winners, which is four more than any other business school in Canada, and that our excellent teaching is producing excellent students. However, it is tough for those top students to get the attention of some employers when they don't have access to a job posting because it is outside a placement office billboard in Toronto or Montreal, not Edmonton. Again, this is where something like CareerOwl.ca can help with the exchange of information. By posting jobs on the CareerOwl.ca website we can help to break the geographic barriers to finding employment.

So, basically, my argument is that the Internet and websites such as CareerOwl are a vital tool in making this information exchange and job search possible. They can act as a resource in educating students about Canadian employment opportunities. The Internet as a form of information exchange is nothing extraordinary. The key point is that we identify the importance of having a national electronic hiring hall that will benefit both students and employers in Canada. A resource like CareerOwl.ca extends beyond matching students with job opportunities. It also helps students develop their résumé, cover letter, and interview skills.

I was not involved in the development of CareerOwl.ca in any way; I stumbled across it as a student while preparing résumés and cover letters for co-op placements. But the tips on the website proved to be invaluable for me in obtaining my first placement.

In conclusion, I have found the

CareerOwl website to be an extremely useful tool in my job search and I believe other students will find the site just as useful. However, for this to happen, students need to know that CareerOwl.ca can be the central electronic hiring hall in Canada.

Dave Jarrett: I am currently in my final year of studies in the Bachelor of Commerce Co-operative Education Program at the University of Alberta. My major is in Human Resource Management. Before that I received a Bachelor of Arts degree in Sociology, also from the U of A. I am going to discuss some of the differences that I have encountered between these two programs and how they have influenced my interactions with the labour market.

The large tuition increases in Canadian universities in the past decade have made finding both summer and part-time jobs that pay well a necessity for a majority of students. My university experience has been no different.

I have been attending the University of Alberta for seven years this September. I chose to complete my Arts degree in five years to enable me to work part time and graduate completely debt-free. Maintaining two jobs for the last three years of my



Dave Jarrett

degree funded my Arts degree. In the summers I worked full time labouring in a metals distribution warehouse and part time in a grocery store. I chose to stay at both of these jobs part time through the fall and the winter so I could pay my bills.

I elected to work at these two locations primarily out of necessity. My labouring position would more than cover the costs of my tuition and rent for the upcoming school year. Working in the grocery store provided food and entertainment money.

Immediately after I graduated with my BA I returned to begin my Commerce degree in the Co-op program. I continued to work part time until I received a four-month position at Human Resources Development Canada here in Ottawa, working as a research assistant in the Social Policy Directorate. I am presently in my last co-op term as a Human Resources Assistant for Inland Construction Limited in Edmonton, Alberta.

My job search during my BA was designed to ensure that I could earn enough money to keep me going through the school year. Returning to my previous summer's place of employment required zero effort on my part. I was virtually guaranteed of making enough money to get by. Many other students get through their Bachelor's degrees in this same way if they are not participating in a co-op program.

I believe that this present set-up does not work either for students or, much more importantly, for Canadian employers. Students enrolled in undergraduate Arts programs are an untapped resource. My BA gave me skills that are extremely transferable and vital to the Canadian economy. Arts graduates have strong research skills, and excellent written and verbal communication skills, in addition to a wide variety of soft skills that come from four (or five) years of classroom interaction. These are all skills that can and should be used by Canadian employers.

Students will also benefit from

working summer and part-time jobs that are relevant to their field of study. "Real life" practical experience in a sociology-related job would have helped me see the bigger picture of what sort of career paths led from an Arts degree.

Yesterday at this conference, Shane Williamson of Industry Canada stated that "Canada must expand its capacity to create exciting and financially rewarding opportunities at home." This is only half the battle. The next logical step is to allow potential employees to be exposed to these job opportunities and to prepare them to enter the labour market.

This is an area where present co-op and internship programs are extremely successful. Jobs are brought to the students instead of the students having to start from scratch and attempt to find the time to undertake a job search during the school year. Co-operative education programs offer services such as résumé-critiquing and mock interviews to help students prepare for applications and interviews. These are services that are needed by all new entrants to the labour market but that are only presently offered in commerce and engineering faculties. Co-op programs only have a limited number of students that can be admitted each year. These programs also provide only a small segment of possible employers with few non-government organisations or non-profit groups being represented.

