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January 2011

Summative Evaluation of Employment Benefits and Support Measures Delivered Under the Canada-Prince Edward Island Labour Market Development Agreement

Final Report

January 2011

Strategic Policy and Research Branch

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

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List of Abbreviations

APE	Action Plan Equivalent
CRA	Canada Revenue Agency
EAS	Employment Assistance Services
EBSMs	Employment Benefits and Support Measures
EI	Employment Insurance
HRSDC	Human Resources and Skills Development Canada
JCP	Job Creation Partnerships
JEC	Joint Evaluation Committee
LMAs	Labour Market Agreements
LMDA	Labour Market Development Agreement
PEI	Prince Edward Island
SA	Social Assistance
SD	Skills Development
SEB	Self-Employment Benefits
TWS	Targeted Wage Subsidies

List of Terms

Action Plan Equivalents	A single intervention or series of interventions that are no more than six months apart.
Active claimants	Individuals in receipt of EI Part I benefits. In the case of EBSM participants, this refers to individuals who were active EI claimants at the start of their EBSM participation.
Former/ Reachback clients	Individuals no longer on an active EI Part I claim, but still eligible for Part II benefits under the *EI Act*.

Executive Summary

This report presents the findings and conclusions for the summative evaluation of the Employment Benefits and Support Measures (EBSMs) delivered under the Canada-Prince Edward Island Labour Market Development Agreement (Canada-PEI LMDA).

The summative evaluation focused on examining the long-term impacts, outcomes, and cost-effectiveness of the interventions as well as achievement of the principles and guidelines as set out in the *Employment Insurance (EI) Act* and the Canada-PEI LMDA.

The evaluation conducted a limited cost-benefits analysis and assessed the:

- incremental impacts[1] on the employment, earnings and reliance on EI and Social Assistance benefits; and
- effects on client attitudes and quality of life.

Methodology

The evaluation strategy employed multiple lines of evidence that included the following quantitative and qualitative methods:

- document and literature reviews;
- a total of 20 interview sessions (with a total of 51 key informants);
- a total of 10 discussion groups (including 6 discussion groups with 30 Skills Development (SD) participants, 2 discussion groups with 17 SD Literacy participants and 2 discussion groups with 14 employers);
- a telephone survey of 548 SD participants (attempts were made to contact all SD participants from years 2000 and 2001) and 152 SD Literacy participants;
- a telephone survey of a sample of 925 non-participants who were EI clients in 2000 and 2001 (the initial intention was to use this sample as comparison cases for the impact analysis); and
- statistical analysis of administrative data from Human Resources and Skills Development Canada (HRSDC) linked to Canada Revenue Agency and provincial Social Assistance data for all Canada-PEI LMDA participants and all EI recipients for the years 2000 to 2005.

[1] Incremental or net impacts refer to the increase/decrease that is attributable to participating in the program after controlling for other factors that may have affected the observed outcome. In other words, the increase/decrease would not have occurred in the absence of the program.

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

- Weighting was used to minimize the impact of any potential non-response bias.
- When it became apparent that attempts to extract an appropriate comparison group for the impact analysis, using EI administrative records, were not successful, an alternative approach was developed. Specifically, after extensive consultation with the peer reviewers and internal experts at HRSDC, it was agreed that clients who used only Employment Assistance Services (EAS) could be used as a "limited treatment" comparison group.
- Another weighting process was used to generate an EAS-only comparison group with a pre-program profile very similar to each of the two Employment Benefits (SD and Targeted Wage Subsidies (TWS)) that were the focus of the incremental impact analysis. In addition, a difference-in-differences approach was used to estimate the incremental impacts to correct for minor differences in the observed pre-program characteristics and potential unobservable characteristics (such as ability or motivation to find employment) between the SD and TWS participants and the EAS-only comparison group.

As well, a number of limitations should be noted.

- The number of participants was sufficient to conduct the incremental impact analysis only for SD and TWS participants who were active claimants.[2] There were insufficient cases to conduct any impact analysis for former/reachback clients.[3] Also, the number of cases for Job Creation Partnerships and Self-Employment Benefits was too small to generate reliable impact estimates.
- Another limitation was the lack of a suitable comparison group to calculate incremental impacts for the SD Literacy participants.

Key Findings

Are EBSMs Meeting Employer, Community and Labour Force Needs as Intended?

Overall, key informants were of the general view that Employment Benefits are important for employers and unemployed workers, but that changes are needed to improve the ability of EBSMs to address PEI's evolving labour market and employer needs for skilled workers and filling job vacancies. For example, the key informants felt that there is a need to develop clearer labour market goals and priorities to guide EBSM funding decisions. They also felt that Employment Benefits should be "re-tooled" to ensure that program design and delivery are more flexible and adaptive to labour market needs. Specifically they suggested expanding the reach of Employment Benefits to include workers in the workplace and workers not eligible for EI.

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[2] Active claimants are individuals in receipt of EI Part I benefits. In the case of EBSM participants, this refers to individuals who were active EI claimants at the start of their EBSM participation.

[3] Former/reachback clients are individuals no longer on an active claim under Part I of the *EI Act*, but who are still eligible for Part II benefits under the *EI Act*.

There is a continued need for programming to assist clients with low literacy levels. Participants in SD Literacy interventions indicated that, increasingly, they are encountering a job market that requires a higher level of education. The key informants supported the use of EBSM resources to implement comprehensive literacy programming within the province.

Are EBSMs Being Implemented and Delivered Effectively?

The key informants felt that the focus on training and education, and the development of partnerships were key strengths in the implementation and delivery of EBSMs. For example, the working relationships developed between the federal and provincial partners and other stakeholders (Atlantic Canada Opportunities Agency, PEI Business Development Inc., Holland College, and Community Partners) were identified as an important factor in the programming delivered under the EBSMs.

The key informants stated that the return-to-work action plans are an effective tool for most EBSM clients, but are more effective for the better educated and job ready clients than for clients with multiple employment barriers. In the case of multiple barriers, the goal of returning to work quickly or moving quickly through an educational program is often unrealistic. As well, key informants working with clients with multiple barriers felt that the eligibility criteria have become a barrier to effective service delivery. They felt the need to include non-EI eligible clients, employed and low skilled workers.

More needs to be done to inform management on the results and progress of the EBSMs. Although some key performance measures are tracked by Service Canada, current activities do not include overarching data tracking, success indicator measurement, or a reporting system to inform the Management Committee and co-managers regarding the impacts, results and progress of the EBSMs.

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

Between 2000 and 2005, nearly half of all EBSM participants (the active claimants plus the former/reachback clients) received SD interventions, while approximately 3 out of 10 received EAS-only interventions. Specifically, 47% of all APEs involved SD interventions (including 8% involving SD Literacy interventions). During the same time period, 31% of all EBSM participants received EAS-only interventions, which was substantially higher than the percentage who received TWS (12%), Job Creation Partnerships (6%) or Self-Employment Benefits (4%). Very few participants (less than 3%) received more than one type of Employment Benefit.

SD and SD Literacy participants were generally satisfied with the programs and services received. The survey of SD participants indicated that 88% of the respondents were satisfied (40%) or very satisfied (48%) with the programs and services received from HRSDC or Service Canada. Similarly 89% of the SD Literacy survey respondents were satisfied (35%) or very satisfied (54%).

Many of the SD and SD Literacy participants felt that the programs and services they received helped them to obtain jobs. Over half (52%) the SD survey respondents and 41% of the SD Literacy respondents rated their programs and services as important or very important to obtaining their longest job since program participation. Nearly half (49%) of the SD survey respondents stated they had obtained a job with specific educational or skills requirements and that they obtained those requirements through their programs and services. Approximately 29% of the SD Literacy survey respondents indicated they obtained the necessary education or skills for their job through their programs and services.

The administrative requirements to access programs were considered to be complex and frustrating for unemployed workers and employers. For example, participants in the client discussion groups cited the lengthy decision making process. Participants in the employer discussion groups cited the paperwork and time delays in getting approval decisions. Service Canada staff recognized these problems, but noted that many of the processes are accountability requirements.

Have EBSM's Helped Clients Find and Keep Employment? (Impacts and Outcomes)

The incremental impacts on earnings, EI and Social Assistance were estimated for the SD and TWS participants who were active claimants. The impacts were calculated by comparing their outcomes to the EAS-only participants who were used as a limited-treatment comparison group.

Skills Development

Active claimants, who participated in SD, experienced net gains in earnings of $2,005 in year 4 post-EI claim start year. While, the cumulative post-program earnings gains were not statistically significant, earning gains tended to improve over time. Participation in SD had no statistically significant impact on the use of EI and Social Assistance.

Both SD and SD Literacy participants experienced a statistically significant increase in the number of months of paid employment. Using the survey data to compare the pre- and post-program experience, the analysis indicated that:

- SD participants experienced a statistically significant increase of 1.1 months in paid employment compared to the 12 months prior to their claim start date.
- SD Literacy participants experienced a statistically significant increase of 0.6 months in paid employment compared to the 12 months prior to their claim start date.

Targeted Wage Subsidies

Active claimants, who participated in TWS, experienced net gains in earnings of $1,779 in year 2 post-EI claim start year. The impact analysis provided no evidence of an enduring impact on the participants' earnings beyond the second year. The cumulative post-program earnings gains were not statistically significant.

Participation in TWS increased the use of EI in the third year post- claim start year by $723. However, no statistically significant impacts were found for the whole post-program period. TWS participation had no impacts on the use of SA.

Do the benefits produced by the EBSMs outweigh the costs?

Assessing the cost-benefits of the EBSMs involves comparing the benefits arising from program participation to the costs of the program. The analysis was conducted from the broader social perspective and from the participants' perspective for a period of six years (the claim start year plus five years after the claim start year).

This cost-benefits analysis is limited in the sense that it does not account for all the costs and benefits from the broader social perspective. It is difficult to attribute a dollar value to social benefits such as: increased self-confidence, crime reduction, family well being, and health status of EBSM participants. In addition, out-of-pocket expenses assumed by EBSM participants were not available.

Limited Cost-benefits Analysis is also a partial equilibrium analysis since it does not account for the displacement effects (since EBSM participants now occupy jobs that could have been filled by qualified non-participants). Displaced and unemployed non-participants may experience social disadvantages when compared to the social benefits of employed EBSM participants.

Measured in constant 1999 dollars, from the broader social perspective the average costs ($6,622) of SD interventions exceeded earnings gains by the end of the study period. Earnings gains were estimated to be in the range of $786 to $1,212. In addition, these earnings gains estimates were not significantly different from zero, suggesting as well that SD may not have been producing benefits that outweigh the costs over the observed post-program period. However, the most recent pattern of earnings suggests that earnings gains may persist beyond the observation period used for the cost-benefits analysis. As such, more recent data would be required to see if earnings gains ascribable to SD are being sustained over the longer term.

Measured in constant 1999 dollars, earnings gains ranged between $5,633 and $7,279 for TWS participants compared to the average costs of $5,899 for TWS interventions. These earnings gains estimates, however, were not significantly different from zero, suggesting that TWS may not have been producing benefits that outweigh the costs over the observed post-program period. More recent data would be required to see if earnings gains ascribable to TWS are being sustained over the longer term.

Have Formative Issues Been Addressed?

While there has been progress in addressing some of the issues raised in the formative evaluation, there has been limited success addressing client data tracking, administrative delays and EI eligibility criteria as barriers to addressing the new and emerging needs of the labour market (assisting workers in need of training, low skilled and non-EI eligible clients).

Literacy Specific Findings

There is a continued need for programming to assist clients with low literacy levels

A 2003 report by the International Adult Literacy and Life Skills Survey regarding PEI literacy levels showed that a significant portion (46%) of the population between the ages of 16 to 65 is below level 3 (proficiency level for a modern economy). Key Informants supported the use of EBSM resources to implement comprehensive literacy programming within the province.

The participants in the SD Literacy discussion group indicated that, increasingly, they are encountering a job market that is requiring a higher level of education. In addition, they reported a lack of work related skills and experience and being trapped in low paying jobs.

Generally, literacy clients were satisfied with their program participation and they reported improvement in skills and level of confidence

All SD Literacy discussion group participants rated their experience with the EBSMs through their Adult Education Program as highly positive. The indicated that they had been able to:

- increase their reading, writing, and comprehension skills;
- increase their level of computer literacy and comfort level in working with technology;
- become more confident, with a higher awareness of their work abilities and potential; and
- be more comfortable in expressing themselves and/or promoting themselves to potential employers and others.

In addition, almost all discussion group participants indicated that it would have been highly unlikely to have achieved this level of education and personal growth without having access to the programming through the EBSMs.

Key Conclusions

Taking into consideration the newly devolved LMDA in PEI and based on the evaluation findings, this summative evaluation concludes that:

- Planning for the delivery of EBSMs should take into consideration the emerging trends in the PEI labour market, the needs of employers (socio-economic conditions, occupations in demand, sectors in decline or in expansion, future employment opportunities, consultation with employers, etc.) and complementarity with other employment programs.

- In addition to meeting the needs of individuals, Targeted Wage Subsidies and Skills Development programs can also be targeted toward occupations in demand, allowing them to clearly meet identified shortages, needs of employers and emerging economic opportunities. SD Literacy programming should also be maintained considering the general literacy levels in PEI.
- Considering the small number of participants in PEI, an ongoing client tracking survey can be a source of valuable information.
- It is important for future evaluations to focus on assessing the long-term impacts of EBSMs and their cost-effectiveness.

Management Response

Background

The summative evaluation of the Canada-Prince Edward Island Labour Market Development Agreement (LMDA) covers the five year period between 2000 and 2005. During this period, Employment Benefits and Support Measures (EBSMs) were delivered under an LMDA that was co-managed by Canada and Prince Edward Island (PEI). A full transfer LMDA was signed in 2008, and PEI assumed full responsibility for designing and delivering LMDA programming in 2009.

