

# REMARKS IN HUMA COMMITTEE

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## Cardus Presentation to Parliamentary Committee on Over-credentialization

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*Work & Economics program director Renze Nauta presents to committee about the challenges of over-credentialization and preserving the dignity of work.*

### OPENNING REMARKS

The Thank you, Mr. Chair. I am Renze Nauta and I am representing Cardus, a public policy think tank where I run a research program on Work and Economics.

All of our work at Cardus is centred on the idea that every human person has fundamental human dignity and that public policy should reflect that fact. In employment policy, this requires a recognition of the dignity of work and the fact that work is about more than money. Of course, there is a financial component to work, as people bring home paycheques to support themselves and their families. And there is dignity in that. But even more fundamentally, the dignity of work means that work itself – not just the paycheque – contributes to that person's flourishing. Everyone has something that they can offer – a talent or a gift and their time. Work is about putting those at the service of others. This is ultimately what gives work its meaning. It is through this gift of one's services that people connect with their community and help it to flourish. In other words, work makes people better people.

And the data back this up. Cardus research shows that people who are employed have better physical and mental health. They have stronger marriages and family relationships. They are less likely to do drugs and commit self-harm. Work is also important in forming people in virtue. And it plays a significant role in keeping people – especially young people – out of crime.

La question de l'emploi des jeunes à laquelle notre pays est confronté doit être envisagée sous cet angle. Oui, il y a sûrement une crise du coût de la vie au Canada, et les jeunes ont d'énormes difficultés à joindre les deux bouts, sans parler d'économiser pour une mise de fonds sur un logement. Mais une préoccupation encore plus grande est qu'une part importante de cette génération risque de ne pas bénéficier des avantages sociaux et non financiers du travail si elle ne vit pas le travail comme une façon de contribuer de manière significative à sa communauté.

So a lack of meaningful work could have serious consequences both now and in the future. I would like to focus in on one particular aspect of this problem that Cardus highlighted in a recent report. Our research found that a significant proportion of Canada's working class is over-credentialed for the jobs that they are doing. In this report, we defined the working class as those working in jobs that do not require a post-secondary credential. But using data from Statistics Canada's Labour Force Survey, we found that over half of them had at least a college diploma, making them by definition over-credentialed for their jobs. Moreover, we found that this problem had worsened considerably over the last twenty years. From 2006 to 2024, the percentage of working-class people with a college diploma rose nearly a third from 42% to 56%. The percentage of the working class with a university degree more than doubled from 9% to 19%.

This phenomenon is especially acute among young people, but the problem persists through all age categories, suggesting that the challenges that young people face in their early careers can have long-term effects throughout their working lives. We also looked at the demographic breakdown of this problem according to gender, region, industry, and immigration status, which we can get into during the Q&A if members are interested in that.

In short, many people are coming out of colleges and universities with diplomas and degrees that are simply not needed for the jobs they end up in. Of course, education is more than just training for future jobs, but we should not underestimate young people's expectations that their diplomas are preparing them for the workforce. They are left with debt after many years of study with little to show for it. This in turn fuels credential inflation, as young people feel like they need higher and higher degrees to differentiate themselves from other workers in the labour market. I believe that this phenomenon accounts for a large portion of the feeling of frustration in our economy and in the working class specifically, whereby people did what they were supposed to do (that is, get an education) but can't get ahead.

It is a complicated problem, but part of the solution has to be to re-orient our education systems so that they better align with the needs of labour markets. Young people should not be unduly pushed into higher education if that is not their calling. Our education systems should promote co-op programs to encourage students to have a better appreciation for the variety of legitimate career paths, such as the skilled trades that offer a fulfilling and lucrative future. Our report contains other policy recommendations, but as my time is running short, I will leave those for the Q&A.

Thank you, Mr. Chair.