Placement offices can also act as a "coach" for small business. Employers often do not have the time to undertake a detailed analysis of what skills recent graduates of certain university departments possess. These offices can act as a much better liaison for groups of graduates and university programs than individual students ever could.

The one large drawback that present co-op and internship programs share with job placement websites is that they are much too specific and targeted at a small niche market. One of my more eye-opening experiences

in my present co-op term at Inland has been trying to fill positions that have been traditionally hard to fill in the past several construction seasons. As I am sure all of you are aware, Alberta is currently suffering from a large shortage of skilled tradespeople. This spring I attempted to find concrete finishers by placing ads in both

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Edmonton newspapers, on Human Resources Development Canada's Job Bank and at the placement offices of both the Northern and Southern Alberta Institutes of Technology. The response was overwhelming, but problematic.

The lack of pre-screening of applicants on line caused me to receive a large number of resumes that had none of the qualifications I had asked for. All visitors to the NAIT, SAIT and Job Bank web sites could see my posting and apply. Each site had a very specific group that it was targeting and catering to, and this limits the effectiveness of on-line recruiting. Having such a wide variety of options when it comes to recruiting websites makes it much harder for small employers to decide where the best place to post a job may be.

So far I have only discussed the problems that I have had with the Canadian labour market and Internet recruiting services. I will now make a couple of suggestions for how to improve Canadian university students' interactions with the labour market. The present system of separate niche recruiting systems needs to be expanded to include a wider variety of jobs for a much wider variety of



Mike Stansberry

students. In short I believe that universities, students and Internet recruiting services should move toward opening their services to more students and creating partnerships whose goal is a system that works much better for Canadian students and businesses.

Mike Stansberry: Hello, everyone. I'm a fourth-year business and economics and law student at the University of Alberta, also in the Co-operative Education program. I'd like to start my discussion today outlining my experiences as a student trying to find work, including what worked for me and what I think is needed.

After high school and through my first year of university, I found a job through a person that I knew and worked part time at a gas station pumping gas. I found that this job gave me little experience and I became frustrated, as I was unable to use my skills to their potential. I also felt that I needed to make a change in my life and tried to pursue more meaningful work experience.

With little experience and not knowing where to look for work, I found it difficult to make rent payments and pay for groceries. I'm sure you've all heard the poor starving student routine: Well, I've been there. My bank account was empty, my credit

card was maxed out, I was turned down for a student loan. To show you how bad things were, the Taco Time lady felt so sorry for me she would buy me lunch for a week.

So, in a bind and desperate to find work, I pressured a professor of a class I had done well in and asked if there was work I could do, such as helping to mark exams or helping out with the class. I was in luck. I was soon hired to mark exams, and soon after that I was asked by this professor to be a research assistant to work on a leading-edge project that has essentially changed my life.

I was so excited to be involved in a project that gave me the opportunity to meet others, work with amazing people and learn new things every day. I learned how to interact with people at all levels, from senior approval bodies to the little people who got work done. I was given the opportunity to contribute to the development of the conceptual aspects of the project and the responsibility to carry out every aspect of its development. I spent months promoting the project once it was released to the public and I felt emotionally dedicated to the success of the initiative.

For the most part, this job gave me all the basic skill sets I needed to be able to find meaningful work experience and it has given me the confidence I needed to meet any challenge head on. Although funding for projects such as this one is limited, I did manage to get by and meet rent payments and groceries for that year.

Soon after the project was underway, I was accepted into the co-op program and left the project to begin my first work-experience placement. I was encouraged by this professor, who told me about the value that most co-op students get out of their experiences. My first placement, although not directly related to my degree, was important to me in deciding what type of work I like and don't like.

Immediately after taking my first placement, I took a position with the provincial government because I was-

n't able to afford tuition for the next term. I was able to work within a professional government department while picking up some of the skills of the experts.