The summative evaluation was undertaken under the guidance of the Canada-PEI Joint Evaluation Committee (JEC). The current JEC has reviewed the evaluation findings and conclusions to identify those that remain relevant to the design and delivery of LMDA programming in PEI now and in the future.

The summative evaluation focused on the long-term impacts, outcomes and cost-effectiveness of the interventions, and adherence to the principles and guidelines in the *Employment Insurance* (EI) *Act* and the Canada-PEI LMDA.

Purpose of the Management Response

The LMDA summative evaluation is an important tool that supports evidence-based decision-making to improve employment programs and services. In addressing the findings of this summative evaluation, the Management Response identifies potential actions to improve the design and delivery of PEI's employment benefits and services, and increase their responsiveness to both client needs and labour market conditions.

Evaluation Findings and Responses

1. Are EBSMs meeting employer, community and labour force needs as intended?

Findings:

- Key informants were of the general view that Employment Benefits are important for employers and unemployed workers, but that changes are needed to improve the ability of EBSMs to address PEI's evolving labour market and employer needs for skilled workers and filling job vacancies.
- There is a need to expand the reach of employment benefits to include workers in the workplace and workers not eligible for EI.

- Planning for the delivery of EBSMs should take into consideration the emerging trends in the PEI labour market, the needs of employers (socio-economic conditions, occupations in demand, sectors in decline or expansion, future employment opportunities, etc).
- In addition to meeting the needs of individuals, Skills Development and Targeted Wage Subsidy programs can also be targeted toward occupations in demand, allowing them to clearly meet identified shortages, needs of employers and emerging economic opportunities.

Response:

- PEI is pleased that EBSMs are recognized as an important tool for meeting the needs of employers and unemployed workers.
- PEI will re-examine the full array of programs and services in the EBSM tool kit to identify opportunities to further adapt their programs to address their unique and emerging labour market needs. PEI agrees that Skills Development and Targeted Wage Subsidies should focus on occupations in demand, allowing them to clearly address identified shortages, needs of employers and emerging economic opportunities.
- PEI agrees that EBSM planning should consider the needs of the labour market and ensure that EBSMs complement other employment programs. Since 2007, additional flexibility has been introduced through the implementation of Labour Market Agreements (LMAs) across the country. Under these agreements, programming similar to that delivered under the LMDAs can be provided to a variety of client groups who are not eligible for LMDA employment benefits. These groups include unemployed individuals with no recent attachment to the labour market (immigrants, persons with disabilities, older workers, youth, Aboriginal people and new entrants to the labour market) and low-skilled employed individuals.

2. Are EBSMs being implemented and delivered effectively?

Findings:

- The focus on training and education and the development of partnerships were key strengths in the implementation and delivery of EBSMs.
- Return-to work action plans are an effective tool for most EBSM clients, but are more effective for the better educated and job ready clients than for clients with multiple employment barriers.
- More needs to be done to inform management on the results and progress of the EBSMs. Although some key performance measures are tracked by Service Canada, current activities do not include overarching data tracking, success indicator measurement, or a reporting system to inform the Management Committee and co-managers regarding the impacts, results and progress of the EBSMs.

- Considering the small number of participants in PEI, an ongoing client tracking survey can be a source of valuable information.

Response:

- PEI is pleased to note that ongoing efforts to develop partnerships were recognized as a key strength in the implementation and delivery of EBSMs.
- PEI recognizes the significance of return-to-work action plans in the effective delivery of EBSMs. We agree that this process is more difficult for clients who have multiple employment barriers.
- PEI agrees that an ongoing client tracking survey can be a valuable source of information. We are examining both the performance measurement strategy and the data collection approach. Where possible, we will make improvements in order to better track client outcomes.

3. What was the nature of the clients' in-program experience?

Findings:

- The survey of Skills Development (SD) participants revealed that 88% of respondents were very satisfied or satisfied with the programs and services they received. Similarly, 89% of SD Literacy participants were very satisfie or satisfied.
- Over half (52%) of the SD survey respondents and 41% of the SD Literacy respondents rated their programs and services as important or very important to obtaining their longest job since program participation.
- Some administrative requirements to access programs were considered to be complex and frustrating for unemployed workers and employers.

Response:

- PEI is extremely pleased with the high level of satisfaction expressed by SD participants, and the positive impact the programs and services they received had on their return to employment.
- It is recognized that there is an administrative burden in the implementation of EBSMs, due partly to accountability requirements. Where possible, PEI will conduct periodic operational reviews with a view to increasing efficiency and minimizing the paperwork required of clients and employers.

4. Have EBSMs helped clients find and keep employment? Do the benefits produced by EBSMs outweigh the costs?

Findings:

- Active claimants who participated in Skills Development (SD) experienced net gains in earnings of $2,005 in year 4 post-EI claim start year. While the cumulative post-program earnings gains were not statistically significant, earning gains tended to improve over time. Participation in SD had no statistically significant impact on the use of EI and Social Assistance (SA).
- Both SD and SD Literacy participants experienced a statistically significant increase in the number of months of paid employment.
- Active claimants who participated in TWS experienced net gains in earnings of $1,779 in year 2 post-EI claim start year. The impact analysis provided no evidence of an enduring impact on the participants' earnings beyond the second year. The cumulative post-program earnings gains were not statistically significant.
- Earnings gains estimates for TWS and SD were not significantly different from zero, suggesting that these programs may not have been producing benefits that outweigh their costs over the observed period.

Response:

- PEI is pleased with the finding that SD participants' income tended to increase over time, and that their participation resulted in a significant increase in the number of months of paid employment. The average level of earnings of SD participants have increased from approximately $14,900 to $25,900 over the six year period (2000-2005). During the same period, the average level of earnings of EAS-only participants increased from approximately $14,600 to $23,900.
- PEI agrees with the recommendation of the evaluation to continue to focus on assessing the long-term (5 to 10 years) impacts of EBSMs and their cost-effectiveness.

5. Literacy Specific Findings

Findings:

- All SD Literacy discussion group participants rated their experience with the EBSMs through their adult education program as highly positive. Almost all discussion group participants indicated that it would have been highly unlikely to have achieved this level of education and personal growth without having access to the programming through the EBSMs.
- There is a continued need for programming to assist clients with low literacy levels.

Response:

- PEI is pleased to learn that literacy clients rated their experience with EBSMs so highly, and that they attribute their improved skills and increased confidence to this programming.
- PEI is in full agreement that there is an ongoing need for programming to assist clients with low literacy levels.

Conclusion

The findings of the Canada-PEI summative evaluation support evidence-based decision-making for the strategic use of LMDA programs. Evaluation findings have helped to identify areas for improvement to the design and delivery of EBSM programming to better respond to PEI's labour market challenges. The Canada-PEI Joint Management Committee will monitor and review progress made on the actions referenced in this Management Response.

1. Introduction and Context for Evaluation

This report presents the findings and conclusions for the Summative Evaluation of the Employment Benefits and Support Measures (EBSMs) delivered under the Canada-Prince Edward Island Labour Market Development Agreement (Canada-PEI LMDA). The report is organized according to the following sections:

- the introductory section presents an overview of the Canada-PEI LMDA and an overview of the evaluation issues and questions;
- Section 2 provides a summary of the evaluation methodology;
- Section 3 presents the main findings for each of the evaluation questions; and
- Section 4 provides an overview of the findings and conclusions.

1.1 Background on the Canada-PEI LMDA

The Canada-PEI LMDA was signed on April 26, 1997 and was a co-management agreement between the Government of Canada and the Government of Prince Edward Island. Under the Agreement, the two governments committed to work together to design and tailor labour market employment programs to meet the specific needs of communities, employers and unemployed individuals in PEI, and to complement provincial programming. The programs and services under the Agreement are funded by the Government of Canada and delivered by Service Canada through local Service Canada Centres.

A transfer Canada-PEI LMDA was signed on September 5, 2008. Under the new LMDA, PEI assumed responsibility for designing and delivering employment measures. The transfer took effect on October 5, 2009.

The EBSMs provided under the Canada-PEI LMDA are aimed to assist unemployed individuals to prepare for, obtain and maintain employment.

Employment Benefits help eligible individuals upgrade their skills, get work experience, or start their own business. Employment Benefits also provide wage subsidies to encourage employers to provide work experience opportunities or create jobs. Four Employment Benefits are included in the Canada-PEI LMDA:

- ***Skills Development (SD)*** helps eligible individuals pay for the costs of skills training courses and related expenses while enrolled in a training program from a registered institution. A unique feature of the Canada-PEI LMDA is that a portion of the SD funding is targeted to clients with low literacy levels.
- ***Self-Employment Benefits (SEB)*** provide eligible individuals with financial support, planning assistance and mentoring while they get their businesses up and running.

- ***Job Creation Partnerships (JCP)*** provide eligible individuals with opportunities to gain meaningful work experience that could help them to obtain on-going employment. The activities help develop the community and the local economy, and thus benefit both the client and the community.

- ***Targeted Wage Subsidies (TWS)*** provide help to individuals who are experiencing difficulty finding work by providing temporary wage subsidies to assist employers to hire them.

Employment Support Measures provide funding assistance to eligible sponsors whose projects or initiatives provide employment services to unemployed people or encourage greater capacity to deal with human resource requirements and labour force adjustments. Two Employment Support Measures are included in the Canada-PEI LMDA:

- ***Employment Assistance Services (EAS)*** help organizations provide employment services to unemployed individuals to help the individuals find and keep jobs. These services may include employment counselling, job search skills, job placement services and labour market information.

- ***Labour Market Partnerships*** encourage and support employers, employee and employer associations, and communities to improve their capacity to deal with human resource requirements and implement labour force adjustments.

1.2 Evaluation Objectives, and Issues and Questions

1.2.1 Evaluation Objectives

The summative evaluation focused on examining the long-term impacts, outcomes, and cost-effectiveness of the EBSMs as well as on the achievement of the principles and guidelines set out in the *Employment Insurance (EI) Act* and the Canada-PEI LMDA. The evaluation conducted a limited cost-benefits analysis and assessed the:

- incremental impacts[4] on employment, earnings, and reliance on EI and Social Assistance (SA) benefits; and

- effects on client attitudes and quality of life.

1.2.2 Evaluation Issues and Questions

The evaluation issues and questions are presented in Table 1.1.

[4] Incremental or net impacts refer to the increase/decrease that is attributable to participating in the program, after controlling for other factors that could have affected the observed outcome. In other words, the increase or decrease would not have occurred in the absence of the program.

Table1.1
Evaluation Issues and Questions

Issue – Rationale

Question 1: Are EBSMs meeting the needs of employers, communities and labour supply as intended?

1a – What needs were the EBSMs expected to address?
1b – Are the EBSMs still relevant to these needs?
1c – Are there more efficient or effective means of meeting these needs?
1d – Do the EBSMs funded under the agreement duplicate or complement other programs and services available?

Issue – Design, Delivery and Implementation

Question 2: Are EBSMs being delivered and implemented effectively and as intended?

2a – How is the action plan concept working?
2b – What was clients' experience in the development of action plans and selection of EBSMs?
2c – Are the assessment, referral, and streaming processes resulting in appropriate EBSMs for eligible clients?

Issue – Client Characteristics

Question 3: Who is being reached? Do client profiles suggest equity or employment barriers?

3a – What are the demographic and work-related characteristics of clients at intake?
3b – To what extent do eligible clients have access to and take up EBSMs - by type of intervention? Are they accessible by all regions and equity groups (e.g. persons with disabilities)?

Issue – EBSM-Specific Factors

Question 4: What was the nature of clients' in-program experience?

4a – What were the characteristics of the clients' EBSM participation?
4b – How satisfied are clients with the programs and services they have received? Are there barrier to participation? How useful do they perceive services to be in terms of helping them choose interventions and find work?
4c – What was the impact on the clients' employability?

Issue – Impacts

Question 5: Have EBSMs helped eligible clients prepare for, find and keep jobs? Why or why not?

5a – Has EBSM participation affected post-program employment?
5b – Has EBSM participation affected the number of weeks worked over the post-program period?
5c – Has EBSM participation affected individual earnings in the post-program period?
5d – Has EBSM participation affected the level of EI and SA received in the post-program period?

Issue – Client Attitudes and Quality of Life

Question 6: Are EBSMs associated with client well-being and attitudes toward work and learning?

6a – What are clients' perceived impacts of EBSM participation on their quality of life and attitudes?

Issue – Cost-Effectiveness

Question 7: Are EBSMs cost-effective?

Issue – Formative Issues

Question 8: To what extent have issues raised in the formative evaluation been addressed? What issues have emerged since the formative evaluation? What is the current status of these issues?

2. Evaluation Methodology

2.1 Summary of the Evaluation Methodologies

The evaluation strategy employed multiple lines of evidence that included both quantitative and qualitative methods.

- Document and literature reviews were conducted in order to provide a more comprehensive understanding of some of the issues surrounding the design and delivery of the Canada-PEI LMDA. The reviewed documents included Management Committee business plans, previous Canada-PEI LMDA evaluations, the International Adult Literacy and Life Skills Survey, and the PEI Labour Market Study: Literature, Research and Gaps Report.
- A total of 20 interview sessions were conducted with 51 key informants (members of the LMDA Management Committee, delivery staff, service providers, community partners, provincial departments and agencies).
- Ten discussion groups were conducted (six discussion groups with 30 SD participants, two discussion groups with 17 SD Literacy participants, and two discussion groups with 14 employers).
- A telephone survey was conducted with 548 SD participants (attempts were made to contact all SD participants from years 2000 and 2001) and 152 SD Literacy participants (contacts were attempted with all SD Literacy participants from years 2000 to 2004). Only active EI claimants[5] were selected to participate in the survey because former/ reachback EI clients[6] represented a small proportion (11% between 2000 and 2005) of total SD participants.
- A telephone survey was conducted with a sample of 925 potential comparison cases (i.e. EI clients in 2000 and 2001 who did not participate in EBSMs).[7] As discussed in Section 2.2.2, however, an alternative comparison group was subsequently selected as a better approach.
- Statistical analysis of administrative data from Human Resources and Skills Development Canada (HRSDC) linked to Canada Revenue Agency (CRA) and provincial data (for Social Assistance (SA) recipients) for all Canada-PEI LMDA participants and all EI recipients for the years 2000 to 2005.

