

# Intelligence MEMOS



From: Colin Busby and Parisa Mahboubi  
To: Provincial ministers of education; provincial ministers of postsecondary education  
Date: September 26, 2017  
Re: **LET'S CLOSE THE SKILLS GAPS BETWEEN INDIGENOUS PEOPLE AND NON-INDIGENOUS CANADIANS**

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Skills development among Indigenous people is central to reducing the high rates of labour market withdrawal and unemployment, as well as the relatively low wages relative to non-Indigenous workers. Skills gaps between off-reserve Indigenous people – First Nations, and Inuit – and non-Indigenous Canadians are wide, according to the 2012 OECD Program for International Assessment of Adult Competencies (PIAAC). But there is also some optimism as these gaps close among Métis and those with higher educational attainment.

Our [latest research for the C.D. Howe Institute](#)—*Closing the Divide: Progress and Challenges in Adult Skills Development among Indigenous Peoples*—provides insights into their failings and successes and recommends ways to eliminate the gaps.

Education is a crucial element for the development of skills. Indigenous people are less likely to graduate from high school and obtain a post-secondary education and thus scored less than non-Indigenous people in all three domains of cognitive skills: literacy, numeracy and problem solving in technology-rich environments.

The gap in literacy scores between Indigenous and non-Indigenous population shrinks, but does not fully close, with more education. Importantly, a high school education makes a big difference: the literacy score gaps largely reduce upon completion of high school for First Nations and Inuit.

Among Indigenous people, Métis performed substantially better than First Nations and Inuit and experience small skills gaps relative to non-Indigenous people with the same education level.

The gap between Indigenous and non-Indigenous people with the same level of education also varies across the regions, reflecting different approaches to Indigenous education. Overall, skills gaps are largest in northern communities, the western provinces and in Ontario.

Various socioeconomic factors collectively explain more than half of the skills gap between Indigenous and non-Indigenous populations. Differences particularly in educational attainment and the characteristics of the home environment such as such as books in the home and parental education explain the largest share of this gap.

The role of higher education is more significant in Quebec and the Atlantic provinces and among Métis. However, education alone is unable to explain a large proportion of the skills gap between, on the one hand, First Nations and Inuit and, on the other, non-Indigenous people and for those Indigenous who reside in Ontario. These unexplained gaps can be perhaps attributable to school environment factors, which brings policymakers' attention back to education quality.

Closing the skills gap between working-age Indigenous and non-Indigenous Canadians is essential for the success of Indigenous peoples in the Canadian labour market. To do so, improving gaps in educational attainment should be a part of efforts, especially when it comes to establishing foundational skills in primary and secondary education. There are also lessons to learn from different provincial approaches to Indigenous education in primary/ secondary and postsecondary programs. As in British Columbia, provincial governments should strive to collect more data on the performance of Indigenous students to help educators and administrators better understand the causes of the education gaps and design supportive programs accordingly.

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