

***Summative Evaluation of Employment
Benefits and Support Measures under the
Terms of the Canada/British Columbia
Labour Market Development Agreement***

Final Report

***Program Evaluation
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Executive Summary

The governments of British Columbia and Canada entered into a joint Labour Market Development Agreement (LMDA) on April 25, 1997, to facilitate co-management of labour market development programs in British Columbia.

This report presents the principal findings of a summative evaluation of Employment Benefits and Support Measures (EBSMs) as co-managed under the terms of the Canada/British Columbia LMDA. The summative evaluation covered the period from April 2000 to March 2001 and was undertaken to:

- Provide an update on some issues identified by the formative evaluation (which was completed in June 1999);
- Assess the impacts of EBSMs on participants, communities, employers and the labour market; and
- Determine the cost-effectiveness of EBSMs.

The impacts on participants were assessed separately for participants who were active claimants (eligible through entitlement to Employment Insurance (EI) benefits when they began participation) and former claimants (not entitled to EI benefits but eligible for EBSMs through a past entitlement to EI). Where possible, impacts were also assessed for mutual clients (a subset of participants who are either in receipt of, or eligible for, provincial income assistance). Much of the analysis of impacts focused on the longest or principal EBSM of each participant.

The following EBSMs were examined:

Four Employment Benefits:

- **Skills Development Employment Benefit (SDEB):** The Skills Development Employment Benefit helps participants to obtain skills for employment, ranging from basic to advanced skills, through direct financial assistance (for example, tuition and child care expenses) to participants to enable them to select, arrange for and pay for their own training. Under Skills Development Employment Benefit payments are made to the province for the difference between tuition collected from SDEB clients at public training institutions and the full cost of their training;
- **Targeted Wage Subsidies (TWS):** The Targeted Wage Subsidies employment benefit is a program intended to assist unemployed individuals to obtain on-the-job work experience, the lack of which is preventing them from becoming employed. For example, participants may have been without a job for a long time, have a disability or be young people who have not yet had a first “real” job. To do this, TWS provides employers with financial assistance towards the wages of insured participants whom they hire. The purpose is to encourage employers to hire unemployed individuals whom they would not normally hire in the absence of a subsidy. The expectation is that normally the subsidy

will lead to a permanent job with the employer or with another employer. A further requirement of the TWS is that the subsidy cannot be used to displace staff or volunteers;

- **Self-Employment (SE):** The Self-Employment benefit provides financial assistance to participants to help them to start their own businesses. It also funds coordinators who provide technical and consultative expertise to clients to help them assess their business opportunities and prepare business plans;
- **Job-Creation Partnerships (JCP):** The Job Creation Partnerships employment benefit funds projects that provide participants with opportunities through which they can gain work experience which leads to ongoing employment. Activities help develop the community and the local economy and thus are of benefit to both the client and the community.

Two Support Measures:

- **Employment Assistance Services (EAS):** The Employment Assistance Services support measure provides funding to organizations to enable them to provide employment services to unemployed persons. These services help individuals to find and keep employment and may include counselling, action planning, resume preparation, job search skills, job finding clubs, job placement services, the provision of labour market information and case management and follow-up. These services can be provided on an individual basis or in a group setting (e.g., community employment information, group counselling);
- **Labour Market Partnerships (LMP):** Labour Market Partnerships is a measure used to encourage, support and facilitate human resource planning and labour market adjustments which are in the public interest. The LMP support measure provides funding to assist employers, employee and/or employer associations and communities to improve their capacity for dealing with human resource requirements and to implement labour force adjustments. The LMP support measure addresses labour market issues through partnerships. The portion of LMP that is used for Industrial Adjustment was not part of this evaluation.

Data and Methodology

The methodology used in this study represents the state-of-the-art in labour market program evaluation. The analysis includes matching participants with non-participants and using statistical estimation techniques to isolate and estimate impacts that can be attributed to the EBSMs.

The following data collection methods were used.

- **Documents and administrative data:** Information from program-related documents and administrative data were used across the full range of evaluation issues.

- **Focus groups:** Two focus groups were conducted with a total of 20 employers. Also, two focus groups were conducted with a total of eight individuals representing 6 contribution agreement holders (organizations providing employment related services on behalf of HRDC).
- **Review Panels:** Four review panels were conducted involving separate panels for staff from Human Resources Development Canada (HRDC), staff from the Ministry of Human Resources (MHR), contribution agreement holders, and employers with EBSM experience.
- **Key Informant Interviews:** Interviews were conducted with 43 key informants who were staff and contribution agreement holders with knowledge of EBSMs and the LMDA.
- **Expert Panel:** An expert panel of 6 labour market experts provided comments on selected key themes of the evaluation such as community impacts.
- **Telephone surveys:** Telephone surveys of 2,002 participants and 2,576 matched non-participants¹ were conducted for the evaluation. The participant survey focused on participants who completed activities under EBSMs between April 2000 to March 2001, inclusive. The comparison survey contacted individuals who had characteristics similar to participants, including unemployment at about the time participation began. The surveys gathered information on labour market experiences during the pre-participation period (one year before the start date of participation) and the post-participation period (from the end of participation to the survey date, which was between 18 to 30 months after participation ended). The survey data were linked to administrative data for those (over 90%) who authorised the linking of their data.

As explained in the body of the report, some caution should be used when interpreting the results of the impact analysis for former claimants, since there were more significant challenges during the evaluation process for these clients.

The multiple lines of evidence collected by the evaluation were drawn together to examine the following questions.

Who are Participants?

In general, EBSMs under the LMDA are available to unemployed individuals who are looking for work. While Support Measures are available to unemployed individuals in general, Employment Benefits are available only to clients who are either active or former claimants, as previously defined.

Between April 2000 and March 2001, about 41,000 participants completed EBSM activities in British Columbia. Sixty percent were active claimants who were entitled to collect EI benefits when they began their participation. The remaining 40% were former claimants who were individuals with a previous EI claim meeting eligibility rules. Among active and former claimants, 23% were eligible to collect provincial Income

¹ Shorter interviews were conducted with an additional 92 participants and 189 non-participants not initially willing to complete the full interview. Response rates were 59% and 51% for the combined surveys respectively.

Assistance from British Columbia. Most of these mutual clients were in the former claimant group.

The provision of EBSMs takes a client centred approach. Most participants take Employment Assistance Services and develop an individualised Action Plan of back-to-work activities² designed to meet their individual needs. The analysis of program participation indicated the following:

- Almost two out of every three participants (63%) took only EAS. The average duration of participation for such individuals was 12 weeks. Note that this would not typically represent 12 weeks of full-time assistance, but rather, short duration training or assistance with subsequent follow up over an extended period of time;
- The average duration for participants with at least one Employment Benefit was 36 weeks, with the longest or principal EBSM taking two-thirds of this duration on average. Note that Employment Benefits usually represent a full-time commitment to formal training or work experience;
- Skills Development Employment Benefit was the principal EBSM for one-quarter (26%) of participants. Other principal EBSMs represent about 11% (Self Employment (5%), Targeted Wage Subsidy (4%), and Job Creation Partnership (2%));
- By client type, active claimants were more likely to have SDEB as their principal EBSM, while former claimants were more likely to have principal EBSMs that were TWS or JCP. Mutual clients were less likely to have SE as their principal EBSM.

Comparing participants to the unemployed in British Columbia (using the 2001 Census) indicated that participants are:

- More likely to be female (48% of participants versus 41% of unemployed);
- Older (72% versus 49% were between 30 and 54 years of age);
- Better educated (68% had more than a high school education, versus 48%);
- About as likely to be immigrants (28% versus 26%), but more likely to have immigrated prior to 1980 (53% versus 31%).

The evaluation also looked at participants from the perspective of characteristics that may potentially limit employment opportunities (characteristics that are often associated with under-representation or under-employment in the labour force). In this area, comparing participants to the unemployed in British Columbia indicated that participants were:

- Less likely to be of Aboriginal descent (4% of participants versus 7% of unemployed, although it should be noted that those of Aboriginal descent may also participate under separate Aboriginal Human Resource Development Agreements);

² Administrative data did not capture details of the Action Plan consistently. As a result the evaluation constructed an Action Plan Equivalent (APE) comprised of one or more EBSMs where less than six months separated the end of one and start of a next.

- Less likely to be a visible minority (10% versus 23%);
- Less likely to be an immigrant in the last 10 years (7% versus 12%);
- Less likely to have failed to complete high school (9% versus 30%) or elementary school (1% versus 2%).

Do Some Individuals Face Greater Access Difficulties?

The LMDA's Accountability Framework tracks short-term results according to three types of results: the number of active and former claimants who have been served under EBSMs, the return to work of active and former claimants, and reduction in expenditures from the EI Account due to the re-employment of active claimants.

There is evidence that candidates who may have more difficulty achieving short-term results of returning to work or reducing expenditures for the EI Account also have more difficulty gaining access to EBSM programming.

- Difficulties were experienced by 25% of participants and 38% of comparison group individuals who tried to access EBSMs since April 1, 2000³. Those who experienced difficulties were statistically more likely to have characteristics that might limit their employment opportunities relative to those not experiencing difficulties.
- Among those who are eligible to participate, participants have higher educational attainment. The comparison group was initially matched with participants using data available from administrative sources, which did not include a reliable measure of education. The subsequent survey data indicated that 68% of participants had more than high school, compared to 51% of comparison group members. In the case of the unemployed in British Columbia, 48% had more than a high school education (although not all of the unemployed would be eligible to participate).

The evaluation was not able to estimate what the impacts would have been if those with greater need had increased access to EBSM programming.

What Impacts Occur for Participants?

Net Impacts on Employment, Earnings, EI and Provincial Income Assistance

The evaluation estimated the net impacts of participation on employment, earnings, EI and provincial income assistance. These are estimates of changes that are attributable to participation, that is, they would not have occurred in the absence of the program.

Employment (measured by hours worked) increased after participation in the case of all active claimant groups except EAS only (including males, females, and those taking SDEB, TWS, SE or JCP as their principal EBSM. Impacts for EAS only were not

³ This question was asked to specifically identify any barriers to access. It may or may not be the same EBSM that was the focus of the subsequent evaluation work.

statistically significant). In the case of former claimants, employment gains after participation occurred mainly for those taking TWS or JCP as their principal EBSM.

Earnings increased after participation in the case of active claimants as a group and particularly in the case of females and those who took SDEB as their principal EBSM. For former claimants, only those who took TWS as their principal EBSM experienced a gain in post-participation earnings.

The amount of EI received by active claimants generally increased after program participation. This could be because increases in employment arising from EBSMs also increased EI entitlement in the event of a lay off. There was also an increase in the amount of EI received by former claimants after program participation. The main exception was a decrease in EI in the case of former claimants who took SE as their principal EBSM (although it should be noted that self-employment does not result in added eligibility for EI).

Less provincial income assistance was paid in the case of active claimants who took SDEB as their principal EBSM. Also, less provincial income assistance was paid in the case of former claimants who took TWS or JCP as their principal EBSM.

Other Key Findings

Other key findings related to participant impacts suggest that intended outcomes of specific interventions were achieved and that the programs and services helped in terms of improving skills and finding jobs. For example, the evidence indicates the following gross impacts (not adjusted for what would have happened in the absence of the program):

- Skill levels increased more for participants than comparison group members when comparing the longest jobs held in the periods before versus after participation;
- The EBSMs helped 60% get their longest post-participation job through supplying a needed diploma/certificate, or supplying other skills that were required or used on the job;
- Participants were more likely than comparison group members to have taken training, gone back to school or engaged in volunteer activities to increase their skills in the post-participation period;
- Participants were only somewhat satisfied with the programs they took and were similar to comparison group members on a number of attitudinal measures at the time of the survey.

Some Key Findings for Each EBSM

Looking at participants' longest or principal EBSM, some of the key findings for each EBSM are summarized below.

In the case of Employment Assistance Services only:

- Sixty-three percent of all participants took EAS only;

- Average direct program costs were \$396 per participant and the average participation length was 12 weeks. Including direct program costs, individual out-of-pocket costs and foregone earnings during participation, average costs were \$1,033;
- Participation did not result in any significant improvements in employment for active or former claimant participants.

In the case of Skills Development Employment Benefit:

- Twenty-six percent of all participants took SDEB as their principal EBSM. A higher proportion of active claimants took SDEB as their principal EBSM compared to former claimants (twenty-eight percent versus twenty-three percent);
- Average direct program costs were \$4,799 per participant and the average participation length was 35 weeks. Including direct program costs, individual out-of-pocket costs and foregone earnings during participation, average costs were \$9,432;
- Participation resulted in improvements in employment, earnings, and IA benefits (less IA paid) for active claimant participants. There was no improvement in the key outcome indicators for former claimant participants;
- Seventy-eight percent got a diploma or certificate through participation.

In the case of Targeted Wage Subsidy:

- Four percent of all participants took TWS as their principal EBSM. A higher proportion of former claimants took TWS as their principal EBSM compared to active claimants (6% versus 3%);
- Average direct program costs were \$3,400 per participant and the average participation length was 30 weeks. Including direct program costs, individual out-of-pocket costs and foregone earnings during participation, average costs were \$4,982;
- Participation resulted in improvements in employment for active claimants, and in employment, earnings, and provincial income assistance (less paid) for former claimant participants;
- Sixty-two percent of participants were retained by their employer at the end of the subsidy.

In the case of Self Employment:

- Five percent of all participants took SE as their principal EBSM;
- Average direct program costs were \$10,003 per participant and the average participation length was 43 weeks. Including direct program costs, individual out-of-pocket costs and foregone earnings during participation, average costs were \$16,876;
- Participation resulted in improvements in employment for active claimant participants and in EI and provincial income assistance benefits (less paid) for former claimant participants;

- Sixty percent of participants started or improved their business through participation.

In the case of Job Creation Partnership:

- Two percent of all participants took JCP as their principal EBSM;
- Average direct program costs were \$7,249 per participant and the average participation length was 33 weeks. Including direct program costs, individual out-of-pocket costs and foregone earnings during participation, average costs were \$8,652;
- Participation resulted in improvements in employment for active and former claimant participants, and in provincial income assistance benefits (less paid) for former claimant participants.

What Aggregate Impacts Occur for Communities, Employers and the Labour Market?

The evidence suggests that the potential impact of EBSMs on the communities, employers and the labour market was limited.

- At any one time, participants represented less than 1% of the labour force and 9% of the unemployed in British Columbia. However, the cumulative effect of offering these programs over many years has the potential to affect a larger proportion of the British Columbia labour force.
- Employers indicated that they were skeptical that EBSMs could have much impact on the overall labour market. Employers also indicated that they felt that any impact that EBSMs might have at the community level was small and at the margin. Employers felt that EBSMs addressed labour supply almost exclusively, with little or no involvement by those representing the demand for labour. Accordingly, they viewed the LMDA/EBSMs as being ineffective in dealing with their employment issues. It should be noted, however, that employers may not be aware that individuals have participated in programs such as SDEB and EAS.
- Analysis conducted by the evaluation found evidence of only small increases in skills of participants. Also, improvement in the probability of working in shortage compared to surplus occupations occurred only in the case of some active claimant groups. In addition, there was no evidence of changes in the worker supply channel for participants relative to comparison group members.

Are EBSMs Cost-Effective?

Costs of participation in terms of direct program expenditures (including overhead costs for third party deliverers), individual out-of-pocket costs and foregone earnings during the participation period were determined. These were added to yield the total costs related to participation (excluding government staff and government overhead costs and any net costs incurred by employers or others). This analysis indicated that the average costs for active and former claimants whose participation ended in 2000-2001 were \$5,262 and \$3,889,

respectively. The direct cost component, which was not calculated separately for active and former claimants, was \$2,227 (for both active and former claimant participants).

These costs were compared with estimates of the average annualised impacts of participation in the post-participation period.

- For an active claimant, the average annualized impacts were estimated to be 155 extra hours of employment, \$1,181 of extra earnings, an extra \$931 in EI benefits and no notable impact on provincial income assistance benefits. (It should be noted that increases in EI and provincial income assistance are not improvements from a program perspective.)
- For a former claimant, the average annualised impacts were estimated to be 52 fewer hours of employment, \$1,442 less earnings, an extra \$625 in EI benefits and no notable impact on provincial income assistance benefits.

Other costs and effects were calculated by EBSM and client type. Overall, the analysis suggested that positive impacts in the two-year period after participation exceeded the costs of participation in the case of active and former claimants taking TWS. For active claimants taking SDEB as their principal EBSM, the positive impacts came close to exceeding the costs within the two-year period after participation, and *may be* cost-effective if a longer post-participation period (beyond that available to the evaluation) was considered.

What has Happened Since the Formative Evaluation?

A number of issues identified in the formative evaluation (conducted in 1998/99), were revisited by the summative evaluation. The summative evaluation made the following observations with respect to co-management of the LMDA:

- Improvements in co-management have occurred at the province-wide level since the formative evaluation was conducted;
- Relationships among federal and provincial corporate level staff appeared more harmonious, primarily because of changes in their expectations and the kinds of issues that now have to be addressed;
- HRDC and British Columbia have been able to streamline the LMDA corporate structure (Joint Secretariat, working groups) and the planning and communications tools used for implementation;
- Co-management exists for planning both corporately and locally. Key informants were supportive of the substantial reduction in planning requirements, the clarification of what must be reported, the emphasis on the action plan, and the addition of the investment strategy with its greater detail on planned allocations by EBSM and the rationale for the allocations;
- However, room exists for more joint activities, particularly at the local level;

- The LMDA calls for a province-wide plan to be approved annually by the Management Committee. Management Committee has developed four components, which it endorses as the province-wide plan. While some interviewees consider this to meet the planning requirement, others disagree;
- Turnover at both the corporate⁴ and local levels has had some significant impacts, particularly in terms of setting priorities and approaches (corporate level), and planning and contribution agreement management (locally). Nevertheless, both federal and provincial interviewees report a good, professional working relationship with each other, and this is corroborated by the minutes of committees involved in planning and implementation support.

A number of other significant events/changes have occurred since the formative evaluation.

- Two audits of HRDC's grants and contributions conducted in 2000 (the first by the department itself and the second by the Auditor General of Canada), have strongly affected the operating environment of the LMDA. The general view is that these audits and the resultant activity⁵ caused the most significant impact in terms of program delivery since the formative evaluation was conducted.
- Changes in field structure have reduced the number of provincial LMDA coordinators who bring a focus to the federal/provincial relationship locally and deal with issues such as client flow.
- During the first two years of LMDA, allocated funds were generally spent. Slippages started to occur, however, following the two audits of HRDC's grants and contributions. In the two years 2000/01 to 2001/02, \$59 million went unspent in British Columbia. Slippage is attributed to impacts of the audits, to staff shortages, and to fewer clients (as the provincial unemployment rate declined from 9.5% when the LMDA came into effect to 7.7% by 2001). Many respondents expected that part of the problem should be solved by the new process for allocation of funds and by modifications to contracting procedures.
- Targets are now set at two levels: for each Human Resource Centre of Canada (HRCC), and for individual contribution agreements. This new "bottom up" approach is generally considered to be an improvement and to have more ownership at the local level.
- There was general agreement that there have been improvements in service delivery since the formative evaluation, although significant local variations exist. In particular, accountability is seen to have improved and clients are better served.
- HRDC has made a conscious effort to deliver EAS through contribution agreements, mainly to ensure the range of services is available throughout the province. More EAS and a greater range of EAS are offered in more communities than at the time of the formative evaluation, and these services have become increasingly client-centred.