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[5] Active claimants are individuals in receipt of EI Part I benefits. In the case of EBSM participants, this refers to individuals who were active EI claimants at the start of their EBSM participation.

[6] Former/reachback clients are individuals no longer on an active claim under Part I of the *EI Act*, but who are still eligible for Part II benefits under the *EI Act*.

[7] This non-participant comparison group was matched to the SD participants prior to the survey based on HRSDC, CRA and provincial SA data.

2.2 Strengths and Limitations

2.2.1 Survey Response Rates

Weighting Was Used to Minimize the Impact of any Potential Non-Response Bias

Although the response rate was low for each of the telephone surveys, weighting was used to minimize the impact of any potential non-response bias.

- The response rate for each telephone survey was calculated by dividing the total cooperative contacts by the total eligible contacts. The total eligible contacts are equal to the total number of participants in the database minus those who had invalid contact information. The result was a 36.4% response rate for the survey of participants and a 29.8% response rate for the survey of comparison cases (non-participants who were EI clients). With these low response rates, there is a potential for non-response bias to affect the outcomes observed in the survey data.
- When the participant profile for the survey respondents was compared to the profile of the total population of participants, the profiles were similar. However, to minimize the impact of any potential non-response bias, weighting was implemented to ensure a minimum of variation between the population profile and the survey respondent profile. The surveyed comparison cases were also weighted to replicate, as closely as possible, the participant profile. The weighting procedure is explained in section 2.2.3.

Since the weighting adjustments only correct for observed pre-program characteristics, it is possible that the survey respondents differ from the non-respondents on key outcome measures such as employment related outcomes. To test whether a non-response bias was affecting the survey results for labour market related variables, CRA administrative data for the population and the survey respondents were used to compare the profile of the survey respondents and non-respondents in the case of post-program earnings (a key outcome measure for the evaluation). This analysis showed little evidence to indicate that the survey results for the labour market outcome measures were being influenced by a survey non-response bias.

2.2.2 Selection of the Comparison Group

Preliminary Analysis Showed that the Population of EI Claimants Would Not Provide an Appropriate Comparison Group for the Impact Analysis

Although the initial plan was to use non-participants who were EI claimants to provide comparison group cases for the EBSM participants, preliminary analysis (using administrative data) indicated that the EI claimant population would not provide appropriate comparison cases.

One of the key problems with using the population of active EI claimants as a source from which to extract a comparison group for the impact analysis was that, even when matched to the EBSM participants, they had a relatively small decrease in earnings in the year they started their EI claim and in the subsequent year. Their small earnings decrease was in marked contrast with the substantial earnings decrease experienced by the SD participants and EAS-only participants during their claim start year and the subsequent year. This can be seen in Table 2.1 which presents the average earnings[8] before, during and after the claim start year for EAS-only recipients, SD participants, EI claimants (all potential comparison cases) and matched EI claimants (the matched comparison group cases who responded to the survey of non-participants). This latter group was included in the table because these respondents had been matched to participants and were therefore more similar to participants in terms of background characteristics than the EI claimant population.[9]

Table 2.1
Mean Earnings by Type of Intervention – 2000 and 2001 Cohorts (Unweighted)

Type of Intervention	1 Year Prior	Claim Start Year	1 Year Post	2 Years Post	3 Years Post	4 Years Post	5 Years Post
EAS-only	$13,045	$11,656	$10,250	$13,359	$14,901	$16,738	$20,287
SD Participants	$14,855	$13,060	$10,753	$15,266	$18,527	$22,630	$25,896
All potential EI Claimants who were non-participants	$14,426	$14,201	$14,259	$15,425	$16,293	$19,393	$22,184
Matched EI claimants who were non-participants (Comparison Group)	$13,915	$13,458	$13,531	$15,442	$15,983	$19,118	---

Source: Administrative data for active EI claimants.

One hypothesis to explain the observed differences in the earnings pattern around the EI claim is that the EI claimants group contains a large percentage of individuals for whom this claim was part of a regular cycle of employment and unemployment (i.e. seasonality), while the EBSM participants contained a larger percentage of individuals who experienced longer-term unemployment associated with their claim. If individuals in the EI claimants group kept their claims open (e.g. actively filing cards indicating they were employed each week), they may have similar EI claim lengths while their collected EI payments would be much lower than in the case of the EBSM participants.

This hypothesis was tested (using administrative data) by taking a closer look at the unemployment of the participant and non-participant groups (active claimants). All SD participants and EAS-only participants with a claim length of at least nine months prior to the Action Plan Equivalent (APE)[10] start date were selected from the 2001 cohort.

[8] Note that none of the earnings and related dollar-based measures were adjusted for inflation or discounted over time unless explicitly stated in the text.

[9] Their profile will not exactly match the profile of the participants because a second stage matching was not completed for the survey respondents. The second stage matching would have made further adjustments to the EI claimant comparison group to correct for non-response and to match on survey variables as well as administrative data.

[10] An action plan describes the types of interventions a participant will undertake in order to assist them in returning to work, and the start and end date for this set of activities. For purposes of analysis, the Action Plan Equivalent (APE) is defined as either a single intervention, or a series of interventions that are no more than six months apart.

For non-participants, all EI claimants with a claim length of at least nine months were selected from the 2001 cohort. In each case, the total number of weeks with an EI payment was calculated for the first nine months of the claim. As shown in Table 2.2, these data strongly support the hypothesis that the unemployment patterns for the EI claimants group are very different from the SD claimant participants.

- In general, the EBSM participants (i.e. SD claimant participants and EAS-only claimant participants) had substantially more unemployment than the EI claimants group over the same nine month period.
- A large percentage (39%) of the EI claimants group received 16 weeks of EI payments or less compared to 13% of the SD claimant participants.
- A large percentage (43%) of the SD claimant participants received 30 weeks or more of EI payments compared to 14% of the EI claimants group.
- Approximately 29% of the EAS-only claimant participants received 30 weeks or more of EI payments compared to 14% of the EI claimants group.

Table 2.2
Weeks with EI Payments for EI Claimants and for SD and EAS-Only Participants with a Claim at Least 9 Months in Duration – 2001 Cohort (Unweighted)

Weeks with EI Payments	EI Claimants	SD Participants	EAS-Only Participants
8 weeks or less	17.5%	3.1%	15.9%
9 to 16 weeks	21.9%	9.6%	16.2%
17 to 24 weeks	28.6%	23.2%	23.5%
25 to 30 weeks	18.3%	21.6%	15.9%
More than 30 weeks	13.7%	42.5%	28.6%
Total	100.0%	100.0%	100.0%

Source: Administrative data for active EI claimants.

Table 2.2 also shows that the EAS-only claimant participants experienced less unemployment than the SD claimant participants. Approximately 32% of the EAS-only participants received 16 weeks of EI payments or less during the 9 month period compared to 13% for the SD claimant participants, and 29% received 24 weeks of EI payments or more compared to 43% for the SD claimant participants.

A plausible reason for the differences between SD clients and active EI claimants is the element of seasonality in the PEI labour market, in which seasonal workers, who do not typically experience earnings declines before their benefit periods (and may also avail themselves of off-season employment), do not seek labour market programming because seasonality is built into their expectations. Non-seasonal workers on the other hand, including workers who may be in seasonal jobs but seek year-round employment, are much more likely to avail themselves of labour market programming.

Using the EAS-only Participants as a Limited Treatment Comparison Group was Considered to Provide a More Valid Comparison Group for the Impact Analysis

After consultation with the peer reviewers and HRSDC, it was agreed that using the EAS-only participants as a "limited treatment" comparison group would provide a more valid comparison group than the EI claimants group.[11]

The EAS-only group is more likely to be similar to a major intervention client group in terms of their pre-program circumstances than the EI claimant group, particularly in terms of unobserved characteristics such as motivation (and closely related to this, seasonal expectations). As a result, the EAS-only group has certain advantages over the EI claimant group as a pool from which comparison candidates should be drawn. By adopting a carefully specified weighting procedure, as discussed in the following section, EAS-only cases may be adjusted to resemble EBSM clients on observed characteristics, and in this way a more credible comparison group may be obtained that differs from the traditional comparison group only in that they received "limited treatment" (i.e. EAS-only). Consequently, the EAS-only client group was adopted as the basis of comparison in estimating incremental EBSM program impacts.

2.2.3 Comparison Group Weighting

A Weighting Process was Used to Adjust for Profile Differences

As discussed above, a decision was taken to use the EAS-only participants as a limited treatment comparison group to estimate the impacts of participating in SD and TWS relative to participating in EAS interventions only. A direct comparison between the earnings of the EAS-only group and the earnings of participants in SD and TWS would not provide an accurate estimate of the relative impacts of program participation on earnings because the pre-program profiles[12] of the treatment and limited-treatment groups differ by type of intervention and those difference could explain any observed differences in earnings in the post-program period. Therefore, a weighting process was used to generate EAS-only comparison groups with profiles very similar to each of the two Employment Benefit participant groups (SD and TWS) that were the focus of the impact analysis. The weighting process used to generate EAS-only comparison group is different than the weighting process for survey non-response bias introduced and discussed in section 2.2.1.

The weighting process involved a series of steps.

- To adjust for the profile differences, a separate analysis of the differences in earnings, EI and SA was undertaken for each of the SD and TWS participant groups. For each analysis, a logistic regression model was developed to predict the likelihood, conditional on characteristics listed below, of being a participant in SD or TWS versus being an EAS-only participant.

[11] It should be noted that this situation may be unique to the PEI labour market. Therefore the population of EI claimants could provide an appropriate comparison group for the analysis of EBSM participants in other jurisdictions.

[12] For example, there are differences in the pre-program socio-demographic, earnings, EI and SA profiles of participants taking the various types of interventions.

- For the EAS-only participants, the resulting predicted probability of being in the SD or TWS intervention, conditional on the selected characteristics, was used as an initial weight for the EAS-only data to generate a comparison group profile similar to that of the intervention participants.[13]
- The adjusted profile of the EAS-only participants using this weighting was compared to the intervention profile. Where there were still differences in the profiles, adjustments to the weighting were corrected to minimize these differences. This was done one variable at a time and iteratively repeated for the following variables:
  - age;
  - gender;
  - marital status;
  - occupational category for the last job held;
  - prior use of EBSMs;
  - number of years out of the last three years with an EI claim;
  - number of weeks on EI in the year prior to program participation;
  - EI benefit rate;
  - number of weeks into the EI claim when the APE started;
  - amount of EI benefits in the year prior to the claim start year;
  - receipt of SA benefits in the year prior to the claim start year;
  - earnings in the year prior and two years prior to the claim start year; and
  - the year and quarter of the claim start date.

In most cases, after the weighting of the data for EAS-only participants, the differences between the EAS-only comparison group and the two Employment Benefit participant groups (SD and TWS) on any one category of the profile variables listed above was approximately 2 to 4 percentage points.

Incremental Impacts were Estimated Using the Difference-in-Differences Approach

Although the weighting process described above generated an EAS-only comparison group with a profile very similar to the Employment Benefit participant groups (SD and TWS), this adjustment could only be performed for observed variables. Unobserved variables (such as ability or motivation to find employment) were responsible for differences that continued to exist in outcome measures between the treatment and comparison groups in the pre-program period. Therefore a difference-in-differences (DID) approach[14]

[13] It should be noted that the weighting procedure was repeated for each pairing of EAS-only and the two Employment Benefit participant groups (SD and TWS). Therefore the resulting adjusted EAS-only annual average earnings was unique for each of the two Employment Benefit participant groups (SD and TWS).

[14] The difference-in-differences approach calculates the differences between the pre-program outcomes and the post-program outcomes for the participant and the comparison groups and subtracts the two differences to estimate the incremental impact of program participation.

was used to control for unchanging unmeasured differences between the two groups in estimating incremental impacts. Presented differently, DID estimation is based on the assumption that the unobserved bias between participants and non-participants remains stable over time.

2.2.4 Impact Estimation Limitations

The Number of Participants was Sufficient to Conduct the Incremental Impact Analysis Only in the Case of SD and TWS Participants who were Active EI Claimants

At the outset of the evaluation, the intention was to conduct impact analysis only for SD participants. However the use of administrative data for the participant population linked to CRA data offered the possibility of extending the impact analysis beyond SD. However, after creating the APEs for all intervention types it became evident that there were insufficient cases to conduct any impact analysis for the former/reachback EI clients. Also, the numbers of cases for JCP, SEB and combinations of interventions were too small to provide reliable estimates of impacts for the active EI claimants participating in these interventions. Consequently the incremental impact analysis was limited to SD and TWS participants who were active EI claimants.

Another Limitation was the Lack of a Suitable Comparison Group to Estimate Incremental Impacts for the SD Literacy Participants

Data from the Regional Office of Service Canada in PEI[15] were used to identify SD Literacy participants and SD participants, and to create the corresponding APEs. Although the number of literacy claimant participants was sufficient to conduct the incremental impact analysis, the low literacy levels of these participants were systematically different from any potential comparison group. As well, there were no variables in the administrative data that could be used to correct for this difference between the literacy participants and any available comparison group (such as the EAS-only participants). Therefore, the evaluation was unable to provide any incremental impact estimates for the SD Literacy participants.

[15] The Common System for Grants and Contributions data do not differentiate between SD participants and SD Literacy participants. However, HRSDC's PEI Regional Office maintains a database of clients who participated in literacy training.

