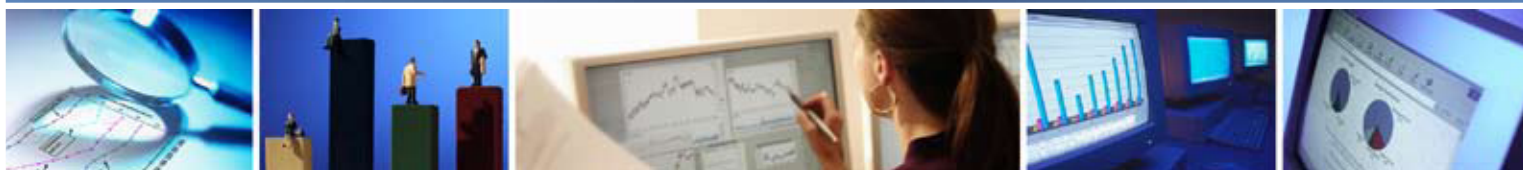


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## Evaluation Directorate



*June 2009*

# Summative Evaluation of Provincial Benefits and Measures Delivered under the Canada–New Brunswick Labour Market Development Agreement

*Final Report*  
**June 2009**



***Summative Evaluation of Provincial  
Benefits and Measures Delivered  
under the Canada–New Brunswick  
Labour Market Development Agreement***

**Final Report**

***Evaluation Directorate  
Strategic Policy and Research Branch  
Human Resources and Skills Development Canada***

***June 2009***

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# *List of Abbreviations*

APE	Action Plan Equivalent
DID	Difference-in-differences estimator
EAS	Employment Assistance Services
EB	Employment Benefit
EBSM	Employment Benefits and Support Measures (See PBM.)
EI	Employment Insurance
EWS	Employer Wage Subsidy
HRCC	Human Resource Centre of Canada
HRDC	Human Resources Development Canada
HRSDC	Human Resources and Skills Development Canada
LMDA	Labour Market Development Agreement
LMP	Labour Market Partnerships
PBMs	Provincial Benefits and Measures (name of EBSMs in New Brunswick)
PETL	Department of Post-Secondary Education, Training and Labour
RHQ	Regional Headquarters
SA	Provincial Social Assistance
SEB	Self-Employment Benefits
SM	Support Measure
TSD	Training and Skills Development
TWS	Targeted Wage Subsidy
WAP	Work Ability Program

WebLMDA: An on-line system by which those who deliver PBMs can look up EI claim history information to assess eligibility for PBMs.

*EI Part I Benefits:* These are “income support” paid to eligible unemployed individuals. The amount and duration of the benefit received varies by formula depending on the individual’s work and EI history and the unemployment rate in the local labour market.

*EI Part II Benefits:* These cover costs of participation in Employment Benefits and Support Measures (EBSMs) and may cover income support and other eligible costs of returning to work activities.



# *Executive Summary*

This report provides a summary of the Summative Evaluation of Provincial Benefits and Measures delivered under the Canada-New Brunswick Labour Market Development Agreement (LMDA). The Canada-New Brunswick LMDA is a full transfer agreement that transfers to the New Brunswick government the responsibility for designing, implementing and delivering programs similar to Employment Benefits and Support Measures (EBSMs) under Part II of the *Employment Insurance (EI) Act*.

The objective of Provincial Benefits and Measures is to assist individuals to obtain or keep employment. Successful delivery of these benefits and measures is expected to result in an optimum number of clients being provided the services they need, a quick return to work and, therefore, savings to the Employment Insurance (EI) Account as measured by reductions in the amount of EI benefits received.

The Provincial Benefits and Measures included the following:

- **Employer Wage Subsidy** helps employers create new and additional year-round or seasonal jobs;
- **Self-Employment Benefits** assist unemployed individuals to start their own successful business;
- **Work Ability Program** provides workplace opportunities in support of career plans that will develop the skills necessary for permanent employment;
- **Training and Skills Development** provides support to eligible EI clients who require training or academic upgrading as part of their employment action plans;
- **Employment Assistance Services** provide financial assistance to non-profit, private and public organizations to enable them to deliver varied services to unemployed individuals who wish to enter and stay in the labour force;
- **Adjustment Services** provide labour market tools such as human resource planning (since there are no participants under Adjustment Services, this program is not covered in this report's incremental analysis); and
- **Research and Innovation** helps determine new and better means to assist persons in making the transition to the labour force (these activities are not covered in this evaluation).

## **Evaluation Scope and Methodology**

The summative evaluation is focused on determining the longer-term impacts, outcomes, and cost-effectiveness of the Provincial Benefits and Measures, as well as assessing the achievement of the principles and guidelines as set out in the *EI Act* and Canada-New Brunswick LMDA.

The evaluation methodology includes a mix of qualitative methods (document review, 16 key informant interviews with senior managers and staff from Service Canada and the provincial government, and a total of 15 focus groups with program delivery staff (5), participants (6), employers (3) and advocates (1)) and quantitative methods (administrative data analysis, telephone surveys of 1,860 participants who finished participation in 2002-2003 plus 2,095 matched comparison individuals, and econometric analysis).

A number of strengths of the evaluation methodology should be noted.

- Multiple lines of evidence were used to validate findings by cross referencing different sources and to explore issues in greater depth.
- The measurement of incremental or net impacts<sup>1</sup> of program participation used state-of-the-art matching and econometric techniques. The emphasis was on comparing the post-program experience of participants to similar individuals who did not participate in the program.
- The consistency of the estimated impacts (which were calculated using “kernel matching” estimation) was examined by generating a second set of estimates using a second type of statistical estimation (Ordinary Least Squares (OLS) regression). In general, comparing the two sets of estimates indicated that the results were very similar. As well, three independent experts advised on the methodology and reviewed the results.

At the same time, however, certain limitations should be noted.

- There was a lack of administrative data needed to identify eligible non-participants among former claimants.<sup>2</sup> To address this limitation, extensive effort was made during the survey fieldwork to ensure that the comparison group candidates had actually been unemployed at the start date of the Action Plan Equivalent (APE).<sup>3</sup>
- The net impacts estimated for Self-Employment Benefits are not presented in this report because the small sample (50) and post-program experience of these cases make the results difficult to interpret.

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<sup>1</sup> Incremental or net impacts refer to impacts on individuals over and above what would have occurred without the assistance of the program. Net or incremental impacts differ from “gross measures” because gross measures do not take into account what would have happened in the absence of the program.

<sup>2</sup> Former EI claimants refer to participants with an EI benefit period that ended within the three years prior to EBSM participation (3-year reachback). This category also includes individuals who have established a claim for maternity or parental benefits within the past 5 years and who are returning to the labour force for the first time after having left work to care for new born or newly adopted child(ren) (5-year reachback).

<sup>3</sup> For the purposes of analysis, an APE is defined as a single intervention or series of interventions that are no more than six months apart. Each APE was created from the individual intervention records, and each EBSM participant has at least one APE. In order to make comparative analysis possible, an analogues period (also called an APE) was defined for each member of the comparison group of persons who did not participate in the programs.

## **Main Findings**

### ***Are Provincial Benefits and Measures Meeting the Needs of Employers, Communities and Labour Supply as Intended?***

Although employers are not the principal focus of the LMDA, many key informants felt that the programs assisted employers indirectly (e.g. by providing a better trained workforce and encouraging unemployed workers to consider areas of shortage in the labour market). Key informants also identified certain programs as providing direct assistance to employers (e.g., Employer Wage Subsidy). These programs were credited with alleviating some pressures for employers (e.g. cash flow/hiring difficulties).

At the community level, key informants identified improvements in partnerships through the LMDA. For example, they felt that partnerships among governments worked well and that good working relationships had formed between third party delivery organizations and government. As well, the LMDA fostered partnerships with 200 community Internet access sites as a way of reaching clients in these communities. Discussion group participants also cited community-level benefits. For example employers felt that creating even 4 or 5 jobs in a small community through the Employer Wage Subsidy program has impacts on the community.

The general view was that the LMDA improved the operation of the labour market through the provision of Labour Market Information. For example, individuals and groups involved in labour market decisions were able to make more informed choices (e.g. about career goals and training).

### ***Are Provincial Benefits and Measures Being Delivered and Implemented Effectively?***

Approximately three-quarters of participants who finished participation in 2002/03 had an Action Plan<sup>4</sup> recorded for them in administrative systems. However, only one-third of the surveyed participants remembered the Action Plan (although two-thirds remembered being assisted in relation to the programs, and over half (54%) remembered setting goals for themselves). The focus groups conducted with program participants provided similar information about the limited awareness/use of action plans by the program participants.

When asked about the usefulness of counselling/career services, 30% of survey respondents indicated they found the help received to be very useful in identifying employment goals or in selecting government programs. Five per cent were very dissatisfied with the help received.

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<sup>4</sup> An Action Plan describes the types of interventions or set of activities that a participant will undertake in order to assist him/her to return to work. The Action Plan typically includes start and end dates of the activities/interventions.

Between 50% and 60% of survey respondents were highly satisfied with the programs received, access to programs and services, waiting times and the suitability of programs to their needs. Less than 10% expressed dissatisfaction across these measures. Similarly, participants in focus groups were generally satisfied with their program participation.

New Brunswick uses well defined guidelines for the eligibility and financial aspects of the Provincial Benefits and Measures. These guidelines were implemented in part to address inconsistencies across delivery sites reported by the formative evaluation. The use of these guidelines has been largely successful in achieving a high degree of consistency in the treatment of clients.

All but one of the issues raised by the formative evaluation had been addressed. The exception was the recommendation to appoint a dedicated manager to oversee the implementation of the LMDA (not implemented because the position was no longer needed).

### ***What Was the Nature of Clients' In-Program Experience?***

In-program experiences by participants were largely positive.

- Three-quarters of Training and Skills Development participants received a diploma related to their classroom training. The most common credentials mentioned were trade certificates (20%), computer certificates (11%) and medical health certificates (4%).
- Fifty (50) Self-Employment Benefits participants had started a business and half (25) of the businesses were still in operation two and one-half years later. Twenty-one (21) businesses were either started or changed through the program. Of those positively affected by the program, 38% (8 of 21) had hired another person.
- Approximately 40% (70 of 182) of Employer Wage Subsidy participants were still working with the employer at the time of the survey (at least two and one-half years later). Almost all who were no longer working for the employer but who knew they had been working in a term position (n=43), said they had worked for the full term. The large majority of Employer Wage Subsidy participants indicated they had gained experience and learned skills that would help them in other jobs, such as computer skills (12%), management/dealing with people (16%), customer service (14%), skilled trades (20%) and general experience (20%).

## ***Have Provincial Benefits and Measures Helped Eligible Clients Prepare For, Find and Keep Jobs?***

### **a) Attitudes toward Work and Learning**

The survey data indicated some changes in attitudes toward work and learning among active<sup>5</sup> claimant participants and former claimant participants compared to comparison group members.

- Active claimant participants were more interested in improving job skills through further training, increasing their level of formal education and willing to move to another community to find work.
- Former claimant participants were more likely to report being better able to find a job if they needed to, that family earnings have improved, that their family's well-being has improved, that confidence in themselves or their abilities has improved, being interested in increasing their level of formal education, and being better able to contribute to their family's income.

### **b) Perceptions of Post-Program Jobs**

The survey data suggests that active claimant participants experienced a shift in their employment circumstance after program participation. In the post-program period, fewer (49%) of the active claimant participants reported that their longest job after the end of program participation was with their pre-program employer, compared to the comparison group members (69%). Of those who did return to their pre-program employer, fewer (85%) of the active claimant participants went back to the same job, compared to the comparison group members (93%).

The survey data indicates some significant differences in the longest job in the post-program period for program participants compared to the comparison group members.

- Active claimant participants were more likely to say that their longest post-participation job required a diploma, and that they had received it through the program. They were also more likely to say that their longest post-participation job required a particular set of skills, and that they had obtained those skills through the program.
- Former claimant participants were more likely to say that their longest post-participation job required a particular set of skills, and that they had obtained those skills through the program. They were also more likely to say that when a diploma was required for their job, they had received it through the program.

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<sup>5</sup> Active EI claimants refer to participants with an active EI claim at the start of the EBSM participation. Also included are those who established an active EI claim up to 4 weeks after they started EBSM participation.

### **c) Net Impacts through Participation**

Net impacts were examined using regression analysis to compare the post-program experience of participants to the experience of a comparison group of non-participants. The net impact analysis was conducted for active claimants and former claimants.

#### ***Net Impacts for Active Claimants***

Active claimants participating in **Training and Skills Development** experienced an increase in employment earnings in the first year following program participation. Program participation also increased the hourly rate of pay in the first and second years following participation. The earnings gains may be explained in part by the credentials and skills acquired through the program.

Active claimants participating in **Employer Wage Subsidy** experienced a decrease in the hourly rate of pay in the first and second years following participation. However, program participation increased the incidence of employment in the first year following program participation.

Active claimants participating in **Employment Assistance Services** experienced a decrease in the hourly rate of pay in the first and second years following program participation.

#### ***Net Impacts for Former Claimants***

Former claimants participating in **Training and Skills Development** experienced an increase in the incidence of employment in the first and second years following program participation. They also experienced an increase in the use of EI in the first year following program participation.