⁴ Since LMDA negotiations began in 1996, six Deputy Ministers have been involved at the Provincial level.

⁵ HRDC began its response to the internal audit as soon as it was received. Over an eight-month period, the department clarified the issues and took very specific steps to ensure that the department stopped taking the actions for which it was criticised in the audit

- Since the formative evaluation, a general improvement has been seen in client flow (the referral of mutual clients), as well as a reduction in the duplication of services through more centralised case management. Over the same period, however, changes have moved the emphasis away from the one-stop client service model.
- SDEB is the only EBSM to have changed significantly since the formative evaluation. SDEB is generally seen as an improvement over its predecessors because it is more client-focused. At the same time, however, equality of access to SDEB is a concern, particularly in the case of mutual clients, multi-barriered clients, and clients in some rural or isolated areas. Another concern is that some SDEB clients are placed in situations beyond their qualifications. Also, the loss of life skills training (behavioural) and reduced emphasis on work experience programs is seen as detrimental.

A number of best practices have emerged:

- The further centralizing of case management at some HRCC areas is seen by most to be a best practice;
- In the communities studied in depth for this research, the Employment Development Offices who are responsible for case management are not allowed to have contribution agreements for other EAS services. This is also considered to be a best practice;
- Having a dedicated LMDA co-ordinator working from a neutral position has been extremely beneficial;
- Another best practice is the Joint Secretariat's practice of distributing information to others involved in the LMDA on programs and services not funded under the LMDA but aimed at the same or similar clientele.

A few problems remain or have been newly identified by the summative evaluation:

- Virtually all EBSMs are delivered through contribution agreement holders rather than by HRCC staff. Contribution agreement holders cited several issues such as a lack of transparency during the proposal review process, and having to negotiate with HRCC staff who are neither conversant with what agreement holders do nor appreciative of their business constraints;
- As in the case of the formative evaluation, the most significant service gaps identified in the qualitative analysis relate primarily to multi-barriered clients and to youth who typically are not eligible for services other than EAS;
- Despite some improvements since the formative evaluation, many of the issues relating to data collection and reporting remain. Definitions, accuracy, completeness, timeliness, the appropriateness of what is being measured, and the overall usefulness of the data are still seen as problems to be resolved. Contact 4, the computerised system to record program-related information, does not provide much of the information deemed necessary to do the best job possible in implementing the LMDA;

- Perceived problems with the contracting process, slow payment of invoices and other contracting issues were identified as important issues for service providers. Frequent change in both process and expected outcomes is disruptive to contribution agreement holders and ultimately to clients.

What, if any, Conclusions can be Made?

The results of the summative evaluation point to several broad conclusions:

- The impacts from participation, in terms of employment and earnings, are somewhat positive for active claimants but not former claimants;
- Participation under TWS, SE and JCP were the only programs to result in improvements in the post-participation period across the main impacts measured by the evaluation for former claimant participants. The evaluation is not able to identify whether these same benefits could be achieved by streaming other individuals through these programs;
- Overall, there is evidence of EBSM participation resulting in *increased* EI and provincial income assistance for both active and former claimant participants.

The Canada/British Columbia LMDA encompasses a range of programming with a variety of long-term and short-term objectives. Given the range of these objectives, and the complexity of the programming involved, it is a challenging task to fully evaluate the impact of the EBSMs. This summative evaluation brought together extensive evidence from numerous sources to examine the effectiveness of both EBSMs and the co-management structure of the LMDA. While no singular conclusions can be drawn, the present evaluation goes a long way in providing a reasonable and quantifiable measure of the impacts that the programs have had on participants and communities.

Management Response

The British Columbia/Yukon Region of Human Resources and Skills Development Canada (HRSDC) and the government of British Columbia Ministries of Human Resources (MHR) and Advanced Education (MAVED) would like to thank all those who participated in the Summative Evaluation of the Employment Benefits and Support Measures (EBSMs) delivered under the *Canada–British Columbia Labour Market Development Agreement* (LMDA), and are pleased to provide this Management Response.

Under the current LMDA, HRSDC maintains responsibility for designing and delivering EBSMs under Part II of the Employment Insurance (EI) Act. A joint Management Committee, comprised of senior federal and provincial government officials, oversees the LMDA.

The current evaluation is at the leading edge of evaluation research and explores complex issues. It presents a number of issues and opportunities that will be very useful for policy-makers. The results of this evaluation will contribute in the longer term to the **broader Program Management Renewal and the Multilateral Framework Agreement**, both currently under development within HRSDC, and will support a more strategic use of existing programs to address labour market challenges in the Province.

Program Participants

In comparing survey respondent data with information from the 2001 Census, the evaluation revealed that certain constituencies within the labour market have a lower participation rate in EBSMs. These constituencies include Aboriginal peoples, visible minorities, persons with disabilities, and recent immigrants. As part of the ongoing program planning process, the Joint Management Committee will use this information to more strategically target program delivery to under-represented groups. In addition, in writing agreements negotiated as a result of their Call for Proposals, management will incorporate clear expectations of the client groups to be served by major Employment Assistance Services (EAS) and Community Co-ordinator agreement holders. These improvements will result in a more focused approach that could apply to similar labour market challenges.

The research also revealed service gaps for multi-barriered clients, youth and non-EI eligible clients. While only multi-barriered and youth clients have access to Employment Benefits, when eligible, all members of these three groups have access to the EAS support measure.

Regionally, the situation is being addressed in the joint federal-provincial LMDA Planning Guidelines and local Sub-Provincial Plans to guide program investments. Nationally, these issues are among those being examined by the Forum of Labour Market Ministers as part of discussions around the Multilateral Framework Agreement.

The evaluation found that EBSM participants have higher average levels of education than the unemployed population in British Columbia as a whole. The LMDA Management Committee is concerned about potential clients with lower levels of education who may not be as likely to seek out help or programming. This observation emphasizes the need for HRSDC and the government of British Columbia to examine how best to use EBSMs in responding to the needs of such clients who often have multiple barriers to employment.

The evaluation examined the possibility that clients who are thought to have more difficulty achieving a return to work may have difficulty accessing the EBSMs; some evidence exists to suggest this is the case. The development of new program tools, linkages between program elements and client access issues feature prominently in the Program Management Renewal process.

Program Impacts

This research was more comprehensive in scope than previous evaluations and important observations have emerged. Results are generally in line with other evaluations that examined similar programming and confirm modest positive impacts of the EBSMs, which can vary significantly depending on the type of intervention and client group served. Employment and earnings gains are seen for participants in several areas.

One key finding is that employment results for active claimants are generally positive while those for former claimants are mostly negative or inconclusive.

The negative impacts for former claimants, when compared to the associated comparison group, is an important issue revealed by the evaluation. Such divergent results were not found for active claimants. This will require follow-up research by HRSDC and the government of British Columbia to better understand this situation. Consequently, the Joint Management Committee will task a joint regional committee with the responsibility of examining this issue in more depth.

The evaluation discovered that, for active claimants, EI and provincial income assistance (IA) increased or were unchanged following participation for most groups. Employment hours and, in some cases, earnings, increased for Active Claimants, and these in turn can increase a client's entitlement to EI benefits. Clearly, increased employment and earnings do not automatically result in a reduction in government income support. For some participants, especially those in seasonal or part-time work, increased employment can lead to an increase in the benefit rate and duration of an EI claim. The actual size of the increase in government assistance is small for participants who are supported in an Employment Benefit and is a cost that may offset greater attachment to the workforce for those who were either marginally employed or unemployed.

The evaluation examines the initial investments—by government in terms of program funds and by the client in terms of time, effort and money—in the expectation of long-term success. As the evaluation examined impacts in an 18 to 30 month window, the ability to draw on long-term effects such as employment stability, earnings improvements and reduced dependency on EI and IA are limited. Results from the Medium Term Indicators Project

might provide useful information on the impacts on selected indicators over a longer post-program period.

The more seasonal nature of parts of the British Columbia economy, outside both Vancouver and Victoria, is also a factor. The panel of experts involved in the evaluation suggests that program impacts are influenced by geographic differences. This will be one area considered by the Joint Management Committee for subsequent research.

A distinction must be drawn here between the increased use of government income support shown in the evaluation and the unpaid benefits amount reported in the EI Monitoring and Assessment Report. Unpaid benefits are calculated as the difference between a claimant's periods of EI entitlement (e.g. 18 weeks) and the amount of claim actually used (e.g. 12 weeks). This evaluation compares the actual use of government income support in two different periods.

The EBSMs include significantly different interventions: these are not substitutes for each other and are designed such that each Benefit or Measure is intended to address a particular set of client needs. Consequently it would be ineffective to ignore client needs and attempt instead to stream clients into interventions that appeared to show the most desirable impacts.

When examining the particular interventions, the evaluation provides several key findings. For EAS-only, the results were generally inconclusive: this service is appreciated by clients, but is not effective when used in isolation of other Benefits or Measures.

Skills Development Employment Benefit (SDEB) is clearly an effective intervention for active claimants. For former claimants, there were decreases in both employment and earnings after their use of SDEB. Experimentation and research will be necessary to find better ways to improve skills, employment and earnings of this client group.

SDEB is the largest non-EAS intervention with former clients who, having been away from the labour market for an extended period, are more likely to have more significant barriers to their re-employment than active claimants. The evaluation data shows that, for these clients, programs with a clear employer connection (Targeted Wage Subsidies (TWS), Self-Employment (SE) and Job-Creation Partnerships (JCP)) have more positive results than EAS-only and SDEB. This important finding will influence future program design and delivery. It is also important to note that the evaluation did not illustrate what were the underlying causes of this development. The impacts revealed by the research could imply that in many cases more support and, possibly, a series of interventions would be necessary for these clients to re-enter stable employment. This will also be the subject of further Joint Management Committee-directed research.

Although a relatively small program, with less than four percent of expenditures in 2000-01, TWS is nevertheless effective for both active and former claimants. The connection to the workplace, where clients can acquire and demonstrate up-to-date work experience, is effective. The positive evaluation results support the direction put forth by the Joint Management Committee to make more use of this benefit: investments and participant numbers in this area have increased significantly in British Columbia in recent years.

SE is a relatively expensive intervention, but one that is effective in certain circumstances. Several previous studies have confirmed this fact. As with TWS, the use of this Benefit in British Columbia has significantly increased in the past few years.

JCP is another less-frequently used program, but one that results in increased hours of employment and earnings and, for former claimants, less use of IA benefits. This program provides opportunities for participants to improve and maintain their skills, and make a contribution to their community until more stable employment is available. As such, it fills a specific need and is effective. Opportunities to expand the use of this benefit are being explored.

In several cases, the research findings, as well as comments from employers who were interviewed, indicate that some interventions lack a strong connection to the workplace. The need for better connections with employers, the demand side of the labour market, is a central theme of HRSDC's current program renewal work and features prominently in discussions between the federal and provincial governments on the development of a Workplace Skills Strategy, and informs the development of the Multilateral Framework Agreement.

Labour Market Impacts

The need to be more aware of employer requirements has been well articulated by many labour market partners and is receiving increased attention both within British Columbia and nationally. The Joint Management Committee has stressed that local management should look for opportunities to increase the use of Labour Market Partnerships to address the human resource needs of employers.

Program Administration

Interviews and focus groups were also used to gather information to assess the functioning and delivery of the EBSMs in British Columbia. Many comments were positive and highlighted successful attempts to streamline the management and delivery of EBSMs during a period when EI Part II budgets increased from \$206 million to \$288 million between 1997-98 and 2001-02.

Comments indicate that program managers need more information about client activity; however, steps have been taken to address this issue. Corporate reports and an interactive accountability site on HRSDC's Intranet now provide more effective data by EBSM category on program investments, participant volumes and returns to work. HRSDC's revised corporate budget process also contains a broader array of performance indicators that are more closely linked to salary, non-salary and program investments.

There is also significant evidence from administrative reviews conducted subsequent to the Grants and Contributions audits, as well as from HRCC management, that agreements include better follow-up provisions and clearer expectations than was the case a few years ago. This should provide a solid foundation for making strategic use of program tools to address both employers' and workers' labour market issues.

The evaluation also showed, through interviews and document reviews, that the Federal-Provincial LMDA relationship has improved. Structural changes to joint committees and increased clarity around the planning process have been welcomed by LMDA program delivery staff. Efforts continue for both HRSDC and the government of British Columbia to increase streamlining, reduce overlap and duplication, and work co-operatively.

Program budgets have not been fully invested over the life of the LMDA; this remains an on-going concern. However, from 1997-98 to 2001-02, program budgets increased by 40 percent at the same time as eligible client volumes decreased. Also, there were approximately 2,000 more returns to work recorded for 2001-02 than for 1997-98.

Budget underutilization, or slippage, can be attributed to many internal factors as well as labour market needs and opportunities in the external environment and the volume and complex needs of clients. Regional HRSDC management has taken steps to identify potential slippage earlier in the year and to look for other ways in which these funds could be strategically invested.

Over the past few years, HRSDC has increased its use of third party EAS providers and Community Coordinators since they are often better connected with employers and other groups within a community. This also allows better allocation of budgets. Future program delivery will benefit from a continued and strategic use or expansion of the Community Co-ordinator option.

Data capture concerns are mentioned in both the formative and summative evaluations. Although still serious, they are not, however, of the same magnitude today as they were a few years ago. HRCCs have worked hard with the network of service-providers to ensure that Contact 4 data is captured correctly and submitted to HRSDC for processing. In time, the Common System for Grants and Contributions will improve overall data capture on client activities, but, at the moment, there is limited scope for substantial systems improvements.

Conclusion—Where to Go from Here?

This is the first LMDA summative evaluation to be completed and it offers valuable insights into the on-going evolution of a Federal–Provincial labour market partnership involving the management and delivery of programs and services. Lessons learned will be valuable for all labour market partners.

As EBSMs are delivered in British Columbia within a national management framework, the Joint Management Committee will continue to refine program delivery and management in ways that respond to regional needs. Steps have been taken to expand activity in areas that have proven to be effective and to use program tools to strategically address identified service gaps.

In addition to being considered by the Joint Management Committee, the evaluation report will also be carefully reviewed, in consultation with the province, by managers and directors on HRSDC's regional Program Delivery Leadership Team, to ensure that the research findings inform future decision making. Service gaps identified by the research will be addressed in a strategic fashion as part of the ongoing program planning and results analysis process. Lessons learned will also be discussed as part of the on-going review of activities and results that take place between HRSDC, MHR and MAVED at both the local and regional levels.

Many of the conclusions of the summative evaluation support the contention that some of the program tools and management arrangements, developed a decade ago, will not be sufficiently flexible or comprehensive to respond to some of the labour market challenges that are predicted for the decade ahead. The need to find programming that meets the needs of potential clients whose needs are not currently being met is one objective in the development of a new Multilateral Framework Agreement by the Forum of Labour Market Ministers, and the associated program review.

Program evaluation within government is an ongoing process. The present summative evaluation of the Canada–British Columbia LMDA makes a significant contribution to that process at an important time, as new labour market challenges emerge and as policy-makers consider past experience in developing future policy options.

1. Introduction

This report presents the principal findings of a summative evaluation of Employment Benefits and Support Measures (EBSMs) as co-managed under the terms of the Canada/British Columbia Labour Market Development Agreement (LMDA).

The LMDA calls for formative and summative evaluations. A formative evaluation was conducted in 1998/99 to examine a range of issues including issues of relevance, design, delivery, implementation, and impacts. The final report of the formative evaluation was completed in June 1999.⁶

The summative evaluation is focused on the period from April 2000 to March 2001 and was undertaken to:

- Provide an update on some issues identified at the time of the formative evaluation;
- Assess the impacts of EBSMs on participants, communities, employers and the labour market; and
- Determine the cost-effectiveness of EBSMs.

This report on the summative evaluation includes the following:

- An introduction highlighting the main features of LMDA, the performance measures being used to track the short-term results, and the methodology used for the evaluation;
- A discussion of program participation under the LMDA and the characteristics of participants;
- An examination of impacts on participants;
- An examination of community, employer and labour market impacts;
- An analysis of the costs and effects of EBSMs; and
- An update on certain program management, delivery and reporting issues from the formative evaluation, along with some lessons learned and best practices.

Appendix A provides a glossary of terms used in this report.

1.1 Main Features of the Canada/British Columbia Labour Market Development Agreement

The *Employment Insurance Act* established a commitment and the basis for the Government of Canada to work in cooperation with provinces and territories to put in place

⁶ Formative Evaluation of Employment Benefits and Support Measures Under the Terms of the Canada/British Columbia Labour Market Development Agreement, June 1999, Evaluation and Data Development, HRDC.

active labour market measures to better help unemployed Canadians to integrate into the labour market. On April 25, 1997, the governments of British Columbia and Canada entered into a joint LMDA to facilitate co-management of labour market development programs in British Columbia.

1.1.1 The Agreement Targets Specific Unemployed

Eligibility for programs under the LMDA is restricted to unemployed individuals as defined by the *Employment Insurance Act*, although some exceptions are possible.⁷

Program participants who have a current Employment Insurance (EI) claim and participants with a previous claim meeting eligibility rules⁸ are referred to as insured participants. Some insured participants may also be currently in receipt of, or eligible for, provincial income assistance. Insured participants are eligible for all EBSMs.

Individuals who are unemployed, but not insured, are eligible to receive Support Measures only (primarily Employment Assistance Services). When they participate, these individuals are referred to as non-insured participants.

The evaluation is focused on examining the subset of participants who are classified as insured participants.

1.1.2 Co-management and Third-party Delivery are Key Elements

Under the LMDA, the governments of British Columbia and Canada agreed to work together⁹ on the design and management of EBSMs and on facilitating the operation of the National Employment Service (NES). Provincial staff play a role in co-management activities and in referring provincial income assistance recipients who are eligible to participate in EBSMs. Human Resources Development Canada (HRDC) staff make decisions related to client support for most of the Employment Benefits.

Delivery of most EBSMs is through contractual arrangements between HRDC and contribution agreement holders. The delivery of Employment Assistance Services (EAS) is through such third parties. Also, there is an increasing use of contracted community co-ordinators to directly facilitate client access to Skills Development Employment Benefit (SDEB) and Targeted Wage Subsidies (TWS).

⁷ Those with a minimal amount of employment and those threatened with layoff can also access programs.

⁸ Eligibility is established when applying. Former claimants must have had either a regular claim in the past three years or a claim for maternity or paternity benefits within the past five years (and also be returning to the labour force for the first time since leaving work to care for a newborn or newly adopted child).

⁹ Co-ordination of LMDA activities between HRDC and provincial programs and activities of the Ministry of Advanced Education and Education (MAVED) and the Ministry of Human Resource (MHR) involves a number of bodies. These include: the Management Committee, the Secretariat and three working groups (Planning and Budgets, Joint Evaluation, and Skills Development Employment Benefits).