3. Evaluation Findings

This section presents the findings according to the evaluation issues and questions. After each set of findings, the supporting evidence is provided from all lines of evidence.

3.1 Program Rationale

Evaluation Question 1: Are EBSMs meeting the needs of employers, communities and labour supply as intended?

Finding 1: The general view among key informants was that there is a need to establish clearer labour market goals and priorities in order to address the evolving needs of the PEI labour market and to guide EBSM funding decisions.

The key informants reported that there is a need to establish clearer labour market goals and priorities, and that these goals and priorities should be used to focus the decision-making process regarding funding (as opposed to solely funding clients seeking assistance). For example, the key informants noted that many of the new labour market issues reflect systemic gaps in areas such as literacy levels, educational pathways and school-to-work supports. They also identified industry wide needs and trends (such as the need to up-skill existing workers, and the need for human resource training to meet the needs of business owners and employers) that could have bigger impacts on overall labour capacity and business productivity if addressed through labour market programming. The key informants also felt that EBSMs, in the current format, are not able to easily respond to these needs (as discussed below).

Finding 2: The key informants felt that greater flexibility is needed to address changing labour market and employer needs.

The key informants indicated that the Employment Benefits were an effective labour market development instrument when first implemented, but that PEI's labour market environment and conditions have changed dramatically since these programs were first developed. Key informants also felt that, although the Employment Benefits continue to serve the needs of EI eligible clients, restrictions around program eligibility and funding have limited the capacity and versatility of these programs in recent years. For examples:

- restricting access to Employment Benefits to EI eligible clients only was viewed as a structural barrier;
- key informants who work with clients with multiple employment barriers indicated that the eligibility criteria have become a barrier to effective service delivery. They felt the need to include non-EI eligible clients, employed and low skilled workers; and
- Employment Benefits were designed from a client-based focus and approach (the supply side), but the more pressing labour market demands and challenges are now coming from the employers' side.

The key informants believe that the Employment Benefits should be amended to provide the flexibility to respond to both employee and employer needs. In particular they feel that the Employment Benefits need to be 're-tooled' to become more strategically focused on new labour market needs and conditions, and to ensure that program design and delivery are more flexible, responsive and adaptive to the needs of the entire labour market. Some specific suggestions are discussed below.

Finding 3: The general view is that the Employment Benefits provide important program benefits to employers and unemployed workers, but that consideration should be given to expanding the reach of Employment Benefits to include existing workers in the workplace and workers who are not eligible for EI.

All discussion group participants (both clients and employers) indicated that Employment Benefits are important for both workers and employers (despite the bureaucratic 'hurdles' discussed later in Section 3.4). Specifically, they noted that the existing pool of skilled workers in PEI is shrinking. Employers require workers with higher training and skills, and many workers need assistance in becoming trained for today's labour market. In this context:

- the main program benefit identified by program participants was the availability of funding support to re-train and increase their education level, knowledge and skills, and thereby help them to become more employable; and
- the main program benefit identified by employers was access to new workers, and the wage subsidy.

Although Employment Benefits are considered to be important, the general view is that there is a need to consider expanding the reach of these programs.

- All groups (including key informants, and discussion groups with clients and employers) view the EI eligibility rule as a barrier to helping workers who are not eligible for EI and who do not have access to needed training programs that would allow them to become more employable in a labour market that requires more knowledge and skills.
- Many key informants noted that there is also a pressing need to direct training and development initiatives toward existing workers in the workplace (who need to upgrade their level of skills). In their opinion, workplace skills training is one of the key areas where future labour market investments need to be directed.

Finding 4: Most key informants felt there is a low risk of program duplication.

Most key informants reported that there was a low risk of duplication with regard to the EBSMs and other employment development programs (i.e. clients receiving similar services from more than one agency at the same time). The key informants who did express concern felt that the risk for duplication was high in services to youth.

Finding 5: There is a continued need for programming to assist clients with low literacy levels.

A 2003 report by the International Adult Literacy and Life Skills Survey regarding PEI literacy levels showed that a significant portion (46%) of the population between the ages of 16 to 65 was below level 3 (proficiency level for a modern economy). Key Informants supported the use of EBSM resources to implement comprehensive literacy programming within the province.

The participants in the SD Literacy discussion group corroborated the need for literacy programming funded through the EBSMs. The discussion group participants indicated that, increasingly, they are encountering a job market that is requiring a higher level of education. In addition to higher job requirements, the discussion group participants noted other employment challenges faced by people who do not have their grade 12 certificate. These other challenges included difficulties in obtaining work-related skills and experience, difficulties to move to new jobs in different or new industries, and being trapped in low paying jobs.

3.2 Program Design, Delivery and Implementation

Evaluation Question 2: Are EBSMs being delivered and implemented effectively and as intended?

Finding 6: The return-to-work action plans are an effective tool for the educated and job ready clients, but are having limited success in the case of clients with multiple employment barriers.

All clients in the SD discussion groups indicated that they had participated in developing a return-to-work action plan, and that the action plan process worked reasonably well. Almost all indicated that the initial time spent with a career counsellor (Career Development Services) was very useful and an important step in the process of developing a return-to-work action plan.

Key informants felt that the return-to-work action plan is a good case management tool. They also noted that action plans help clients to focus on concrete goals and achievements. However, they reported that action plans are more effective for the better educated and job ready clients, while having limited success for clients with multiple employment barriers. In the case of multiple employment barriers, the goal of returning to work quickly or moving quickly through an educational program is often unrealistic given the client's needs and circumstances. As well, key informants who work with clients with multiple employment barriers indicated that eligibility criteria have become a barrier to effective service delivery. They felt the need to include non-EI eligible clients, employed and low-skilled workers.

Finding 7: Key informants felt that the focus on training and education, and the development of partnerships were key strengths in the implementation and delivery of EBSMs.

According to the key informants, there has always been strong recognition from all EBSM stakeholders that education and training are important. They felt that the focus on training and education has been a key strength in terms of how the current EBSMs have been implemented.

Key informants also indicated that the working relationships between the federal and provincial partners and other stakeholders (e.g. Atlantic Canada Opportunities Agency, PEI Business Development Inc., Holland College, and Community Partners) have been an important factor in the success of the programming delivered under the EBSMs. All key informants acknowledged the open and positive working relationships with Service Canada staff at both the Regional Office and Human Resource Centre levels.

Finding 8: There is limited ongoing monitoring to inform management on the results and progress of the EBSMs.

A number of key informants noted that despite the EBSM investments over the past decade, there has been limited data to demonstrate impacts and outcomes. Although some key performance measures are tracked by Service Canada, there is still no overarching data tracking, success indicator measurement, or reporting system to inform the Management Committee and co-managers regarding the impacts, results and progress achieved by the EBSMs.

3.3 Client Characteristics

Evaluation Question 3: Who is being reached? Do client profiles suggest equity or employment barriers?

Finding 9: Between 2000 and 2005, nearly 9 out of 10 EBSM clients in action plans involving Employment Benefits were active EI claimants. In contrast, nearly 4 out of 10 clients in action plans involving EAS-only interventions were former/reachback EI claimants.

A large majority (85%) of the APEs involving Employment Benefits were for active EI claimants, and only 15% for former/reachback clients. Former/reachback cases were least likely to be found among SD Literacy and SD clients (6% and 11% respectively), and most likely to be found among EAS-only clients (40%). As presented in table 3.1, their shares in other intervention groups were 20% (SEB), 27% (TWS), and 29% (JCP).

Table 3.1 EI Status by Type of Intervention						
	EAS-only	**SD**	**TWS**	**JCP**	**SEB**	**Literacy**
EI Status						
Active Claimants	60.4%	89.2%	73.4%	71.2%	79.7%	93.8%
Former/Reachback Clients	39.6%	10.8%	26.6%	28.8%	20.3%	6.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Number of APEs	4,893	5,819	1,906	882	690	1,296
Source: Administrative data for active EI claimants and former/reachback EI clients (2000 to 2005).						

Finding 10: Nearly 1 out of 10 active EI claimants received assistance under the Canada-PEI Labour Market Development Agreement (LMDA) in the 2000-2005 period.

Approximately 9% of all active claimants in PEI received assistance under the Canada-PEI LMDA for the 2000-2005 period (as shown in Table 3.2). For each year between 2000 and 2004, 8% to 9% of active EI claimants participated in EBSMs. In 2005, the proportion dropped to 6.9%.

Table 3.2 Participants as a Percent of Total EI Claims							
	2000	**2001**	**2002**	**2003**	**2004**	**2005**	**Total**
Total Participating Claimant APEs	8.9%	8.9%	8.4%	9.3%	9.1%	6.9%	8.6%
Total Non-Participating Claims	91.1%	91.1%	91.6%	90.7%	90.9%	93.1%	91.4%
Total Claims	24,447	25,013	25,653	23,873	22,700	21,749	143,435
Source: Administrative data for active EI claimants (2000 to 2005).							

Finding 11: Active claimant[16] participants were younger and more likely to be single than EI claimants who did not participate in EBSMs. The percentage of EAS-only (55%) and SD Literacy (59%) participants who were female was higher than among the claimants who did not participate in EBSMs (44%).

Among active clients, the percentage of males participating in most of the Employment Benefits was slightly higher than the percentage of females (as shown in Table 3.3). The higher percentage of males versus females among the EBSM participants was similar to the higher percentage of males among the EI claimants who did not participate in EBSMs.

- Males exceeded females among both EBSM clients and EI claimants;
- Females dominated males among SD Literacy clients (59%);
- Males and females were closest to being in balance among SD clients, where 52% of the clients were males;
- Males dominated in the other intervention categories, the highest percentage of male clients being in the SEB group (64%).

[16] Note that the rest of Section 3.3 focuses on active EI claimants.

Table 3.3
Gender, Age and Marital Status Profile

	EAS-only	SD	TWS	JCP	SEB	SD Literacy	EI Claimants (non-participants in EBSMs)
Gender							
Females	55.0%	48.4%	43.0%	41.4%	36.2%	59.3%	44.0%
Males	45.0%	51.6%	57.0%	58.6%	63.8%	40.7%	56.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	59.3%	100.0%
Number of APEs or EI Claims[a]	2,954	5,193	1,399	628	550	1,215	131,100 (Number of EI claims)
Age							
Under 25	21.1%	29.8%	15.4%	23.9%	4.4%	26.5%	10.1%
25 to 34	31.0%	30.7%	28.1%	27.7%	31.1%	31.5%	25.5%
35 to 44	24.7%	23.3%	28.0%	23.6%	37.8%	27.2%	27.7%
45 to 54	18.4%	12.9%	19.9%	17.0%	21.1%	13.0%	22.2%
55 plus	4.9%	3.4%	8.5%	7.8%	5.6%	1.7%	14.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Number of APEs or EI Claims[a]	2,953	5,193	1,399	628	550	1,215	131,065 (Number of EI claims)
Mean Age	35.1	32.7	37.5	35.6	38.7	32.9	40.3
Marital Status							
Single	46.0%	49.7%	36.0%	50.6%	24.8%	47.5%	30.1%
Married/Common Law	39.4%	39.5%	52.2%	37.8%	60.7%	37.3%	58.4%
Separated/Divorced/ Widowed	14.7%	10.8%	11.8%	11.5%	14.5%	15.2%	11.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Number of APEs or EI Claims[a]	2,898	5,128	1,384	616	545	1,204	129,506 (Number of EI claims)

[a] Shows the number of APEs for EBSM participants. Shows the number of claims for EI claimants (non-participants).

Source: Administrative data for active EI claimants (2000-2005).

The average age of EBSM participants was lower for each type of intervention than that of EI claimants who did not participate in EBSMs (as shown in Table 3.3):

- The average age among EI claimants who did not participate in EBSMs was 40.3 years.
- SD and Literacy SD participants were approximately 7 years younger on average than non-participating EI claimants. This difference is highlighted by the age distribution of the two groups. For example, 61% of the SD participants and 58% of the SD Literacy participants were under the age of 35 compared to 36% of the EI claimants (non-participants).
- The youngest EBSM clients were those who had participated in SD with a mean age of 32.7 years.

The majority (58%) of the active EI claimants who were not participants in EBSMs were married or in a common-law relationship. Married rates (including common-law) were closest to the EI claimants' rate among SEB and TWS clients: 61% and 52% respectively. Married rates were appreciably lower among all other clients: SD (40%), EAS-only (39%), JCP (38%) and SD Literacy (37%).

Finding 12: Survey Data confirmed that SD Literacy participants had substantially lower educational attainment than SD participants.

Based on the survey results, approximately one half (49%) of SD Literacy respondents had not completed high school compared to 18% of the SD respondents (as shown in Table 3.4). The largest group of SD respondents reported completing high school prior to their program (48%), while only 36% of the SD Literacy respondents had completed high school. In the case of post-secondary education, just over one-third of the SD respondents (34%) had some post-secondary education, including 17% who had completed college. Only 14% of the SD Literacy respondents reported some post-secondary education (including completing a college program).

Table 3.4
Education Prior to Program Participation – SD and SD Literacy Survey Respondents

	SD	SD Literacy
Pre-Program Educational Attainment		
Less than high school	18.1%	48.7%
Graduated from high school	47.6%	36.2%
Some post-secondary	9.1%	5.3%
Completed a college program	17.2%	7.2%
Completed a university degree	7.8%	1.3%
Other/No answer	0.2%	1.3%
Total	100.0%	100.0%
Number of respondents	548	152

Source: Survey data.

Finding 13: In the case of active claimants, SEB and TWS participants had higher earnings in the year prior to the start year of the EI claim compared to the EI claimants who did not participate in EBSMs, while SD Literacy and JCP participants had lower prior-year earnings.