Former claimants participating in **Employer Wage Subsidy** experienced an increase in the annual hours worked and the incidence of employment in the first and second years after program participation. Program participation also increased their EI use (in the first and second years after program participation) and the reliance on government income support (in the second year after program participation).

Former claimants participating in **Employment Assistance Services** experienced an increase in the use of EI (in the first year following program participation) and the reliance on government income support (in the first and second years following program participation).

#### ***Are Provincial Benefits and Measures Cost-effective?***

The cost-effectiveness analysis was able to combine the estimated net impacts with cost<sup>6</sup> data to examine the net financial cost of producing the following impacts:

- one additional dollar in earnings; and
- one additional hour of employment.

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<sup>6</sup> Costs include program cost and administration cost.



The analysis found that:

- for active claimants, the earning gains from participating in **Training and Skills Development** were achieved at a social cost of \$2 for each \$1 of earnings that was gained (present value of earnings gain over five years).
- for former claimants, the gains in hours worked from participating in **Employer Wage Subsidy** were achieved at a cost to the government of \$12 and a social cost of \$2 for each additional hour of work that was gained.



# *Management Response*

## **I. Introduction**

The summative evaluation of Provincial Benefits and Measures (PBMs) in New Brunswick was managed by the Joint Evaluation Committee (JEC) which had representatives from Human Resources and Skills Development Canada (HRSDC), the Department of Post-Secondary Education, Training and Labour (PETL) of the Province of New Brunswick; and Service Canada (SC), New Brunswick Region. The JEC reported to the Co-chairs of the Joint Implementation Committee (JIC) of the Canada-New Brunswick Labour Market Development Agreement (LMDA).

The Senior Management of PETL, HRSDC and Service Canada, New Brunswick Region wish to thank the PETL central office, regional consultants and field staff as well as clients, employers, partners and agencies who participated in various aspects of this Summative Evaluation. Thanks also to the Joint Evaluation Committee. We are pleased to provide this Management Response.

## **II. Background**

The Provincial Benefits and Measures funded through Part II of the *Employment Insurance (EI) Act* aim to improve clients' earnings and reduce reliance on government income support in the period following program participation as well as augment participant skills through programs relevant to both employers and communities.

The PBMs are provincially-delivered programs that are similar to the Employment Benefits and Support Measures of the EI Act. The Province of New Brunswick was responsible for the delivery of PBMs in this province since the LMDA was signed on December 13, 1996. Delivery of PBMs by the provincial government has been done through a network of seven regional and twelve local offices, contribution agreements with third parties, and community-based organizations.

As required by Treasury Board evaluation policy, HRSDC developed and implemented a comprehensive evaluation plan for the PBMs, consisting of formative and summative evaluations. A formative evaluation was reported in July, 1999. It provided information to improve the design and delivery of the programs and the early implementation. The Summative Evaluation work was completed in 2008 and focused on measuring incremental impacts for the participation in PBMs. The reference period for the evaluation included clients that completed an intervention in 2002-2003. The summative evaluation is the subject of this management response.

### **III. Purpose of the Management Response**

A fundamental principle for federally funded program evaluations is one of independence and rigor. Evaluators were hired with the required level of expertise in conducting complex impact focused labour market evaluations. Given this independence, this management response provides senior management of PETL, HRSDC and SC with the opportunity to provide their perspective on the key evaluation findings and the opportunity to acknowledge the report, indicate further actions including any considerations for policy and program changes.

### **IV. Acknowledgement of Evaluation Research**

Management recognizes that the evaluation methodology is consistent with Treasury Board policy and internationally accepted standards in program evaluation. It is robust, and includes multiple lines of evidence, including qualitative and quantitative research. Independent subject matter experts reviewed the methodology, the econometric analysis and the final report. Net impacts were determined for key indicators, including: employment, income, use of EI and use of social assistance.

It is our understanding that the modestly positive impacts identified in the NB evaluation are similar to other LMDA evaluations as well as results in international studies. We hope that information from this evaluation will contribute to the growing body of studies on the effectiveness of labour market programming and help inform the design and refinement of active employment measures across Canada.

The remainder of the management response will comment on some of the summative evaluation report's specific findings.

### **V. Key Findings**

#### ***Data***

Evaluation Finding: The LMDA formative evaluation called for greater integration of information systems maintained by the LMDA partners. Some problems remained as of the summative evaluation period.

Two separate information systems (National Employment Services System or NESS and Contact-NB) feed information into Contact-NB (the system used to case manage participants). This resulted in a number of anomalies that were found with the client data used in this evaluation (e.g. interventions without action plans, excessively long intervention periods, etc). Many of these issues were caused by the utilization of two systems and the transfer of data from one system to the other.

During the evaluation, a thorough review of administrative data was undertaken and issues were dealt with in the data review process. This involved clarifying data and using data cleaning procedures.

The evaluation was completed using data from fiscal year 2002-2003. New Brunswick introduced a new client system (Contact-NB) in December 2002. Prior to December 2002, New Brunswick was using the Federal NESS system.

Contact-NB was designed to support the programs and services delivered in New Brunswick (as opposed to NESS, which was a Federal system). Contact-NB is better equipped to record client activities specific to New Brunswick, and lends itself to improved monitoring and reporting capabilities. The accuracy, reliability and validity of the client data has improved significantly since Contact-NB has been used as the client management system for New Brunswick. All clients who are provided with programs or services must have an Action Plan which addresses one of the observations raised in the evaluation.

Since the release of Contact-NB, NB has continually upgraded the system to better record and track activities. A data dictionary is now available which would aid in the interpretation of data.

The process used to upload data to Service Canada/HRSDC has been improved to the point that there have had no errors or rejects in the past three years. There was a 24% error rate in the month before interviews. The issue whereby a portion of our accountability results were disallowed has also been resolved. PETL have also recently made system changes to record and track activity under the new Labour Market Agreement (LMA).

In addition, the issue where PETL staff did not have access to WebLMDA has been resolved. In addition, PETL is currently working on the creation of a benefit rate structure.

Contact-NB and Contact4 record action plans independently. This causes integration problems when information is combined. This issue has been resolved by an interim measure. PETL is currently working on a long-term solution called ContactNB.Net and as a result, Contact-NB and Contact4 will be phased out and replaced by one case management system.

### ***Relevance of PBMs to Employers and Communities (Qualitative Findings)***

At the time of the evaluation, Targeted Wage Subsidy (TWS) was client focused. Employers benefitted from the program by acquiring workers to fill vacancies and by receiving financial assistance through partial subsidies. Adjustment Services (AS) was seen as an effective crisis management tool which was managed well and from the bottom up and the Employment Assistance Services (EAS) was reported by advocacy groups and delivery staff as a key mechanism to assist immigrants and marginalized groups.

Labour Market Information (LMI) continues to be an important and integral component of Employment Counseling. Counselors use a combination of local and provincial labor market information when dealing with clients in the areas of career decision

making, skills enhancement and job search. NB has worked on improving the quality of LMI available to staff as well as the collection and dissemination of LMI.

New Brunswick is working on many fronts to improve the collection, analysis and dissemination of LMI. At the national level, NB is working with other Federal, Provincial and Territorial (FPT) colleagues to raise the profile of the importance of LMI in effective decision making. In addition, there are a number of provincial initiatives underway designed to strengthen and improve the linkage between LMI, counseling and the needs of employers/communities.

**In early 2007, PETL launched a public engagement process around the issue of labour market imbalances (skills shortages). The Skills Summit Working Group was made up of stakeholders from around the Province including representatives from key government departments, employers, labour, educational institutions and groups representing Aboriginals, persons with disabilities, youth, women and immigrants.**

After more than 18 months of deliberations with stakeholders, the Skills Summit was held on October 26 and 27, 2008 in Saint John to discuss how to meet the ever-changing labour force needs of the province. Subsequently, the Department announced the creation of a province-wide Standing Forum on Skills Development and six working groups to continue to address a variety of workforce issues.

In addition, PETL also formed a LMI Consultation Committee made up of central office and regional staff. Both of the above examples are designed to create better alignment between programs and the labour market.

As well, the Employment Counseling Training Strategy is a suite of courses currently being delivered to Counselors. One of the courses is “Using Labour Market Information Effectively in Employment Counseling” This module addresses the following competencies required by Counselors: understanding local, regional, national and international labour markets and the primary, secondary and tertiary economies; accessing and using accurate, current and locally relevant LMI; strengths and limitations of computerized career planning systems and information resources; the client profile and existing labour market opportunities; the client use of current and relevant labour market information; and linking client training needs to education and training opportunities.

## ***Considerations/Actions***

Labour Force Adjustment (LFA) focuses on assisting labour and management in addressing significant changes impacting human resources in their workplace. Examples of significant changes that may impact workplaces include technological change, organizational restructuring, downsizing or expansion. Generally, the approach involves the establishment of a committee including representation from the employer, employees, and can also include concerned community agencies and government. The role of the committee is to identify and facilitate steps necessary for adjusting to the change by investing time, energy, and/or resources to work in a concerted manner.

NB has faced many labour market challenges recently. Over the past two years, approximately 5,000 employees have been displaced in New Brunswick due to hardships faced by the Forestry Industry. One of the more recent examples of these devastating effects was the closure of a significant employer in North Eastern NB which displaced a total of 461 employees.

PETL officials were immediately in contact with the company and union officials to offer programs and services to the remaining impacted employees. Within a day, PETL officials participated in a meeting with the Mayor and other Town officials to discuss the impact of the closure and plan for a Transition Centre, a concept that works well in NB communities where significant downsizing and closures have taken place.

A LFA Committee was established with representatives from the employer and the union as well as other community partners such as the Enterprise Network. Meetings were held and funds were set aside for the establishment of a Transition Center in which the company also committed funding.

The Center was staffed with a full-time employment counselor, job search coordinators and an administrative support. Services offered at the Center included employment counseling, career planning, entrepreneurship assistance, training assistance; resume writing, job search skills, interview techniques and labour market information. Other services are often put in place to deal with personal issues that could arise such as: personal and family counseling, financial counseling and planning, stress management and grief counseling. Individuals who access the centre also have access to tools such as internet-ready computers, fax, photocopier, printer, telephones, etc.

This approach has been used in previous closures and has proved to be very beneficial and well received by the community and former employees.

### ***Key Program Impacts on Active Clients***

We were pleased to see that the Skills Development Program (SD) had a positive impact on active clients in both the increase in earnings reported (by \$2,700 one year after training) and the increase in hourly rates of pay. Clearly this is a program that works well with EI claimants who are informed of and have early access to SD training. This will be reinforced in program delivery. TWS also increased periods of employment for active claimants although not earnings. Active claimants that participated in the Self-Employment Program (SE) had a reduction in income and earnings based on reported earnings to CRA. Due to the low percentage in the small sample who reported still being self-employed after two and one-half years, further study could be done. The program reduced, by design, the use of EI and the reliance on income support.

During planning for training, skills in demand (based on solid labour market information) will be linked to the purchase of training in these programs. Provision of labour market information and access to services and programs will be enhanced to reflect current needs, and the case management approach will be continued.

Evaluation Finding: Forty-nine (49%) of active claimant participants went back to work with the same employer; 85% of them to occupy the same job.

It should be noted that a large percentage of EI claimants are seasonally employed and it is not uncommon for seasonally employed individuals to attempt to improve their skills in order to improve their labour market attachment. That being said, guidelines are in place to ensure that PETL is not subsidizing the same position on an annual basis.

### ***Self-Employment Benefits***

Overall, Self-Employment participants reported positive outcomes in terms of skills gained and satisfaction levels.

The evaluation results for NB indicated that only 50% of SEB businesses were still in operation two and one-half years following completion of the intervention. Each year, NB conducts an evaluation of Self-Employment Benefits and the results are much more positive. Results from 2004-2005, 2005-2006 and 2006-2007 indicate that 72%, 76% and 85% respectively of businesses were still in operation one year following completion of the intervention. With respect to the Self-Employment Benefits Program, a case study and/or a medium-term survey could inform program design and delivery. PETL will examine its current annual evaluations to determine the possibility of replacing the annual SEB survey with a longitudinal study.

### ***Key Program Impacts on Former Clients***

TWS and SD increased the incidents of employment and TWS increased annual hours of paid employment. Former claimants reported that when particular skills were needed the program provided those skills; however, results in these programs were stronger for active than former claimants and credentialing was reported as more of a requirement for getting employment by active claimants.

Given the length of time that former claimants may have been out of the labour market, this is not an unusual finding. A client reintegrating into the labour market after a lengthy absence will likely have an increased number of barriers, and these barriers will be more severe. It is to be expected that results for active claimants with recent labour market attachment would be better by comparison.

### ***Moving Forward: Changes Since Summative Evaluation***

The report includes several observations on areas for improvement. As mentioned earlier, changes have been made to aspects of PBMs policy and program delivery since the study period that address a number of the observations.



Since the evaluation has been completed, PETL have made changes to promote the uptake of services by Priority clients. The Regional Offices have two key performance measures with targets for priority clients: 1) opening action plans, and 2) percentage of priority clients with an employed result. Reports are produced quarterly, and targets are set annually. Within the LMA, we now have the ability to serve a wider range of clients. Priority group and designated group clients are among the clients targeted and reports are produced monthly; indicating the number of clients served in the following groups – Aboriginal, Persons with Disabilities, Older Workers, Youth, Women, Social Assistance Recipients, Visible Minorities and Newcomers/Immigrants.

