

Intelligence MEMOS



From: Rosalie Wyonch
To: Canadians Concerned about Education
Date: January 23, 2020
Re: **ANALYZING HOW CO-OP PROGRAMS BOOST INCOMES**

Participating in school/work co-op programs is linked to [higher incomes and a higher likelihood of success](#) in the labour market after graduation, but the benefits vary across gender and other segments.

Three years after graduation, co-op participants have incomes about \$2,000 to \$4,000 higher than non-participants, according to data from the National Graduates Survey that informs my new C.D. Howe Institute [Commentary](#). The results aren't uniform, however, with differing outcomes for women, visible minorities and immigrants relative to Canadian men participating in work-integrated learning.

Overall, co-op participants at the university level gained most, about \$4,000 more than non-participants. College participants, by contrast, have similar incomes to non-participants three years after graduation, but their first job after school is more likely to be a permanent position.

The returns associated with co-op participation differ with a student's field of study and individual characteristics.

Generally, women receive incomes about \$6,000 lower than men three years after completing their postsecondary education. Similarly, immigrant postsecondary graduates receive incomes about \$2,800 lower than nonimmigrants. Differing returns to co-op programs for different population groups suggest that these programs might play a role in reducing or eliminating wage gaps in the labour market.

All other things being equal, visible minority non-participant university graduates receive wages about \$500 lower than their peers; wages of minority co-op participants, however, are \$8,000 above average and equivalent to the wages of white, Canadian-born male university graduates who participated in co-op. Similarly, immigrant university graduates who participated in a co-op program have incomes equivalent to Canadian-born, white male co-op program graduates.

The opposite appears to be true for women, who receive lower returns for co-op participation than their male peers. Women who do participate, however, receive wages closer to Canadian-born, white male peers than non-participating female graduates.

Co-op programs are also associated with different results for non-wage factors of success. For all groups, participating in a co-op program improved the odds of a graduate's first job being related to their field of study and of being employed full time three years after graduation. As well, immigrant and male co-op participants were more likely to have had their first job be permanent, but participation did not substantially improve such odds for women and visible minorities.

Of particular interest is that participation in a co-op program was associated with the increased likelihood of being employed full time, and that the increase was greater for women, minorities and immigrants than for men. This result suggests that participating in a co-op program might lead to higher labour market attachment and success for marginalized groups. It could also be the case that those who choose to participate in a co-op program are more career-focused and, therefore, more likely to be employed full time three years after graduation. That does not explain the differing results depending on individual characteristics.

Together, these results suggest that co-op programs, and work-integrated learning more generally, might have a role to play in reducing wage and employment gaps traditionally associated with bias toward individual characteristics. Women who participate in a co-op program receive wages closer to those of non-participating male peers than women who do not participate. For immigrant and visible minority university graduates, the returns to co-op participation are sufficient on average to overcome the wage gap.

Rosalie Wyonch is a Policy Analyst at the C.D. Howe Institute.

To send a comment or leave feedback, email us at blog@cdhowe.org.

The views expressed here are those of the author. The C.D. Howe Institute does not take corporate positions on policy matters.