Non-participating EI claimants' average earnings were $14,876 in the year prior to claim start year (as shown in Table 3.5). This was very close to the average prior-year earnings for EAS-only ($14,267), and SD participants ($15,329). TWS and SEB clients had substantially higher prior-year earnings ($18,943 and $22,961 respectively) while SD Literacy and JCP clients' prior-year earnings were substantially lower ($11,150 and $11,494 respectively).

Table 3.5 Mean Earnings Prior to the Claim Start Year							
	EAS-only	SD	TWS	JCP	SEB	Literacy	EI Claimants (Non-participants in EBSMs)
Prior Earnings							
Mean Earnings – 1 Year Prior	$14,267	$15,329	$18,943	$11,494	$22,961	$11,150	$14,876
Mean Earnings – 2 Years Prior	$12,528	$13,697	$15,468	$10,793	$21,570	$9,897	$13,906
Mean Earnings – 3 Years Prior	$11,772	$11,999	$15,577	$10,445	$19,678	$9,155	$13,164
Number of APEs or EI Claims[a]	2,954	5,190	1,399	628	550	1,215	131,039

[a] Shows the number of APEs for EBSM participants and the number of claims for EI claimants (non-participants).

Source: Administrative data for active EI claimants (2000 to 2005).

Finding 14: The majority of the EBSM participants who were active claimants were not repeat users of EI.

The majority (60%) of EI claimants who did not participate in EBSMs were repeat users of EI (i.e. had received EI two or more times over the previous three years). In contrast, repeat use of EI was substantially lower among all but one of the EBSM client groups. The exception was the SD Literacy participants, among whom 55% received EI at least twice in the previous three years. The second highest repeat use was among TWS participants (48%) followed by JCP (43%). The repeat use of EI was below 40% for the other types of intervention: EAS-only (39%), SD (39%) and SEB (36%).

3.4 EBSM-Specific Factors

Evaluation Question 4: What was the nature of clients' in-program experience?

Finding 15: Between 2000 and 2005, nearly half of all EBSM clients (i.e. active claimants plus former/reachback clients) participated in SD interventions, while approximately 3 out of 10 received EAS-only interventions.

As indicated in Table 3.6, a total of 15,957 APEs were initiated between 2000 and 2005 (for either active claimants or former/reachback clients). Very few of the APEs (less than 3%) involved more than one type of Employment Benefit. The focus of the Employment Benefits provided to the Canada-PEI LMDA clients was SD.

- Between 2000 and 2005, 47% of all APEs involved SD interventions (37% involved SD interventions, 8% involved SD Literacy interventions and 2% involved SD plus either TWS or JCP).
- Between 2000 and 2005, 31% of the APEs involved EAS-only interventions. This percentage was substantially higher than the percentage of APEs involving TWS (12%), JCP (6%) or SEB (4%) interventions.

There were very few consistent trends in the usage of EBSMs over the six years. The most notable changes were that the percentage of participants receiving EAS-only interventions increased and the percentage of participants receiving TWS decreased.

The average length of an Employment Benefit intervention was relatively short. Less than 10% of interventions lasted more than 9 months in duration. The longest average interventions were for SEB (5.3 months) followed by SD (4.7 months), TWS (4.7 months) and JCP (4.3 months).

Table 3.6
Percentage of Types of Interventions by start year

Type of Intervention	2000	2001	2002	2003	2004	2005	Total
EAS-only	26.2%	29.5%	26.4%	34.5%	32.6%	36.2%	30.7%
SD (non-literacy)	45.0%	37.4%	34.4%	30.6%	33.5%	39.1%	36.5%
TWS	16.5%	15.3%	14.7%	8.8%	9.0%	5.9%	11.9%
JCP	2.3%	3.6%	6.4%	8.0%	6.6%	6.3%	5.5%
SEB	2.5%	3.1%	4.7%	5.0%	5.7%	5.1%	4.3%
SD plus TWS or JCP	2.7%	2.3%	2.7%	2.1%	1.4%	0.3%	2.0%
Other combinations	0.4%	0.7%	1.7%	1.0%	1.2%	0.5%	0.9%
Literacy	4.3%	8.0%	9.2%	10.1%	9.8%	6.6%	8.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total APEs	2,646	2,891	2,829	2,891	2,666	2,034	15,957

Source: Administrative data for active EI claimants and former/reachback EI clients.

Finding 16: SD and SD Literacy participants were generally satisfied with the programs and services received.

As shown in Table 3.7, 88% of the SD survey respondents were satisfied (40%) or very satisfied (48%) with the programs and services received from HRSDC or Service Canada. Similarly, (89%) of the SD Literacy respondents were satisfied (35%) or very satisfied (54%). Satisfaction was slightly lower among Employment Counselling Services clients. Approximately 70% of the SD respondents were satisfied (43%) or very satisfied (27%) with the counselling services they received, while 77% of the SD Literacy respondents were satisfied (45%) or very satisfied (32%) with their counselling services.

Table 3.7 Satisfaction with Programs and Services – SD and SD Literacy Survey Respondents		
	SD	**SD Literacy**
Satisfaction with program and services received from HRSDC or Service Canada		
Very dissatisfied	2.6%	0.7%
Dissatisfied	2.7%	3.4%
Neither satisfied nor dissatisfied	5.8%	7.4%
Satisfied	40.0%	34.5%
Very satisfied	48.2%	54.1%
No response	0.7%	0.0%
Total	100.0%	100.0%
Number of respondents	548	148
Satisfaction with career counselling or employment services received in terms of usefulness in helping to identify and meet employment or career goals of participants		
Very dissatisfied	4.4%	1.4%
Dissatisfied	5.3%	2.0%
Neither satisfied nor dissatisfied	12.6%	13.5%
Satisfied	42.5%	44.6%
Very satisfied	27.0%	32.4%
No response	8.2%	6.1%
Total	100.0%	100.0%
Number of respondents	548	148
Source: Survey data.		

The survey results were corroborated by the feedback received during the client discussion groups.

- Participants in the SD client discussion groups were generally satisfied with the outcomes of the EBSM programs in which they were involved. In terms of what was most helpful, all clients in the SD client discussion groups indicated that having access to funding for training was critical. All of the discussion group participants indicated that they would never have had the resources to pursue the training on their own. In addition, almost all participants found the counselling process valuable and helpful.

- All SD Literacy discussion group participants rated their experience with the EBSMs through their Adult Education Program as highly positive. The participants indicated that they had progressed, and are progressing, toward more tangible career and job employment goals as a result of being able to increase their education and obtain their General Education Diploma. Several participants indicated that, with their General Education Diploma in hand, their intention is to move on to additional training toward certain occupations and careers. Access to local literacy programs was identified as a key strength of the programming. However, participants expressed frustration with the delays in the approval process for their request to take the Adult Upgrading courses.

- Overall, almost all discussion group participants indicated that they would rate their involvement with the EBSMs as a ‘very positive experience’. A large majority indicated they would recommend the EBSMs to anyone who was having difficulty getting or

finding employment, and some said that they had already recommended the use of EBSMs to others.

Finding 17: The administrative requirements to access programs were considered to be complex and frustrating for participants and employers.

Participants in the client discussion groups felt that the administrative process associated with accessing the EBSMs program was complex and frustrating (especially the lengthy decision making process). Individual participants had to go through third parties and Service Canada as part of the intake and assessment processes, approval process and preparation of the action plan. Discussion group participants also commented on the fact that funding dollars received were counted as taxable income.

Participants in the employer discussion groups felt that the administrative process associated with accessing the programs (e.g. the paperwork, time delays in getting approval decisions) was complex and frustrating. The amount of record keeping and filing of information required as part of the contribution agreements, especially for employers, was perceived to be excessive. They also cited the inflexibility of some of the programs (e.g. not being able to extend the duration of the TWS subsidy). Service Canada staff recognized these problems, but noted that many of the processes are accountability requirements.

Finding 18: The program delivery process presents challenges for the participation of clients with low literacy skills.

Typically, clients with low literacy levels require a lot of assistance, support and advocacy to move through the planning process successfully. Engaging low literacy clients is time consuming, and a lot of staff support is needed to complete the action plan. Key informants also noted that many low literacy clients find it difficult to follow through on seeking the necessary funding assistance for their action plan.

3.5 Impacts and Outcomes

This Section focuses on impacts and outcomes in the case of EBSM participants who were active EI claimants[17] (as discussed in Section 2.2.4).

Evaluation Question 5: Have EBSMs helped eligible clients prepare for, find and keep employment?

3.5.1 Overview of Earnings Outcomes

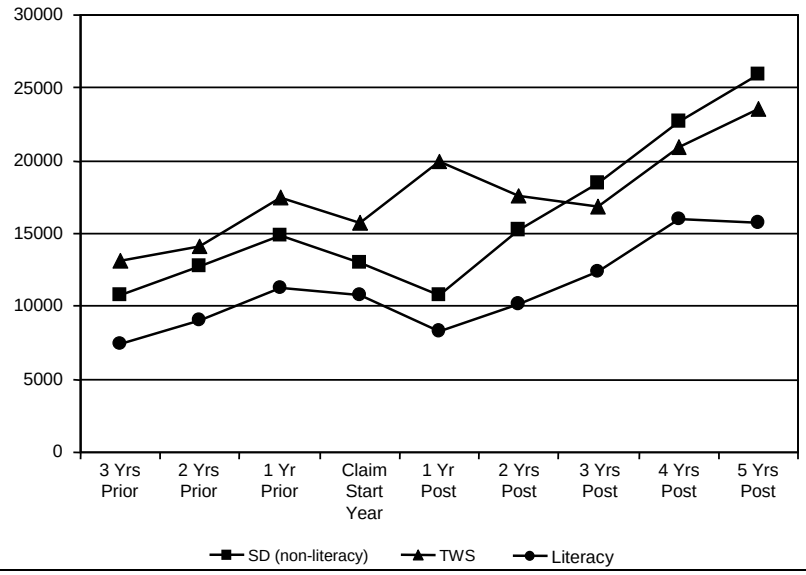
Finding 19: Data for average yearly earnings show that participants in SD, SD Literacy and TWS interventions had an initial decrease in earnings in the claim start year. In the case of SD and SD Literacy participants, earnings continued to decrease in

[17] As noted earlier, in the case of EBSM participants active claimants refer to individuals who were active EI claimants at the start of their APE.

the year after the claim start year, but increased in the subsequent years. In the case of TWS participants, earnings increased in the first year after the claim start year, then decreased in the two subsequent years, and increased once again in the fourth and fifth year.

Figure 1 provides a simple comparison of average yearly earnings prior to, during, and after the claim start year in the case of the SD, TWS and SD Literacy participants.

Figure 1
Mean Earnings for SD, TWS and Literacy Participants



Source: Administrative data for active EI claimants (2000 and 2001 cohorts).

Table 3.8 provides some of the corresponding numbers.

Table 3.8
Mean Earnings by Type of Intervention – 2000 and 2001 Cohorts (Unweighted)

Type of Intervention	1 Year Prior	1 Year Post	Change from 1 Year Prior	4 Years Post	Change from 1 Year Prior
SD	$14,855	$10,753	-$4,102	$22,630	$7,775
TWS	$17,419	$19,956	$2,537	$20,984	$3,565
SD literacy	$11,300	$8,255	-$3,045	$15,966	$4,666

Source: Administrative data for active EI claimants.

On average, participants in SD and SD Literacy had a drop in earnings in the claim start year and the following year, compared to the year prior to the claim start year. The decrease in earnings was $4,100 for the SD participants and was $3,000 for the SD Literacy participants.

In the subsequent three years, on average, the earnings of participants in SD and SD Literacy increased substantially. In the fourth years after the claim start year, the SD participants earned $22,630 (which was $7,775 more than their average earnings in the year prior to the claim start year). In the fourth year after the claim start year, the SD Literacy participants earned $15,966 (which was less than the SD claimant participants, but was $4,666 more than their average earnings in the year prior to the claim start year). As shown in Figure 1, the increase in earnings continued for the SD participants, but not for the SD Literacy participants.[18]

In the case of TWS, Figure 1 shows that average earnings for TWS participants varied over time.

- TWS participants had the highest average earnings prior to the claim start year and had a decrease in earnings in the claim start year similar to the SD and SD Literacy participants.
- In the first year after the claim start year, TWS participants had an increase in earnings (an increase of $2,537 compared to the year prior to the claim start year), while the SD and SD Literacy participants experienced a continued decline in earnings. This increase in earnings for the TWS participants is likely due to the earnings obtained from their TWS employer.
- The initial increase in earnings was followed by two consecutive years of decline in average earnings.
- In the fourth year after the claim start year, the TWS participants earned $20,984 (which was $3,565 more than their average earnings in the year prior to the claim start year).
- Their earnings increased even further in the fifth year.

3.5.2 SD Impacts on Employment, Earnings, and EI and SA Use

This Section presents the incremental impacts on employment, earnings, EI and SA use for SD participation (i.e. the change that can be attributed to program participation after controlling for other factors that may have contributed to the overall observed change).

As discussed in Section 2.2.2, the impact estimates were calculated by comparing the outcomes for the SD participants to the outcomes of EAS-only participants who were used as a limited-treatment comparison group.[19] This Section also includes the available results for SD Literacy participants. As noted in Section 2.2.4, no incremental impact estimates were calculated for the SD Literacy participants because no appropriate

[18] The average for the fifth year after the claim start year is available only for the year 2000 cohort and is not directly comparable to the previous years.

[19] As discussed in Section 2.2.3, for the impact analysis for each type of intervention (SD and TWS), the EAS-only participants were weighted to ensure their pre-program profile on background characteristics (including age, gender, marital status, prior earnings, prior EI and prior SA) was very similar to the SD participants (for the SD analysis) and to the TWS participants (for the TWS analysis).

comparison group (non-participants with low literacy) could be identified. Therefore only employment outcomes are reported for SD Literacy participants.