In addition, other changes have been made since 2002-2003, including the introduction of a Quality Assurance Program. Quality Assurance reviews for all programs and services have been in place since fiscal 2003-2004. At that time it was decided that the quality assurance process would concentrate on information being input into the Employment Development Tracking System (EDTS) and the Training and Skills Development System (TSD).

An Imaging manual and a Quality Assurance manual were developed so that staff would be aware of the provincial expectation regarding supporting documents (imaging) and note taking. The process involves a bi-monthly report that reviews 70 randomly selected contracts from the seven regional and one central office in the province.

It had always been the intention to include the counselling services within this process. To that end a counselling task force met and established the basic parameters for data input and note taking in the hopes of establishing provincial consistency within the system. The committee updated the user guide for Contact NB and provided provincial training in the fall of 2006 for Counsellors. Supporting documentation policy was discussed and as a result the Employment Counselling: Documents and Record Management Policy was developed.

Like the original process, an officer reviews a particular client's interventions not only in the program and services systems (EDTS, TSD) but also through the counselling system (Contact-NB). Comments are then included in the bi-monthly reports that track client interventions in both the program and service system (EDTS, TSD) and the counselling system (Contact-NB) for factual accuracy and consistency. This process has been on-going since September 2007 and includes one intervention from each regional office in each bi-monthly report.

By ensuring that the quality assurance process incorporates all of the program and services interventions, as well as chronological updates regarding the client's action plan, service to the client is immediate and up to date. Service delivery is improved by having complete information including all previous history at the counsellor's fingertips so all future decisions regarding the action plan can be made as efficiently and effectively as possible. This leads to better delivery of services to our client which results in the client obtaining and retaining meaningful full-time employment.

## VI. Conclusions

On December 13<sup>th</sup>, 1996, the Canada-New Brunswick Labour Market Development Agreement (LMDA) was signed. The agreement was implemented on April 1<sup>st</sup>, 1997. It is an on-going agreement. The agreement devolved responsibility for design and delivery of labour market development programs and services in the Province of New Brunswick.

Although New Brunswick has experienced a lot of success and very positive results through the years with the LMDA, we recognize that the labour market is constantly evolving and as such so do programs and services. Several program and service enhancements have been made over the years; however, it is the intention of New Brunswick to engage in a full program review to ensure that the programs and services are meeting the needs of today's client and the clients of the future. It is imperative that the programs and services offered are effective and efficient in assisting NBers to integrate and/or reintegrate into the labour market in jobs that support their families and communities.

A major milestone was reached in February 2008 when NB signed the Canada-New Brunswick Labour Market Agreement (LMA). For many years jurisdictions across the country have tried to negotiate flexibility in the LMDA that allowed them to serve non-EI clients. The new LMA allows us to assist these clients and will further influence the evolution of programs and services developed and offered in NB.

The summative evaluation findings and lessons learned have been widely shared with both parties in the Canada-New Brunswick Labour Market Development Agreement through workshops and presentations to PETL and SC/HRSDC directors, managers, consultants and others involved in the LMDA and PBMs. This knowledge is used as part of the overall planning process for future refinements to the PBMs and considerations in new arrangements in policy related programs and services. As well, in February 2008 the JEC prepared and the Province presented findings and lessons learned from the New Brunswick summative evaluation at a national LMDA Evaluation Best Practices Workshop.

The summative evaluation provides valuable insight into areas for PBM policy improvement.

These evaluation findings will contribute to on-going efforts to enhance PBM client outcomes. The Province of New Brunswick, HRSDC and SC NB are committed to working together and with HRSDC to develop performance reporting, ensure data capture systems meet reporting and organizational learning needs about future PBM programs and clients, and frame and conduct future evaluations related to such agreements.

# 1. Introduction

This report provides an overview of the Summative Evaluation of Provincial Benefits and Measures (PBMs) delivered under the Canada-New Brunswick Labour Market Development Agreement (LMDA). It draws on qualitative and quantitative technical reports<sup>7</sup> and consists of seven sections:

- Section 1 provides a description of PBMs delivered in New Brunswick.
- Section 2 discusses the summative evaluation scope and methodology.
- Section 3 presents the main findings regarding program participation.
- Section 4 presents the main findings regarding impacts on participants, employers and communities.
- Section 5 presents the main findings regarding cost-effectiveness.
- Section 6 highlights the overall conclusions.

## 1.1 The Canada-New Brunswick LMDA

The Canada-New Brunswick LMDA came into effect on April 1, 1997. Under the LMDA, New Brunswick is responsible for the design, implementation and delivery of PBMs that are similar to Employment Benefits and Support Measures (EBSMs) of the *Employment Insurance (EI) Act*. The lead provincial ministry responsible for the LMDA is the Department of Post-secondary Education, Training and Labour (PETL).

### 1.1.1 Provincial Benefits and Measures

The objective of PBMs is to assist individuals to obtain or keep employment. Successful delivery of PBMs is expected to result in an optimum number of clients being provided the services they need, a quick return to work, and savings to the EI Account as measured by unpaid EI benefits.

The objectives of the PBMs and their corresponding EBSMs (in italics) follow:

- **Employer Wage Subsidy (EWS)**—helps employers create new and additional year-round or seasonal jobs. (*Targeted Wage Subsidy*)

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<sup>7</sup> *Technical Report of Quantitative Analysis in support of the Summative Evaluation of Provincial Benefits and Measures in New Brunswick*, May 15, 2008, prepared by Informetrica Limited and the *Summative Evaluation of Provincial Benefits and Measures delivered under the Canada-New Brunswick LMDA, Qualitative Technical Report*, February 2006, prepared by TNS Canadian Facts.

- **Self-Employment Benefits (SEB)**—assist unemployed individuals to take their first steps in returning to work by starting their own successful business. (*Self-Employment Assistance*)
- **Work Ability Program (WAP)**—provides workplace opportunities in support of career plans that will develop the skills necessary for permanent employment. Note that Work Ability interventions that began in 2001-2002 were not funded under the Canada-New Brunswick LMDA and are not covered by this evaluation as a consequence. (*Job Creation Partnerships*)
- **Training and Skills Development (TSD)**—provides support to eligible EI clients who require training or academic upgrading as part of their employment action plans. (*Skills Development*)
- **Employment Assistance Services (EAS)**—provide financial assistance to non-profit, private and public organizations so that they may deliver varied services to unemployed individuals who wish to enter and stay in the labour force. (*Employment Assistance Services*)
- **Adjustment Services (AS)**—provide the tools needed to stabilize, adapt and grow, such as human resource planning. Note that there are no participants under Adjustment Services. As a result this program is not covered in the assessment of incremental impacts. (*Labour Market Partnerships*)
- **Research and Innovation**—helps determine new and better means to assist persons in making the transition to the labour force. Note that activities under Research and Innovation are not covered in the summative evaluation. (*Research and Innovation*)

### 1.1.2 The Employment Insurance Act

On July 1, 1996 the *EI Act* was passed. The new *Act* consists of two parts: Part I deals with entitlements to income support, and Part II deals with discretionary funds. Legislative authority for EBSMs is found under Part II.

In order to be eligible for income support or support for return-to-work activities under the *EI Act*, individuals must be unemployed pursuant to the *Act* (without employment and actively seeking employment).<sup>8</sup> To be eligible for Employment Benefits under Part II (S. 59) of the *Act*, individuals (insured participants as defined in S. 58 or EI clients for the purpose of the evaluation) must fall in one of these groups:

- Active EI claimants – those with an active EI claim at the start of the EBSM participation. Also included are those who established an active EI claim up to 4 weeks after they started EBSM participation.

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<sup>8</sup> The definition of unemployed varies by jurisdiction. In New Brunswick, some flexibility exists with regard to the definition of unemployed to match the requirements of the PBM. A more strict definition exists for TSD and less strict for EAS for example. A general “rule of thumb” suggests 15 hours of work or less in a week is equivalent to unemployment. Another “rule of thumb”, for those with a current claim, defines unemployment as work generating less than 25% of the weekly benefit rate, if that benefit rate is \$200 or more per week. If the benefit rate is \$200 or less per week, the cut off for the definition of unemployment is work generating a maximum of \$50 per week.

- Former EI claimants whose benefit period has ended within the past three years (3-year reachback).
- Individuals who have established a claim for maternity or parental benefits within the past 5 years and who are returning to the labour force for the first time after having left work to care for new born or newly adopted child(ren) (5-year reachback).

In addition, Support Measures (services) are open to all unemployed individuals (not necessarily insured as per section 60(4)(a) of the *EI Act*) and to those who are employed and threatened with layoff as per section 60 (5)(a) of the *EI Act*. Clients who are not EI clients are referred to as non-insured clients and are not considered in the summative evaluation.



## ***2. Evaluation Methodology***

This section provides an overview of the approach used to conduct the summative evaluation. It also highlights its key strengths and limitations.

### **2.1 Purpose and Scope of the Summative Evaluation**

The summative evaluation was undertaken to examine impacts, outcomes and cost-effectiveness, particularly whether PBMs are having incremental impacts on individuals and effects on employers and communities. The summative evaluation also focused on determining whether the PBMs are successful in assisting persons to “obtain or keep employment”.

The formative evaluation of the Canada – New Brunswick LMDA was completed in July 1999. The evaluation focused on improving the design and delivery of interventions early on in the implementation phase of the PBMs and, where possible, to provide preliminary evidence on the success of the PBMs.

### **2.2 Summative Evaluation Strategy**

The strategy developed for the summative evaluation employed a multiple-lines-of-evidence approach including both quantitative and qualitative methods. Care was taken to ensure that the analysis of program impacts used state-of-the-art methods and considered all relevant lines of evidence.

Evaluation issues and questions included:

- **Rationale:** Are PBMs meeting the needs of employers, communities, and labour supply as intended?
- **Design, Delivery and Implementation:** Are PBMs being delivered and implemented effectively and as intended?
- **Client Characteristics:** Who is being reached? Do client profiles suggest equity or employment barriers?
- **Impacts:** Have PBMs helped eligible clients prepare for, find and keep jobs? Why or why not?
- **Client Attitudes and Quality of Life:** Are PBMs associated with client well-being and attitudes toward work and learning?
- **PBM-Specific Factors:** What was the nature of clients’ in-program experience?
- **Apprentices:** What is the experience of apprentices?

- Cost Effectiveness: Are PBMs cost-effective?
- Formative Issues: To what extent have issues raised in the formative evaluation been addressed?

## 2.2.1 Quantitative Methods

The main purpose of the quantitative analysis is to assess outcomes and to estimate the impacts and the cost-effectiveness of the programs:

- Outcomes consist of the program experience of participants and their employment activity, earnings and incomes.
- Impacts are estimated by comparing outcomes for participants and a comparison group using state-of-the-art econometric methods.
- Cost-effectiveness is measured by relating the estimated impact on key outcomes to the cost of the programs.

This section provides only a brief overview of the quantitative methodology. The *Quantitative Methodology Report* includes full and detailed discussion and justification of methods used for this study:

- **Administrative data** were used to: examine PBM participation, develop a sample frame for the survey of participants, and choose the most closely matched comparison group sample possible.
- A **participant survey** was conducted, yielding a final sample of 1,860 participants.<sup>9</sup> A **comparison group survey** yielded 2,095 completed survey interviews with individuals selected as comparison group members.<sup>10</sup> The comparison group was designed to be larger to achieve closer matching to participants for estimating client impacts. These surveys gathered information about respondents' personal background, employment history, and (for participants) program experience.
- **Econometric modelling** and statistical estimation analyses were carefully developed and applied to provide optimal estimates of client impacts attributable to PBM participation.

Due to recall errors in the survey responses about employment and earnings histories, the evaluation gave priority to administrative data and used survey data on employment and earnings only selectively as a supplement.

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<sup>9</sup> The surveyed participants were selected according to a stratified random sample. The final sample consisted of participants who agreed to share their data with HRSDC and agreed to allow HRSDC to link their survey data to tax data from Canada Revenue Agency and social assistance data from the Government of New Brunswick.

<sup>10</sup> Administrative data were used to match comparison group members to participants according to: start date of the Action Plan Equivalent (APE), client type (active or former claimant), geographic region, and propensity score. The last item was estimated from models relating the hypothetical probability that an eligible client would take up one of the PBMs to: local geographic indicators, timing of EI claim, timing of the APE start relative to the EI claim, gender, year of birth, previous PBM experience, EI benefit history, business income history, social assistance benefit history, total income history, and employment income history.



The data for the quantitative analysis consist of survey responses and extracts from T1 and T4 tax returns and records of the EI and provincial SA programs, as well as records of Benefits and Measures. The survey data cover the period from 52 weeks before the start of the program period to September 15, 2005, when the first interview was conducted. This is called the “survey period”. EI and SA program data cover the period 1995 to late 2005, and tax data the years 1995 through 2004.

This study focuses on persons residing in New Brunswick whose participation in labour market programs delivered by the province ended in the fiscal year April 2002 - March 2003. This involvement is formalized as the Action Plan Equivalent (APE), defined as either a single intervention or a series of interventions that are no more than six months apart. An analogous period was defined for each member of a comparison group of persons who did not participate in programs, in order to make comparative analysis possible.