Funding for both direct client support (tuition, child care expenses, income assistance) and indirect support (wage subsidies to employers, contracted services to third parties) is provided through Part II of the *Employment Insurance Act*.

1.1.3 The Objective Has Remained the Same

The objective of the EBSMs is to assist individuals to prepare for, obtain, and maintain employment resulting in savings to the EI Account. This objective has remained unchanged. Guiding the achievement of this goal are a number of important principles. Of particular importance are the principles of program complementarity, avoidance of duplication, equity with respect to under-represented groups,¹⁰ and information sharing.

1.1.4 Benefits and Supports Under the LMDA Have Evolved

The Employment Benefits and Support Measures available under the LMDA have evolved since the Agreement was implemented in 1997-98:

- Skills Development Employment Benefit (SDEB) replaced Training Purchases and has continued to grow in significance. SDEB provides funds to clients to pay for costs associated with training (for example, tuition and child care expenses);
- Targeted Wage Subsidies (TWS) remain important, although a small proportion of the total expenditure. TWS covers some wage costs of clients hired by employers;
- Self-Employment (SE) assistance is still a modest portion of total expenditures. SE provides help to clients seeking self-employment opportunities;
- Job-Creation Partnerships (JCP) and Labour Market Partnerships (LMP) have decreased expenditures in both absolute and relative terms. JCP offers placements with sponsors on projects to provide participants with work experience which will help them find employment. JCP also seeks to support community development and the local economy. LMP promotes the development of strategies to improve the local labour market. The portion of LMP that is used for Industrial Adjustment is not part of this evaluation;
- Employment Assistance Services (EAS) has taken an increasingly greater share of the budget. EAS cover a wide range of services to unemployed clients.

¹⁰ “Under-represented Groups” means those groups of people who have historically been under-represented in the labour market and includes women, aboriginal peoples, persons with disabilities, and visible minority persons (who are members of a designated group under *Canada's Employment Equity Act*).

1.1.5 The LMDA's Objective is Reflected in Performance Targets

The LMDA requires assessment of the effectiveness, efficiency and value to Canadians of EBSMs. Therefore, the governments of British Columbia and Canada have set up an Accountability Framework to measure expected results.

Short-term results are based on performance measures.¹¹ These measures track three types of results:

- The number of active and former claimants, including mutual clients, who have been served under EBSMs;
- Return to work (RTW) of insured participants;
- Reductions in expenditures from the EI Account (unpaid EI) due to the re-employment of active claimants.

The term “active claimant” refers to individuals with a current EI claim when they start participation or within the first four weeks of starting participation. “Former claimant” refers to individuals with a previous claim meeting eligibility rules.¹² “Mutual claimant” refers to insured participants who are also current or eligible recipients of provincial income assistance.

Targets have been developed for insured clients, active claimants (as a percent of all insured), mutual clients, as well as returns to work and unpaid EI. Table 1 shows how budgets and performance targets have evolved since the start of the Agreement.

¹¹ The formative evaluation identified problems related to the calculation and reporting of short-term success and made three recommendations for improvement.

- Determine why participant totals are low. Fix
- Review the methods being used to measure success. Make changes to focus on attributable success, make better use of information available and provide more consistency in measuring success.
- At a minimum, present the measures of success separately for apprentices and non-apprentices. Preferably, remove apprentices from targets and the measurement of success.

Such changes would need to be done at a National level. Analysis of this issue has not been part of this summative evaluation.

¹² Former claimants must have had either a regular claim in the past three years or a claim for maternity or paternity benefits within the past five years (and also be returning to the labour force for the first time since leaving work to care for a newborn or newly adopted child).

Table 1
LMDA EI Part II Budgets and Targets Allocations, 1997/98 to 2002/03

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
Total EI Clients ^a	68,885	82,662	76,876	N/A ^b	49,500	49,809
Active EI Claimants	44,775	53,730	49,969	N/A ^b	35,000	35,000
Mutual Clients Activities	^c	^c	^c	25,124	24,000	24,800
Mutual Clients	26,000	31,200	26,907	17,500	14,500	14,500
Returns To Work (Total Employed)	25,008	30,010	27,909	27,000	27,000	27,792
EI Savings (Total Unpaid Benefits)	\$117m	\$140m	\$131m	\$120m	\$120m	\$100m
Total Allocations to HRCCs ^d	\$206m	\$247m	\$242m	\$255m	\$253m	\$252m
Total EI Part II Allocations ^d	\$206m	\$247m	\$266m	\$287m	\$288m	\$289m

Source: Various annual budgets and targets allocations.

NOTES:

a "Total EI Clients" = Active EI Claimants + Former EI Claimants Served.

b No target was set.

c This concept was introduced in 2000/01.

d The Agreement stated that a minimum of \$265.9 million would be allocated to the LMDA in each of 1999/00 and 2000/01.

1.2 A Summative Evaluation is Required

As noted at the start of this report, this summative evaluation of the LMDA is responding to the evaluation requirement contained in the Agreement.

1.2.1 Evaluation Methodology

The evaluation methodology developed for this summative evaluation is based on the use of multiple lines of evidence. Table 2 shows each of the quantitative and qualitative methods developed and used for the evaluation. Table 2 also shows the links between each of these data sources and the major evaluation issues.

- At the heart of the assessment of outcomes is the quantitative analysis of the impacts of participation on clients. These impacts are examined in general and by specific client characteristics (i.e., client type, gender and EBSM experience).
- Qualitative information was obtained mainly from interviews, focus groups and panels.¹³ This information is used primarily to assess process issues (program delivery and implementation of program changes). These are presented as three case studies.
- Focus groups and an expert panel are used to gain insights into the effects of the EBSMs and the LMDA on employers and communities.
- Information from program-related documents is used across the full range of evaluation issues.

¹³ Results of site-specific case studies are generalised to the province through more representative groups of panel members.

Table 2			
Research Methods and Coverage of Evaluation Issue			
Data Source and Number by Source	Labour Market Impacts	Cost-effectiveness	Follow-up to Formative Issues
Quantitative			
Telephone Survey ^a			
- Participant: Long (n=2002) Short (n=92)	X	X	X
- Comparison: Long (n=2576) Short (n=189)	X	X	X
Qualitative			
Interviews of 43 Key Informants	X		X
Two Focus Groups (with 8 individuals representing 6 contribution agreement holders ^b)	X		X
Four Panels with a Total of 28 Individuals (9 HRDC staff, 6 staff from the Ministry of Human Resources, 7 contribution agreement holders, 6 employers)	X		X
Two Focus Groups (with a total of 20 employers)	X		X
Expert Panel (of 6 labour market experts)	X	X	X
Documents Review	X	X	X
<p>a Those not willing to be interviewed using the full survey instrument were offered a “short” version. This version provides some key evidence of impacts as well as a glimpse into the characteristics of potential non-respondents. Response rates were 59 percent for the participant survey and 51 percent for the comparison survey.</p> <p>b EAS is delivered by third parties. These third parties provide services based on contribution agreements with HRDC.</p>			

The evaluation used matched comparison groups of non-participants to examine the impact of EBSMs on participants. Individuals for the comparison groups were chosen to reflect the characteristics of participants other than participation. Matching was done in two stages. The first stage used administrative data only. The second stage was done when a broader range of variables became available from the participant and comparison group surveys. Separate comparison groups were developed to match active and former claimants. Statistical estimation techniques were then used to estimate what would have happened to active and to former claimant participants had their interventions not occurred. (Further details on the matching and the approach used to estimate impacts are provided in Section 3.4.)

It should be noted that this matching methodology differs from the random assignment approach. Under random assignment, some clients receive program benefits while others are randomly assigned to the control group and therefore denied the benefits (at least during the study period). Random assignment was considered inappropriate for this evaluation for three main reasons. Most importantly, the governments of Canada and British Columbia were concerned about the implications of denying programs to clients. Also, from a practical perspective, random assignment would have been very difficult to implement in the context of a complex, federal-provincial partnership agreement with

multiple and diverse delivery points. Finally, the random assignment approach would have required a number of years to implement and therefore was not feasible for this summative evaluation.

The evaluation included a review panel to ensure the use of innovative methods and rigorous analysis.

The evaluation research took an adaptive approach in responding to developments and challenges encountered as the methodology was being implemented.¹⁴ For example, the most significant challenge involved the comparison group selected to be similar to former claimants. Members of the comparison group needed to be unemployed, with a past EI claim making them eligible for participation, and at a date close to the start date for the former claimant who would be their match. The original selection used data available through administrative sources but lacked the use of earnings data from personal income tax files (which had been available to previous evaluations). Unfortunately, this selection did a poor job of predicting unemployment. The survey screened out 65% of those originally selected to be members of this comparison group, because they were not unemployed and therefore could not be a suitable comparison to participants. Participants and comparison group members who completed surveys were later re-matched using additional data available from the survey.

1.2.2 Confidence in the Findings is Based on Coherence of the Results

The multiple lines of inquiry, and evidence of reinforcing patterns among findings, were used to establish coherence in the main findings and, consequently, to provide confidence in the conclusions of this evaluation.

The quantitative data and analyses provided a way to assess the impact of participation while controlling for other factors that may be influencing the observed results. During the course of the evaluation, the study team was able to make some significant advances in the use of statistical estimation techniques for evaluation purposes.

Although qualitative techniques may lead to differing opinions on program specifics, the overall pattern and the consistency of that pattern were of primary importance in drawing conclusions regarding the evaluation issues. Also, the qualitative analyses provided a way to further examine/corroborate the conclusions derived from the quantitative analyses and to better understand the reasons for the observed results.

¹⁴ For example, two focus groups with employers and an expert panel were added to the research plan when the case studies proved inadequate for obtaining feedback on impacts on employers and the community.

2. Program Participation and the Characteristics of Participants

2.1 Introduction

This chapter examines program participation under the EBSMs and the characteristics of participants, especially characteristics that may be linked to labour market outcomes.

The participant information examined in this chapter is drawn primarily from administrative sources and the survey of participants. Although some survey questions assess characteristics at the start or end of participant activities, most deal with characteristics at the time of the survey, which corresponds to 18 to 30 months after participation end dates and typically 2 to 3 years after participation began.

2.2 Program Participation

EBSMs under the LMDA are available to unemployed individuals¹⁵ who are looking for work as defined by National Policy. Table 3 identifies the number of individuals who completed and the number who started EBSM activities in 2000-2001,¹⁶ by characteristics defining their eligibility status.

As noted in Chapter 1, insured participants are eligible for all EBSMs. Insured participants are either active claimants or former claimants with a previous claim meeting eligibility rules.¹⁷ Some insured participants are also classified as mutual clients because they are current or eligible recipients of provincial income assistance.

Although the evaluation is focused on insured participants, it does not cover apprentices due to their unique characteristics (they are on temporary lay-off from their job to attend training). Also, the evaluation does not cover active claimants who took Employment Group Services (EGS) only, due to their limited program exposure (typically a half day in length).

Table 3 shows non-insured participants, although the evaluation of impacts does not cover these participants. As noted in Chapter 1, individuals who are unemployed, but not insured, are eligible to receive Support Measures only (primarily EAS).

¹⁵ Those with a minimal amount of employment and those threatened with layoff can also access programs.

¹⁶ Fiscal years run from April 1 to March 31 of the next year.

¹⁷ Former claimants must have had either a regular claim in the past three years or a claim for maternity or paternity benefits within the past five years (and also be returning to the labour force for the first time since leaving work to care for a newborn or newly adopted child).

**Table 3
Client Types and Coverage**

	Non-insured Participant	Former Claimant ^e	Insured Participant		
			Active Claimant ^f		
			Other active	EGS ^b only	Apprentice
Use of EBSMs	EAS only	All EBSMs	All EBSMs	EGS only	SDEB only
Individual Eligible for EI Part II	No	Yes	Yes	Yes	Yes
Accountability Framework:					
- Participant	No	Yes	Yes	Yes	Yes
- Return to work	No	Yes	Yes	Yes	Yes
- Unpaid EI	No	No	Yes	Yes	Yes
Clients Based on Completion of Activities in 2000/2001 (mutual clients in brackets)	18,339	16,569 (7,138)	24,430 (2,375)	6,719	1,831 ^a
Clients Based on EBSM Start in 2000/2001 ^c	17,441	12,080		33,785 ^d	
Source: Administrative data					
a Note that the identified number of apprentices under-reports the actual number despite effort to identify additional apprentices.					
b Employment Group Service (EGS) is a short session involving a group. An individual taking EGS only is not typically considered a participant.					
c The source is the Employment Insurance 2001 Monitoring and Assessment Report.					
d Of whom 2,188 are EGS only and at least 4,415 are apprentices. The Employment Insurance 2001 Monitoring and Assessment Report (MAR 2001) identifies 4,415 apprentices who return to work in 2000-2001 but does not address the number of apprentices within its total participant count. (MAR results are presented for comparison purposes only). Note that participant counts in MAR are based on the start of an EBSM within the period.					
e Former claimants are individuals with a previous EI claim that meet eligibility rules.					
f Active claimants are individuals with a current EI claim when they start participation or within the first four weeks of starting participation.					

As shown in Table 3, the target group for the summative evaluation consists of a total of 40,999 participants¹⁸ who completed their LMDA involvement in 2000-2001.

- 24,430 (60%) are active claimants, and 2,375 of these are mutual clients.
- 16,569 (40%) are former claimants, and 7,138 of these are mutual clients.

Overall, mutual clients account for 9,513 (23%) of the total target group of insured participants considered by the evaluation.

¹⁸ Nine percent of those contacted in the participant survey could not confirm participation within the dates provided in administrative data. An additional 3% said they did not participate and 1% said they were registered as an apprentice while participating in this period. In the comparison survey, 2% said they had participated during a period for which administrative data did not list them as a participant. (Potentially they had participated in a provincial program). These data suggest that the number of non-apprentice participants may be overstated by from 2% to 12%.

2.2.1 Using the Action Plan Approach to Examine Program Participation

The concept of an Action Plan (a co-ordinated set of activities typically intended to lead to a return to work) is key to participation under the LMDA. Slightly more than half (54%) of the respondents to the participant survey identified creation of an Action Plan as a component of their EBSM participation. An additional 2% recalled signing but not creating one. Mutual clients are more likely to report having an Action Plan (71%).

The recording of an Action Plan, and documenting activities supporting it, is also a key accountability tool. The Accountability Framework uses the formal Action Plan to track results (number of participants, return to work and unpaid EI). However, for purposes of the evaluation, we found the Action Plan as recorded within administrative systems unsuitable as a unit of analysis. This suggests that either the Action Plans themselves or the processes that generated this information have not been fully implemented as intended.

For evaluation purposes, however, the Action Plan approach was considered to be a useful way to obtain a picture of the collection of all supported back-to-work activities. Therefore the evaluation constructed equivalents to the formal Action Plans. The equivalent plans were constructed using the available data on individual EBSMs.

To construct equivalent plans, the evaluation defined an Action Plan Equivalent (APE)¹⁹ as comprising one or more EBSMs received with less than six months between the end of one EBSM and the start of the next. In other words, if a gap of six months or more occurs between successive EBSMs, the later EBSM is considered to be the start of a new APE. This construct appears to have worked well, with the participant survey indicating that 95% of those who confirmed participation agreed with the start and end dates generated for the APE. (The remainder provided revised dates).

Most participants had only one APE during the 2000-2001 period, although a few had two. Therefore, Table 4 presents information on participants' last APE completed in 2000-2001. Table 4 shows the following participation by client type.

- Active claimants accounted for 60% of the APEs.
- Former claimants accounted for 40% of the APEs.
- Mutual clients, a subset of the other two client types, accounted for 23% of the APEs.

Table 4 also shows that most APEs (63%) involved EAS only. Given the significance of EAS, the evaluation considered participants who received EAS only as a separate group for analysis purposes. The other APEs were classified in terms of their principal or longest Employment Benefit (EB). Twenty-six percent of all APEs had SDEB as the principal EBSM. Each of the other Employment Benefits accounted for 5% or less of all

¹⁹ First suggested in the Report on Summative Methodologies, ARC Applied Research Consultants, January 2001 and confirmed in The Design of Summative Evaluations for the Employment Benefits and Support Measures (EBSM), Walter Nicholson, September 2001, Evaluation and Data Development, HRDC.

APEs. Most APEs (71%) involving an EB included only one Employment Benefit. The average was 1.4 EBs among APEs that included them.

Client type	EAS only	SDEB	TWS	SE	JCP	Total
Active Claimant ^a	15,176	6,892	736	1,158	468	24,430 60%
Former Claimant ^b	10,638	3,738	919	770	504	16,569 40%
Mutual Client ^c	6,226	2,439	394	243	211	9,513 23%
Gender						
Male	13,684	5,834	926	1,038	569	22,051 54%
Female	12,130	4,796	729	890	403	18,948 46%
Total	25,814 63%	10,630 26%	1,655 4%	1,928 5%	972 2%	40,999 100%
Sources: Administrative data						
a Active claimants are individuals with a current EI claim when they start participation or within the first four weeks of starting participation.						
b Former claimants are individuals with a previous EI claim meeting eligibility rules.						
c Mutual clients are eligible to receive provincial income assistance and are either active or former EI clients.						

Table 4 indicates that the principal EBSM of the APE tended to differ across the three types of clients.

- For active claimants, the principal EBSM was more likely to be SDEB (65%) and less likely to be TWS (44%) or JCP (48%).
- For former claimants, the principal EBSM was more likely to be TWS (56%) or JCP (52%) and less likely to be SDEB (35%).
- For mutual clients, the principal EBSM was less likely to be SE (13%) and about as likely (22% to 24%) to be other EBSMs.

The average duration for all APEs was 20 weeks (durations varied from 1 to 193 weeks), although the average was 36 weeks for APEs involving an Employment Benefit (EB). The average (with the minimum and maximum shown in brackets) number of weeks for APEs by principal EBSM is shown below, along with the average duration of the principal EBSM.

- **EAS only:** The average APE length was 12 weeks (1 to 121 weeks).
- **SDEB:** The average APE length was 35 weeks (1 to 193 weeks). Participation in SDEB averaged 23 weeks or 66% of the average APE length.

- **TWS:** The average APE length was 30 weeks (1 to 188 weeks). Participation in TWS averaged 20 weeks or 67% of the average APE length.
- **SE:** The average APE length was 43 weeks (1 to 169 weeks). Participation in SE averaged 35 weeks or 81% of the average APE length.
- **JCP:** The average APE length was 33 weeks (1 to 176 weeks). Participation in JCP averaged 21 weeks or 64% of the average APE length.

Table 4 also shows the distribution of APEs by gender. Males accounted for 54% of APEs, and slightly more (59%) when JCP is the principal EBSM.

2.2.2 Prior Participation in an Employment-Related Program

About one-quarter (23%) of respondents to the participant survey identified participating in an employment-related program or service before the start of the APE completed in 2000-2001.²⁰ Not all of this prior experience may be associated with EBSMs under the LMDA.

2.3 Characteristics of Participants

This section profiles participants using data collected by the participant survey. For comparison purposes, data from secondary sources are also included where possible.

2.3.1 Demographic Characteristics

Demographic characteristics of participants are highlighted below. More detail on participant characteristics by type of client can be found in Appendix B.