Finding 20: Active claimants, who participated in SD, experienced net[20] gains in earnings of $2,005 (see table 3.10) in year 4 post-EI claim start year. While, the cumulative post-program earnings gains were not statistically significant, earning gains tend to improve over time.

Table 3.9 presents a simple comparison of the earnings for SD participants and EAS-only participants (with the EAS-only participants being weighted to be comparable to the SD participants). This simple comparison differs from the difference-in-difference estimates presented in Table 3.10 because the simple comparison does not control for unobserved variables that could not be incorporated into the matching process (such as ability or motivation to find employment), and which manifest themselves as pre-existing differences between the treatment and comparison groups (see also the discussion in Section 2.2.3).

Table 3.9
Mean Earnings For SD participants (Unweighted) and the EAS-only Comparison Group (Weighted) – 2000 and 2001 Cohorts

Type of Intervention	Pre-Program Period	Program Period		Post-Program Period			
	1 Year Prior	Claim Start Year	1 Year Post	2 Years Post	3 Years Post	4 Years Post	5 Years Post[a]
SD	$14,855	$13,060	$10,753	$15,266	$18,527	$22,630	$25,896
EAS-only Comparison Group (weighted)	$14,601	$13,572	$11,916	$15,922	$17,159	$20,370	$23,952
Difference	$254	-$512	-$1,163**	-$656	$1,368*	$2,260**	$1,944

[a] The means for year five after the claim start year is available only for the year 2000 cohort and is not directly comparable to the previous years.

Source: Administrative data for active EI claimants. Note: *p<.05, ***p*<.01.

Table 3.10, presents the difference-in-differences calculations that measure the incremental increases or decreases in average earnings for SD participants relative to the comparison group of EAS-only participants. Table 3.10 also shows the cumulative net increase or decrease in earnings over the entire time period examined by the evaluation.

[20] This net or incremental increase in earnings (of $2.0K) refers to the increase that is attributable to participation in SD, after controlling for other factors that could have affected earnings during this time. In other words, this gain would not have occurred in the absence of the program.

Table 3.10
Change in Mean Earnings Relative to one Year Prior to Claim start Year for SD participants (Unweighted) and the EAS-only Comparison Group (Weighted) – 2000 and 2001 Cohorts

Type of Intervention	Pre-Program Period	Program Period		Post-Program Period		
	1 Year Prior	Claim Start Year	1 Year Post	2 Years Post	3 Years Post	4 Years Post
SD	---	-$1,795	-$4,102	$411	$3,672	$7,775
EAS-only Comparison Group (weighted)	---	-$1,028	-$2,685	$1,321	$2,559	$5,770
Difference-In-Differences	---	-$767	-$1,417**	-$910	$1,113	$2,005*
Post-Program Cumulative Net Increase/Decrease	---	---	---	$2,208		

Note: The change in earnings relative to the year prior to the claim start year was calculated using the data only for the 2000 participants and not the year-prior average presented in the table above because that average was based on 2000 and 2001 data. The cumulative net increase/decrease in earnings is calculated using the same sample of participants and non-participants (cohorts of 2000 and 2001). Since the sample in year 5 post-program includes only the year 2000 cohort of participants, it is excluded from this calculation.

Source: Administrative data for active EI claimants. Note: *p<.05, **p<.01.

The difference-in-differences (third row in Table 3.10) shows that, on average, SD participation resulted in less earnings for SD participants in the claim start year and in the two years after the claim start year, although this decrease was statistically significant only in the first year after the claim start year (during program participation). By the fourth year after the claim start year the participants had a net increase in earnings relative to the EAS-only comparison group of $2,005. While, the cumulative post-program earnings gains ($2,208) were not statistically significant, earning gains tend to improve over time. This may be indicative that SD has a positive net impact on earnings in the longer run. A longer post-program observation period would be needed, however, to confirm if the earnings gains persist over the longer term.

Finding 21: A simple comparison of the participants' pre- and post- program experience using survey data indicated that both SD and SD Literacy participants had a statistically significant increase in the number of months of paid employment.

For SD and SD Literacy participants, the survey data were used to compare employment before and after program participation.[21] This analysis indicated that the estimated earnings gains (discussed above) were accompanied by an increase in employment for the SD and SD Literacy participants (as shown in Table 3.11).

- In the 12 months prior to their survey interview, on average the SD participants spent 8.7 months in paid employment. This represented a statistically significant increase of 1.1 months in paid employment compared to the 12 months prior to their claim start date. Most of this gain was due to a statistically significant increase in months of full-time work, which rose from 6.5 months to 7.3 months (i.e. an increase of 0.8 months).

[21] These results should be interpreted with some caution because simply comparing the pre- and post-program experience of participants does not control for other factors that could affect the observed outcomes, and which would normally be controlled for by a comparison group.

During the same time period, the number of months unemployed (as measured by months spent looking for work), decreased by 0.3 months, while the number of months either in school or training full time decreased by 0.4 months.

- In the 12 months prior to their survey interview, on average the SD Literacy participants spent 7.5 months in paid employment. This represented a statistically significant increase of 0.6 months in paid employment. This gain was largely split between full-time employment (6.3 months versus 6.0 months) and part-time employment (1.1 months versus 0.8 months).

Table 3.11
Average number of months Employed – SD and SD Literacy Survey Respondents

	SD		SD Literacy	
	12 Months Prior to Claim Start Date	12 Months Prior to Survey Interview	12 Months Prior to Claim Start Date	12 Months Prior to Survey Interview
Employed full-time (30+ hrs/week)	6.5	7.3***	6.0	6.3
Self-employed	0.1	0.4***	0.1	0.1
Employed part-time, NOT in school	0.9	1.0	0.8	1.1
Working part-time, in school part-time	0.1	0.1	0.0	0.0
Total months with paid employment	7.6	8.7***	6.9	7.5*
In school or training full-time	0.6	0.2	0.8	0.9
Unemployed and looking for work	2.7	2.4*	2.9	2.7
Unemployed and NOT looking for work	0.5	0.6	0.6	0.4
Other	0.6	0.2	0.8	0.4
Total	12.0	12.0	12.0	12.0
Number of respondents	548		152	

Source: Survey of participants. Note asterisks indicate if there was a statistically significant difference between the pre-claim months and months prior to the survey: *p<.05, ****p*<.001.

Finding 22: The impact analysis indicated that participation in SD interventions had no statistically significant impact on the use of EI and SA.

The difference-in-differences estimates showed that SD participation had no statistically significant incremental impacts on EI and SA benefits received in the post-program period. It is important to note that, in general, very few active EI claimants (who are in receipt of EI benefits by definition) receive SA benefits before the program period.

The results for EI use are reported in table 3.12. The details for the SA estimates are available in the evaluation's Quantitative Technical Report.

Table 3.12 Change in Mean EI Benefits Relative to the Year Prior to Claim start Year For SD Non-Literacy Participants (Unweighted) and the EAS-only Comparison Group (Weighted) – 2000 and 2001 Cohorts Only						
	Pre-Program Period	Program Period		Post-Program Period		
Type of Intervention	1 Year Prior	Claim Start Year	1 Year Post	2 Years Post	3 Years Post	4 Years Post
SD (non-literacy)	---	$2,116	$2,923	$975	$504	$343
EAS-only	---	$1,878	$2,160	$800	$567	$228
Difference-In-Differences	---	$238	$762***	$174	-$62	$115
Post-Program Cumulative Net Gain/Loss	---	---	---	$227		
Source: Administrative Data, Note: ****p*<.001.						

Finding 23: The impact analysis indicated that some client groups benefited more than others from their participation in SD interventions, including participants with low skills and low earnings.

The analysis of the incremental impacts for SD participants was segmented to examine the experience of various types of clients based on their earnings level, gender and skills level. The findings indicated large differences in the outcomes for different client groups based on the cumulative net increase/decrease in income over the six year period examined by the evaluation (i.e. the claim start year plus five years after the claim start year). The participants who benefited the most from their participation in SD interventions were participants who:[22]

- had less than $10K earned income in the year prior to the claim start year (net gain in earnings of $1,894 and $4,269 by year 3 and 4 post-claim start year respectively);
- had a technical, professional or management occupation in their prior job (net gain in earnings of $4,335 by year 4 post-claim start year);
- had a low skill occupation in their prior job (net gain in earnings of $3,104 by year 4 post-claim start year); and
- were male (net gain in earnings of $2,590 by year 4 post-claim start year).

3.5.3 TWS Impacts on Earnings, EI and SA

This Section presents the incremental impacts on earnings, EI and SA in the case of TWS participation. These impacts are calculated using weighted EAS-only participants as a limited-treatment comparison group, as discussed in Section 2.2.2.

Finding 24: Active claimants, who participated in TWS, experienced net gains in earnings of $1,779 in year 2 post-EI Claim start year. The impact analysis provided

[22] The detailed estimates for all the client groups are available in a separate Quantitative Technical Report.

no evidence of an enduring impact on the participants' earnings beyond the second year. The cumulative post-program earnings gains were not statistically significant.

Tables 3.13 and 3.14 replicate the analysis conducted for the SD participants, but using a different weighting adjustment of EAS-only clients to yield a comparison group profile similar to that of TWS participants.

Table 3.13 presents a simple comparison of the earnings for TWS participants and EAS-only participants (with the EAS-only participants being weighted to be comparable to the TWS participants).

Table 3.13
Mean Earnings For TWS Participants (Unweighted) and the EAS-only Comparison Group (Weighted) – 2000 and 2001 Cohorts

	Pre-Program Period	Program Period		Post-Program Period			
Type of Intervention	1 Year Prior	Claim Start Year	1 Year Post	2 Years Post	3 Years Post	4 Years Post	5 Years Post[a]
TWS	$14,041	$14,195	$17,328	$16,523	$16,292	$19,683	$21,549
EAS-only Comparison Group (weighted)	$13,608	$13,285	$11,805	$14,310	$16,325	$17,638	$20,747
Difference	$434	$910	$5,523***	$2,212***	-$33	$2,045*	$802

[a] The means for year 5 after the claim start year is available only for the year 2000 cohort and is not directly comparable to the previous years.

Source: Administrative data for active EI claimants. Note *p<.05, ****p*<.001.

The difference-in-differences figures (third row in table 3.14) show that TWS participation resulted in a net increase in participants' earnings in the first and second year post-claim start year. The overall increase for the whole post program period ($2,923) was not statistically significant. The increase in earnings in the first year post-claim is due to the participation in the TWS program. Under TWS, participants receive employment earnings that include a subsidy component paid directly from the government to employers.

Table 3.14
Change in Mean Earnings Relative to one Year Prior to Claim start Year For TWS Participants (Unweighted) and the EAS-only Comparison Group (Weighted) – 2000 and 2001 Cohorts

	Pre-Program Period	Program Period		Post-Program Period		
Type of Intervention	1 Year Prior	Claim Start Year	1 Year Post	2 Years Post	3 Years Post	4 Years Post
TWS	---	$153	$3,287	$2,481	$2,251	$5,641
EAS-only Comparison Group	---	-$323	-$1,803	$702	$2,718	$4,030
Difference-In-Differences	---	$476	$5,089***	$1,779*	-$467	$1,611
Post-Program Cumulative Net Increase/Decrease	---	---	---	$2,923		

Note: The cumulative net increase/decrease in earnings is calculated using the same sample of participants and non-participants (cohorts of 2000 and 2001). Since the sample in year 5 post-program include only the cohort of the year 2000 participants, it is excluded from this calculation.

Source: Administrative data for active EI claimants. Note that some outliers were removed from the TWS data to improve the comparability of the earnings data with the weighted EAS-only data. Also note: *p<.05, ****p*<.001.

Finding 25: Active claimants who participated in TWS increased the use of EI in the third year post- claim start year by $723. However, no statistically significant impacts were found for the whole post-program period. TWS participation had no impacts on the use of SA.

The difference-in-differences estimates showed that TWS participation increased the use of EI in year 3 of the post-program period by $723. The program had no impacts on the use of SA. It is important to note that, in general, very few active EI claimants (who are in receipt of EI benefits by definition) receive SA benefits before the program period.

The results for EI use are reported in tables 3.15. The details for the SA estimates are available in the evaluation's Quantitative Technical Report.

Table 3.15
Change in Mean EI Benefits Relative to the Year Prior to Claim start Year For TWS Participants (Unweighted) and the EAS-only Comparison Group (Weighted) – 2000 and 2001 Cohorts Only

	Pre-Program Period	Program Period		Post-Program Period		
Type of Intervention	1 Year Prior	Claim Start Year	1 Year Post	2 Years Post	3 Years Post	4 Years Post
TWS	---	$1,103	$997	$976	$1,081	$298
EAS-only	---	$1,705	$2,081	$959	$358	$94
Difference-In-Differences	---	-$601***	-$1,083***	$17	$723***	$203
Post-Program Cumulative Net Gain/Loss	---	---	---	$943		

Source: Administrative Data, Note: ****p*<.001.

3.5.4 Mobility Outcomes

Finding 26: SD and EAS-only participants were likely to occupy a job outside of PEI compared to TWS, SD Literacy and all EI active claimants who did not participate in EBSMs.

In the case of active claimants, Table 3.16 shows the percentage of participants in each type of intervention that had at least one job outside the province in a given year. Table 3.16 also shows the percentage for EI claimants who did not participate in EBSMs.

- In the case of the non-participating EI claimants, just over 11% had at least one job outside PEI in the year prior to their claim in 2000 or 2001. This percentage working outside the province remained very stable, increasing only slightly to 13% by the fifth year after the claim start year.

- The percentage of TWS participants working outside the province was similar to the percentage of non-participating EI claimants in the year prior to the claim (12%) and in the claim start year (10%). In the first year after the claim start year, the percentage fell to 5% and increased gradually to reach approximately 10% five years after the claim start year (which was less than in the claim start year and less than all the other groups examined).