### **2.2.2 Qualitative Methods**

The summative evaluation included significant qualitative research. The final design for the qualitative component was informed by a consultation visit to Fredericton in March 2005. The visit included discussions with:

- Training and Employment Development (TED) (now the Department of Post-secondary Education, Training, and Labour) Senior Management.
- PETL Central Office Consultants/Specialists.
- PETL Local Office (Fredericton).
- Third Party Service Delivery Agents (Fredericton).

The visit by the consultants and Joint Evaluation Committee members improved understanding of the LMDA and PBMs and allowed for further refinement of the evaluation issues and questions.

The final design of the qualitative component included:

- A **review of documents and other data** was undertaken to obtain a better understanding of the context of PBMs in New Brunswick.
- **Key informant interviews** (16) were conducted with senior managers and staff from Service Canada and PETL. Interviews were conducted face-to-face and by telephone. Some interviews were conducted in a small group setting at the request of the interviewees.
- **Focus groups** (15) with: Program Delivery staff (5), Participants (6), Employers (3) and Advocates (1) representing the interests of disadvantaged groups. Focus groups were conducted separately for employers, participants, delivery staff, and advocates representing participant groups. The focus groups were distributed as follows:

Location	Employers	Delivery Staff	Participants	Advocates
Bathurst	1	1	2	
Fredericton		2	1	1
Saint John	1	1	2	
Moncton	1	1	1	
Total Groups	3	5	6	1
Attendance	18	31	24	8

Participants' focus groups were organized by principal PBMs across the following locations:

- Bathurst: TSD and EWS.
- Fredericton: SEB.
- Saint John: TSD and EWS.
- Moncton: TSD.

The qualitative fieldwork was conducted in March 2005 (preliminary site visit) and later completed in fall 2005.

### 2.2.3 Strengths and Limitations

Using multiple lines of evidence serves to validate findings by cross-referencing different sources to explore issues in greater depth. For example, the qualitative research was used to explore issues beyond the scope of the quantitative work, such as effects on employers and communities.

The quantitative methodology was carefully designed to ensure scientific rigour and to use state-of-the-art matching and econometric techniques. The measurement of the incremental or net impacts<sup>11</sup> of program participation on participants was at the core of the methodology. The approach emphasized comparing the post-program experience of participants to the experience of similar individuals<sup>12</sup> who did not participate in the program.

In addition, a large number of participant and comparison group members were surveyed to obtain data for the quantitative analysis (and to help explore issues beyond the incremental work). Two types of statistical estimation analysis ("kernel matching" estimation and Ordinary Least Squares (OLS) regression) were used to examine the consistency of the estimated impacts. In general the results were rather similar. In this

<sup>11</sup> Incremental or net impacts refer to impacts on individuals over and above what would have occurred without the assistance of the program. Net or incremental impacts differ from "gross measures" because gross measures do not take into account what would have happened in the absence of the program.

<sup>12</sup> A two-stage matching process was used to ensure that the comparison group members were as similar as possible to program participants. The first-stage matching used available administrative data to match comparison group members to participants according to their characteristics (sex, geographic regions, etc.), use of EI, and propensity scores (which were derived from models to estimate the theoretical probability that an insured EI recipient would take up one of the EBSMs). The second-stage matching used propensity scores that incorporated additional information collected by the survey. Despite these efforts, there is the possibility that participants and comparison group members may differ in some unobservable characteristics, such as motivation.

report we discuss only the matching estimates. Three independent experts advised on the methodology and reviewed the results.

A notable limitation of the quantitative data arises from the lack of administrative data needed to identify eligible non-participants among former claimants. This limitation required that extensive effort be taken during the survey fieldwork in order to ensure that the comparison group candidates had actually been unemployed at the APE start date.

The incremental analysis for the Self-employment Benefit program was conducted with a small sample of 50 observations. The net impact estimates pointed to a large decline in income and earnings and to a large increase in self-employment hours worked. The decline in earnings can be partially explained by the fact that two and one-half years after the end of the SEB participation, 25 of the 50 SEB participants were no longer operating the self-employment business. In addition, self-employment earnings may be subject to under reporting to Canada Revenue Agency (CRA) for various reasons; CRA data was primarily used for estimating impacts on participants' earnings.

Given the context explained above and particularly the small sample size, it was decided not to report the net impacts for SEB in this report since the results must be interpreted with caution. However, it is clear that there is a need for further research to examine the long term impacts of the SEB program on participants.



### ***3. Qualitative and Descriptive Findings***

This section summarizes the main findings from the qualitative and descriptive data collection and analysis, regarding PBM participation in New Brunswick and the experience of participants. It addresses program rationale and implementation as well as characteristics and experiences of participants. Findings are organized by evaluation issue.

#### **3.1 Program Rationale**

Provincial Benefits and Measures (PBMs) are intended to meet the needs of employers, communities, and the labour market.

##### ***3.1.1 Relevance to the Needs of Employers***

Key informants mentioned a number of activities supporting the relevance of PBMs to the needs of employers:

- Few key informants pointed out that while employers are not the principal focus of the LMDA, they benefit from programs such as Training and Skills Development and specifically the Employer Wage Subsidy program. These programs were credited with alleviating some pressures for employers (i.e. cash flow, hiring of clients) and by providing an inducement to relocate or expand in New Brunswick.
- Some key informants saw a proactive role for employers through Adjustment Services as they think strategically about human resource issues. In addition, key informants reported that the Strategic Initiatives within TSD could handle training requirements for big employers or unions.

##### ***Filling Vacancies or Addressing Skills Shortages***

Opinion varied on the extent of the role played by the LMDA toward filling job vacancies and skill needs of employers. Some key informants reported that employers seek assistance in filling their job vacancies and skill needs. Others saw the role as being more indirect through providing unemployed clients with the needed skills to fill the job vacancies or to help stream unemployed individuals to areas of need through counselling sessions or labour market information.

Key informants stated that the LMDA is contributing to filling large employment needs such as the boom of call centres in New Brunswick. They also identified the existence of an LMDA committee tasked with the identification of skill shortages. Key informants also identified the Enterprise Network and its role in identifying skill shortages. In fact, the LMDA supports a full-time position (Labour Market Development Officer) in each of 15 regional Enterprise Agencies to help assess and plan for labour market needs.

In addition, based on available labour market information on skill shortages, LMDA managers work with community colleges to get changes in curriculum. EWS then can provide added incentive to hire recent graduates within these skill shortage areas.

### ***Employers' Satisfaction with PBMs***

Employers were generally satisfied with EWS. Few employers had difficulty keeping employee lists updated as required by the program and particularly when employment involved shift work. Some employers had difficulty with the reporting burden. They felt that there should be an easier way to administer the program and that the paperwork made the program uneconomical. Delivery agents echoed this view.

### ***Employers' Satisfaction with PBM participants***

Employers' satisfaction related to PBM participants was mixed. Some saw no difference between workers they hired themselves and those hired under EWS. Skill levels of EWS participants also varied with some having the required skills and others having only basic skills.

## ***3.1.2 Relevance to the Needs of Communities***

The relevance of the LMDA to the needs of communities was explored through a review of the partnerships created, the role of Adjustment Services at the community level and the resulting impacts.

### ***Improved Partnerships among Community Stakeholders***

Key informants identified an improvement in partnerships through the LMDA:

- Partnerships across levels of government had mostly worked well. Uncertainty existed about the effect on the partnership between PETL and HRSDC when Service Canada came into being. Service Canada was created just prior to the interviews conducted in 2005.
- The LMDA fostered partnering with over 200 community Internet access sites in New Brunswick, as a way of reaching clients in these communities. Partnering with 15 regional Enterprise Agencies improved gathering and distribution of labour market information.
- Good working relations formed between third party deliverers and government representing a partnership with community-based or group-based interests.

Third-party delivery agents felt the partnership with PETL had grown and they were better appreciated as the relationship developed. Partnering was felt to help educate those in the community and increase awareness of clients' needs.

### ***Adjustment Services Help Communities Adjust to Changing Labour Market Needs***

In the period covered by the evaluation, Adjustment Services (AS) typically reacted to labour-market crises in communities, such as a mill closure. An Adjustment Committee of former managers and employees would be set up to address significant community impacts and provide rapid access to needed interventions (PBMs). Stakeholders report high levels of satisfaction through AS.

Key informants reported that a more proactive form of AS is foreseen by encouraging small and medium employers to forecast human resource needs and to implement solutions to meet them.

### ***Other Community Impacts***

Other community level impacts were identified:

- Employers reported that creating jobs through EWS always has impacts on a community. Creating even 4 or 5 jobs in a small community was seen as significant.
- Advocates praised EAS for retaining immigrants in the region. They noted it is the only PBM available to most immigrants, who remain ineligible for other PBMs until they have an EI claim.
- Delivery agents suggest that programs to help marginalized groups are beneficial both to such individuals and to the local labour market.

## ***3.1.3 Labour Market and Economic Adjustment***

The extent to which PBMs have assisted with labour market and economic adjustment was assessed from a number of perspectives.

### ***Filling Need for Occupational Expansion and Replacement***

Some key informants suggest PBMs help fill occupational expansion and replacement needs indirectly through the provision of Labour Market Information (LMI) and the encouragement to use it. Individuals and groups involved in labour market decisions could then make informed choices about changing curriculum, providing training for jobs in demand, and training in needed occupational areas. Other key informants suggested a more direct approach, feeling the LMDA should identify strategic areas on which to focus a targeted response.

### ***Relevance of Field of Training/Study to Occupational Demand in NB***

LMI provides the potential link between a client's field of study and occupational demand:

- TSD funding decisions are based on the availability of jobs identified through LMI.
- EAS uses the best information available to help steer the client to shortage areas. However, demand occupations information is only available at the provincial level. This same information is available on the web and may be accessed by clients through the community Internet sites supported through the LMDA.

A fairly devolved LMDA planning process exists in New Brunswick. Allocations to the five PETL regions in New Brunswick are decided centrally based on key economic measures reported at the regional level. Regional Directors then set budgets for PBMs based on economic development activities in the area, EI data, and discussions with HRSDC and Enterprise Network colleagues. Because information on occupations in surplus or shortage is only available at the provincial-level, such information is unlikely to affect the local mix of PBMs.

### ***What proportion of clients are displaced workers (i.e., plant closure, permanent layoff)?***

Displaced workers were defined as those unemployed and not expecting to be called back to work as a result of events such as a plant closure or permanent lay-off. Participants were more likely to meet these characteristics compared to comparison group individuals prior to their PBM participation. Of active claimant participants, 53% (compared to 24% for the comparison group), and of former claimant participants, 55% (compared to 35% for the comparison group) were displaced workers.

### ***What proportion of clients was having difficulty finding work?***

Participants were more likely to report having difficulty finding work prior to their PBM participation. 51% of active claimants (compared to 26% for the comparison group), and 62% of former claimant participants (compared to 51% for the comparison group), were having difficulty.

Active claimants were more likely to need help related to:

- Making a career choice—27% versus 19% for the comparison group.
- Gaining general job skills such as reading, writing or number skills—15% versus 10%.
- Looking for or getting a job—46% versus 24%.
- Having stability in their personal life—43% versus 22%.



***What proportion of clients moved to look for/take a job? (i.e., inter and intra-provincial mobility by Statistics Canada economic region)?***

About 11% of active claimant and 14% of former claimant participants who found work after participating moved to get a job. Of those who moved to get the job, 48% of active claimant and 24% of former claimant participants moved outside New Brunswick. Comparison group members had a similar experience.

## **3.2 Design, Delivery, and Implementation**

This subsection considers whether PBMs are being implemented effectively and as intended. In particular, it addresses the performance of action plans, negotiated financial assistance, and client satisfaction.

### **3.2.1 Action Plans**

***What was the clients experience in the development of Action Plans?***

One-third of surveyed participants remembered the Action Plan (See Table 1). Among EAS only clients the share was 40%. Two-thirds of participants remembered being assisted in relation to programs. This is consistent with evidence from the participant focus groups.

More than one-half of participants who responded to the survey agreed that they had set goals with respect to jobs and training, and 40% of these persons had met their goals or completed their action plans. Focus group attendees identified a number of possible reasons for action plans not being completed. These included: a lack of motivation, criminal activity, life events such as pregnancy, and absence of transportation.

A large share of the comparison group also indicated they set goals or actions, and only in the case of active claimants is there a statistically significant difference between participants and non-participants.

<b>Table 1</b> <b>Action plans</b>						
<b>Share of respondents answering yes</b>	<b>Active claimants</b>			<b>Former claimants</b>		
	<b>Clients</b>	<b>Controls</b>	<b>SD</b>	<b>Clients</b>	<b>Controls</b>	<b>SD</b>
Do you remember an action plan being created?	0.30			0.34		
Do you recall being assisted about programs?	0.68			0.70		
Did you set goals for yourself (in your action plan)?*	0.54	0.47	++	0.56	0.60	
Did you complete all the goals or actions?	0.40	0.29	++	0.42	0.38	
SD: statistically significant difference. ++: statistically significant difference at the 1%-level. * Comparison group members were asked: "Did you set goals or actions such as making a career or job related decision, getting training, or getting a job for you to achieve?"						

***What is the "PBM profile" of participants? How many PBMs did action plans cover? What was the average length of the primary intervention?***

Participants who took a PBM in 2002/2003 were considered for the assessment of impacts. One-quarter of these participants did not have an Action Plan recorded for them in administrative systems. Others had concurrent or over-lapping Action Plans. As a result, Action Plan Equivalents (APE) defined as the collection of PBMs with less than 6 months separating the end of one and beginning of the next PBM were created. This definition yielded 11,801 participants with an APE ending in the target year. Of those 7,303 (62%) were active, 3,172 (27%) were former, and 1,326 were apprentice clients.