Gender

Females account for 48% of participants. This means that they participate at a higher rate than their share of the unemployed, which is 41% according to Statistics Canada's Labour Force Survey.

Mutual clients are less likely to be females (41%).

Age

The average age for all participants and for each of the three types of clients is 40. The average age for females is slightly higher (an average age of 43).

²⁰ The percentages for active, former and mutual groups were 21%, 26% and 29%, respectively. Prior participation was used to help match participants and comparison group members. As a result, the comparison group had similar past participation experience at 25% overall and 22%, 29%, and 32% across the three client groups respectively.

Individuals who are 30 to 54 years of age tend to be over-represented among participants. Those who are 30 to 44 years of age account for almost one half (49%) of participants but only one-third (33%) of the unemployed workforce in British Columbia in 2001. Twenty-three percent of participants are 45 to 54 years of age, compared to 16% of the unemployed in the province.

Above 55 years of age, participants and the unemployed in British Columbia are in similar proportions. Those under 30 years of age represent 18% of all participants, compared to 40% of the unemployed in the province.

Education

Participants have diverse educational levels. While 9% have not completed high school, 18% have completed university or gone on to post-graduate studies. College graduates (30%) are the largest single group.

Considering those who have a diploma or certificate or a degree (completed community college, university or post-graduate studies), the percentages for active, former and mutual clients²¹ are 52%, 42% and 24%, respectively.

Data from the 2001 Census indicates that 48% of the unemployed workforce have more than a high school education, compared to 68% of participants. (Educational differences are considered in more detail in Chapter 3).

Foreign-Born

Twenty-eight percent of participants were not born in Canada. The 2001 Census indicates that 26% of the unemployed in British Columbia were immigrants.

Most participants who were foreign-born came to Canada prior to 1980 (53%), while approximately 20% came to Canada in the 1980's and another 20% arrived in the 1990's. The comparable proportions from the Census data are 31%, 23% and 46%. This suggests that participants are less likely to be recent immigrants, and may reflect that time is required for immigrants to establish EI eligibility.

Former claimants who are foreign-born tend to be more recent immigrants, including 12% who report coming to Canada since 1999.

Language

A language other than English is the mother tongue for 21% of participants. The proportion is highest for former claimants (34%).

French is the mother tongue for 4%, and this is about the same as German or Chinese languages but less than Indian languages.

²¹ Active claimants are far more likely to have a college diploma or certificate (73% of the total) compared to less than 50% for former claimants (48%) and mutual clients (46%).

Marital Status

Most active participants (63%) are married or living in common-law relationships.

Only about one-half (51%) of former claimants and one-quarter (25%) of mutual clients are married/common-law. Most mutual clients are single (53%).

Household Income

About one-third of participants (32%) have household income of less than \$20,000 per year. For active, former and mutual clients, the percentages are 28%, 38% and 62%, respectively.

2.3.2 Prevalence of Employability Needs

The participant and comparison group surveys asked whether the surveyed individuals needed help in specified areas when they began their activities. The survey data indicated that participants were more likely than the comparison group to identify employability needs, as shown below:

	Participants	Comparison group
Need help in making a career choice	45%	17%
Need better reading, writing or number skills	17%	12%
Need help in how to look for or get a job	48%	14%
Need help having a stable personal life or career	35%	20%

One possible explanation of the differences between participants and the comparison group is that participants take EBSMs because they have employability needs and require programs or services to deal with them.

It is also possible that individuals identify the existence of employability needs through their participation in EAS. Those who confirmed participation in an EAS were more likely to identify a need especially related to making a career choice (60%) and looking for or getting a job (66%). Those who did not confirm participation in EAS were less likely to identify either of these two needs (35% for each need).

The survey data also indicated that participants were more likely than the comparison group to identify multiple needs. Forty-two percent of participants identified having multiple needs, but only 17% of comparison individuals identified having multiple needs. Those with multiple needs may be more likely to participate. It is also possible that participation leads to the identification of multiple needs (especially in EAS where 72% of confirmed EAS participants identified multiple needs).

2.3.3 Prevalence of Characteristics that Potentially Limit Employment Opportunities

Individuals may face barriers to employment as a result of their characteristics. Therefore, survey respondents were asked if they had specific characteristics that are sometimes identified as limiting employment opportunities.

Comparing participants to the unemployed in British Columbia indicates that participants are slightly less likely to have characteristics that are normally identified as limiting employment opportunities.

- Four percent of participants who responded to the survey are of Aboriginal descent. The 2001 Census indicates that 6.5% of the unemployed in British Columbia were of Aboriginal descent. Note that those of Aboriginal descent may also participate under separate Aboriginal Human Resource Development Agreements.
- Ten percent of participants who responded to the survey are visible minorities. The 2001 Census indicates that 22.6% of the unemployed in British Columbia were visible minorities.
- Three percent of participants who responded to the survey have a disability. The 2001 Census indicates that 7% of the population of British Columbia report a limitation affecting their school or work activity and possibly other activities. (This latter group may include those who cannot work and are not in the labour force due to a limitation. Note that a limitation is a broader concept than disability).
- Seven percent of participants who responded to the survey are foreign-born and immigrated to Canada in the last ten years. The 2001 Census indicates that 12.1% of the unemployed had this set of characteristics.
- Seventeen percent of participants who responded to the survey are foreign-born and educated abroad. No comparable data are available from the Census.
- Nine percent of participants who responded to the survey did not complete high school. One percent had less than a grade 9 education—possibly approximating a group who might be considered functionally illiterate. The 2001 Census indicates that 30.4% of the unemployed had not completed high school and 2.2% had less than a grade nine education.
- Fourteen percent of participants who responded to the survey were unemployed through mass layoff in the year prior to the start of participation. No comparable data are available from the Census.
- Ten percent of participants who responded to the survey were 55 years of age or older at the time of the survey. The 2001 Census indicates that a comparable percentage (9.3%) of the unemployed in British Columbia in 2001 were 55 years of age or older.

The evaluation ensured that participants who completed the survey were like the population of EBSM participants from which they were selected. As a result, the comparisons noted above suggest that participants, relative to the unemployed in British Columbia, are slightly less likely to have characteristics that are normally identified as limiting employment opportunities. However, not all unemployed workers are eligible to participate. Perhaps individuals who are EI eligible (unemployed and eligible to participate under EBSMs) are less likely to have such characteristics. This issue is not addressed by this evaluation.

Limited employment opportunities are likely to be more pronounced for those with more than one of the above characteristics. The survey data indicated that 15% of participants had more than one of the above characteristics, while 22% of comparison group individuals had more than one of the characteristics. (No comparable data are available from the Census). This suggests that among individuals who are eligible to participate, those with more pronounced limitations are less likely to participate. (The possibility that such individuals are discouraged from participating is discussed in the next section).

2.4 Accessibility of Programs and Services

There is evidence that candidates who may have more difficulty achieving short-term results of returning to work or reducing expenditures for the EI Account²² also have more difficulty gaining access to programming. For example, 43% of participants attempted to access employment-related programs or activities since April 1, 2000. (For many, these activities would have been part of the APE that qualified them for the survey). In the same period, 22% of comparison group members tried to access programs. Of those who tried, 25% of participants and 38% of comparison group members experienced difficulties.

Participants who are more likely to experience access problems are those with annual household incomes of less than \$20,000 (46%), no action plan (40%), more than one characteristic limiting employment opportunities (49%), multiple employability needs (40%), and specifically needs related to having a stable personal life or career (46%). Non-participants who report access problems are more likely to have multiple needs (53%), or report individual needs of basic skills (55%), job search skills (54%), career choice (53%), and career or personal stability (49%).

These survey responses indicate that candidates who may have more difficulty achieving success in the short term, as measured by a Return to Work or Unpaid EI Benefits, also have more difficulty gaining access to programming. As noted earlier, 68% of participants have more than a high school education, compared to 48% of the unemployed workforce in British Columbia in 2001. In the case of the comparison group that was matched to participants, but without the use of education data, 51% have more than a high school education. This evidence suggests that the LMDA may be selecting the best (as represented by higher educational achievement) among the pool of EI eligible individuals.

²² Under the Accountability Framework two principal measures are used. The first measures getting a job (Return to Work or RTW) at the end or within 12 weeks of participation. The second, which is Unpaid EI, represents entitlement to EI that remains unpaid because of the RTW. Both emphasise achievement in the short term. This may work against those who would require more time to achieve success.

Of those experiencing difficulties, most identified access problems related to SDEB (51% of participants and 30% of non-participants) and EAS (17% of participants and non-participants). It should be noted, however, that SDEB and EAS represent the largest EBSMs and therefore they are also more likely to be the EBSMs where access difficulties can occur.

Table 5 shows the difficulties identified by participants and non-participants who experienced access problems. Half of the participants who experienced access problems indicated that their difficulty was funding related, which is similar to non-participants (48% indicated funding-related difficulties).

Table 5		
Sources of Difficulty Identified by Those Experiencing Access Problems		
Source of Difficulty	Participants (n= 210)	Non-participants (n= 199)
	%	%
Lack of funds/cut backs/loss of benefit	32	13
Didn't qualify/turned down	16	28
EI didn't provide help/assistance	2	7
Funding Issue	50	48
Too many criteria/long delays/waiting lists	19	8
Program not in local area/ distance	7	10
Program Design Issue	26	18
Difficulty obtaining information/provided wrong or outdated information	4	13
No follow up/communication problem with worker or administration	6	5
Communication Issue	10	18
Didn't meet needs	12	9
Scheduling conflicts	2	5
No computer skills	7	1
Personal Factors	21	15
Other Issues	8	19
Source: Participant and comparison group surveys.		

Of those attempting to access programs since April 2000, only 2% of participants and 1% of non-participants requested a program or service in French. None of these individuals reported any access difficulty related to programs.

2.5 Nature of Participation and Characteristics of Participants

The information presented in this chapter on the nature of participation under EBSMs and the characteristics of participants is helpful in understanding the analysis of impacts presented in the next chapter. Due to the relatively small number of participants who are Aboriginal, have a disability or are a member of a visible minority group, the analyses presented in the next chapter focus primarily on impacts by client type and EBSM.²³

²³ Estimation techniques require sufficient sample to produce reliable estimates of impact. After segmenting participants within active and former claimant groups, further segmentation by demographic characteristics typically produced groups of insufficient size to produce reliable estimates of impact. Better results occurred if two roughly equal-sized groups within client type could be formed for example: males vs. females, those under 40 vs. 40 years of age or older, and those with and without a degree/diploma.

3. Impacts on Participants

3.1 Introduction

This chapter examines the impacts of the EBSMs on participants in British Columbia. The discussion begins with an overview of the evidence of the impacts of similar programs in other countries and a preview of some of the general findings for the EBSMs in British Columbia.

The latter sections of the chapter present the detailed analysis of the impacts of EBSMs on participants. These sections begin with a discussion of the approach and methods used to isolate and measure the impacts. These sections also present the detailed findings regarding program impacts in the areas of employment, earnings, EI benefits, provincial income assistance benefits and other outcomes of interest.

3.2 Experience with Other Programs Help Guide Expectations Regarding Impacts

To help guide and interpret the analysis of the impacts of the EBSMs on participants, this section provides a brief summary of the experience with similar programs in other countries. The more detailed analysis of impacts in British Columbia, which includes impacts by subgroups, is presented in the latter sections of this chapter.

The existing literature is summarized below for each type of intervention. This approach is used because the various EBSM interventions are aimed at addressing different needs and, therefore, may be expected to have different impacts. For example, SDEB is aimed at increasing the human capital of participants, while TWS is aimed at facilitating on-the-job skills development.

Employment Assistance Services

The many experimental and non-experimental evaluations of employment assistance services programs suggest that these programs involve relatively low-cost interventions and have modest impacts on reducing the unemployment duration (in general, up to two weeks) or increasing the earnings (in general, around \$800 US annually) of participants.²⁴

Skills Development Employment Benefits

The existing American evidence on the effectiveness of skills development employment benefits programs indicates that training programs seem to work reasonably well sometimes for adult women, appear to have mixed effects for adult males, and have little

²⁴ See for instance the survey in O'Leary (2002) or the evidence in Heckman, Lalonde and Smith (1999).

(if any) positive effect on the earnings and employment of youth.²⁵ The European experience often finds training programs to have a negligible impact on wages, but a small positive impact on employment.

Targeted Wage Subsidies and Self-Employment

Although the European experience is more mixed, the American experience shows some positive evidence regarding targeted wage subsidies and self-employment.²⁶ Targeted wage subsidy interventions in the US seem to have a positive impact on employment (7%) and wages (around 10% to 15%), at least for periods following the targeted intervention.

For self-employment interventions, the literature suggests that unemployment benefits and the duration of unemployment decrease and total earnings increase.

Job Creation Partnership Programs

In general, participation in job creation partnership programs reduces the probability of unemployment for males and females, but has only a negligible effect for youths.²⁷

Two General Issues

The following two general issues from the literature are also relevant to this evaluation.

- There is the potential for “cream-skimming.” This term refers to cases where candidates who are better qualified or more likely to achieve results are more likely to be selected for program participation. “Cream skimming” raises concerns about program access for candidates who may face more challenges in achieving results. The literature is unable to say anything about the potential for efficiency gains from “cream skimming”, however, because it is usually not known whether those who are potentially selected as “cream” are also those who would experience the largest gains from participating in the program. This is especially true if criteria used in “cream skimming” pertain to post-program levels of outcome measures such as earnings. For it may be argued that the candidates who face more or greater challenges have greater opportunity for improvement, relative to what would have happened in the absence of the program. In the context of gains attributable to program participation, therefore, the commonly hypothesised approach to “cream-skimming” could lead to reduced efficiency.
- Most of the literature avoids quantifying the general equilibrium impacts of a program because of methodological difficulties. Nevertheless, the potential for general equilibrium effects should be noted. Examples of possible general equilibrium impacts in this evaluation include the following four effects:
 - Displacement effects are considered to occur in cases where program participants are helped at the expense of non-participants (for example, EAS or TWS initiatives may place program participant in jobs that would have otherwise gone to non-participants).

²⁵ For U.S. evidence, see Barnow (1987) or Heckman, LaLonde and Smith (1999). For European evidence, see Chapter 10 in Heckman, LaLonde and Smith (1999). For Canadian evidence, see Park, Riddell and Power (1993).

²⁶ See Katz (1999).

²⁷ See Eichler and Lechner (2002) or Couch (1992).

Displacement will be less likely to occur if labour markets are flexible, however, because an increase in the supply of trained workers in a certain category would reduce the relative wages as opposed to affecting the employment levels of non-participants.

- Deadweight losses are considered to occur in cases where a program subsidizes/supports participants in activities they would have engaged in anyway (for example, TWS or SE initiatives may support participants in undertaking employment activities that they would have undertaken in the absence of the program).
- Relative price changes can occur because of changes in the relative supply of certain skills as a result of training (for example, as a result of SDEB).
- Changes in the skill composition of jobs can occur (for example, as a result of SDEB or TWS).

3.3 EBSMs are More Likely to Achieve Intended Impacts for Active Claimants than for Former Claimants

This section provides a preview and summary of the main findings from this evaluation regarding the impacts of the EBSMs on participants. First, a general summary of the estimated impacts is presented, based on the use of comparison group analysis to isolate the impacts that can be attributed to program participation. Second, some additional findings regarding active and former claimants are presented.

Table 6 provides a general picture of the key participant impacts by showing where the evidence indicates a change as a result of participation for the better (↑), a change for the worse (↓) or little or no significant change (—) from a program perspective. This summary is based on judgements formed from the overall evidence including statistical significance across estimates, time periods, and number of observations. The summary is also supported by the consideration of the weighted averages of annual effects across alternate estimates of impact in the post-participation periods. The weights dealt with the length of and number of observations in the post-participation period.

Table 6				
Impact Estimates by Type of Claimant				
Groups	Employment after participation	Earnings after participation	EI income after participation	IA income after participation
Active Claimant				
All	↑	↑	↓	—
Male	↑	↓	↓	↓
Female	↑	↑	↓	—
EAS only	—	—	↓	—
SDEB	↑	↑	↓	↑
TWS	↑	—	↓	↓
SE	↑	↓	—	↓
JCP	↑	—	—	↓
Former Claimant				
All	↓	↓	↓	—
Male	↓	↓	↓	—
Female	—	↓	↓	↓
EAS only	↓	↓	↓	↓
SDEB	↓	↓	—	—
TWS	↑	↑	↓	↑
SE	—	↓	↑	—
JCP	↑	↓	—	↑
↑ Better (shading used to better illustrate improvement) from a program perspective ↓ Worse from a program perspective — Negligible, no significant change or inconclusive findings				

Looking at active claimants, Table 6 shows that employment (measured by hours worked) improved in the post-participation period for all active claimant groups except those taking EAS only, where the results were not statistically significant. Earnings after participation are improved overall and for some of the active claimant groups. This may suggest that the quality of jobs, as measured by average wages, tends to be lower in the post-participation period. Lower quality of post-participation jobs may also be reflected in the general increase in EI and provincial income assistance benefits for active claimants, which is shown as (↓) in Table 6 to indicate that the change is worse from the program perspective.

Looking at former claimants, Table 6 indicates that fewer former claimant groups experienced employment or earnings gains in the post-participation period. Among former claimants, the groups that showed increased employment (measured by hours worked) were those who took TWS or JCP as their principal EBSM. Only the group that took TWS saw an increase in earnings in the post-participation period. In the case of former claimants, those with SE as their principal EBSM received less EI benefits during

the post-participation period, which is shown in Table 6 as an improvement from the program perspective (i.e. (↑)). There was also a decline in provincial income assistance benefits for those with TWS and JCP as their principal EBSM (which is shown in Table 6 as an improvement (↑) from the program perspective).

Other key findings drawn from the participant and comparison group surveys suggest that intended outcomes of specific interventions were achieved and that the programs and services were somewhat helpful in terms of improving skills and finding jobs, as indicated below:

- Skill levels increased more for participants than for comparison group members, with this finding being based on a comparison of the longest jobs held in the periods before versus after participation;
- The program helped 60% get their longest post-participation job through supplying a needed diploma/certificate or supplying a skill that was needed or used on the job;
- Participants were more likely to have taken training, gone back to school or volunteered to (further) increase their skills in the post-participation period;
- Participants appeared more likely to set employment goals for themselves but appeared no more likely to achieve goals once set;
- Participants were only somewhat satisfied with the programs they took and appeared similar to comparison group members on a number of attitudinal measures at the time of the survey;
- EBSMs led to the following outcomes for participants taking specific programs:
 - A diploma or certificate was received by 78% of SDEB participants;
 - Employment with the TWS employer after the subsidy ended was obtained by 62% of TWS participants. Employment continued at the time of the survey (18 to 30 months after participation ended) for 31%. Of those not working for their TWS employer at the time of the survey, 17% indicated they had left to work for another employer;
 - Business starts or improved businesses were achieved by 60% of SE participants. Forty-five percent of businesses that were started or improved employed at least one worker in addition to the SE participant. At the time of the survey (18 to 30 months after participation ended), 60% of SE participants were still operating their businesses.