Table 3.16
Percentage who Worked (at Least one Job) Outside PEI by Type of Intervention – 2000 and 2001 Cohorts

Type of Intervention	Pre-Program Period	Program Period		Post-Program Period			
	1 Year Prior	Claim Start Year	1 Year Post	2 Years Post	3 Years Post	4 Years Post	5 Years Post[a]
EAS-only	14.1%	12.5%	11.7%	13.0%	14.0%	15.4%	17.8%
SD	15.6%	12.8%	11.9%	14.1%	14.9%	17.8%	19.2%
TWS	12.2%	10.1%	5.2%	6.8%	8.2%	9.2%	9.5%
Literacy	9.7%	5.4%	3.0%	7.6%	9.4%	12.1%	12.5%
EI Claimants (non-participants in EBSMs)	11.3%	10.8%	10.1%	10.0%	10.6%	12.2%	13.0%

[a] The means for year 5 after the claim start year are available only for the year 2000 cohort and are not directly comparable to the previous years.

Source: Administrative data for active EI claimants.

- SD participants and EAS-only participants had the highest percentage working outside PEI prior to the claim start year (16% and 14% respectively). This percentage decreased slightly in the claim start year and one year after the claim start year, but increased in the subsequent years. By the fifth year after the claim start year, 19% of the SD participants and 18% of the EAS-only participants (nearly one out of every five participants) had at least one job outside of PEI.

- SD Literacy participants had the lowest percentage working outside PEI prior to the claim start year (9.7%) and this percentage fell considerably in the claim start year (5.4%) and fell further to 3% in the first year after the claim start year. The percentage then rose to 12.5% by the fifth year after the claim start year, a level similar to the EI claimants (non-participants).

3.6 Effects on Client Attitudes and Quality of Life

Evaluation Question 6: Are EBSMs associated with client well-being and attitudes toward work and learning?

Finding 27: Over half (52%) of the SD survey respondents rated their programs and services as important or very important to obtaining their longest job since program participation. The SD Literacy survey respondents were evenly split on this question.

Over half (52%) of the SD survey respondents rated their employment programs and services as very important (36%) or important (16%) for obtaining their job (as shown in Table 3.17). Just over 29% of the SD claimant respondents rated their employment programs and services as not important (9%) or not at all important (20%) for obtaining their job.

In the case of the SD Literacy survey, 41% rated their employment programs and services as very important (31%) or important (10%) to obtaining their job. An equal percentage (41%) rated their programs and services as not important (8%) or not at all important (33%) for obtaining their job.

Table 3.17 Assessment of Importance of Programs and Services – SD and SD Literacy Survey Respondents		
	SD	**SD Literacy**
How important were the programs and services you received to you getting this job (longest job since program participation)?*		
Not at all important	20.0%	33.1%
Not important	9.1%	7.6%
Somewhat important	17.6%	17.2%
Important	16.3%	9.7%
Very important	36.2%	31.0%
Don't know	0.9%	1.4%
Total	100.0%	100.0%
Number of respondents	543	144
Source: Survey data.		

Finding 28: Nearly half (49%) of the SD survey respondents stated that they had obtained a job with specific educational or skills requirements and that they obtained these requirements through the programs and services they received. The SD Literacy survey respondents were almost evenly split about this question.

Approximately 74% of the SD survey respondents reported their job required a specific diploma or certificate or a specific set of skills, and 49% of all SD survey respondents reported they obtained the necessary skills and education from their programs and services (as shown in Table 3.18). In other words, nearly one out of two SD survey respondents stated that they obtained a job because of the skills or educational requirements they acquired through their participation in SD.

Table 3.18 Assessment of Required Skills and the Usefulness of Programs and Services – SD and SD Literacy Survey Respondents		
	SD	**SD Literacy**
Skills requirements of longest job since program participation and programs and services as source of skills		
Obtained specific skills or education required from programs and services	49.0%	28.9%
Did not obtain specific skills or education required from programs and services	24.8%	26.3%
Did not require specific skills or education	24.6%	42.1%
No response	1.6%	2.6%
Total	100.0%	100.0%
Number of respondents	548	152
Source: Survey data.		

In the case of SD Literacy participants, just over half (55%) indicated their job required a specific diploma or certificate or a specific set of skills. Approximately 29% of all SD Literacy survey respondents stated they obtained the necessary skills and education from their programs and services.

Finding 29: Program participation enhanced the confidence and skills of SD participants.

All SD discussion group participants indicated that their experience with EBSMs improved and strengthened their reading and writing skills, and their computer skills. As well, all noted that they generally felt more confident about themselves both as an employee and a person. Almost all indicated that their jobs are better (i.e. are occupations of choice) and more secure than prior to their SD programming. The discussion group participants also indicated that their overall education level was higher and their attitude toward learning and training was more positive (i.e. they would not be as intimidated about taking further training). All noted that they would not likely have made any of these steps or made their progress towards employment if they had not had access to SD programming.

Finding 30: Literacy programming enhanced the skills and confidence of the clients.

All SD Literacy discussion group participants indicated that, as a result of their experience, they had been able to:

- increase their reading, writing, and comprehension skills;
- increase their level of computer literacy and comfort level in working with technology;
- become more confident, with a higher awareness of their work abilities and potential; and
- be more comfortable in expressing themselves and/or promoting themselves to potential employers and others.

In addition, almost all discussion group participants indicated that it would have been highly unlikely to have achieved this level of education and personal growth without having access to the programming through the EBSMs.

3.7 Limited Cost-benefits Analysis

Evaluation Question 7: Do the Benefits Produced by the EBSMs Outweigh the Costs?

Assessing the cost-benefits of the EBSMs involves comparing the benefits arising from program participation to the costs of the program.

Using the estimates provided by the difference-in-differences analysis presented in Section 3.5.2 and Section 3.5.3, the evaluators were able to examine the cost-benefits of SD and TWS in the case of active claimants. The cost-benefits analysis was conducted from a broad social perspective for a period of six years (the claim start year plus five years after the claim start year).

From the broad social perspective, the benefits arising from SD and TWS participation were measured as subsequent earnings gains that can be attributed to participation in these initiatives, where earnings were discounted[23] to a common base year so that they are comparable across the years. The costs were measured as the program costs.[24]

This cost-benefits analysis is limited in the sense that it does not account for all the costs and benefits from the broader social perspective. It is difficult to attribute a dollar value to social benefits such as: increased self-confidence, crime reduction, family well being, and health status of EBSM participants. In addition, out-of-pocket expenses assumed by EBSM participants were not available.

Limited Cost-benefits Analysis is also a partial equilibrium analysis since it does not account for the displacement effects (since EBSM participants now occupy jobs that could have been filled by qualified non-participants). Displaced and unemployed non-participants may experience social disadvantages when compared to the social benefits of employed EBSM participants.

As mentioned above, a six-year period, namely the claim start year and five subsequent years, were used for the cost-benefits calculations. This period was used to examine earnings changes ascribed to the program, and the costs incurred to bring about these changes. Two issues arose in connection with using a six-year period:

(1) As noted in footnote 24, all dollar figures were discounted to a common base, so that earnings and program costs could be compared across years and between two cohorts. Benefit and cost figures shown below are expressed in common base-period dollars, not current dollars. While the actual numerical values of all dollar amounts depend on the base period chosen, the ratios of the figures relative to one another do not.

(2) Observations for a full five-year period following claim start year were available only for the year-2000 cohort; figures for year-5 among the year-2001 cohort had to be extrapolated. To gain an idea of just how robust the results obtained may be, two alternative scenarios were used to extrapolate to year-5:

   (A) **Scenario "A"**: Under this scenario, observed "current" (i.e. non-discounted) year-5 earnings in the year-2000 cohort were used to represent unobserved current year-5 earnings in the year-2001 cohort.

   (B) **Scenario "B"**: In this scenario, it was assumed that unobserved current year-5 earnings among the year-2001 cohort bear the same relationship to earnings in the pre-program year as did the observed current earnings among the year-2000 cohort.

[23] The analysis applies a 4% discount rate to all earnings that occur following a base year. The year 1999 corresponds to the year before the claim start year for cohort 2000. The purpose of discounting is to adjust earnings, which occur across several years, to a common comparable base. In principle the discount rate reflects the fact that both the present value and the purchasing power of a dollar are greater today than in a future year. In this analysis the 4% rate is used to represent the two effects, and is a rate suggested in Boardman, A., D. Greenberg, A. Vining and D. Weimer (2001). Cost-Benefit Analysis: Concepts and Practice. 2nd edition Prentice Hall, p. 250."

[24] Program costs were also discounted to the common base year.

Estimates for earning gains for SD and TWS were statistically significant in two of the 5 years post EI claim. However, the total earning gains for the 6-year period examined (EI claim plus 5 years post claim) were not statistically significant.

It was anticipated that if the extrapolation exercise were sufficiently robust, both scenarios will lead to similar conclusions.

Skills Development

Finding 31: Measured in constant 1999 dollars, from the broader social perspective the average cost ($6,622) of SD interventions exceeded earnings gains by the end of the study period. In addition, earnings gains were estimated to be in the range of $786 - $1,212. These earnings gains estimates were not significantly different from zero, suggesting as well that SD may not have been producing benefits that outweigh the costs over the observed post-program period. However, the most recent pattern of earnings suggests that earnings gains may persist beyond the observation period used for the cost-benefits calculations. As such, more recent data would be required to see if earnings gains ascribable to SD are being sustained over the longer term.

Tables 3.19A and 3.19B contain the difference-in-earnings differences calculations between SD and EAS-only clients over a six-year period using constant 1999 dollars. Table 3,19A is based on "5-years post" earnings that were extrapolated under scenario "A" for the year-2001 cohort, and represents a low estimate of cumulative relative earnings gains over the observation period. Table 3.19B is similar to 3.19A, except "5-year post" earnings were extrapolated under scenario "B". Table 3.19B represents a high estimate of cumulative relative earnings gains over the observation period.

Table 3.19A
Limited cost-benefits Calculations for SD participants Under Extrapolation Scenario "A" – Year-2000 and Year-2001 Cohorts Combined

Type of Intervention	Claim Start Year	1 Year Post	2 Years Post	3 Years Post	4 Years Post	5 Years Post	Total
Difference-In-Differences Estimates from Table 3.10	*-$767*	*-$1,417***	*-$910*	*$1,113*	*$2,005**	---	---
Difference-In-Differences Estimates Expressed in "Base Year" Dollars	-$731	-$1,312**	-$846	$881	$1,541*	$1,253	$786
Program Costs	$6,622						$6,622

Source: Administrative data for active EI claimants. Note: *p<.05, ***p*<.01.

Table 3.19B Limited cost-benefits Calculations for SD participants Under Extrapolation Scenario "B" – Year-2000 and Year-2001 Cohorts Combined							
Type of Intervention	**Claim Start Year**	**1 Year Post**	**2 Years Post**	**3 Years Post**	**4 Years Post**	**5 Years Post**	**Total**
Difference-In-Differences Estimates from Table 3.10	*-$767*	*-$1,417***	*-$910*	*$1,113*	*$2,005**	---	---
Difference-In-Differences Estimates Expressed in "Base Year" Dollars	-$731	-$1,312**	-$846	$881	$1,541*	$1,679	$1,212
Program Costs	$6,622						$6,622
Source: Administrative data for active EI claimants. Note: *p<.05, ***p*<.01.							

The two extrapolation scenarios fix earnings gains between $786 and $1,212 per participant, achieved at an average cost of $6,622. These figures are expressed in constant dollars, which have been discounted to the common base period represented by the pre-program year in the year-2000 cohort. Earnings changes in the post-program period range from negative in the early years (significant in the first year) to positive in later years (significant in year 4), with the net result that overall earnings changes over the entire observed post-program period are not significantly different from zero.

The two scenarios are consistent in suggesting that the costs for SD interventions outweigh the benefits in assisting unemployed workers improve their labour market outcomes. However, it is important to note that the findings are sensitive to the time frame used to measure the impact of SD participation on earnings. The most recent pattern of earnings suggests that earnings gains may persist beyond the observation period used for the cost-benefits analysis. This in turn suggests that if participants' earnings were measured for an additional two or three years, the gap between SD costs and cumulative earnings gains could be considerably reduced.

Targeted Wage Subsidies

Finding 32: Measured in constant 1999 dollars and from a broader social perspective, earnings gains ranged between $5,633 and $7,279 for TWS participants compared to the average costs of $5,899 for TWS interventions. These earnings gains estimates, however, were not significantly different from zero, suggesting that TWS may not have been producing benefits that outweigh the costs over the observed post-program period. More recent data would be required to see if earnings gains ascribable to TWS are being sustained over the longer term.

As in the case of SD participants, earnings data for TWS participants in the fifth post-participation year were extrapolated for the year-2001 cohort. Tables 3.20A and 3.20B contain the difference-in-earnings differences calculations between TWS and EAS-only clients over a six-year period in terms of constant 1999 dollars. Table 3,20A is based on "5-years post" earnings that were extrapolated under scenario "A" for the year-2001 cohort, and represents a high estimate of cumulative relative earnings gains over the observation period. Table 3.20B is similar to 3.20A, except "5-year post" earnings were

extrapolated under scenario "B". Table 3.20B represents a low estimate of cumulative relative earnings gains over the observation period:

Table 3.20A
Limited cost-benefits Calculations for TWS participants Under Extrapolation Scenario "A" – Year-2000 and Year-2001 Cohorts Combined

Type of Intervention	Claim Start Year	1 Year Post	2 Years Post	3 Years Post	4 Years Post	5 Years Post	Total
Difference-In-Differences Estimates from Table 3.15	*$476*	*$5,089***	*$1,779**	*-$467*	*$1,611*	---	---
Difference-In-Differences Estimates from Expressed in "Base Year" Dollars	$376	$4,574***	$1,467*	-$479	$1,170	$172	$7,279
Program Costs	$5,899						$5,899

Source: Administrative data for active EI claimants. Note: *p<.05, ****p*<.001.