Table 2 provides information on the distribution by principal PBM (the PBM taking the most time within the APE), the per cent with EAS, average number of non-EAS PBMs, and the duration of the principal PBM for active, former and apprentice clients separately.

<b>Table 2</b> <b>PBM profile of clients completing Action Plan Equivalents in 2002/2003</b>								
Client Status	Principal PBM	# of participants	% with EAS	Avg. non-EAS PBMs	Duration (days) of principal EBSM			
					Mean	Median	Min.	Max.
Active Claimant	EAS only	2,344	100%	0.0	126.7	18.0	1	2,120
	TSD	3,787	80%	2.2	254.5	236.0	2	2,322
	EWS	867	30%	1.3	151.5	166.0	5	954
	SEB	247	19%	1.9	269.5	313.0	12	453
	WAP	58	95%	1.9	202.1	149.5	4	1,229
	Total	7,303	79%	1.4	201.4	118.0	1	2,322
Former Claimant	EAS only	1,362	100%	0.0	125.3	8.0	1	2,254
	TSD	831	87%	2.0	305.8	292.0	3	2,135
	EWS	838	21%	1.2	151.8	168.0	5	592
	SEB	78	10%	1.2	287.7	315.0	35	349
	WAP	63	92%	2.2	307.2	181.0	33	1,355
	Total	3,172	73%	0.9	187.2	120.5	1	2,254
Apprentice	Total	1,326	4%	2.1	56.1	42.0	9	1,311
Source: NB LMDA Administrative Records								

The table suggests that APE characteristics are similar between active and former claimants. Considerable variation in characteristics occurs across APEs with different principal PBMs.

### ***Amount of EI Claim Used before Starting PBM***

Some active claimants may delay the start of participation. According to key informants, delay may be because active claimants:

- Believe they will find work without help.
- Need to reflect/consider options after losing their job, before deciding what to do.
- Do not know that assistance is available to them.
- Feel EI is an entitlement and will take it as long as they can get it.

### ***How long had the participants been on claim before they started an APE?***

The data for 8,580 active participants who completed their participation in 2002/03 show that the period participants spent on EI prior to starting an APE ranged from 4 to 78 weeks, with a median of 14 weeks and an average of 17 weeks. Participants can start an Action Plan up to four weeks before the commencement of an anticipated claim and 14% had. A full 95% started their APEs within 44 weeks of the start of their claims. The other 5% clearly had their claims extended beyond the typical benefit period, most often due to receipt of severance pay.

An initial concern after devolution was that the same person no longer handled intake for both EI and PBMs resulting in a delay and reduced access to potential participants by program staff. HRSDC and PETL staff mitigated this problem by holding joint sessions when individuals first applied for EI or by sharing lists of new EI applicants or those who had been on claim for extended periods. In the future, more on-line applications to EI are expected to reduce the potential for joint sessions and may result in delays to program participation.

### **3.2.2 *Negotiated Financial Assistance***

The formative evaluation observed inconsistencies across delivery sites and recommended that these should be addressed. In reaction, PETL produced detailed guidelines related to the delivery of each PBM. The guidelines are very proscriptive, particularly in relation to eligibility requirements and financial support. As a result, determination of support levels has switched from a means tested (Negotiated Financial Assessment (NFA)) to an entitlement-based approach. There are also frequent conference calls held between staff at headquarters and their counterparts in the New Brunswick regions to develop a common approach to any item that may not fall within the guidelines. These efforts were seen to result in a high degree of consistency in treatment of clients.

According to key informants, complaints from LMDA participants on these issues have decreased from hundreds to a handful in each year. Counsellors are able to focus on employment counselling versus the financial assessment required under NFA. However, the greater consistency has come at a price of less flexibility in terms of targeting to meet local labour market needs according to some key informants.

### **3.2.3 *Clients' Satisfaction and Perceived PBM Usefulness***

#### ***Usefulness of Counselling/Career Services***

Thirty per cent (30%) of survey respondents found the help received to be very useful in identifying employment goals or selecting a government program related to training and employment. Five per cent (5%) of respondents were very dissatisfied.

In focus groups, delivery agents felt the EAS experience was useful to participants who need direction and guidance in setting and accomplishing their goals or changing careers after a job loss and this was echoed by about half of surveyed participants who recalled participating. Some delivery agents identified a need for more general career counselling to help with life decisions. Advocacy groups felt that EAS helps reduce barriers by working with a participant to understand specific needs and to tailor an approach to address them.

### ***Satisfaction with PBM and Its Usefulness Getting a Job***

Between 50% and 60% of survey respondents were highly satisfied with the programs, access to programs, waiting times and the suitability of programs for their needs. Less than 10% expressed dissatisfaction across these measures.

Participants in focus groups were generally satisfied with their participation:

- Most TSD participants found the training they had received to be valuable and attributed their current job to the skills developed under TSD.
- EWS participants either continued with the EWS employer or were able to get their current job through some aspect of the EWS experience.
- SEB participants credited their business success to the SEB experience.
- Advocacy groups felt EWS was useful in terms of increasing awareness and exposure for participants, especially for those with credentials but no experience. They felt WAP instilled confidence, but that the projects were too short and the pay too low.
- Some third party deliverers thought durations for EAS, WAP, and EWS should be extended and that compensation to participants should be higher than the minimum wage.

## ***3.2.4 Issues Raised in the Formative Evaluation***

### ***Internal Communications Strategy***

The formative evaluation called for an internal communications strategy to clarify roles and responsibilities, changes in service delivery, and other items that affected the LMDA partners. The Management Response identified that a Communications Committee was established and a draft strategy developed.

Key informants felt the problems arising from poor coordination between the two NB departments initially charged with delivering the LMDA ceased when the counselling group from the Department of Family and Community Services was moved to PETL.

### ***Promotion, Reception, and Signage***

Key informants felt implementation issues related to the promotion of the LMDA and service delivery aspects such as signage and reception of clients had been resolved. They felt signage was improved and clients were aware of where to go for service.

### ***Service to Aboriginal Clients***

Key informants felt that initial uncertainty about the coverage of Aboriginal clients, particularly of those living on reserve, may have been caused by the distinct mandates for social assistance under Family and Community Services versus the Department of Indian

and Northern Affairs and the unknown reach of the Aboriginal Human Resources Development Agreement (AHRDA). The uncertainty seems to have been addressed.

However, differences were identified related to the levels of support available for off-reserve (generally covered by the LMDA) and on-reserve (generally covered by the AHRDA) Aboriginal clients. The AHRDA was felt to offer more in terms of its provisions for child care and transportation costs for participants and the overhead allowances for third party delivery agents.

### ***External Communications Strategy***

An initial concern was that active claimants might need to be informed of program availability as devolution to the province would result in them no longer having direct access to programs and services. Key informants felt this was solved through Group Information Sessions (GIS) for new claimants, involving both program and services and EI staff in a joint session. Sessions were suspended for four months when Service Canada took over from HRSDC. This resulted in considerable concern by key informants.

Attendees at the advocate focus group saw joint GIS as a good feature. Additionally they felt that more communication was needed to sell the programs, especially at the community level. In their view uncertainty remained about where clients should go to get service.

Focus groups with delivery agents suggested awareness of programs remains an issue.

Many key informants identified a future concern as more active claimants apply for EI on-line, do not enter an EI office, and consequently miss participating in joint GIS sessions. Key informants suggested a new feature of WebLMDA would allow the creation of lists of recent EI claimants for targeting purposes.

### ***High Uptake by Former Clients***

Against an initial target for the LMDA of 65% for active claimants, the formative evaluation found that only 44% of participants were active claimants and recommended investigating reasons for the high (56%) former claimant rate.

We suspect that status was incorrectly determined based on the time participants started their most recent PBM and not, as it should have been, when they began participation. Backing up this assertion, the Monitoring and Assessment Report covering the period of the formative evaluation identified that 68% of participants were active claimants. The proportion of active claimants since has been 80% or higher in all years but one, when it was 71%.

## ***Integration of Information Systems***

The formative evaluation called for greater integration of information systems maintained by the LMDA partners. Problems remain:

- Three separate information systems (NESS, EDTS (Employment Development Tracking System) and Apprenticeship) feed information into ContactNB (the system used to case manage participants) and continue to exhibit integration problems.
- Contact4 (the system used by third party delivery agents) and ContactNB record action plans independently. This causes integration problems when information is combined.
- While ContactNB is said to perform well, uploads to HRSDC systems cause problems (There was a 24% error rate in the month before our interviews).
- New Brunswick has had a proportion of its results (Return to Work and EI Savings) disallowed. At the time of our interviews, PETL had not been given reasons for this and had not been able to obtain the data needed to investigate the problem.
- WebLMDA has replaced the On-Line Insurance System as the means to determine EI eligibility status. Only HRSDC staff could access the previous system. The new system is available to PETL and third party delivery agents, resulting in much greater efficiency although key informants reported it is often “down” especially at peak times. But WebLMDA does not identify the benefit rate of former claims of reachback clients. This information is needed by the formula used to calculate benefit rates paid to TSD former claimants. PETL staff must, as a result, request the old benefit rate from HRSDC staff for each such client.

## ***Increased Targeting***

The formative evaluation recommended increased targeting of active claimants to overcome a perceived under-representation by this group. As noted earlier, active claimants were not under-represented. While PETL has done only limited targeting, it has met its targets for active-claimant participation, through joint GIS.

Key informants suggested a new feature of WebLMDA would allow creation of lists of recent EI claimants for targeting purposes. This feature may help counter reduced contact with active claimants expected in the future due to increasing on-line EI applications.

Priority groups identified by PETL are those with a disability, social assistance recipients, visible minorities, post-secondary students, and older workers. Except for an incentive for recent post-secondary graduates under EWS, no other means to encourage participation by these other groups exist.

### ***Coordination of Program Delivery***

Some coordination problems identified in the formative evaluation may have arisen due to poor communication between the two NB departments initially responsible for program delivery. These problems were eliminated through the transfer of responsibility for counselling to PETL. Co-ordination problems were reportedly minor between HRSDC and PETL. More recent problems were thought to have resulted from uncertainties related to the creation of Service Canada.

### ***Dedicated Implementation Manager***

The formative evaluation called for the appointment of a dedicated manager to oversee the implementation of the LMDA. While no such appointment was made, all key informants felt that it would no longer be of value.

### ***Inconsistencies across Delivery Sites***

In reaction to a recommendation in the formative evaluation that observed inconsistencies across delivery sites should be addressed, PETL produced detailed guidelines related to the delivery of each PBM. The guidelines are very prescriptive. Frequent conference calls between PETL headquarters' staff and their counterparts in the New Brunswick regions lead to a common approach to any item not addressed by the guidelines. These efforts were seen to result in a high degree of consistency in treatment of clients.

Key informants report that guidelines have reduced complaints from hundreds to a handful per year. Also the prescriptive approach, allows counsellors to focus on employment counselling rather than financial assessment.

A minority of delivery agents suggested inconsistencies remain with respect to accessing services, as guidelines are not interpreted uniformly. Potentially these comments relate to variations in availability of services resulting from the autonomy of regional directors to determine service offerings based on local needs.

### ***Use of WAP/EWS to Gain EI Entitlement***

In other jurisdictions, Job Creation Partnerships, the intervention equivalent WAP, does not increase a participant's EI eligibility. In New Brunswick it does. For this reason, WAP is funded by the Province, rather than under the LMDA. Concern arose that WAP could be used to increase the entitlement of otherwise ineligible individuals who could then become participants under the LMDA. EWS could be used in the same way.

To test for this possibility, a file review found that, of 5,564 participants in these two PBMs in 2002/03, a total of 3,325 (60%) were not insured. As of April 2005, only 92 of these individuals had established a claim and only 31 of them participated in PBMs.



The analysis indicates that relatively few non EI insured WAP and EWS participants supported by the Province go on to establish an EI claim and even fewer become LMDA participants by the end of the second year. Potentially others will establish a claim and participate in PBMs later. However in the short term (2 years), this happens rarely.

### 3.3 Client Characteristics

This section addresses characteristics of clients. Results are summarized in Table 3 for active and former claimants, their matched comparison group and apprentices.

The first row of the table shows average age in years. All other rows indicated percentages. The average active claimant is 35 years of age, male, married with no children, and with a high school diploma. Former claimants have similar characteristics. In comparison, apprentices are younger (28) and almost exclusively male.