I've decided the various areas of work that I'm interested in and have developed the skills that are needed to work in that organization. I was able to save enough money to pay for all my expenses during the next school term so I could focus my time and energies on my schoolwork. As a result, my grades have skyrocketed. I truly believe that students themselves do not have the resources to work part time while at school, and at the same time look for permanent full-time or summer work. Harold Hansen mentioned at this conference yesterday that the average unemployed person spends on average 14 hours per week looking for employment. There is no way that students can possibly spend that amount of time looking for work.

I've most recently accepted my last co-op placement in government services in the government of Alberta, partially because of the work I'd done in the other departments. I think I can

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speaking for most students—certainly for my friends—when I say that it is extremely difficult to manage multiple part-time jobs while trying to maintain focus on five courses. It's even more difficult for those who are without work to find work that is flexible enough to fit into our schedule. Increased tuition has forced many students to delay their graduation

because the only way they can afford to stay in school is by working.

For me, the co-op program was the saving grace. I was able to find meaningful degree-related work experience on a full-time basis at a salary which I wouldn't have been able to get otherwise. I'm now able to afford my tuition and save enough money to pay for rent for my last school term. Working closely with the co-op office or developing a partnership *per se* has also helped a tremendous amount. They understood the types of jobs I'm interested in and helped to find the perfect job for me.

With every success story there are always downfalls. Co-op offices themselves are under constraints at times, including a lack of resources to find enough placements for their students, which leads to a lack of opportunities for students, and also a decline in the quality of the placements. This decline in the quality and quantity of the jobs is one of the concerns that has been raised by the Co-operative Education Students Association. One could say that the jobs are only a response to the market conditions, as in the case of increased number of placements in Calgary or elsewhere in Canada and the decline of placements in Edmonton. But how can this be the case? Edmonton's economy is estimated to be enjoying seven per cent growth, about the highest in the country.

One alternative could be to reduce the number of students accepted into the program in order to meet their needs, but this is not ideal in terms of providing opportunities for other students. The co-op program I'm in, for example, is funded through tuition paid by the students for each placement, whether or not the co-op staff found the job, the employer brought in the job or the student used his or her resources to find employment. This tuition cost is between \$750 and \$800 per work term.

Another problem with using campus placement offices is that students will not be able to use their resources between one and three years after leav-



Emi Nakamura, Mike Stansberry and Bobby Dosanj

ing the program. Any number of the above factors has led to the placement offices becoming very territorial when it comes to protecting their turf and keeping other students from viewing job postings. But why can't one co-op office in Ottawa, for example, share its work experience opportunities with another office in Edmonton. That same Ottawa office might have Edmonton postings that would be unavailable for even local students to have a look at.

Again, I would like to say that I'm fortunate to be in the co-op program, but there are many other students who are not as fortunate and need essential work experience to prepare them for the future. It is difficult under economic constraints such as increased costs to be in a position where you don't know where to go for help in order to keep on being a student. Getting the word out about opportunities for students is key. Partnerships are needed between universities, business sectors and government to help these students find meaningful career-related work experience within Canada.

From what I've seen, until this conference was organized this problem was not being taken as seriously as I think it should be. Perceptions are not changing and students will settle for jobs, any job that will get them through school without knowing how to find proper work experience, and

they will be faced with the problem of not having the right kind of skills needed by employers in their field of study. Students need a tool that has the resources to provide them with the information that is needed to find a perfect match with an employer.

Electronic hiring halls such as CareerOwl.ca are the perfect tool for these students. They are provided with necessary information, employers have a large pool of applicants with the necessary skills, universities have a higher probability of ensuring that their graduates find work, and governments will see a higher return to investments made educating students, as well as a lower unemployment rate among youth in Canada. Obviously, this strategic partnership is key.

I'd like to sum up my discussion with a few words inspired by a commercial some of you might have seen:

My name is Mike. I used to pump gas. I've sung in a choir, I've swum in the Masters swim team. I don't earn a six-figure salary or even five, for that matter. I want my job to be meaningful and not consuming. I want security and not the unexpected. I want to share everything my country has to offer, and not exploit those around me. I want to see partnerships between governments, universities and businesses to create opportunities for my peers. My name is Mike and I am a Canadian.