Table 3.20B
Limited cost-benefits Calculations for TWS participants Under Extrapolation Scenario "B" – Year-2000 and Year-2001 Cohorts Combined

Type of Intervention	Claim Start Year	1 Year Post	2 Years Post	3 Years Post	4 Years Post	5 Years Post	Total
Difference-In-Differences Estimates from Table 3.15	*$476*	*$5,089***	*$1,779**	*-$467*	*$1,611*	---	---
Difference-In-Differences Estimates from Expressed in "Base Year" Dollars	$376	$4,574***	$1,467*	-$479	$1,170	-$1,474	$5,633
Program Costs	$5,899						$5,899

Source: Administrative data for active EI claimants. Note: *p<.05, ****p*<.001.

The two extrapolation scenarios fix earnings gains between $5,633 and $7,279 per participant, achieved at an average cost of $5,899. These figures are expressed in constant dollars, which have been discounted to the common base period represented by the pre-program year in the year-2000 cohort. Even though earnings gains ascribable to the program are initially statistically significant, they decline in the later years of the post-program period. The net result for overall earnings gains in the observed five year post-program period ($5,633) is not significantly different from zero.

The two scenarios suggest that average earnings gains in the six observed years due to TWS interventions were about even with average costs, and may have exceeded them. This in turn indicates that TWS was likely producing benefits that outweigh the costs from the broader social perspective within the study period. However, the fact that overall earnings gains ascribable to the program were not significantly different from zero, combined with the fact that earnings gains had declined towards the end of the post-program period, suggests that TWS may not have been producing benefits that outweigh the costs over the longer run. More recent data would be needed to see if net earnings gains declined or increased in the longer run, and if the latter, whether these could be ascribed to the program.

3.8 Formative Issues

Evaluation Question 8: To what extent have issues raised in the formative evaluation been addressed? What issues have emerged since the formative evaluation? What is the current status of these issues?

Finding 33: While progress has been made in addressing some of the issues raised in the formative evaluation, there has been limited success in addressing issues such as client data tracking, administrative delays and EI eligibility criteria as a barrier to addressing the new and emerging needs of the labour market (assisting workers in need of training, low skilled and non-EI eligible clients).

Progress has been made to align EBSMs labour market initiatives with provincial economic development objectives, to reduce the potential for overlap and duplication between and among EBSMs and other programs, and to improve client tracking.

However, at the time of the evaluation, there had been limited success in addressing certain issues identified by the formative evaluation.

- While client data tracking has improved somewhat, there was still no overarching data tracking and reporting system to inform the Management Committee and co-managers regarding impacts, results and progress of the EBSMs.
- LMDA Management Committee members interviewed indicated that the EI eligibility criteria guideline continues to be a major barrier to using EBSMs effectively to address the new and emerging needs of the labour market (assisting workers in need of training, low skilled and non-EI eligible clients).
- LMDA Management Committee members interviewed felt that efforts have been made on some levels to address administrative delays. However, at the time of the evaluation, key informants and discussion group participants indicated that dealing with the administrative requirements regarding the EBSMs continued to be onerous and time consuming.

4. Summary and Conclusions

This section provides an overview of the main findings and conclusions regarding the evaluation issues and questions examined in this report.

Are EBSMs Meeting Employer, Community and Labour Force Needs?

Overall, key informants were of the general view that Employment Benefits are important for employers and unemployed workers, but that changes are needed to improve the ability of EBSMs to address PEI's evolving labour market (assisting workers in need of training, low skilled and non-EI eligible clients) and employer needs (e.g. skilled workers, filling job vacancies). Key informants felt that there is a need to develop clearer labour market goals and priorities to address PEI's new and emerging labour market needs and to guide EBSM funding decisions. They also felt that Employment Benefits should be "re-tooled" to ensure that program design and delivery are more flexible and adaptive to labour market needs. Specifically they suggested expanding the reach of Employment Benefits to include workers in the workplace and workers not eligible for EI.

There is a continued need for programming to assist clients with low literacy levels. Participants in SD Literacy interventions indicated that, increasingly, they are encountering a job market which requires a higher level of education. The key informants supported the use of EBSM resources to implement comprehensive literacy programming within the province.

Are EBSMs Being Implemented and Delivered Effectively?

The key informants felt that the focus on training and education, and the development of partnerships were key strengths in the implementation and delivery of EBSMs. For example, the working relationships developed between the federal and provincial partners and other stakeholders (Atlantic Canada Opportunities Agency, PEI Business Development Inc., Holland College, and Community Partners) were identified as an important factor in the programming delivered under the EBSMs.

The key informants stated that the return-to-work action plans are an effective tool for most EBSM clients, but are more effective for the better educated and job ready clients than for clients with multiple employment barriers. In the case of multiple barriers, the goal of returning to work quickly or moving quickly through an educational program is often unrealistic. As well, key informants working with clients with multiple barriers felt that eligibility criteria have become a barrier to effective service delivery. They felt the need to include non-EI eligible clients, employed and low skilled workers.

More needs to be done to inform management on the results and progress of the EBSMs. Although some key performance measures are tracked by Service Canada, current activities do not include overarching data tracking, success indicator measurement, or a reporting system to inform the Management Committee and co-managers regarding the impacts, results and progress of the EBSMs.

Who is Reached? (Client Characteristics)

Approximately 85% of the APEs involving Employment Benefits were for active claimants, while 15% were for former/reachback clients. The lowest percentage of APEs associated with former/reachback clients occurred in the case of SD Literacy (6%) and SD (11%). In contrast, approximately 40% of the clients who received EAS-only services were former/reachback clients.

Between 2000 and 2005, nearly 1 out of 10 active EI claimants received assistance under the Canada-PEI LMDA. For each year between 2000 and 2004, 8% to 9% of active claimants participated in EBSMs.

In the case of active claimants, those who participated in EBSMs were younger and more likely to be single than those who did not participate in EBSMs. The average ages of the SD and SD Literacy participants were approximately 7 years younger than the average age of EI claimants who were not EBSM participants (40.3). The youngest EBSM clients were those who had participated in SD (with an average age of 32.7).

In the case of active claimants, the majority of the EBSM participants were not repeat users of EI, while the majority (60%) of those who did not participate in EBSMs had received EI at least twice in the previous three years. The exception was the SD Literacy participants (55% received EI at least twice in the previous three years).

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

Between 2000 and 2005, nearly half of all EBSM participants (the active claimants plus the former/reachback clients) received SD interventions, while approximately 3 out of 10 received EAS-only interventions. Specifically, 47% of all APEs involved SD interventions (including 8% involving SD Literacy interventions). During the same time period, 31% of all EBSM participants received EAS-only interventions, which was substantially higher than the percentage who received TWS (12%), Job Creation Partnerships (6%) or Self-Employment Benefits (4%). Very few participants (less than 3%) received more than one type of Employment Benefit.

SD and SD Literacy participants were generally satisfied with the programs and services received. The survey of SD participants indicated that 88% of the respondents were satisfied (40%) or very satisfied (48%) with the programs and services received from HRSDC or Service Canada. Similarly 89% of the SD Literacy survey respondents were satisfied (35%) or very satisfied (54%).

Many of the SD and SD Literacy participants felt that the programs and services they received helped them to obtain jobs. Over half (52%) the SD survey respondents and 42% of the SD Literacy respondents rated their programs and services as important or very important to obtaining their longest job since program participation. Nearly half (49%) of the SD survey respondents stated they had obtained a job with specific educational or skills requirements and that they obtained those requirements through their programs and services. Approximately 29% of the SD Literacy survey respondents indicated they obtained the necessary education or skills for their job through their programs and services.

The administrative requirements to access programs were considered to be complex and frustrating for unemployed workers and employers. For example, participants in the client discussion groups cited the lengthy decision making process. Participants in the employer discussion groups cited the paperwork and time delays in getting approval decisions. Service Canada staff recognized these problems, but noted that many of the processes were accountability requirements.

Have EBSMs Helped Clients Find and Keep Employment? (Impacts and Outcomes)

The incremental impacts on earnings, EI and Social Assistance were estimated for the SD and TWS participants who were active claimants. The impacts were calculated by comparing their outcomes to the EAS-only participants who were used as a limited treatment comparison group.

Skills Development

Active claimants, who participated in SD, experienced net gains in earnings of $2,005 in year 4 post-EI claim start year. While, the cumulative post-program earnings gains were not statistically significant, earning gains tend to improve over time. Participation in SD had no impact on the use of EI and Social Assistance.

Both SD and SD Literacy participants experienced a statistically significant increase in the number of months of paid employment. Using the survey data to compare the pre- and post-program experience, the analysis indicated that:

- SD participants experienced a statistically significant increase of 1.1 months in paid employment compared to the 12 months prior to their claim start date.
- SD Literacy participants experienced a statistically significant increase of 0.6 months in paid employment compared to the 12 months prior to their claim start date.

Targeted Wage Subsidies

Active claimants, who participated in TWS, experienced net gains in earnings of $1,779 in year 2 post-EI claim start year. The impact analysis provided no evidence of an enduring impact on the participants' earnings beyond the second year. The cumulative post-program earnings gains were not statistically significant.

Participation in TWS increased the use of EI in the third year post- claim start year by $723. However, no statistically significant impacts were found for the whole post-program period. TWS participation had no impacts on the use of SA.

Do the Benefits Produced by EBSMs Outweigh the Costs?

Assessing the cost-benefits of the EBSMs involves comparing the benefits arising from program participation to the costs of the program. The analysis was conducted from the broader social perspective and from the participants' perspective for a period of six years (the claim start year plus five years after the claim start year).

This cost-benefits analysis is limited in the sense that it does not account for all the costs and benefits from the broader social perspective. It is difficult to attribute a dollar value to social benefits such as: increased self-confidence, crime reduction, family well-being, and health status of EBSM participants. In addition, out-of-pocket expenses assumed by EBSM participants were not available.

The limited Cost-benefits Analysis is also a partial equilibrium analysis since it does not account for the displacement effects (since EBSM participants now occupy jobs that could have been filled by qualified non-participants). Displaced and unemployed non-participants may experience social disadvantages when compared to the social benefits of employed EBSM participants.

Measured in constant 1999 dollars, from the broader social perspective the average costs ($6,622) of SD interventions exceeded earnings gains by the end of the study period. Earnings gains were estimated to be in the range of $786 to $1,212. In addition, these earnings gains estimates were not significantly different from zero, suggesting as well that SD may not have been producing benefits that outweigh the costs over the observed post-program period. However, the most recent pattern of earnings suggests that earnings gains may persist beyond the observation period used for the cost-benefits analysis. As such, more recent data would be required to see if earnings gains ascribable to SD are being sustained over the longer term.

Measured in constant 1999 dollars and from a broader social perspective, earnings gains ranged between $5,633 and $7,279 for TWS participants compared to the average costs of $5,899 for TWS interventions. These earnings gains estimates, however, were not significantly different from zero, suggesting that TWS may not have been producing benefits that outweigh the costs over the observed post-program period. More recent data would be required to see if earnings gains ascribable to TWS are being sustained over the longer term.

Have Formative Issues Been Addressed?

While there has been progress in addressing some of the issues raised in the formative evaluation, there has been limited success addressing certain issues.

- While client data tracking has improved somewhat, there is still no overarching data tracking and reporting system to inform the Management Committee and co-managers regarding impacts, results and progress of the EBSMs.

- LMDA Management Committee members interviewed indicated that the EI eligibility criteria guideline continues to be a major barrier to using EBSMs effectively to address the new and emerging needs of the labour market (assisting workers in need of training, low skilled and non-EI eligible clients).
- LMDA Committee members interviewed believe that efforts have been made on some levels to address administrative delays. However, the administrative requirements regarding the EBSMs, continue to be onerous and time consuming to deal with.

Literacy Specific Findings

There is a continued need for programming to assist clients with low literacy levels

A 2003 report by the International Adult Literacy and Life Skills Survey regarding PEI literacy levels showed that a significant portion (46%) of the population between the ages of 16 to 65 is below level 3 (proficiency level for a modern economy). Key Informants supported the use of EBSM resources to implement comprehensive literacy programming within the province.

The participants in the SD Literacy discussion group indicated that, increasingly, they are encountering a job market that is requiring a higher level of education. In addition, they reported lack of work related skills and experience and being trapped in low paying jobs.

Generally literacy clients were satisfied with their program participation and they reported improvement in skills and level of confidence

All SD Literacy discussion group participants rated their experience with the EBSMs through their Adult Education Program as highly positive. The indicated that they had been able to:

- increase their reading, writing, and comprehension skills;
- increase their level of computer literacy and comfort level in working with technology;
- become more confident, with a higher awareness of their work abilities and potential; and
- be more comfortable in expressing themselves and/or promoting themselves to potential employers and others.

In addition, almost all discussion group participants indicated that it would have been highly unlikely to have achieved this level of education and personal growth without having access to the programming through the EBSMs.

5. Key Conclusions

Taking into consideration the newly devolved LMDA in PEI and based on the evaluation findings, this summative evaluation concludes that:

- Planning for the delivery of EBSMs should take into consideration the emerging trends in the PEI labour market, the needs of employers (socio-economic conditions, occupations in demand, sectors in decline or in expansion, future employment opportunities, consultation with employers, etc.) and complementarity with other employment programs.
- In addition to meeting the needs of individuals, Targeted Wage Subsidies and Skills Development programs can also be targeted toward occupations in demand, allowing them to clearly meet identified shortages, needs of employers and emerging economic opportunities. SD Literacy programming should also be maintained considering the general literacy levels in PEI.
- Considering the small number of participants in PEI, an ongoing client tracking survey can be a source of valuable information.
- It is important for future evaluations to focus on assessing the long-term impacts of EBSMs and their cost-effectiveness.