<b>Table 3</b>					
<b>Characteristics of clients</b>					
	<b>Active claimants</b>		<b>Former claimants</b>		<b>Apprentices</b>
	<b>Clients</b>	<b>Controls</b>	<b>Clients</b>	<b>Controls</b>	
age	34.8	35.3	36.0	36.4	28.4
less than 30	37.8	34.9	32.6	33.8	64.4
30-44	41.0	44.4	43.1	40.2	32.3
45 and over	21.2	20.7	24.3	25.9	3.3
women	39.9	40.5	48.6	50.7	2.1
men	60.1	59.5	51.4	49.3	97.9
married	50.1	50.2	48.5	49.0	47.0
single	48.8	48.8	50.9	50.0	52.0
no children	56.2	55.5	54.0	55.0	63.3
1 child	18.3	18.3	22.5	21.4	17.4
2 children	19.9	20.0	17.6	17.8	14.5
3 or more children	5.6	6.2	5.9	5.9	4.8
immigrant	2.3	2.2	2.9	3.5	1.2
aboriginal	4.1	4.2	3.4	3.3	0.9
visible minority	3.7	4.1	3.1	3.2	1.8
disabled	3.9	3.5	6.8	8.1	2.0
English	53.3	54.6	62.1	64.7	61.5
French	45.8	44.5	37.0	34.1	37.7
no high school	22.9	23.7	27.3	24.2	5.8
high school diploma	50.8	48.6	47.1	48.5	56.1
college diploma	19.3	20.2	18.0	18.8	36.3
university degree	6.6	6.9	7.1	8.0	1.8

## ***Perceived Barriers to Employment***

The advocacy focus group identified several barriers to employment for the clients they represent, such as overcoming employers' perceptions, expectations, culturally based stereotypes, and discomfort with the unfamiliar. They also noted the following specific barriers:

- For clients with mental and intellectual disabilities, barriers range from simple grooming and hygiene to the illness itself.
- Newcomers suffer from lack of recognition of credentials, of certification, and of proficiency in French or English.
- Aboriginals face many of the same barriers as newcomers. Some young Aboriginals appear unwilling to leave their communities.
- Some people cannot take jobs at low pay because they lose health care benefits covered through social assistance.
- Lack of transportation is a problem in smaller communities making it difficult to take jobs that involve commuting.
- Some people do not want to move from their communities and their support networks.

Delivery agents also identified several barriers: limited education, disabilities, language problems, inadequate life skills, lack of access to affordable transportation, no money to participate, low self esteem, and possible loss of health benefits if they work.

From the survey, a small number of participants (n=62) who had not worked since participation ended identified reasons for not working: illness/disability (42%), no work/jobs (in area) (16%), left the workforce (10%), too old (8%), not motivated/no plans (5%), and miscellaneous other mentions (19%). Respondents to the comparison survey who had not worked in a comparable period (n=199) had the following reasons: illness/disability (35%), left the workforce (20%), no work/jobs (in area) (16%), stayed home to look after children/dependents (10%), too old (8%), and miscellaneous other mentions (11%).

## **3.4 PBM-Specific In-Program Experience**

This section discusses the experience of participants of specific PBMs.

### ***3.4.1 Training and Skills Development***

Participants in focus groups who had taken TSD covered a wide range of areas of study including: high school refresher, high school diploma, trades training, secretarial/administrative assistant, computer training, nursing, and university undergraduate degree.

Of 822 survey participants who took training and answered questions about this training, 792 took classroom training, and 612 received a diploma. The most common credentials mentioned were trade certificates (20%), computer certificates (11%) and medical health

certificates (4%). The *New Brunswick Occupations in Shortage or Surplus (2002)* identified the following occupations in shortage Plumbers, Carpenters, Bricklayers and Tile Setters, Motor Vehicle Mechanics, Registered Nurse, Medical Technologists and Technicians, and Registered Nursing Assistants. Some of these areas may be captured in the survey responses related to most common credentials. In the survey, participants also reported receiving: certificates for Computer Network and Administration, Power Engineer, and Air-conditioning and Refrigeration Technician, diplomas for high school, Executive Assistant, and Licensed Nurse Practitioner, and degrees for Bachelor of Social Work.

### **3.4.2 Self-Employment Benefits**

Fifty SEB participants who completed the survey started a business, and one-half were still operating the business at the time of the survey (a minimum of two and one-half years later). Thirty-two had started their business before accessing the program, and of those one-third had made changes to their business because of the program. Twelve of fourteen who started their business after contact with the program said the program had allowed them to start their business. Of businesses either started or changed by the program, 38% (8 of 21) had hired another person.

All SEB participants who attended the focus group had started a business and one-half had run it continuously as their sole means of support. Those not operating their business were using the skills they had learned in other activities. All reported that the program had either improved their business or was helpful in running it. Focus group members stressed the importance of having received the 12 months of predictable income (a feature of the SEB program) as they would otherwise have lacked the cash to start their businesses.

### **3.4.3 Employer Wage Subsidy**

#### ***Perspective of Employers***

There are a number of possible mechanisms to establish an EWS. In focus groups with EWS employers, approaches to begin an EWS were almost equally divided among:

- The employer approaching and EWS eligible individual;
- The employer posted job openings and screened candidates for EWS eligibility after the interview; and
- PETL or third party deliverer referred EWS eligible candidates to the employer.

Employers in focus groups identified that most participants had completed their EWS terms with them and many were hired permanently afterwards. The hiring rate varied from none to most. Employers reported that participants gained valuable skills or improved on skills they already had in the areas of manufacturing, computer, public relations, administration, food preparation, and service.

### ***Perspective of Participants***

In the survey, 182 of 193 EWS participants were able to confirm their participation. More than one-half had been approached by an employer or found an ad, an employment counsellor referred 20%, and the remainder approached an employer directly after being accepted by the program. About 40% (70 of 182) were still working with the EWS employer at the time of the survey (at least two and one-half years later). Of those not currently working with their EWS employer (n = 112) but aware it was a term position (n=43), almost all said they had worked the full term.

The large majority of confirmed EWS participants indicated they had gained experience and learned skills that would help them in other jobs: computer skills (12%), management/dealing with people (16%), customer service (14%), skilled trades (20%), and general experience (20%). Multiple answers were allowed.

In focus groups, most EWS participants had approached employers to establish a subsidized work placement, although about one-quarter were unaware that the job they had with their employer had been subsidized through EWS. All in focus groups had worked for their full EWS term and two-thirds beyond it. One-third was still with their EWS employer (more than two and one-half years later). About one-half reported gaining skills that would be valuable to them in other jobs.

## **3.5 Apprentices**

Impacts for apprentices are presented in Table 4. There is no comparison group for apprentices. Impact measures pick up changes between conditions before and after the participation that ended in 2002/2003<sup>13</sup>. Due to the nature of apprenticeship training, participation likely reflects a single period of TSD classroom training not necessarily completion of the full apprenticeship (Full apprenticeship typically includes multiple TSD periods, typically of 6 to 8 weeks each over a number of years).<sup>14</sup> Generally speaking, repeat users (3 or more EI uses in the 5 years before 2002/03) likely pick up individuals towards the end of their apprenticeship training. Non-repeat users likely pick up individuals toward the start of their apprenticeship training.

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<sup>13</sup> Conditions in the two years prior to the start of training were compared with conditions in the one year after training.

<sup>14</sup> The length of this training event was 6 weeks (median) to 8 weeks (mean) in the APEs so constructed.

<b>Table 4</b> <b>Program impacts, apprentices</b>							
		All apprentices	Repeat user	Non-repeater	EI region		
					7	8	9
Individual total income (\$000)	Year 1	6.4	3.4	9.1	8.2	10.5	3.4
	Year 2	10.8	7.6	13.8	12.7	14.2	7.9
Earnings paid by employers (\$000)	Year 1	4.4	1.3	7.3	5.8	10.1	1.2
	Year 2	9.2	6.1	12.1	10.0	13.1	7.3
Transfers as a share of earnings plus transfers (%)	Year 1	7.3	9.9	4.9	2.3	4.0	13.3
	Year 2	0.4	-0.3	1.1	-3.0	2.3	3.3
EI weeks at annual rates	First 52 weeks	1.6	-0.4	3.1	0.4	-0.1	3.4
	After 52 weeks	0.6	-3.0	3.3	-0.1	-1.6	2.0
Hours per year in paid employment	First 52 weeks	76	98	60	227	-8	-60
	After 52 weeks	62	174	-18	205	-99	-39
Note: All impacts calculated as the change from before to after the program period.							

Participation in apprenticeship has strong positive effects. Earnings and income increase by thousands of dollars, and hours of employment also increase. Most impacts are more positive for non-repeat users of EI. These are more likely to be individuals beginning their apprenticeship. Results are generally more positive in EI regions 7 and 8.<sup>15</sup>

### 3.6 Post-Program Skills Acquisition

In the period after their intervention, some participants engaged in a training course (33%), went back to school on a full- or part-time basis (21%) or increased their skills through a voluntary activity (37%). For comparison individuals 20%, 10% and 27% respectively engaged in the same activities. However, no statistically significant difference was found between participants and non-participants.

<sup>15</sup> Regions are 7: Fredericton – Moncton - Saint John, 8: Charlotte-Madawaska and 9: Restigouche-Albert.



## ***4. Net Impacts and Effects***

This section presents findings from multiple lines of evidence concerning observed and estimated impacts and effects of participation in PBMs on: employment, earnings, reliance on income support, client attitudes and quality of life.

### **4.1 Attitudes toward Work and Learning**

#### ***Changes in Clients' Attitudes after Program Participation***

Participants were asked to assess their degree of agreement to statements about changes since participation began. Comparison group members were asked a similar question using a comparable date. Results are shown in Table 5 for those who stated moderate or strong agreement to the statement.

Apprentices were more likely to agree that there had been improvement than other participants, regardless of the type of improvement they were asked about. Active claimants were more positive than their comparison group members related to changes in the following areas: interest in improving job skills through further training and interest in increasing their level of formal education. Active claimant participants were significantly less likely to agree that they were better able to keep a job.

<b>Table 5</b> <b>Incidence of moderate or strong agreement with statements about change</b>							
Thinking of changes since the start date of your participation in programs or equivalent, do you agree with the following statements?	Active claimants			Former claimants			Apprentices
	Clients	Controls	SD	Clients	Controls	SD	
The job skills I bring to the workforce are much higher now	0.53	0.55		0.56	0.55		0.62
I am better able to find a job if I needed to now	0.52	0.49		0.53	0.39	++	0.81
I am better able to keep a job	0.59	0.68	--	0.56	0.61		0.74
I am more willing to move to another community to find work	0.25	0.21		0.25	0.22		0.32
I am more interested in improving my job skills through further training	0.67	0.58	++	0.64	0.60		0.67
I am more interested in increasing my level of formal education	0.56	0.47	++	0.52	0.45		0.55
I am better able to contribute to my family income	0.62	0.60		0.60	0.53		0.76
My family's earnings have improved	0.46	0.46		0.47	0.38		0.66
My family's well-being has improved	0.50	0.53		0.52	0.41	+	0.61
My confidence in myself and my abilities has improved	0.65	0.66		0.65	0.53	++	0.69
Note: SD means statistically significant difference; "+" indicates a result more positive for participants at the 5%-level; "++" indicates a result more positive for participants at the 1% level of significance, and "--" a result more negative for participants at the 1% level of significance.							

Former claimants were more positive than their comparison group members related to changes in the following areas: better able to find a job; families' earnings and well-being have improved; and improved self-confidence and abilities.

## 4.2 Perceptions of Post-Program Jobs

For more than one-half of survey respondents, the job of longest duration after the program period was with the same employer as before the program period (See Table 6). Among active claimants, seven in ten of the comparison group went back to the same employer, and five in ten participants. About nine in ten who returned to the same employer returned to the same job, and again the share of comparison group members was higher. Differences are statistically significant related to the return to the same employer and return to the same job for active claimants.



<b>Table 6</b> <b>The job of longest duration after the program period</b>							
	Active claimants			Former claimants			Apprentices
	Clients	Controls	SD	Clients	Controls	SD	
Was the main job after the end of program participation							
with the same employer?	0.49	0.69	--	0.51	0.50		0.79
if so, was it the same job?	0.85	0.93	--	0.88	0.89		0.94
was it in the private sector?	0.78	0.74		0.76	0.77		0.90
To get this job							
did you need a diploma?	0.43	0.35	++	0.45	0.41		0.52
if so, did you get it through programs?	0.59	0.28	++	0.56	0.33	++	0.72
did you need a particular set of skills?	0.70	0.53	++	0.67	0.57	+	0.78
if so, did you get the skills through programs?	0.83	0.21	++	0.81	0.25	++	0.88
Note: SD means statistically significant difference; "+" indicates a result more positive for participants at the 5%-level; "++" indicates a result more positive for participants at the 1% level of significance, and "- -" a result more negative for participants at the 1% level of significance.							

Among former claimants there was no difference between participants and non-participants. Five in ten returned to their pre-program employer and of them nine of ten in the same job. Eight in ten apprentices returned to the same employer, and nine in ten of them returned to the same job.

To get their main job after the program, more participants than non-participants needed a diploma or a particular skill set. Participants were also more likely to say they received the diploma or skills through participation versus comparison individuals saying through a government program.

Participants were asked to identify how important was their participation to getting this longest job on a seven-point scale where "1" was "very unimportant" and "7" was "very important". The top two ratings were assigned by 45% of active and former claimants and by 60% of apprentices.

Overall job satisfaction and satisfaction with pay related to the longest post-program period job was rated using a seven-point scale where "1" was "very dissatisfied" and "7" was "very satisfied". Participants and active comparison group members were similar in their satisfaction ratings. The top two ratings were assigned by about 65% for overall satisfaction and about 50% for pay. Former comparison individuals' satisfaction rating was at 59% and 44% respectively. Apprentices' ratings were at 73% and 50%. These ratings are presented in Table 7.