3.4 Approach and Methods Used to Estimate Impacts

To examine the impacts of the EBSMs on participants, it is necessary to control for the effects of other factors that can also influence the observed levels of employment, earnings, EI, provincial assistance benefits, and other potential outcomes of interest.

Hypothetically, one way to control for the effects of other factors is to use an individual and his/her clone. In this case, the two people would be identical in all respects except that one participates in a given program and the other does not participate. Therefore, any subsequent difference in behaviour between the two of them can be attributed to the program.

An approach that is sometimes used to isolate program impacts is random assignment. As discussed in Section 1.2.1, this approach involves drawing participants and non-participants randomly from a group of potential participants. Random assignment was not an option for this evaluation, however, as discussed in Section 1.2.1.

For this summative evaluation, a matching approach, whereby eligible non-participants were matched as closely as possible to participants, was used to isolate the impacts of program participation. Using available data and econometric techniques, the evaluation adjusted for the differences that existed between the participants and matched non-participants so that data for the matched non-participants could be used to provide an estimate of what would have happened in the absence of program participation. In this way, it is possible to isolate and estimate the impact of participating in the program. Further details of how this approach was applied in this evaluation are discussed below.

The evaluation identified approximately 26,000 active claimants and 17,000 former claimants who were not apprentices and who completed activities/interventions under the LMDA in 2000/2001. If these activities involved more than one EBSM, no break of six months or more could separate the EBSMs. Also, if there was more than one activity under the LMDA in 2000/2001, then the last of these was selected. A start and end date defined the duration of activities within an APE developed as part of the evaluation for each participant (as discussed in Section 2.2.1). The APE was characterised by its principal EBSM. For example, the APE was defined as “EAS only” if EAS was the participant’s only activity. If there were two or more activities, then the APE was characterized by the longest EB.

Next, a random sample that was five times larger than the target number of survey completions (10,000 in total) was selected to ensure sufficient survey completions across active and former claimant client types, the four regions, and the five principal EBSMs examined by the evaluation. Other characteristics (for example gender and mutual client status) occur in the sample in similar proportions to the population. This approach provided a sufficient number of completed surveys for analysis by client type and principle EBSM. Weights were applied to the participant survey data in the analysis to achieve the correct balance by characteristic in the population of participants.

Separate comparison groups (non-participants) were chosen to closely match the characteristics of the active and former claimants who were program participants. The initial matching was done using data from administrative sources. Over 900,000 individuals were potential candidates for the comparison group based on non-participation, eligibility, and location characteristics.

Participants who completed their LMDA experience in 2000/2001 started that experience earlier, with some participants starting their participation as much as four years earlier. Participants were grouped within sub-samples in terms of client type, location and ranges

of start dates. For each participant sub-sample, a subset of comparison individuals was identified that matched exactly in terms of location and client eligibility (potential active or former claimants) conditions. Next, the best matching candidate for an active claimant and the three²⁸ best matching candidates for a former claimant were selected, based on their similarity to individual participants in the sub-sample. The similarity between the comparison individual and participant was judged on the basis of the closeness of their characteristics, using the data available through administrative sources. The process was repeated for each subgroup of participants using the entire potential comparison pool (sampling with replacement). Under this approach, comparison group members might be matched with more than one participant. To avoid that possibility, only the closest of multiple matches was retained from the final set of selected comparison individuals.

A telephone survey was conducted and achieved completed interviews with 2,002 participants and 2,576 comparison group members.^{29,30} The survey was administered through a Computer Aided Telephone Interviewing (CATI) system.

To help estimate program impacts, the telephone survey collected data on all jobs. In the case of a participant, the survey started with the most recent employment episode and worked back in time to one year before the start date. In the case of a comparison individual, the survey worked back to the assigned start date.³¹

The telephone survey also collected data on EI and provincial income assistance benefits (if permission to link to administrative data was not provided). For those who authorised the linking of data (93% and 92% of participants and comparison group members who completed the surveys, respectively), the survey data were combined with data available from administrative sources.

Each sampled comparison group member was selected to be a close match to a sampled participant. Unfortunately, the surveys did not always achieve completions with both members of each match and, therefore, survey completions were not as well matched as the original samples. As noted in Section 1.2.1, a second matching of surveyed

²⁸ Multiple matches were chosen to each former claimant participant for two reasons. First, administrative data cannot identify whether an individual, potentially eligible as a former claimant based on EI claim experience, is unemployed at a particular date. The survey rejected individuals who were not unemployed around the start date of the participant they were matched to. The second reason was a higher expected survey refusal rate for this group.

²⁹ Average survey durations in minutes were 29 and 22 for long versions. A total of 92 and 189 interviews with participants and comparison individuals respectively were completed using a shorter survey instrument for those unwilling to complete the longer interview. Average times were 11 and 12 minutes respectively. There were few differences in the characteristics of individuals who completed long and short versions. Response rates were 59% and 51% overall for participant and comparison surveys respectively.

³⁰ Three percent and 1% of willing participants were rejected as they claimed not to have participated or to have participated as an apprentice respectively. Eight percent of willing comparison group members were rejected as they claimed to have participated under the LMDA or were an apprentice. Sixty-five percent of all willing former client comparison group members were rejected, as they were not unemployed in a period around the start date of up to three matched participants. The period defining “around” was extended from participant start date +/- 3 months to +/- 6 months in an attempt to reduce the rejection rate.

³¹ In the case of a comparison individual selected to be like a former claimant, the CATI system assigned a start date that was either the start date of the matched participant or a date close to and within a period of unemployment for the comparison individual. The date assigned was based on the employment history of the comparison individual and start dates for up to three matched participants. This algorithm provided for some variation related to the time interval between start of unemployment and participant start date, to reflect observations from active claimant participant data.

participants and comparison individuals was conducted after the survey. This second matching was able to supplement the use of administrative data (for those who agreed to linking) with rich survey data that included educational attainment, labour market history, characteristics that might limit employment opportunities, self-identified employability needs, and demographics. The matching done after the survey was conducted separately for active and former claimant groups, and it produced close matches.³²

Weights were applied to participant data reflecting the extent to which each survey respondent represented the population from which the survey sample was drawn. Estimation techniques applied weights to data for comparison individuals, representing a combination of the closeness of match to participants and the weights applied to participants.

The evaluation used up to 7 estimation techniques to examine 18 principal indicators of program impacts. The impacts were examined for up to 7 time periods,³³ and for active and former claimants. Program impacts for each of the two types of claimants were also examined by subgroups based on gender (2), EBSM groupings (5), age (2), educational attainment (2), length of intervention (2), and location (2). (More details are available in the Technical Report, Annex G). Estimates were also provided for pooled groups representing all participants and all mutual clients. Estimates of effects for mutual clients are not presented in this report, however, because the number of mutual clients in the samples was too small to support all of the estimation methods on which the final estimates were based.

Each of the seven estimation techniques is described below:

- **Difference in Means:** Effects are estimated as differences between the averages of the indicators for participant and comparison groups within each specified analysis period;
- **Difference in Differences (DID):** Differences are defined as the indicators less similar quantities defined for the pre-participation period. EI and provincial income assistance data are available for 60 months and earnings and employment data for 12 months before the start date. The pre-period used in each case was chosen to avoid a phenomena referred to as Ashenfelter “dip” (or “bump” in the case of EI and provincial income assistance).³⁴
- **Ordinary Least Squares (OLS):** Post-participation period indicators are regressed on explanatory variables available in the data. OLS analysis was conducted using response weights for participants and kernel-matching weights for comparison group members, the latter reflecting the closeness of each match;

³² Closeness was measured by the difference between the estimated probability of being a participant for the participant and the closest one or more members (kernel matching) of the comparison group.

³³ Most analyses use a during participation period of variable length, and post-participation periods of one year, the next six months and the following six months. This is in keeping with selection based on end date used in the evaluation. A few key analyses focus instead on start date and consider periods of the first year, next year and subsequent six months. This is to provide comparison to international experience. Analyses only consider those activities within a period.

³⁴ Ashenfelter observed that a dip in normal earnings preceded the start of an intervention. The analysis excludes this “dip” to compare post-participation values with a period of normal values for the indicators in the pre-participation period.

- **DID Ordinary Least Squares:** Differences in post- and pre-participation period indicators are regressed on explanatory variables available in the data. DID OLS analysis was conducted using response weights for participants and kernel-matching weights for comparison group members, the latter reflecting the closeness of each match;
- **Instrumental Variables:** This method parallels that for the OLS estimation, except that it uses instrumental variables to attempt to adjust for the potential presence of selection bias;³⁵
- **Matching Estimators:** This is a semi-parametric method that estimates propensity scores³⁶ using a logit model,³⁷ and performs kernel matching with optimal bandwidths. Effects are estimated by comparing data for participants and comparison individuals, where the latter are weighted based on how similar their propensity scores are to those of the participants. This analysis applied to the post-participation variables;
- **DID Matching Estimators.** A similar analysis was conducted using difference variables.

Problems with the Instrumental Variable approach³⁸ and the challenge of controlling for selection bias led to the conclusion that matching and OLS (the latter using response and kernel-matching weights as described above) were the superior methods for this study.

When selection bias cannot be ruled out, the estimated impacts could reflect the effects of unmeasured factors that distinguish participants from comparison individuals. Difference-in-differences (DID) approaches control for some sources of selection bias by taking the difference between variables at two points in time. If the effects of selection bias are constant across the two periods, then taking the difference between variables will eliminate the effects of the bias. The use of DID approaches was limited to the variables available from administrative sources (i.e. EI and provincial income assistance), however, because of a concern about the pre-participation data for earnings and hours of work.³⁹

After dropping the Instrumental Variable method, matching and OLS were the two principal methods judged to be superior because of their ability to control for observed characteristics that might differ between the participant and comparison groups. The explanatory variables used in the analysis included measures for motivation, employability need, employment barriers, pre-participation labour market experience, past EBSM use, and demographic factors when appropriate. Including these explanatory variables to control for measured

³⁵ Selection bias results when characteristics associated with the outcome indicator are also correlated with participation.

³⁶ Propensity score is the estimated probability that a client participated in the LMDA.

³⁷ The models used were subjected to diagnostic tests for balance and their specifications adjusted until they passed these tests.

³⁸ The Instrumental Variable approach was ultimately dropped because the estimates it produced were often not plausible and were generally inconsistent compared to estimates from other methods. Moreover, the instruments used often failed standard tests of the validity of this method.

³⁹ The survey gathered data to estimate earnings and hours of work by asking respondents a series of detailed questions about each employment episode going backward from the survey date. Some respondents cycled through these questions more than ten times. A concern, potentially supported by the data, was that respondents might become tired of the questions and simply say they had no more job(s) to describe. Given the backward flow of the survey's questions, the pre-participation data would be most adversely affected if some respondents behaved in this way. As a result, DID approaches are less suited for estimates involving earnings and hours of work.

differences between participant and comparison members should reduce, but may not eliminate, selection bias.

The DID form of matching and OLS were used with data from administrative sources. The non-DID form was used when potential concerns existed for pre-participation data for earnings and hours of work (as outlined above). The non-DID form was also used for indicators that were only defined for the post-participation period.⁴⁰

For each indicator of the program impacts, two estimates were judged to be superior and free of most data concerns. These provided the minimum and maximum estimates for the program impacts presented in the next sections. For all key indicators, annualised estimates of the impacts are provided to aid comparison across periods of different length. Statistically significant results indicate impacts that are considered to be statistically different from zero.⁴¹ Other results, although they may not be different from zero in a statistical sense, remain as best estimates. The results that are statistically significant are reported^{42,43} in Table 7 to 10 (presented in Appendix C).

It should be noted that this evaluation does not attempt to measure indirect or general equilibrium effects. This is in part because there is no generally accepted methodology for carrying out such an analysis (as discussed in Section 3.2).

It should also be noted that some difficult methodological challenges were faced when dealing with former claimants. By definition, former claimants do not have enough recent labour market attachment to be qualified for EI. These clients include individuals returning to the labour market from parental leave as well as most mutual clients who are in receipt of provincial income assistance. In conducting the evaluation, these clients were more difficult to locate (because their contact information was more dated) and appropriate comparison individuals were difficult to identify. Although considerable effort was made to overcome these challenges, the results of the analysis of former claimant should be viewed with more caution⁴⁴ than the results of the analysis of current claimants.

⁴⁰ These indicators were the probability of employment in occupations in shortage, balance or surplus and the probability of taking training, going back to school, or volunteering in the post-participation period.

⁴¹ Tests are performed at the 90% and 95% levels of confidence and the estimates that are considered to be statistically different from zero are noted by a (*) or (**) respectively.

⁴² A test of significance is typically considered to be a rule for deciding whether to accept or reject a null hypothesis. In this analysis, the null hypothesis is always that there is no effect of participation in EBSMs. Based on the theoretical properties underlying the methods of estimation used, one may make probabilistic statements about whether an observed statistic is consistent with the null hypothesis. The ability to do so arises from the random process of drawing the samples from which the data have been collected. A statement that an effect is statistically significant at the 95% confidence level implies that its estimated value differs from zero to an extent that, given the size of the sample and the amount of variation observed in the sample data, in only one case in twenty would we expect to see such a value if the true effect were null. In other words, we accept a 5% risk that we might be incorrect in concluding that the true effect is non-zero. Significance at the 90% level is likewise associated with a 10% risk.

⁴³ Care should be taken when basing decisions on tests of significance. The above levels of 95% and 90% are used by convention. The level of risk one is prepared to take with respect to conclusions of this kind will depend on the consequences of a wrong decision. To some extent, therefore, the choice of an appropriate level of significance depends on the circumstances and the preference of the individual analyst.

⁴⁴ For example the performance on balancing tests was slightly worse for former claimants compared to active claimants.

3.5 Employment Increased for Active Claimants and Some Former Claimant Groups

One of the core objectives of the LMDA is to generate employment gains for participants. Table 7 presents summary estimates of employment impacts (measured as changes in annualised hours worked) over the total post-participation period covered by the evaluation. Table 7.1 (in Appendix C) presents more detailed estimates of employment impacts in the period of participation (during) and in three periods after the participation end date (1 to 12 months, 13 to 18 months and 19 to 24 months) by client and EBSM. Tables 7 and 7.1 also show the estimated effect as a percent (%) of the estimate of what would have happened in the absence of participation (where the latter is calculated as the post mean minus estimated effect). The number of observations (n) is included to illustrate how many participants are represented by each estimate. (Note that the analysis uses weighted observations (not shown) reflecting the balance across sub populations of participants).

In interpreting the tables, it is useful to bear in mind that larger positive estimated effects (and a larger %) suggest greater improvement through participation. Larger negative estimated effects suggest the opposite. Estimates in Table 7.1 that are statistically significant are shown with either * or **. ⁴⁵

Impacts for during and post-participation are presented separately because employment hours for participants relative to comparison members may increase or decrease during the period of participation, depending on the type of program. For example, SDEB involves full-time attendance at school, which would limit employment opportunities, while TWS places participants in a job.

The information presented in Table 7.1 indicates that results vary widely in the post-participation periods. As a proxy for the overall annual impact after participation, a weighted average of all post-participation estimates was calculated using weights based on the length of the time period and the number of observations available for the analysis. These estimates are presented in Table 7.

⁴⁵ With * indicating that an estimate is statistically different from zero based on a test performed at a 90% level of confidence, and ** indicating that an estimate is statistically different from zero based on a test performed at a 95% level of confidence.

Table 7				
Estimated Employment Effect (Hours) Per Year				
Total Post-program Period (1-24 months)				
	ACTIVE CLAIMANTS		FORMER CLAIMANTS	
All	155	14%	-52	-5%
Males	74	6%	-134	-11%
Females	126	12%	44	5%
EAS Only	49	4%	-135	-12%
SDEB	211	19%	-235	-24%
TWS	296	24%	328	30%
SE	456	36%	229	23%
JCP	285	27%	85	8%

Note: The table contains weighted averages of estimated effects across three separate post-program periods. Statistically significant and insignificant estimates are included in this calculation. For full details on the estimated effects refer to Table 7.1 in Appendix C.

Table 7 shows that active claimants generally experienced an increase in the number of hours worked after program participation. Looking at the principal EBSM indicates that SDEB, TWS, SE and JCP resulted in significant increases in employment.

For active claimants, participation resulted in an increase of approximately 155 hours worked each year in the post-participation period. This corresponds to an increase of about 14% in hours worked relative to what would have happened in the absence of participation.

Among active claimants, the employment gains for females were higher than for males. As indicated by the details presented in Table 7, however, the employment gains for males are only statistically significant in the early part of the post-participation period. For females, the employment gains are only statistically significant in the later part of the post-program period.

Looking at the principal EBSM indicates that the average increase in employment for active claimants exceeded 200 hours per year for all EBs. As Table 7.1 indicates, results are statistically significant for SDEB, TWS, SE and JCP. For active claimants taking EAS only, employment gains average about 50 hours per year but were not statistically significant.

Additional analysis was performed using separate statistical estimation (models) by client age, education and length of APE (categories were collapsed in order to improve the significance of the results). The results of these analyses (not shown in the tables) indicate that employment gains are more pronounced for active claimants who are 40 years of age and older, do not have a certificate or diploma, or have taken longer interventions (APE of 17 weeks or more duration).

Table 7 shows that former claimants generally experienced a reduction in the number of hours worked after program participation. Looking at the principal EBSM, however, indicates that the number of hours of work after program participation increased for those who took TWS or JCP.

After program participation, former claimants experienced a reduction in employment at an estimated average annual amount of about 50 hours. This corresponds to a 5% reduction in hours worked relative to the estimate of what would have happened in the absence of participation.

Among former claimants, males showed a reduction in hours worked of about 130 hours per year. The effect on hours worked for females was less conclusive.

Looking at employment impacts by principal EBSM showed considerable variability across programs. Average annualised employment increased for former claimants taking TWS (by about 330 hours) and JCP (by 85 hours). Table 7.1 indicates that these employment increases were statistically significant for TWS and JCP. Impacts for SE were not statistically significant. Average annualized employment decreased for those taking SDEB (with reductions of 235 hours) and EAS only (with reductions of 135 hours). Table 7 indicates that these findings are statistically significant in the early post-period for SDEB and the later post-participation period for EAS.

The analysis of former claimants also included separate analyses of changes in employment by client age, education and length of APE (not shown in the tables). The results of these analyses indicated that reductions in annualised hours occurred for all of the subgroups of former claimants based on client age, education or participation duration.

After program participation, the characteristics of employment changed in a number of ways for program participants.

In the case of active claimant participants, the following changes in the characteristics of employment were noted after program participation:

- The probability of working at least one hour in a period increased for active claimant participants overall, and across all subgroups analysed;
- For active claimant participants, little change occurred in the number of hours worked per week on average;
- While employment spell lengths (measured in months in a period) increased in the post-participation period for active claimant participants in EBs other than SDEB (TWS, SE and JCP combined), most other participant/program characteristics combinations showed a decrease;
- Active claimant participants appeared to work in more jobs during their participation period and in the one-year period after participation, compared to the comparison group, although this differential impact appeared to dissipate in subsequent periods;
- Average hourly wages were higher for active claimant participants when the principal EBSM was EAS or SDEB. Wages were lower for those who are female or for those who took a principal EB other than SDEB.

