

JUST SIX  
QUESTIONS

RESEARCH  
SUMMARY



## The Puzzling Effects of Delaying Schooling on Canadian Wages

### Key Details

#### KEY WORDS

Human Capital; Post-Secondary Education; Flexible School Choice; School Delay

#### POPULATION GROUP

All Youth

#### STEPPING UP THEMES

1. Education, Training & Apprenticeships
2. Employment & Entrepreneurship

#### RESEARCH ORIGIN

Canada

#### SOURCE

Academic

**“[W]e want to make explicit that our results do not suggest that delaying schooling is a good strategy for the average student nor that it should be considered as a desirable educational policy” (p. 206).**

### 1. What is the research about?

This research compares returns on education for graduates of post-secondary institutions who delay post-secondary education and those who proceeded with no delays. The research uses a unique survey that collects information on a representative cohort of graduates longitudinally.

### 2. Where did the research take place?

This research took place in Canada. It explores whether the gap year is advantageous or not for Canadian students.

### 3. Who is this research about?

This research is about youth and their pathways to post-secondary education. By comparing economic prospects of those who immediately entered post-secondary education (no delay) with prospects for those who had a period of employment prior to entry, the research provides insights on the impact of taking a gap year for Canadian high school graduates.

### 4. How was the research done?

This research used quantitative secondary data from two surveys: The National Graduate Survey and the follow-up, conducted by Statistics Canada in partnership with Human Resources Development Canada (completed in 1997 and 2000). Using these two surveys, the researchers analyzed the returns on delaying post-secondary education using a representative cohort of graduates to correct for macroeconomic effects. They used an empirical framework that is commonly used in labour economics. Methodologically, the study was based on comparisons within the same-class graduating cohort, thereby minimizing macroeconomic disparities among participants.

A limitation of the sampling method is that no corrections were made to address social inequalities among different groups based on citizenship, race, gender, and family education level. As suggested in the article, more research is needed to confirm that this study’s interpretation (that the premium afforded to gappers was due to the gap year) is stronger than alternative interpretations (e.g. other social factors such as race, socioeconomic factors, gender, etc.). Additionally, more research is required to ensure that the results of this study hold in multiple contexts and not just specific fields.

The results of this study apply “only to those who successfully returned to school after a period of employment, completed an advance degree, and graduated” (p. 206). This does not mean that every delayer equally earned the same premium, but the results only apply to those who met the inclusion criteria stated earlier. Hence, the results should be interpreted as showing that delay seems to have a positive effect on earnings among **successful graduates** at the time they made schooling decisions.

Finally, this study, due to its longitudinal methodology, relied on data that was collected in 1997 and 2000. This, while inevitable, suggests that caution is necessary in generalizing the results of this study to all youth today, due to today's economic realities that differ from this study's timeline. However, more current Statistics Canada reports suggest that the number of delayers in Canada is higher (Hango, 2008, 2011). The proportion is higher in Ontario, which increases its relevance to youth workers in Ontario.

## 5. What are the key findings?

- This research has found positive returns on delaying post-secondary education among successful graduates, who are defined as those who successfully enter post-secondary. They have found that both university and non-university post-secondary graduates who delay their schooling enjoy a premium. However, the benefits are substantially higher in the case of those who pursue university degrees. The premium is more pronounced for delayers who were working before returning to school, even after controlling for experience and labour market connections gained before re-enrolment.
- The researchers explicitly state that their results do not suggest that delaying schooling is a good strategy for the average student, nor should it be considered as a desirable educational policy.

## 6. Why does it matter for youth work?

Linear pathways for 'typical' graduates who proceed uninterrupted from primary school to high levels of post-secondary education are becoming less common. The evidence shows that more Canadian high school graduates engage in the labour force or delay the completion of post-secondary education until they are able to self-finance education. This highlights the importance of ensuring youth workers better understand diverse pathways to post-secondary education, in order to meaningfully support the youth they serve.



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