<b>Table 7</b> <b>Incidence of top two ratings for various measures related to longest post-program job</b>					
Views on:	Active claimants		Former claimants		Apprentices
	P	C	P	C	
Importance of program to getting job	0.45		0.45		0.60
Overall job satisfaction	0.64	0.67	0.66	0.59	0.73
Satisfaction with pay	0.49	0.54	0.49	0.44	0.50

## 4.3 Post-Program Employment

### *Descriptive Analysis*

According to information gathered through the survey, active claimant participants were slightly less likely to report work, worked slightly fewer hours in paid employment and had slightly lower earnings than the comparison group (See Table 8), but were more likely to engage in self-employment activities immediately after the program period.

Table 8					
Immediate post-program outcomes: hours and rate of pay					
	Active claimants		Former claimants		Apprentices
	Clients	Controls	Clients	Controls	
Paid employment	excluding participants in SEB				
Share who reported activity	0.83	0.85	0.77	0.57	0.99
Annual hours	1,106	1,156	1,055	946	1,802
Earnings (\$000)	15.1	16.2	12.6	11.8	27.7
Pay per hour (\$)	13.70	13.77	11.93	12.37	15.58
Self-employment	including participants in SEB				
Share who reported activity	0.10	0.05	0.04	0.12	0.01
Annual hours	189	89	81	106	4
Note to table: Changes are measured from the 52 weeks immediately before the program period.					

Former claimants worked longer hours and earned higher total employment earnings relative to comparison group members. They were less likely to engage in self-employment.

Almost all apprentices worked in the post-participation period but almost none were self-employed. They worked more hours with higher earnings than other participants on average.

The incidence of paid employment and annual hours as measured through the survey shows differences between participants and the comparison group that are consistent with the CRA data. However, the incidence of employment is much lower in the survey, indicating failure to report employment and earnings.

## Incremental Analysis

The impacts presented in Table 9 were obtained by comparing outcomes of participants and non-participants after the program period using an OLS regression with many variables describing personal characteristics and pre-program outcomes. Sample weights were applied to participants, and weights for non-participants were derived from aggregate matching weights.

<b>Table 9</b>					
<b>Impacts of different Benefits and Measures on active claimants: hours and rate of pay</b>					
	<b>Period</b>	<b>EAS</b>	<b>Employment Benefits</b>		<b>All active claimants</b>
			<b>TSD</b>	<b>EWS</b>	
Hours per year in paid employment	First 52 weeks	-7	6	28	4
	After 52 weeks	82	14	93	46
Pay per hour (\$) in paid employment	First 52 weeks	<b>-0.91</b>	<b>1.18</b>	<b>-1.46</b>	0.07
	After 52 weeks	<b>-1.46</b>	<b>1.32</b>	<b>-1.04</b>	-0.08
Note: These are ex-post cross-section estimates, derived by applying weighted OLS to selected survey responses. Bold print indicates significance at the 5% level.					

According to survey responses, changes in the number of hours of paid employment were not statistically significant among participants in EAS, TSD and EWS. Employment assistance services reduced the hourly rate of pay, as did the wage subsidy program. By contrast, TSD had a positive impact on the rate of pay in paid employment.

Former claimants taking EWS increased their hours in paid employment by 419 in the first year and 264 in the second year after participation. Combining all former claimants, hours in paid employment increased by 195 hours in the second year after participation (see Table 10).

<b>Table 10</b>					
<b>Impacts of different Benefits and Measures on former claimants: hours and rate of pay</b>					
	<b>Period</b>	<b>EAS</b>	<b>Employment Benefits</b>		<b>All former claimants</b>
			<b>TSD</b>	<b>EWS</b>	
Hours per year in paid employment	First 52 weeks	-31	87	<b>419</b>	144
	After 52 weeks	148	181	<b>264</b>	<b>195</b>
Pay per hour (\$) in paid employment	First 52 weeks	-0.17	0.19	-1.44	-0.48
	After 52 weeks	-0.67	0.45	-1.03	-0.17
Note: These are ex-post cross-section estimates, derived by applying weighted OLS to selected survey responses. Bold print indicates significance at the 5% level.					

## 4.4 Level of EI and SA Received Post Program and Self Reliance

### *Descriptive Analysis*

Outcomes immediately following the program period and changes in outcomes from before the program period give an indication of the effect programs may have had.

Use of EI, measured by weeks of benefits, increased among active claimants, but by a lower percentage for participants than the comparison group (See Table 11). For former claimants use of EI declined but by a lower percentage for participants than the comparison group. Use of SA, measured by weeks of benefits, decreased among active claimants, and by slightly more for participants than the comparison group. For former claimants use of SA went up but by less, in percentage terms, for participants.

<b>Table 11</b> <b>Immediate post-program outcomes: transfer payments</b>						
		Active claimants		Former claimants		Apprentices
		Clients	Controls	Clients	Controls	
EI and SA as a share of earnings plus transfers (%)	Level	23.8	24.1	17.9	11.8	18.2
	Change	7.6	5.4	-6.3	-13.1	7.3
EI benefit weeks at annual rates	Level	13.3	14.6	10.4	5.2	10.9
	Change	2.7	4.2	-4.6	-9.8	1.6
SA benefit weeks at annual rates	Level	1.1	1.3	3.9	4.7	0.0
	Change	-0.8	-0.7	1.1	1.3	0.0

The share of total income (earnings plus transfers) from EI and SA went up for active claimants and by more for participants. It went down for former claimants but by less for participants.

### *Incremental Analysis*

EAS, TSD and EWS participation by active claimants have no significant impact on reliance on income support or on use of EI or SA.

<b>Table 12</b> <b>Impacts of different Benefits and Measures on active claimants: transfer payments</b>					
	Period	EAS	Programs		Benefits and Measures
			TSD	EWS	
Transfers as a share of income (%)	Year 1	5.5	0.3	0.3	2.0
	Year 2	-2.2	-1.6	-0.8	-1.6
EI benefits weeks at annual rates	First 52 weeks	2.1	-1.4	0.1	0.1
	After 52 weeks	-0.1	0.8	-0.9	0.2
SA benefit weeks at annual rates	First 52 weeks	0.0	-0.5	-0.1	-0.3
	After 52 weeks	-0.1	-0.6	-0.1	-0.3
Note: Impacts calculated as difference-in-differences using matching estimators.					

Similar information is provided in Table 13 for former claimants.

<b>Table 13</b> <b>Impacts of different Benefits and Measures on former claimants: transfer payments</b>					
	Period	EAS	Employment Benefits		Benefits and Measures
			TSD	EWS	
Transfers as a share of income (%)	Year 1	<b>10.2</b>	6.4	5.2	<b>6.1</b>
	Year 2	<b>11.0</b>	3.7	<b>11.2</b>	<b>7.2</b>
EI benefits weeks at annual rates	First 52 weeks	<b>5.2</b>	<b>4.3</b>	<b>8.5</b>	<b>5.3</b>
	After 52 weeks	2.3	4.4	<b>5.1</b>	<b>3.7</b>
SA benefit weeks at annual rates	First 52 weeks	-1.0	1.8	-0.7	-0.3
	After 52 weeks	-0.5	0.1	-1.1	-0.8
Note: Impacts calculated as difference-in-differences using matching estimators. Bold print indicates significance at the 5% level.					

As shown in the exhibit, EI benefit weeks increase for most former claimant groups by approximately 4 or more weeks. Transfers as a share of earnings plus transfers generally increased as a result of the additional use of EI.

## 4.5 Earnings, Income and Probability of Paid Employment

### *Descriptive Analysis*

Table 14 provides information on the level of earnings immediately after the program period compared with levels in the year before participation began.

<b>Table 14</b> <b>Immediate post-program outcomes: income, earnings and employment</b>						
		Active claimants		Former claimants		Apprentices
		Clients	Controls	Clients	Controls	
Individual total income (\$000)	Level	21.2	22.1	18.0	17.7	32.8
	Change	3.1	4.7	2.1	1.9	6.4
Earnings paid by employers (\$000)	Level	16.7	16.9	13.9	14.5	27.5
	Change	1.5	2.2	1.6	1.7	4.4
Rate of paid employment	Level	0.94	0.93	0.94	0.83	1.00

The data suggest that while earnings have increased for all groups they increase by less for participants (active and former) relative to their comparison groups. Total income (earnings and transfers) increased for all groups but by less for active claimant participants relative to their comparison group and by more for former claimant participants relative to their comparison group. Active claimant participants are slightly more likely to work post-participation than their comparison group and former claimant participants much more likely to work than their comparison group after participation. These data are used in the incremental analysis that follows.

### ***Incremental Analysis – Active Claimants***

For active claimants (See Table 15), TSD increased earnings by \$2,700 and EWS increased the probability of paid employment by 3.7 percentage points, both in the first year after participation. No other results (income, earnings, or probability of paid employment) were significant at standard levels of significance.

<b>Table 15</b> <b>Impacts of different Benefits and Measures on active claimants: income, earnings and employment</b>					
	Period	EAS	Employment Benefits		Benefits and Measures
			TSD	EWS	
Individual total income (\$000)	Year 1	-1.3	0.5	-0.6	-0.3
	Year 2	-1.1	0.8	-0.2	0.0
Earnings paid by employers (\$000)	Year 1	-1.0	<b>2.7</b>	0.6	0.5
	Year 2	-0.5	1.6	0.4	-0.2
Probability of employment (%)	Year 1	0.1	1.5	<b>3.7</b>	0.8
	Year 2	-0.7	1.9	3.4	0.3
Note: Impacts calculated as difference-in-differences using matching estimators. Bold print indicates significance at the 5% level.					

Table 16 explores impacts related to sub-groups within active claimants. No estimates are statistically significant among sub-groups due particularly to small sample sizes.

<b>Table 16</b> <b>Impacts of Benefits and Measures on different types of active claimants:</b> <b>income, earnings and employment</b>								
	Period	Men	Women	Repeat User	Non-repeater	EI Region		
						7	8	9
Individual total income (\$000)*	Year 1	-1.4	-0.9	-1.3	-1.3	0.0	-0.9	0.2
	Year 2	-1.4	-0.9	-1.2	-1.2	-1.8	-1.1	-1.8
Earnings paid by employers (\$000)	Year 1	1.6	-0.1	0.8	0.9	2.8	0.6	3.2
	Year 2	0.8	0.2	0.0	1.0	0.4	0.6	-0.1
Probability of employment (%)	Year 1	2.3	0.3	0.9	1.6	1.8	1.3	1.9
	Year 2	1.1	1.1	1.5	0.8	-1.6	1.7	-2.6
Note: Impacts calculated as difference-in-differences using matching estimators.								
* Estimates for Individual total income include a small number of participants in the Self-employment Benefit.								

### ***Incremental Analysis – Former Claimants***

Results for former claimants are presented in Table 17. The probability of paid employment increases by 10 percentage points or more for all former claimant participants. There were no statistically significant estimates for total income or employment earnings.

<b>Table 17</b> <b>Impacts of different Benefits and Measures on former claimants:</b> <b>income, earnings and employment</b>					
	Period	EAS	Employment Benefits		Benefits and Measures
			TSD	EWS	
Income (\$000)	Year 1	-0.1	2.3	1.7	1.0
	Year 2	0.1	3.4	1.2	1.4
Earnings paid by employers (\$000)	Year 1	-0.8	3.3	2.1	1.6
	Year 2	-1.4	2.9	1.5	1.2
Probability of employment (%)	Year 1	7.7	<b>13.9</b>	<b>15.2</b>	<b>11.9</b>
	Year 2	5.9	<b>12.0</b>	<b>15.2</b>	<b>10.1</b>
Note: Impacts calculated as difference-in-differences using matching estimators. Bold print indicates significance at the 5% level.					

By sub-group of former claimants (See Table 18):

- Males increase their probability of employment by 16.4 percentage points in the first year and by 16.5 percentage points in the second year.
- Non-repeaters increase their probability of employment by 17.3 percentage points and by 12.9 percentage points in the first and second years after participation respectively.
- Participants in Region 7 increase their probability of employment by 15.7 percentage points and by 21.3 percentage points in the first and second years after participation respectively.

<b>Table 18</b> <b>Impacts of Benefits and Measures on different types of former claimants:</b> <b>income, earnings and employment</b>									
	Period	All former claimants	Men	Women	Repeat User	Non-repeater	EI Region		
							7	8	9
Individual total income (\$000)	Year 1	1.0	1.3	0.2	-0.4	2.4	2.8	2.9	-2.9
	Year 2	1.4	1.9	0.0	-0.9	3.0	0.9	2.2	-1.9
Earnings paid by employers (\$000)	Year 1	1.6	2.2	0.2	1.3	2.1	3.6	2.7	-3.1
	Year 2	1.2	2.1	-0.7	1.5	1.1	1.7	0.4	-2.0
Probability of employment (%)	Year 1	<b>11.9</b>	<b>16.4</b>	7.9	5.9	<b>17.3</b>	<b>15.7</b>	22.4	4.3
	Year 2	<b>10.1</b>	<b>16.5</b>	3.7	6.4	<b>12.9</b>	<b>21.3</b>	5.9	0.6
Note: Impacts calculated as difference-in-differences using matching estimators. Bold print indicates significance at the 5% level.									



## 5. Cost-Effectiveness

In this section, estimated incremental effects are combined with cost data to analyse cost-effectiveness in terms of earnings, hours worked and savings to the EI account. Variation in cost-effectiveness is assessed across PBMs.