In the case of former claimant participants, the following changes in the characteristics of employment were noted after program participation:

- The probability of working at least one hour in a period decreased for former claimant participants. Participation also reduced the probability of working for most subgroups of former claimants. However, former claimants taking an EB other than SDEB (TWS, SE and JCP combined) experienced an increased probability of working;
- Former claimant participants appeared to work fewer hours per week on average after participation;
- While employment spell lengths (measured in months in a period) increased in the post-participation period for former claimant participants in EBs other than SDEB (TWS, SE and JCP combined), most other participant/program characteristics combinations showed a decrease;
- Former claimant participants appeared to work in more jobs during their participation period and after participation, compared to the comparison group;
- All former claimant groups, except SDEB, experienced a reduction in average hourly wages after program participation.

In the case of active and former claimants combined, the following changes in the characteristics of employment were also noted after program participation:

- Comparing the longest jobs held after participation to before participation, participants were slightly more likely to work in management or in occupations in business, finance and administration (2% increase for each) and less likely to work in occupations in sales and service or in primary industries (3% reduction for each);
- Few participants worked in the same job after participation, compared to before participation. Comparing their longest job in each period, 4% worked for the same employer and 2% in the same job for the same employer. The corresponding percentages for comparison group members were 5% and 3% respectively;
- Job satisfaction in the longest jobs held after participation, compared to before participation, increased more for participants than comparison group members. In the case of post-participation jobs, participants who were active claimants were more satisfied and former claimants were less satisfied than were members of their respective comparison groups.

3.6 Employment Earnings Generally Increased for Active Claimants, but Decreased for Most Former Claimants

Another key indicator of program effectiveness is change in total earnings (from employment and self employment, before taxes and deductions). Tables 8 and 8.1 (in Appendix C) present estimates of earnings in a similar format to the employment impacts tables.

Table 8				
Estimated Earnings Effect Per Year				
Total Post-program Period (1-24 months)				
	ACTIVE CLAIMANTS		FORMER CLAIMANTS	
All	\$1,181	7%	-\$1,442	-10%
Males	-\$1,717	-8%	-\$2,310	-12%
Females	\$1,930	12%	-\$927	-8%
EAS Only	\$37	0%	-\$2,002	-13%
SDEB	\$3,313	20%	-\$3,868	-27%
TWS	\$2,699	15%	\$3,194	19%
SE	-\$466	-2%	-\$2,617	-18%
JCP	\$2,327	14%	-\$2,103	-11%

Note: The table contains weighted averages of estimated effects across three separate post-program periods. Statistically significant and insignificant estimates are included in this calculation. For full details on the estimated effects refer to Table 8.1 in Appendix C.

After program participation, earnings increased for active claimants as a group, with these increases occurring largely among females and those who took SDEB as their principal EBSM.

Averaging across estimates (as discussed earlier) suggests that earnings increased in the post-participation period by about \$1,180 per year for active claimants. This corresponds to an increase of 7% above what would have happened in the absence of program participation.

Female active claimants were estimated to experience an increase in earnings of about \$1,930 on average annually after participation. By comparison, male active claimants were estimated to experience a reduction in earnings of about \$1,720 on average annually after participation. The details presented in Table 8.1 suggest that the reduction in earnings for males is statistically significant shortly after program completion, while the increases in earnings for females are statistically significant in later periods, which is similar to the employment patterns previously discussed.

Looking at the principal EBSM, the earnings results for active claimants are most positive for those who took SDEB (about \$3,310 annually). Table 8.1 indicates that the estimates are statistically significant in later periods for SDEB but not statistically significant for TWS or JCP. Active claimants with SE as their principal EBSM experienced an average annual reduction in earnings of \$470, although this result was not statistically significant. No significant change occurred for active claimants taking EAS only.

Earnings gains occurred (not shown in the tables) in the post-participation period for active claimants who did not have a certificate or diploma or who had APEs of longer duration (17 weeks or more).

In the case of former claimants, those who took TWS as their principal EBSM experienced increases in earnings in the first year after program participation. All other groups experienced a reduction in earnings.

On average, former claimants had \$1,440 less earnings after participation. This corresponds to a reduction of about 10%, compared to the estimate of what would have happened in the absence of participation.

In the case of former claimants who were male, the estimated reduction in earnings was an average of \$2,310 per year. In the case of former claimants who were female, the estimated reduction in earnings was \$930 per year.

Looking at the principal EBSM, those taking TWS experience annual earnings increases of about \$3,190 after participation, which corresponds with the employment gains noted earlier for this client group. This increase is statistically significant in the first year after participation. For former claimants taking all other principal EBSMs, participation resulted in average annual earnings reductions of more than \$2,000.

3.7 Receipt of Employment Insurance and Provincial Income Assistance Often Increased After Participation

This section examines the impacts of program participation on income benefits received from EI and provincial income assistance. This section also examines changes in dependence on these benefits.

Tables 9 and 9.1 (in Appendix C) present the estimated impacts on annualised income from EI. Income from both EI Part I and EI Part II was included in the estimates. When interpreting these tables, it is important to note that reductions (a negative impact) in the amount of annualised income from EI indicate an improvement from a program perspective.

The amount of EI paid to participants during participation may be lower or higher than the amount received by comparison group members, due to a number of considerations:

- **Client status while participating:** For example, former claimants are not entitled to EI Part I. Most former claimant groups experience a reduction in EI received during participation,⁴⁶ although those who are females or who take EAS only experience no change;

⁴⁶ Former claimants are by definition not eligible for EI part I benefits when they participate. However, comparison group members remain in the labour force and may become eligible and receive EI during the participation period.

- **Nature of program:** For example, TWS includes a wage paid by the employer indirectly through EI Part II, but this is not measured as EI income in this analysis. Active claimants do not receive EI Part I when on a TWS;
- **Need:** EI Part II is available to participants based on need to cover such expenses as travel, childcare expenses, or income support after EI Part I ends.

Table 9				
Estimated EI Effect Per Year				
Total Post-program Period (1-24 months)				
	ACTIVE CLAIMANTS		FORMER CLAIMANTS	
All	\$931	62%	\$625	52%
Males	\$1,399	70%	\$1,086	108%
Females	\$226	18%	\$122	8%
EAS Only	\$1,411	114%	\$1,176	109%
SDEB	\$440	23%	-\$33	-3%
TWS	\$249	18%	\$40	3%
SE	-\$6	0%	-\$640	-58%
JCP	\$6	0%	\$24	2%

Note: The table contains weighted averages of estimated effects across three separate post-program periods. Statistically significant and insignificant estimates are included in this calculation. For full details on the estimated effects refer to Table 9 in Appendix C.

The amount of EI received by active claimants generally increased after program participation.

On average, post-participation EI received by active claimants increased by \$930 annually. This corresponds to an increase of about 62%, compared to what would have happened in the absence of participation. Although this result may seem to contradict the results for employment and earnings discussed in Section 3.5 and 3.6, it may be explained by parallel changes in EI entitlement. The amount of EI benefits that an individual may receive if laid off is directly related to their employment hours and earnings before the layoff.

Among active claimants, males increased their post-participation annual EI amounts by more than females, with an increase of \$1,400 for males compared to \$230 for females. Table 9.1 indicates that the pattern of increased EI use is similar across gender groups, with statistically significant levels in the first and last post-participation periods.

Looking at the principal EBSM, annual EI benefits increased on average by \$1,410 in the case of EAS only, \$440 for SDEB, and \$250 for TWS. There was no change in the amount of EI benefits received for active claimants who took SE or JCP, although it should be noted that self-employment and the supported activities under JCP do not add to EI entitlement.

Analysis (not shown in the tables) by age group, education level, APE duration and geographic area of British Columbia shows increased amounts of EI after participation for almost all subgroups of for active claimants. Those with longer APE duration and

from Vancouver and Victoria had mixed results in terms of the subsequent EI use in the post-participation periods.

The amount of EI received by former claimants generally increased after program participation. In the case of those taking SE as their principal EBSM, however, there was some reduction in the amount of EI received in post-participation periods.

For former claimants, the amount of EI received in the post-participation period increased by an average of \$630 annually. This is about 50% above what would have happened in the absence of participation.

Males received higher annual EI benefits after participation, at an average of \$1,090 compared to \$120 for females. As indicated in Table 9, these increases are statistically significant in the later part of the post-participation period for both genders.

Former claimants who took SE as their principal EBSM are estimated to have had a reduction in EI benefits of \$640 per year, although it should be noted that self-employment does not result in EI eligibility. Those who took EAS only increased their EI benefits in the post-participation period by an average of \$1,180 annually. Former claimants taking TWS, JCP and SDEB experienced changes in their EI benefits of less than \$40 per year, relative to what they would have happened in the absence of participation. Table 9.1 indicates that most statistically significant results by principal EBSM (either positive or negative) occur in later post-program periods. The exception is SDEB, where the significant impact occurs in the first period after participation.

Analysis (not shown in the tables) by age group, education level, APE duration and geographic area of BC for former claimants shows increased amounts of EI after participation for most subgroups.

Table 10				
Estimated IA Effect Per Year				
Total Post-program Period (1-24 months)				
	ACTIVE CLAIMANTS		FORMER CLAIMANTS	
All	33	20%	63	10%
Males	38	18%	-50	-13%
Females	31	27%	270	37%
EAS Only	90	66%	249	53%
SDEB	-176	-56%	19	3%
TWS	100	140%	-521	-63%
SE	180	662%	-110	-13%
JCP	97	89%	-599	-75%

Note: The table contains weighted averages of estimated effects across three separate post-program periods. Statistically significant and insignificant estimates are included in this calculation. For full details on the estimated effects refer to Table 10.1 in Appendix C.

After program participation, less provincial income assistance was paid to active claimants with SDEB as their principal EBSM. All other active claimant groups reported increases or no change in provincial income assistance received.

Tables 10 and 10.1 (in Appendix C) provide information on the impact of program participation on provincial income assistance across participant/program characteristic combinations.

For active claimants overall, the impact on provincial income assistance was small and not statistically significant. Similar impacts were reported for both male and female active claimant groups.

Looking at principal EBSMs, active claimants taking SDEB were the only group estimated to have a reduction in income assistance (about \$180 annually). As shown in Table 10.1, the reductions in income assistance for SDEB were statistically significant in all but the last post-participation period. For active claimants taking other principal EBSMs, increases ranged from about \$100 to \$180 annually in provincial income assistance benefits.

After program participation, less provincial income assistance was paid to former claimants who took TWS or JCP as their principal EBSM. For the remaining former claimant groups the results were either inconclusive or indicated increases in provincial income assistance received.

For former claimants overall, the impact on average annual provincial income assistance benefits was small and not statistically significant.

Among former claimants, females were estimated to have an increase in provincial income assistance of \$270 annually on average, while males were estimated to have a modest reduction in provincial income assistance benefits after participation. Table 10.1 shows that the results were mixed across the post-participation time periods, with positive and negative statistically significant effects for both males and females.

By principal EBSM, there was a reduction in the annual amount of provincial income assistance for those taking JCP (reduced by about \$600) and TWS (reduced by about \$520). The reduction was statistically significant in all post-participation periods for those taking TWS and JCP.

There was an increase in the amount of provincial income assistance received in the case of former claimants taking EAS only (increased by about \$250). Table 10.1 indicates that the estimated effects of EAS were statistically significant across all periods, although the sign is significant but negative in the last post-participation period.

There was no notable change in the average annual amount of provincial income assistance received after participation for those taking SDEB as their principal EBSM. Table 10.1 indicates that the estimated effects for SDEB are only statistically significant in the final post-participation period, when the impact is estimated to be negative (indicating a decrease in the amount of provincial income assistance received). This result may indicate that provincial income assistance reductions are possible for former claimants taking SDEB as their principal EBSM, but in a time frame beyond the period examined by the summative evaluation.

After program participation, amounts of EI and provincial income assistance and dependence on these benefits changed in a number of ways for participants.

Other analyses related to the impacts of program participation on EI and provincial income assistance indicated the following:

- Participants were more likely to receive EI (any positive amount) in almost every client/program combination and time period;
- There were small increases in the probability of receiving provincial income assistance (any positive amount) for most client/program combinations;
- Most of the evidence indicates that participation led to more months on EI or provincial income assistance. Only in the case of active claimants who are females is there more doubt about an increase in the months receiving benefits in the post-participation period;
- Dependency on EI/provincial income assistance, measured as the proportion of total income from EI plus provincial income assistance, was higher for participants than for comparison individuals across most of the subgroups and time periods examined by the evaluation. A few subgroups showed reduced dependence in the 19 to 24 month post-participation period. This may indicate improvements in the longer term, although the weight of evidence indicated dependence increasing in the two years after participation.

3.8 Streaming to “Higher Demand” Jobs is More Likely for Active Claimants

The results presented in Section 3.5 to 3.7 indicate that program participation tends to have more positive impacts for active claimant participants than for former claimant participants. A possible explanation is that active claimants are finding jobs that are more in demand. Therefore, this section examines whether participants are moving into “higher demand” jobs.

To examine the types of jobs taken by program participants in the post-participation period, occupations were divided into three groups:

- Occupations with an unemployment rate within 2.9% of the average occupational unemployment rate were considered to be in-balance;
- Occupations with an occupational unemployment rate 3% or more above the average occupational unemployment rate were judged to be in surplus; and
- Occupations with an occupational unemployment rate 3% or more below the average occupational unemployment rate were judged to be in shortage.

Several estimation techniques⁴⁷ were used to examine the effect of participation on the probability that the longest post-participation job of participants was in an occupation that was in shortage, in surplus or in balance (for various participant and program characteristics). Once again, the effects of program participation were examined by

⁴⁷ Matching and OLS estimators were used. Difference-in-difference could not be employed as there was only one period in the analysis.

comparing participants to the comparison group. Reductions in the probability of jobs in the surplus occupations and increases in the probability of jobs in the shortage occupations would reflect an improvement due to program participation.

In the case of active claimants, the analysis found improvements occurring for active claimant participants as a group and particularly for those who are males, those who took EAS, and those who took EBs other than SDEB as their principal EBSM (TWS, SE and JCP combined).

In the case of participants who were former claimants, however, the analysis found that the results were negative for almost all former claimant subgroups. The one exception was those who took an EB other than SDEB as their principal EBSM, where no significant change was found.

These results are consistent with findings on the employment impacts of participation (discussed in Section 3.5). Also, these results may indicate that the program is better at streaming active claimants than former claimants to “higher demand” occupations.

These findings also provide some further insights into the issue of displacement. As discussed in Section 3.2, a potential concern of labour market programs is that supported participants may displace non-supported individuals from potential jobs. In general, the extent of this effect will be smaller if the numbers of participants are small relative to the size of the labour market and if wage rates are relatively flexible. Concern about displacement is heightened, however, as more program participants find employment in surplus, rather than in shortage occupations in the post-participation period. Therefore, the findings presented in this section indicate that, to the extent that displacement is a problem, it is less significant in the case of active claimants and more significant in the case of former claimants.

3.9 Participation Increases Skills Initially and Leads to Later Skills Acquisition with No Added Dependency on EBSMs for Support

This section looks at changes in the skill level of jobs and changes in behaviour and attitudes related to skills enhancement. It also looks at the potential dependence on EBSMs for skill enhancement.

To help examine the skill level of jobs, the longest jobs held in the pre- and post-participation periods were coded using the National Occupational Classification (NOC). The NOC system groups most⁴⁸ occupations into four skill levels based on increasing education and training requirements. The four NOC skill levels were converted to a numbered scale from lowest (1) to highest (4) skill. This scale provided a way of

⁴⁸ The notable exception is management occupations. The NOC system includes an additional category representing management occupations, but with no requirements listed. This means that the skill requirements of management occupations could not be compared to other categories and, therefore, management occupations were dropped from the analysis conducted by the evaluation. Accordingly, the analysis involving SEA participants excludes those whose longest post-participation job was self-employment.

assessing average skill levels in the pre- and post-participation periods and changes in average skill levels for individuals who had a job in each period.

The analysis indicated the following:

- For participants, average skill levels of jobs in the post-participation period were slightly higher than in the case of jobs in the pre-participation period. This result was also observed in the case of male participants and in the case of female participants. For comparison group members, average skill levels of jobs declined over a similar period;
- Comparing only individuals who had a job before and after the program period, the average increase⁴⁹ in skills levels was slightly higher for participants than for comparison individuals. Skill levels increased more for female participants than for female comparison individuals. Male participants and male comparison individuals showed similar increases in skill levels;
- Looking at the experience of participants by principal EBSM, participants with SDEB and TWS showed the largest gains in the average skill level of jobs. EAS only participants showed no change in the average skill levels of jobs, while participants with SE and JCP as their principal EBSMs showed declines in skill levels between the two periods. (Note that management occupations are excluded from the analysis, because they could not be compared to other occupations under the NOC system). As a result, the analysis involving SE participants excludes those whose longest post-participation job was self-employment).

Estimation techniques explored whether participation resulted in individuals being more likely to undertake activities (training, schooling, and volunteering) in the post-participation period that potentially lead to an increase in skills. The results that are statistically significant are noted below. The evidence suggests that participants have been more likely to engage in further activities to enhance their skills than the comparison group:

- Individuals were more likely to take training after their EBSM participation if they were active claimants, particularly if they were male active claimants, or if they took EAS or an EB other than SDEB (TWS, SE and JCP combined).
- Individuals were more likely to have gone back to school in the post-participation period if they were:
 - Active claimants, particularly active claimants who are male or who took EAS or SDEB as their principal EBSM; or
 - Former claimants, particularly former claimants who are female or who took EAS.
- Volunteering was more likely in the post-participation period for all active claimants and for active claimants who were female or who took SDEB. Former

⁴⁹ Skills levels could increase by a maximum of 3 or decrease by a maximum of 3 levels between pre- and post-jobs. No change in skill levels of jobs in the two periods would enter the analysis as a 0. Overall, 82% of participants did not change the skill level of jobs they held in the two periods.

claimants who were male or who took EAS were more likely to have volunteered in the period after participation.

However, the evidence suggests that participants are no more likely to require government support (such as further EBSMs) for training or going back to school in the post-participation period.

- At the time of the survey, 50% of participants had taken a training course or gone back to school in the post-participation period. Twenty-one percent received support through a government program for their course or education, and 7% received partial support.
- At the time of the survey, 35% of comparison individuals said they had either taken a training course or gone back to school in what corresponded to the post-participation period, and 21% and 4% had full and partial support from a government program, respectively.

The evidence also suggests that participants are more inclined to engage in skill enhancement in the future but again no more likely to require government support for training or going back to school. Thus there is no evidence of increased dependence on EBSM support.

- There was stronger agreement by participants compared to comparison group members that they were more interested now (compared to when they started participation or a comparable date for the comparison group) in improving their job skills through further training. (Differences were statistically significant at 5.6 versus 5.2 respectively on a 7-point scale).
- Eighty-nine percent of all participants felt they could benefit from further education to increase their skills, compared to 76% of comparison group members.
- Sixty-three percent of participants felt they needed help through a program and 4% felt they needed partial support through a program to enhance their skills. Similarly, 63% of comparison individuals felt they would need full support and 8% felt they would need partial support through a program.