### 5.1 Costs associated with programs

There are two types of cost presented in Table 19:

- The cost of delivering programs was estimated at \$794 per person served through EAS. TSD and EWS had cost per client of \$8,458 and \$3,795 respectively.
- Opportunity cost is defined as the earnings forgone during participation in programs. It was estimated as the difference between participants and the comparison group in earnings from paid employment during the program period. This varied by program and type of client as presented below.

<b>Table 19</b>			
<b>Program cost per person served and participant opportunity cost (\$)</b>			
	<b>Program cost</b>	<b>Opportunity cost</b>	
		<b>Active</b>	<b>Former</b>
EAS	794	2,894	1,257
TSD	8,458	6,462	4,379
EWS	3,795	-3,105	-4,767

Cost-effectiveness is estimated with and without opportunity cost included. Forgone wages are a cost to users of PBMs, and a cost to society, but are not a cost to government. Ideally, taxes on forgone earnings should be treated as a cost to government and not to users of PBMs. Changes in taxes have not been estimated.

On average, active claimants who participated in TSD incurred a loss of earnings twice as great as the losses of those who availed themselves only of EAS.<sup>16</sup> This reflects the fact that training generally takes participants away from the workplace for the duration of the training. By contrast, the wage subsidy program places people with employers, and this had the effect of increasing their earnings during participation.<sup>17</sup>

<sup>16</sup> EAS does not remove people from the labour market in the way that classroom training does. A negative impact on earnings during the EAS period thus should perhaps not be interpreted as opportunity cost, but rather as a continuation of the decline in earnings users of services experienced before programs.

<sup>17</sup> The increase in earnings during participation in EWS is a benefit to program participants, or a negative cost from their perspective. From a societal perspective, it is less clear that there is a negative opportunity cost. The value of the additional production is a gain for society, but the subsidy is a cost. Since the true value of any additional production is not known, the total cost from a societal perspective cannot be calculated.

Former claimants gave up smaller amounts of earnings to participate in programs than active claimants. This is so mainly because they earned less than active claimants before the program period. The average opportunity cost of the combined programs is low for former claimants because of the relatively large share of the wage subsidy program among them, i.e. 20% of former and 9% of active claimants.

## 5.2 Changes in earnings from paid employment

The total impact on earnings from paid employment over the first five years following the program is used as a measure of the effectiveness. The second-year impact is assumed maintained over the final three years. A present value of the earnings impact is estimated using an annual discount rate of 5%.

For active claimants, TSD had a significant positive impact in the first year. Gains from TSD were obtained at a cost of up to \$2 per \$1 of gain.

<b>Table 20</b> <b>Program impact on earnings and cost per dollar of gain, active claimants (\$000)</b>					
	Impact on annual paid earnings (\$000)			Program cost per dollar of benefit (\$)	Total cost per dollar of benefit (\$)
	First year	Second year	Discounted 5-year total		
EAS	-1.0	-0.5	-2.7	negative	negative
TSD	<b>2.7</b>	1.6	8.1	1.0	1.8
EWS	0.6	0.4	2.0	1.9	0.3
Note: Bold print indicates significance at the 5% level.					

There were no statistically significant net impacts on earnings from paid employment for former claimants (See Table 21).

<b>Table 21</b> <b>Program impact on earnings and cost per dollar of gain, former claimants (\$000)</b>					
	Impact on annual paid earnings (\$000)			Program cost per dollar of benefit (\$)	Total cost per dollar of benefit (\$)
	First year	Second year	Discounted 5-year total		
EAS	-0.8	-1.4	-5.5	negative	negative
TSD	3.3	2.9	13.1	0.6	1.0
EWS	2.1	1.5	7.0	0.5	-0.1

## 5.3 Hours worked

To estimate the hours worked cost-effectiveness measure, the impact on annual hours in paid employment over the entire post-program period is compared to costs.

<b>Table 22</b> <b>Incremental hours of paid employment and cost per incremental hour</b>						
	Active claimants			Former claimants		
	Incremental hours worked per year	Cost per incremental hour		Incremental hours worked per year	Cost per incremental hour	
		Direct cost	Total cost		Direct cost	Total cost
EAS	54	15	68	90	9	41
TSD	9	893	1,575	151	56	99
EWS	70	54	10	<b>315</b>	<b>12</b>	<b>2</b>
Note: Bold print indicates significance at the 5% level.						

PBMs had little effect on hours worked by active claimants. Larger effects were experienced by former claimants. A significant increase in hours in paid employment as a result of EWS cost the government \$12 per additional hour, and a \$2 cost to society when opportunity costs are also considered.

## 5.4 EI benefit payments

From a government finance perspective, a desirable result of labour market programs is an improvement in the EI account brought about by lower benefit payments.<sup>18</sup> The impacts of interest are the changes in annualised EI benefit payments over the entire post-program period brought about by PBMs (See Table 23). These changes are consistent with the impacts on weeks of EI benefits presented earlier.

For active claimants, there were no statistically significant results on reduction in EI benefits. Participation in EWS increased EI use by former claimants.

<b>Table 23</b> <b>Reduction in EI benefit payments and cost per dollar of reduction</b>					
	Active claimants			Former claimants	
	Reduction in annual EI benefit payments	Cost per dollar of EI expenditure reduction		Reduction in annual EI benefit payments	Cost per dollar of EI expenditure reduction
		Direct cost	Total cost		
EAS	249	3	15	-776	no reduction
TSD	41	205	361	-1,053	no reduction
EWS	491	8	1	<b>-1,378</b>	no reduction
Note to Table: Bold print indicates significance at the 5% level.					

<sup>18</sup> The EI account may also improve because of greater contributions resulting from higher insurable earnings. A positive impact on earnings may also increase income tax revenue. These impacts are not considered here.



## 6. Conclusions

This chapter provides conclusions of the Summative Evaluation of PBMs under the Canada-New Brunswick LMDA.

### Program Rationale

Provincial Benefits and Measures (PBMs) are intended to meet the needs of employers, communities, and the labour supply. The study found, in terms of:

- **Employer Rationale:** Employers are not the principal focus of the LMDA. However, key informants identified EWS benefiting employers through its employment focus or reduction in employer pressures due to cash flow, hiring difficulties or relocation or expansion assistance (specific components). Less frequent mentions for WAP identified its help in easing workplace situations, workplace adaptation or overcoming barriers. Some identified employers seeking help in filling their job vacancies and skill needs. Others identified the LMDA providing help to fill large employment needs such as the boom of call centres. Many saw the benefit to employers as being principally indirect through providing a better trained workforce or encouragement to unemployed workers to consider areas of shortage in the labour market.
- **Community Rationale:** Partnerships across levels of government worked well. Good working relationships formed between third-party deliverers and government representing a partnership with community-based or group-based interests. Partnerships with 200 community Internet access sites had been fostered as a way of reaching clients in these communities. Partnerships with 15 regional Enterprise Agencies improved gathering and distribution of labour market information (LMI) to labour market groups.
- **Labour Market Rationale:** The LMDA was felt to improve the operation of the labour market through the provision of LMI. Individuals and groups could make more informed choices based on this information.

### Design, Delivery and Implementation

About three-quarters of participants who finished participation in 2002/03 had an Action Plan recorded for them in administrative systems. In the survey, only one-third remembered the Action Plan while two-thirds remembered being assisted in relation to programs. About one-half of surveyed participants and comparison group members said they set goals (career or job decision, getting training, or getting a job) for themselves and most of these said they had completed them. Active claimant participants were statistically more likely to both set goals and complete them.

Thirty per cent of survey respondents found the help received to be very useful in identifying employment goals or to select a government program related to training and employment. Five per cent were very dissatisfied.

Between fifty per cent and sixty per cent of survey respondents were highly satisfied with the programs received, access to programs and services, waiting times and the suitability of programs to their needs. Less than ten per cent expressed dissatisfaction across these measures.

Negotiated Financial Assistance has been replaced in New Brunswick by proscriptive guidelines related to eligibility requirement and financial aspects. This was in part to address observation of inconsistencies across delivery sites in the formative evaluation.

All but one of the other issues raised by the formative evaluation had been addressed. The recommendation to appoint a dedicated manager to oversee the implementation of the LMDA was not addressed and was made redundant by the passage of time.

## **PBM-Specific Experience**

Experiences by participants were largely positive:

- Three-quarters of TSD participants received a diploma related to their classroom training. The most common credentials mentioned were trade certificates (20%), computer certificates (11%) and medical health certificates (4%).
- Fifty (50) SEB participants started a business and, after a minimum of two and one-half years, 25 were still in operation. Thirty-two started their business before accessing the program, and of these one-third made changes to their business because of the program. Twelve of 14 who started their business after contact with the program said the program had allowed them to start their business. Of businesses either started or changed by the program, 38% (8 of 21) had hired another person.
- One hundred and eighty two (182) were able to confirm their EWS participation. About 40% (70 of 182) were still working with the EWS employer at the time of the survey (at least two and one-half years later). Of those not currently working with their EWS employer (n = 112) but aware it was a term position (n=43), almost all said they had worked the full term. Participation began through a number of mechanisms. More than one-half had been approached by an employer or responded to an ad, 20% were referred by an employment counsellor and the remainder approached an employer directly after being accepted by the program. The large majority of confirmed EWS participants indicated they had gained experience and learned skills that would help them in other jobs: computer skills (12%), management/dealing with people, (16%), customer service (14%), skilled trades (20%), and general experience (20%). Multiple answers allowed.

Participants in focus groups had similar positive experiences.

## Post-Program Experience

A number of impacts were identified after program participation:

- Apprentices under TSD saw increases in individual income (\$6.4 to \$10.8 thousand), earnings (\$4.4 to \$9.2 thousand), and hours in paid employment (76 to 62) in the first and second years after participation respectively.
- For other participants, those who were active claimants report less work per year, (by 50 hours), less earnings per year (by \$900) and were paid slightly less per hour (by \$0.07) than their matched comparison group. Participants were more likely to report self-employment activities (by 5%). Those who were former claimants report more work per year, (by 109 hours), less earnings per year (by \$800) and were paid less per hour (by \$0.44) compared to their matched comparison group. They were less likely to report self-employment activities (by 8%).

## Net Impacts through Participation

**Active Claimants** who participated in:

- **Training and Skills Development** had an increase in employment earnings in the first year post-program participation. TSD participation also increased the hourly rate of pay in the first and second years following participation. The positive results on earnings obtained by Active clients may be in part explained by the credentials and skills acquisition acquired through the program.
- **Employer Wage Subsidy** experienced a decrease in the hourly rate of pay in the first and second years following participation. EWS participation increased the incidence of employment in the first year post-program participation.
- **Employment Assistance Services** had a decrease in the hourly rate of pay in year 1 and 2 post-program participation.

**Former claimants** who participated in:

- **Training and Skills Development** experienced an increase in the incidence of employment (year 1 and 2 post-program participation) and the use of EI (year 1 post-program participation).
- **Employer Wage Subsidy** increased the annual hours worked and the incidence of employment in year 1 and 2 post-program participation. EWS increased the EI use (year 1 and 2 post-program participation) and the reliance on government income support (year 2 post-program participation).
- **Employment Assistance Services** experienced an increase in the use of EI (year 1 post-program) and the reliance on government income support (in year 1 and 2 post-program participation).

## Attitudes toward Work and Learning

Individuals change their attitudes about work and learning through participation. Differences in the degree of moderate or strong agreement to statements concerning attitudes were assessed between participants and comparison individuals. Positive and significant differences were found for active claimants in relation to: interest in improving job skills through further training, interest in increasing level of formal education and willingness to move to another community to find work. For former claimants, positive and significant differences occurred in relation to: better able to find a job if needed to, family earnings have improved, family's well-being has improved, self-confidence and/or own abilities has improved, interest in increasing level of formal education and better able to contribute to family income. The only negative and significant difference between participants and comparison individuals occurred for active claimants in relation to being better able to keep a job.

## Perceptions of Post-Program Jobs

Significantly fewer active claimant participants went back to the same employer, and of those who did return, significantly fewer of them went back to the same job in the post-compared to the pre-participation period. This suggests that active claimant participants are more likely to experience a shift in their employment circumstance after participation.

Active claimant participants who worked after participation were significantly more likely to say their longest post-participation job:

- Required a diploma.
- When a diploma was required the program provided it.
- Required a particular set of skills.
- When particular skills were required the program provided it.

Former claimant participants who worked after participation were significantly more likely to identify the last three characteristics in relation to their longest post-participation job.

## Cost-effectiveness

The Cost-effectiveness analysis presented the net financial cost of producing a unit of estimated impacts:

- Cost for producing one additional dollar in earnings.
- Cost for producing one additional hour of employment.
- Cost for reducing one dollar in EI benefits.



Two cost-effectiveness measures were calculated for each effect—one looking at program costs (including administration costs) only and the second looking at program cost and opportunity costs. Opportunity costs (foregone earnings) represent a cost to the participant and to society. Program costs are a cost to government and to society. Tax effects on foregone earnings (a government cost) were not included in the analysis. The following presents impacts from a societal perspective only.

The analysis found that:

- For active claimants, produced \$1 of earnings gain for a social cost of \$2.
- The EWS program for former claimants resulted in a significant increase in one hour of work at a cost to government of \$12 and a cost to society of \$2.