3.10 Individual EBSMs Produce Their Intended Impacts

This section explores a number of issues specific to individual EBSMs. To increase coverage in the analysis, data are reported for all participants who confirmed participation in the EBSM and not just for those who took the EBSM as their principal EBSM. Analyses are presented from both perspectives, however, when differences occur between the two groups.

3.10.1 SDEB Leads to a Diploma/Certificate for Most

Sixty-nine percent of all SDEB participants (78% when SDEB was their principal EBSM) report receiving a diploma/certificate as part of their classroom training. Of all

SDEB participants, active claimants were more likely (81%) to get a diploma/certificate than former claimants (52%) or mutual clients (55%).

The data suggest that considerable flexibility exists in SDEB to meet the specific needs of individual participants. For example, the type of diploma/certificate received by those who obtained one was:

- Trade certificate — 27%
- Business/administration certificate — 27%
- Computer certificate — 23%
- First aid/safety/food safety — 11%
- Program completion certificate — 8%

Former claimants were more likely than active claimants to get a trade certificate (41% versus 21%) and less likely to receive a certificate in business or administration (16% versus 32%).

3.10.2 TWS Provides Continued Employment with the TWS Employer for Many

TWS provides a partial wage subsidy to a firm to employ a worker they would not otherwise hire. The intended outcome is that the participant will continue to be employed with the TWS employer or another employer after the subsidy is no longer provided.

Fifty-three percent of all TWS participants said the firm employed them after the subsidy ended (62% when TWS was their principal EBSM). At the time of the survey, 20% of all TWS participants were still working for their TWS employer (31% when TWS was their principal EBSM). Note that the time of the survey could be as little as 18 months or as much as 30 months after program participation had ended.

The main reasons (others are infrequent) given by TWS participants for not continuing with the TWS employer were:

- Laid off when TWS ended — 34%
- Went to work for some other firm — 17%
- Employer bankrupt/ceased operating — 13%
- Went back to school — 2%

These reasons suggest that up to one-third of those who did not continue on with the TWS employer after the subsidy stopped may need a subsidy to maintain the job.

3.10.3 SE Leads to New and Improved Businesses and Employment for the Entrepreneur and New Hires

Sixty-nine percent of all participants under SE (60% of those with SE as their principal EBSM) were operating their business at the time of the survey (18 to 30 months after participation ended). A further 13% had started their business but were no longer running it at the time of the survey. Only 18% of those taking SE never started a business.

The evidence indicates that SE leads to new and improved self-employment businesses.

- Of the 82% who operated a business, over three-quarters (77%) started their business after they began participation in SE, and almost all (95%) of them suggested that it was started because of their SE participation.
- For the 23% whose business pre-dated participation under SE, almost half (49%) reported they had made changes to their business through their SE participation.
- Seventy-one percent of all SE participants began or made changes to their self-employment business as a result of their participation (60% of those with SE as their principal EBSM).

Of those who began or made changes as a result of SE, 70% employed at least one additional worker (45% when SE was the principal EBSM). The average number of workers was 1.5 across all firms positively affected by SE (including those who had not hired). This information suggests that the 2,074 SE interventions in the case of participants with APEs ending in 2000/01 resulted in jobs for 1,450 entrepreneurs and 1,020 other workers. Not all jobs were permanent, however.

Principal reasons cited (more than one could be given) by participants for not running or starting a business were:

- | | | |
|--|---|-----|
| • Lack of financing | — | 34% |
| • Went to work for other firm | — | 31% |
| • Business not feasible/rejected | — | 12% |
| • Business failed | — | 10% |
| • Still in planning stage/awaiting financing | — | 13% |

When participants were asked to assess the helpfulness of SE in learning how to run their own business using a 7-point scale (with “7” being very helpful), they rated the program as 5.3.

The number of participants who claim to have taken SE as the longest EBSM in their APE is more than double the number from administrative sources. It is interesting to note that results are slightly less positive for those who, according to administrative data, take SE as their principal EBSM. This may suggest that there is some combination of SE and other EBSMs that works better for achieving SE outcomes. Another

possibility is that participants who think they took SE actually took a SDEB course in self-employment or business management or enrolled in an EAS workshop on self-employment designed to determine their suitability for self-employment. If true, these EAS or SDEB courses are more effective at achieving self-employment outcomes than the SE.

3.10.4 JCP Perceptions of Program Usefulness

JCP participants were asked to identify their degree of agreement with the statement: JCP would help them get long term employment. Using a 7 point scale, with “7” indicating strongly agree, participants assessed their agreement at 5.0.

It is interesting to note that participants assessed their agreement at 3.9 if JCP was their principal EBSM (according to administrative sources). This means that the average score by participants with JCP as principal EBSM is virtually neutral (they neither agree nor disagree with the statement that JCP would help them get long-term employment).

The difference in the rating between all participants and those with JCP as their principal EBSM may indicate that there is some combination of JCP and other EBSMs that works better for achieving long-term employment outcomes.

3.11 EBSMs, Especially SDEB, Help to Get the Longest Post-Participation Job for Many

This section focuses on the 93% of participants who were employed at some point after their participation ended. It uses the responses to survey questions to assess the role played by participation in getting their longest job in the post-participation period.

The analysis indicates that SDEB helped participants get their longest job in the post-participation period.

- In the case of participants who took SDEB as their principal EBSM, 47% indicated that a diploma or certificate was required to get their longest job in the post-participation period. The SDEB provided the needed diploma/certificate for 65% of this group. This means that the program provided a needed diploma or certificate for 31% of this client group.
- Looking at all participants, 44% indicated that a diploma or certificate was required to get their longest job in the post-participation period. The SDEB provided it for 27% of this group. This means that the program provided a needed diploma or certificate for 12% of these participants.
- In the case of comparison group members, 43% indicated that a diploma or certificate was required to get their longest job in the time-frame corresponding to the post-participation period. The comparison group individual paid for the needed diploma or certificate in 72%

of the cases. This means that non-participants paid for a needed diploma or certificate in 30% of the cases.

There is also evidence that SDEB has supplied the needed set of skills to get a job for many clients.

- To get their longest job in the post-participation period, 78% of all participants and 72% of comparison group members said a particular set of skills was required.
- Of those indicating that a particular set of skills was needed, 27% of all participants (73% of those with SDEB as their principal EBSM) said the program had provided the needed set of skills.
- Comparison group members said they had paid for the education or training needed to acquire a needed set of skills in 56% of cases.

Looking at data for particular required skills, or other skills used on the job, suggests that skills supplied by the program had been used by 30% of all participants and 72% of SDEB participants who were employed in the post-program period. For comparison group members the comparable figure was 45%. This evidence is slightly less robust than that presented earlier, based on specific requirements of a job, but does reflect the use of skills provided by the program.

All participants with a job in the post-participation period were asked what help had been provided by EBSMs toward getting this job. The main results categories indicated:

- | | | |
|---|---|-------------------|
| • None | — | 42% ⁵⁰ |
| • Taught me how to look for, find a job | — | 20% |
| • Taught me self-employment skills | — | 8% |
| • Provided job-specific skills | — | 6% |
| • Contacts/referrals/references | — | 6% |
| • Gave me confidence/motivation | — | 5% |
| • Provided general skills | — | 5% |

About 60% of participants identified an impact of the program in getting their longest job in the post-participation period. About 40% identified no such impact.

A supplementary question asked participants their view of the role played by their participation in getting this job. It found similar results.

⁵⁰ These responses are interpreted as the EBSMs provided no assistance toward them getting their longest post-participation job.

Forty-one percent saw the program as important in getting the longest post-participation job (rated as 6 or 7 on a 7-point scale, where “7” is very important) and 35% saw it as unimportant (rated as 1 or 2 on the 7-point scale).

- Those more likely to view participation as important were those who completed their action plan (62%), completed some college or university education (62%), or were participants under SDEB (59%).
- Those more likely to view participation as unimportant were those under 30 years of age (66%), without an action plan (47%), a member of a visible minority (47%), and reporting no employability needs (42%).

3.12 Attainment of Employment Goals

Participation appears to result in individuals setting employment goals.

- Seventy-nine percent of participants set employment goals for themselves before or during their participation. Goal setting was similar across types of clients and higher for those taking SDEB (90%) and SE (85%). Those with an action plan were more likely to have set employment goals (90%, compared to 72% for those without a plan).
- In contrast, only 44% of comparison group members said they had set employment goals for themselves in a comparable period.

Comparing the experience of participants and comparison group individuals related to their employment goals indicated the following:

- Of those who set goals, participants and comparison group members were about as likely to say they had met some or all of their goals (85% versus 83% respectively);
- Participants were less likely than comparison group members to identify achieving all goals (18% versus 29% respectively).

Those who achieved all or some of their employment goals identified what had, in their view, contributed to their achievement. Multiple responses were possible. 31% of participants identified the program as contributing to the achievement of their goals. Comparison group members were more likely to attribute the attainment of their goals to their own hard work (at 52%, compared to 35% for participants).

Those identifying a contribution from the program were asked to identify what they had gained from the experience that had been most helpful in their achievement of employment goals. Multiple responses were possible. Participants identified the following as helpful:

- | | | |
|------------------------------------|---|-----|
| • Confidence | — | 22% |
| • Job search skills/resume writing | — | 20% |
| • Education | — | 15% |

- Specific skills — 13%
- Diploma/certificate — 12%
- Computer skills — 10%

Those taking SDEB as their principal EBSM were more likely to mention items such as education (29%), diploma/certificate (21%) and computer skills (20%). Those taking EAS as their principal EBSM were more likely to mention confidence (37%) and job search/resume writing skills (37%).

Those who had achieved only some or none of their employment goals identified what was still needed to achieve their goals. Multiple responses were possible. The following needs were identified most frequently:

- Education — 30%
 - Diploma/ certificate — 5%
 - Specific skills — 9%
 - Computer skills — 3%
- Work experience — 9%
- More money/financial support — 10%
- Improved labour market — 9%
 - Full time work — 7%
- Confidence/job search/ resume writing — 7%

The needs identified above may have program implications. Needs expressed for more education/skills may have implications for SDEB. The low incidence of need for computer skills (future) compared to what SDEB participants say they got through the program (past) may reflect changes in the perceived demand for these skills in the two time periods. The need for work experience may have implications for TWS and JCP. The need for softer skills (confidence/job search/resume writing skills) might be relevant to EAS.

Those who had not yet achieved all their employment goals assessed their likelihood in achieving these goals on a 7-point scale, where “7” was very likely. Participants with unmet goals identified their likelihood to achieve them at 5.3. Active claimants were more confident at 5.5, compared to former claimants (5.1) or mutual clients (4.9). (Differences between active claimants and others are statistically significant).

To achieve the rest of their goals, participants suggested one or more things they might do. Their main suggestions were:

- Go back to school — 29%

- More skills upgrading	—	5%
• Try harder	—	28%
• Do it on my own (various)	—	18%
• Find a job/keep looking for work	—	11%
• Take employment-related program	—	10%

Combining the first two categories indicates that acquiring more education and/or skills is most frequently mentioned. Participating in an employment-related program is mentioned by about 10%.

3.13 Participants are Somewhat Satisfied with Their Programs and have Attitudes Similar to the Comparison Group

This section explores participants' views related to their program experience and its impacts. Although not as rigorous as the estimation techniques and analyses provided earlier, results based on these responses are supportive of earlier findings, particularly related to employment impacts and skill enhancement. At the same time, the attitudinal responses provide support for other impacts (satisfaction with program, importance of financial support, employment prospects and mobility) that go beyond those addressed by the estimation techniques.

Participants report they are somewhat satisfied with their participation, using a 7-point scale to measure satisfaction (where "7" is very satisfied). The following differences were statistically significant:

- The average rating of satisfaction was 4.9, with active claimants being more satisfied (5.3) compared to former claimants (4.5);
- By principal EBSM of the respondent, average ratings ranged from 4.8 for EAS to 5.4 for SDEB.

Participants who had taken EAS were also asked to rate it in terms of usefulness, convenience and timeliness using the same scale. On balance, participants rated EAS somewhat positive (4.9 to 5.3) on these three characteristics. The ratings provided by active claimants were consistently and significantly higher (5.3 to 5.7) than those provided by former claimants (4.4 to 4.7). Mutual clients' ratings were similar (5.3 to 5.7) to those of active claimants.

Those who took SDEB rated the financial support received as being very important to their ability to attend classroom training. Again a 7-point scale was used, where "7" is very important. Ratings were high overall, ranging from 6.5 for active to 6.8 for mutual clients.

Most participants felt they could benefit from a training course or further education to increase their skills. Overall, 89% of participants thought they would benefit. Comparison group members were less likely to perceive a benefit at 76%.

Participants and comparison individuals identified their level of agreement with a series of statements about changes in their lives since they started their participation (or a comparable date for comparison individuals). Using a 7-point scale (where “7” was strongly agree), the responses indicated the following (differences identified between client groups are statistically significant):

- Participants felt they brought higher job skills to the workforce now, with an average score of 5.0. By client type, average scores were slightly lower for mutual clients at 4.5. The highest rating was by those who had taken SDEB as their principal EBSM (5.6). Comparison group members were slightly more positive overall, with an average of 5.2.
- Participants were more positive about their employment prospects now, with an average score of 5.0. Little variation existed across client type. Those taking SDEB were more positive (5.5). Comparison group members’ ratings were lower at 4.7.
- Participants were more willing to move to another community to find work, compared to comparison group individuals (3.5 versus 3.1 respectively). Participants who are former claimants (3.3) were less likely and those taking EAS only (3.7) were more likely to relocate.

4. Community, Employer and Labour Market Impacts

4.1 Introduction

This chapter discusses program impacts from the perspective of communities, employers and the labour market. The information used in this chapter was drawn mainly from the following qualitative sources:

- Two focus groups were conducted with a total of twenty employers, half with experience in federal or provincial labour market programs and half with no such experience. One-third of the employers with labour-market experience had experience with EBSMs. Two focus groups were also conducted with contribution agreement holders. Each focus group session was designed to cover a narrow set of topics with representatives from a single community.
- Four review panels were conducted involving separate panels for HRDC staff, MHR staff, contribution agreement holders, and employers with EBSM experience. In each case, review panels were conducted by telephone with representatives providing a broad geographic coverage. The panels considered findings from the community-based research and compared and contrasted results to their communities.
- Additional information came from interviews with 43 key informants who were staff and contribution agreement holders. No community groups involved in the LMDA process were identified for research purposes. As a result, the evaluation was not able to comment specifically about impacts from the perspective of such community groups.
- An expert panel of six labour market experts provided comment on key areas of the evaluation, particularly areas that were less well addressed through other methods (such as community impacts).

It should be noted that the findings presented in this chapter are less robust than the findings presented in other chapters, in part because the impacts considered in this chapter were not the central focus for the evaluation.

4.2 The Scale and Role of LMDA/EBSMs are Small Relative to the Labour Market and Unemployed Labour Force

LMDA/EBSM participants are a relatively small segment of the labour force and the unemployed in British Columbia. On May 15, 2001 (the reference date for the 2001 Census) there were 16,063 APEs active in British Columbia. They correspond to less than 1% of the labour force and only 9% of the unemployed in the province according to the

Census. However, the cumulative effect of offering these programs over many years has the potential to affect a larger proportion of the British Columbia labour force.

Employers were skeptical that EBSMs could have much impact on the overall labour market and on developing capacity. In their view, these elements of the economy are driven by larger things and EBSMs operate on a small scale. Employers felt that, although EBSMs may have significant impact on individuals and their families, their impact at the community level is at the margin and is likely to be small.

The available evidence suggests that the LMDA/EBSMs operate on the supply side of the labour market almost exclusively, with limited involvement by those representing the demand side.

- Over the past 20 years, HRDC has made a conscious decision not to provide services to employers as directly as they did in the past. At the regional level, industry-wide consultation does take place on specific issues such as softwood lumber and health care. The extent to which employers are currently involved in the LMDA process at the local level to bring a labour demand perspective to planning, review and evaluation activities varies among HRCCs. Most HRCC staff have no direct contact with employers and rely on second-hand information provided to them through contribution agreement holders. In a few locations, there are some infrequent contacts. Regular contacts occur in fewer locations.
- None of the employers contacted through the qualitative research had been involved in any community consultation related to LMDA/EBSMs. Employers also noted that they know nothing about the LMDA process and are not invited to participate. Almost two-thirds expressed no interest in becoming involved.
- Staff note that there are no incentives for employers to get involved.
- The research found that many employers are not aware of EBSMs, including those that may offer them direct involvement and (potential) benefit such as TWS, JCP, and LMP. Prior experience with the LMDA was not a criterion used to select employers for the focus groups. Only one potential participant declined through a lack of knowledge. This occurrence and the focus group members' histories suggest that one-in-three employers have EBSM experience.
- Concern was raised that government does not make any effort to inform employers and that information is hard to come by—until initial contact had been made, often by employers themselves.

As a result, employers view the LMDA/EBSMs as being ineffective in dealing with employment issues that they face. For example, according to employers in the two focus groups, the feeling is that these programs cannot be particularly effective if the majority of employers and employer associations do not know about them—if only because those who could use them are not doing so. (This view does not consider the possibility of an indirect impact to employers through improved worker skills or better LMI).

Employers also identified a number of problems as not being addressed by the LMDA. These problems include the following:

- Turnover is high particularly among younger workers and those in unskilled trades such as the service (hotel/restaurant) sector and in manual labour jobs;
- Job loyalty is said not to exist and employers do not know how to build it. Some of them feel that programs such as EI and EBSMs, in fact, counter job loyalty by providing a social safety net. Some also believe that today there is no longer the stigma that used to be attached to being unemployed or laid off work;
- Many clients who go through EBSMs and similar programs are considered to require entry level work, and in many instances there is a severe lack of such positions;
- For some employers, particularly those whose staff deal directly with the public, lack of English is a major barrier. Training for English as a second language appears to be less available through EBSMs at the time of the summative evaluation than at the time of the formative evaluation;
- Having a certificate does not mean the person is able to work in the area. Although employers can compensate for the lack of (some) job-related skills through on-the-job training, employers identified the lack of “soft” or “life” skills as a more important problem. Examples of a lack of “soft” or “life” skills include poor attitude, failing to show up or arriving late for work, poor personal hygiene and inappropriate appearance/dress, inability to multi-task and thus be efficient, not being a team player, and poor communication. Often the lack of “soft skills” is not apparent until after a person starts working. These are skills that employers need but cannot teach, and some employers questioned the extent to which such skills can be taught;
- Many employers who provide on-the-job training find that employees who become more marketable through the training often move to other jobs where the pay is higher or benefits are better. This is particularly difficult for small businesses.

4.2.1 There is a Net Increase in Job Skills

As discussed in Section 3.9, the NOC system identifies skill levels (in terms of the educational or training requirements normally required by the occupation) for all occupations other than management. For participants who had a non-management job in both the 12-month period before participation and after participation, the analysis presented in Section 3.9 assessed skill level changes between their longest pre- and post-participation job. The analysis found that skill levels increased for 10% and decreased for 8% of the participants. For the comparison group, skill levels showed less variability (3% increased and 3% decreased) but not the net gain in skill levels displayed for participants. The most variability and net gain in skill levels occurred in the case of those taking SDEB (15% increased and 11% decreased) or TWS (12% increased and 8% decreased) and in the case of active claimants (12% increased and 9% decreased).

4.3 There is Mixed but Limited Evidence of an Impact on Community Capacity

JCP is intended to develop the community and local economy while it provides work experience leading to long-term employment. Two-thirds of those who participated under JCP supported⁵¹ the statement: “The project helped improve the community or local economy”.

Employers in the focus groups raised two concerns, however, that may suggest that community capacity is not being increased.

- The first is the possibility of a negative impact of wage subsidies when employers take on subsidised staff and cut back the hours of existing, but higher paid, staff.
- The second involves the perceived high proportion of repeat LMDA clients, suggesting that capacity is not being developed.

The analysis was not able to assess the extent to which these concerns could be generalised. The first could not be substantiated through other evaluation methods. For the second, 23% of participants in the survey had participated earlier in an EBSM or other similar employment related program.

4.4 Programs Offer a Poor Fit with Employer Needs

Employers’ needs vary by factors such as industry/sector (some sectors have an over-supply of qualified workers, others face shortages), variations in local economies, and other geographic considerations. A concern stated by employers in the qualitative research is that often government programs are not sufficiently flexible and do not recognize some fundamental characteristics about Canadian businesses, particularly those in smaller, more isolated communities and communities dependent on primary resources. For example, employers observed that government programs often do not acknowledge that much business in BC is seasonal and that employers need flexibility to deal with the resulting uneven work flow.

As discussed earlier (in Section 4.2), employers do not see the LMDA as addressing the issues that face them such as low job loyalty, high staff turnover, and inadequate or inappropriate skill levels and work experience of job seekers, including the areas of life skills and fluency in English.

About half of the employers contacted through the qualitative research are wary of becoming involved with any government employment programs. In their opinion, the subsidies are not worth the inherent risk. The major risk they identified was that the subsidy or benefit for the employer is significantly less than the (potential) “cost”, including the amount of damage a poor employee can cause. Other concerns are the

⁵¹ Support means reporting agreement as a 6 or 7 on a scale where 7 is strongly agree. Participants have direct knowledge of the project but may not be well qualified to judge improvements in the community or local economy.

associated administrative time involved in completing forms and the fact that government programs often cannot respond to immediate needs for employees, but respond days or weeks later when the paperwork is complete.

Some employers expressed concern about displacement. They believe that any subsidy program skews the playing field and penalises existing businesses that function without government support.

4.5 TWS Can Meet Employer Needs—But Is Not for Everyone

TWS is the EBSM that employers are most familiar with. Some employers spoke very highly of the program and “depend” on it for filling certain positions. Having a subsidy to assist over an initial training period is crucial for some businesses – particularly for entry level and low skill level jobs. However, TWS does not fit the needs of all businesses, particularly those that require highly qualified staff. Also, some employers were wary of having to commit for a specified time and the corresponding risk of having to keep an employee even if there are clear indications that the person will not work out in the long run or that the applicant could harm the business.

As discussed earlier (in Section 3.10.2), the survey suggests that 62% of participants with TWS as their principal EBSM were retained by the TWS employer after funding ended. At the time of the survey, 31% of the participants were still with the employer. The qualitative analysis corroborated the finding from the participant survey that some employers retain their TWS employees, with the length of employment after the subsidy ranging from a few months to as long as 4 years. Other employers admitted to laying off clients once the subsidised period is completed.

Some employers commented that TWS is fine for short-term jobs and jobs where there is a high turnover, but not for long-term positions. There is also concern that inappropriate referrals may be made that could result in problems for the employer and even dangerous situations on the job.

The maximum length of the TWS subsidy may influence its usefulness to some employers. For example, where the employee needs to acquire new technical skills, three or six months of TWS may be inadequate. Other employers in seasonal businesses note that the TWS has to be put into place for specific clients. Sometimes employers cannot know long enough in advance who their future employees might be and, once they find an appropriate candidate, it takes too long to get the paper work completed for the client to be able to work during the short season.

4.6 Limited Evidence of Worker Supply Channel Impacts

Table 11 compares pre- and post-participation occupations as a way of examining the extent to which participation under the LMDA may act as a worker supply channel. By main occupational group⁵² of the longest job held in the post-participation period, the Table presents the proportion of workers within that group, within some other group, or who were unemployed in the 12-month period (pre-period) before participation began.

Table 11 shows that 61% of those working in primary occupations in the post-participation period had worked in that occupational group in the pre-participation period. The LMDA may have acted as a supply channel for the remainder who were either drawn to the primary group from jobs elsewhere (14%) or who were drawn from the unemployed (25%). In all other groups, the LMDA is more significant as a supply channel with more than one-half of the workers being drawn from some other group or the unemployed.

Table 11			
Flows Between and Within Industry for Pre- and Post-Participation Job – All Clients			
	Pre-participation job in same, other occupational group, or unemployed		
Post Job	Same	Other	Unemployed
Management	39%	21%	40%
Business, Finance, Admin.	39%	14%	46%
Natural and Applied Science	42%	10%	48%
Health	32%	31%	37%
Social Science, Education	37%	16%	47%
Art, Culture, Recreation	48%	13%	38%
Sales and Service	48%	7%	45%
Trade, Transport	44%	10%	46%
Primary	61%	14%	25%
Processing, Manufacturing	39%	15%	46%
ALL	42%	16%	42%
n =	791	305	787
Source: Participant survey (n=1883)			

⁵² Occupation group is defined based on the first digit of the coding system employed by the National Occupational Classification (NOC). We also consider Management Occupations which cut across other groups as a separate “group”.

When assessed against the comparison group the LMDA does not appear to increase the supply channel in the labour market.

- Overall, Table 11 shows that 42% with jobs in the post-period stay in the same occupation across both periods. This group accounts for 72%, if those who were unemployed in the pre-period are removed.
- In the case of comparison group members, fewer stay in the same occupational group they occupied during the pre-period. Excluding those unemployed in the pre-period, 62% were employed in the same occupational group in both periods (compared to 72% for participants).

5. Costs and Effects of EBSMs

This chapter compares the costs and effects of EBSMs and for client types within EBSMs. It begins with a discussion of why cost-effectiveness analysis was not used to compare EBSMs. It then examines the costs of EBSMs and compares those costs to the key impacts identified in Chapter 3.

5.1 Cost-Effectiveness and EBSMs

Cost-effectiveness analysis is a tool generally used to compare different ways of achieving the same effect. It finds greatest application in medical evaluations where two or more methods to deal with a medical condition (for example heart disease) are compared in terms of their costs to save a life.

The use of cost-effectiveness is more problematic in evaluating LMDA/EBSMs, however, and has not been used to compare EBSMs for the following reasons:

- EBSMs are not clear alternatives. EBSMs are designed to address differing needs and/or offer a continuum of services to achieve the ultimate objective of preparing for, finding and maintaining employment. In many cases, they are complements not substitutes for each other.
- Participants within each EBSM tend to be unlike participants under the other EBSMs. This is an intended consequence of EAS and the client-centred approach used in British Columbia. It would be unlikely that participants could be transferred from one EBSM and achieve the same results as participants under a second EBSM.
- EBSMs produce a number of effects (increased employment, increased earnings, reductions in EI, reductions in provincial income assistance, skills increase, and others). These effects cannot be added together easily. As a result, an estimate of the costs to achieve one effect ignores other effects which are achieved with the same costs.

5.2 Costs

This section examines three types of costs in the case of EBSMs:

- Program costs;
- Individual out-of-pocket costs; and
- Foregone earnings.

Program Costs

The federal government spent \$215 million on the direct cost of EBSMs in 2000/2001. Direct program costs include amounts paid to a participant (SDEB tuition) or to a

third party (TWS employer, community co-ordinator). Amounts do not include federal government overhead costs or the lump-sum transfer to the province for SDEB clients. An average direct program cost for an EAS and for a day of activity for other EBSMs was estimated based on administrative data for 2000/2001. Then these per unit costs were applied to APEs completed in 2000/2001 based on their EBSM characteristics. This resulted in an average direct cost for an APE of \$2,227 and by the principal EBSM of an APE of:

- EAS only — \$396
- SDEB — \$4,799
- TWS — \$3,400
- SE — \$10,003
- JCP — \$7,249

Individual Out-of-Pocket Costs

Some participants also incurred direct costs related to their participation. Such costs could include travel, tuition, and training- or job search-related costs that the individual paid. Survey responses indicate that the average participant (including those who incurred nothing) had direct costs of \$1,494. Average costs incurred by individuals according to their confirmed principal EBSM were:

- EAS only — \$453
- SE — \$4,591
- TWS — \$647
- SDEB — \$2,130
- JCP — \$445

Active claimants incurred higher average costs (\$1,974) compared to former claimants (\$892) and mutual clients (\$770).

Foregone Earnings

During their participation, some individuals will have earnings below what they would have received had they not participated. For example, participants under SDEB must be enrolled full-time in classroom studies. If they would otherwise have been employed they will experience a loss in earnings as a result of participation.⁵³

The cost of earnings foregone was estimated as the incremental reduction in earnings during participation (See Chapter 3) for participants other than those with TWS as their principal EBSM. Under TWS, participation involves employment and results in

⁵³ Lost earnings while participating are normally called opportunity costs of participation as these lost earnings represent an opportunity foregone.

increased (not decreased) earnings during participation.⁵⁴ To approximate a comparable measure for TWS participants, the average earnings loss for all other participants was used. This average earnings loss through participation was \$1,061 for all active claimants and \$780 for former claimants.

Table 12 identifies the values for the three types of costs calculated for active and former claimants and by type of principal EBSM. Not included are government staff or overheads devoted to managing the LMDA or EBSMs and any costs (or benefits) incurred by other groups such as TWS employers.

5.3 Effects of EBSMs

The effects of EBSMs for clients were presented in Chapter 3 in terms of:

- Hours of incremental work activity;
- Dollars of incremental earnings;
- Dollars of incremental EI saving; and
- Dollars of incremental saving in provincial income assistance.

The average of the best annualised estimates for each analysis period after participation was weighted⁵⁵ by the duration of the period (in years) and the number of observations in each period and then summed to yield the total impact presented in Table 12.⁵⁶

When interpreting Table 12, it is important to note the following:

- Positive effects in terms of employment or earnings impacts represent an improvement from a program or participant perspective;
- Negative effects in terms of impacts on EI or provincial income assistance represent an improvement (less income support to individuals) from a program perspective.

Note that average annualised amounts are calculated based on post-participation experience of 18 to 24 months duration. Impacts for later periods cannot be determined by the evaluation.

⁵⁴ Active claimants with JCP as their principal EBSM gained more in earnings while participating than they would have received if they had not participated. JCP does not provide a wage or salary to the participant beyond (EI Part I or II) and so the reported earnings are likely from other employment during the participation period not necessarily during their JCP.

⁵⁵ Twelve and six month post-participation periods had weights of 1 and 0.5 years respectively.

⁵⁶ This process was repeated for each separate set of estimates for each group in the table. For this reason, averages for a combined group (for example all participants) is not a simple weighted average of active and former claimants.

5.4 Summary of Costs and Effects of EBSMs

Table 12 presents costs of participation in terms of direct program expenditures, individual out-of-pocket costs and foregone earnings. These can be added to yield the total costs (excluding government staff and overhead costs and any net costs incurred by employers or others) related to participation. For example, the average costs for an active claimant whose participation ended in 2000-2001 was \$5,262.

Against this cost can be compared the average annualised impacts of participation for an active claimant after participation. These are 155 extra hours of employment, \$1,181 of extra earnings, an extra \$931 in EI benefits and an extra \$33 in IA benefits.

Other costs and effects are listed in Table 12 by EBSM and client type. A review of these suggests that positive impacts in the two-year period after participation exceed the costs of participation calculated in the study for active and former claimants taking TWS. For active claimants taking SDEB as their principal EBSM, results *may be* cost-effective if a longer post-participation period (beyond that available to the evaluation) was considered.

Table 12
Costs and effects for EBSMs by type of client

Group covered	Total during participation period			Post-participation period annualised			
	Program Cost (1)	Individual Cost (2)	Foregone Earnings (3)	Employment Impact (4)	Earnings impact (5)	EI impact (6)	IA impact (7)
All participants (8)	\$2 227	\$1 494	\$935	70	\$162	\$804	\$55
- EAS only	\$396	\$453	\$184	-33	(\$901)	\$1 332	\$160
- SDEB	\$4 799	\$2 130	\$2 503	22	\$281	\$230	(\$92)
- TWS	\$3 400	\$647	935***	311	\$2 895	\$153	(\$169)
- SE	\$10 003	\$4 591	\$2 282	361	(\$1 349)	(\$280)	\$57
- JCP	\$7 249	\$445	\$958	201	\$450	\$23	(\$207)
Active claimants	\$2 227	\$1 974	\$1 061	155	\$1 181	\$931	\$33
- EAS only	\$396	\$453	\$233	49	\$37	\$1 411	\$90
- SDEB	\$4 799	\$2 130	\$2 712	211	\$3 313	\$440	(\$176)
- TWS	\$3 400	\$647	\$1 061	296	\$2 699	\$249	\$100
- SE	\$10 003	\$4 591	\$1 685	456	(\$466)	(\$6)	\$180
- JCP	\$7 249	\$445	(\$279)	285	\$2 327	\$6	\$97
Former claimants	\$2 227	\$882	\$780	-52	(\$1 442)	\$625	\$63
- EAS only	\$396	\$453	\$123	-135	(\$2 002)	\$1 176	\$249
- SDEB	\$4 799	\$2 130	\$2 210	-235	(\$3 868)	(\$33)	\$19
- TWS	\$3 400	\$647	\$780	328	\$3 194	\$40	(\$521)
- SE	\$10 003	\$4 591	\$3 093	229	(\$2 617)	(\$640)	(\$110)
- JCP	\$7 249	\$445	\$2 583	85	(\$2 103)	\$24	(\$599)

Notes:

1. Costs are direct program costs per APE
2. Measured as out-of-pocket costs incurred by participant on back-to-work activities during participation.
3. Measured as \$ of earnings forgone during participation. "All" excludes TWS and was used as a proxy for TWS participants ***
4. Measured as incremental gain in annualized hours worked in post-participation period.
5. Measured as \$ of incremental annualised earnings gain over post-participation period.
6. Measured as \$ of incremental annualised EI paid in post-participation period (if negative an improvement from program perspective).
7. Measured as \$ of incremental annualised IA paid in post-participation period (if negative an improvement from program perspective).
8. The results shown for all participants (in this row) represent a pooling of data across post-program time periods and client types.

6. *Follow-up on the Formative Evaluation*

6.1 Introduction

This chapter revisits program management, delivery and reporting issues identified at the time of the formative evaluation. Specifically, this chapter determines where improvements have occurred since the formative evaluation was conducted in 1998/99 and where improvements remain to be implemented. Some lessons learned and best practices are also noted.

The conclusions presented in this chapter are drawn mainly from the qualitative data sources. As indicated in Section 1.2 (Table 2), these sources include interviews with 43 persons, two focus groups with 8 individuals representing 6 contribution agreement holders, two focus groups with a total of 20 employers (one third of whom had experience with EBSMs), and four review panels with a total of 28 individuals (9 HRCC staff, 6 staff from the Ministry of Human Resources, 7 contribution agreement holders, and 6 employers).⁵⁷ Interviews and qualitative methods involving contribution agreement holders were selected to be broadly representative of the populations covered. Also a mix of employers across urban/rural communities, size of firm and range of industry was achieved. As a caution, however, it should be noted that the qualitative methods are unlikely to have covered a representative group of firms given the number and diversity of firms in British Columbia. The review of program-related documents also provided information for this chapter.

Most of the information used for this chapter was collected during the period of April to July 2002.⁵⁸

It is also useful to keep in mind that there are some notable differences between the period examined by the formative evaluation and the period examined by the summative evaluation.

- British Columbia's annual labour force growth was about 2.5% at the time of the formative evaluation (1998/99) but was 0.2% at the time of the summative evaluation (between 2000 and 2001).
- Although the provincial unemployment rate was at 9.5% when the LMDA came into effect, it had declined to 7.7% by 2001.
- A major downturn in the fisheries sector preoccupied many LMDA managers at the time of the formative evaluation. At the time of the summative evaluation, however, the decline of the forestry industry and the softwood lumber dispute with the United States were uppermost in people's minds.

⁵⁷ Panels of HRDC staff, provincial staff, contribution agreement holders and employers compared and contrasted findings from one local co-management area with experience in their areas. This provided the opportunity for broader representation of delivery issues.

⁵⁸ Focus groups with employers were held in December 2002.

6.2 Co-Management Appears to be More Harmonious and Streamlined

Since the formative evaluation was conducted in 1998/99,⁵⁹ some improvements in co-management have occurred at the province-wide level. For example, the evidence indicates that relationships among federal and provincial corporate level staff are more harmonious, primarily because of changes in participants, expectations and the kinds of issues to be addressed. Also, HRDC and provincial officials have been able to streamline the LMDA corporate structure (Joint Secretariat, working groups) and the planning and communications tools used for implementation.

Co-management exists for planning both corporately and locally. Changes that were well received include the substantial reduction in planning requirements, the clarification of what must be reported, the emphasis on Action Plans, and the addition of the investment strategy with greater detailing of planned allocations by EBSM and the rationale for the allocations. The current planning and target setting process is seen as more meaningful, with goals being set locally based on actual experience with the LMDA. (Additional details on changes in the target setting process are provided in Section 6.7).

Opinions vary on the extent to which co-management exists for other tasks, however.⁶⁰ Although room exists for more joint activities, particularly at the local level, the general view is that clients benefit where the two governments work together.

The LMDA calls for a province-wide plan to be approved annually by the Management Committee. The formative evaluation found that such a plan did not exist. Since then, the Management Committee has developed four components and has endorsed them as the province-wide plan. While some interviewees consider this to meet the planning requirement, others disagree.

Turnover at both the corporate⁶¹ and local levels is considered to have had some significant effects, particularly in terms of setting priorities and approaches (corporate level) and planning and contribution agreement management (locally). Nevertheless, both federal and provincial interviewees report a good, professional working relationship with each other. The minutes of committees involved in planning and implementation provide additional evidence that a good working relationship exists. Also, federal and provincial staff have worked successfully through problems, particularly with respect to mutual clients. There is a concern, however, that provincial program changes may make local joint action increasingly difficult. Other areas of concern are noted below, along with a number of positive changes.

⁵⁹ Conclusions on province wide-implementation issues are based on a case study that collected information through a review of a wide range of documents (e.g., committee minutes, budgets, and results reports) as well as from 24 interviews. There was a reasonable level of congruence among each of the interviewee groups, between the federal and provincial government interviewees, and between documents and interviews. On a few issues, federal and provincial interviewees at all levels held conflicting views.

⁶⁰ Examples of the lack of co-management were cited: the province has suggested using Labour Market Partnerships and Job Creation Partnerships more creatively, but has not had much response from HRDC. Provincial interviewees are still frustrated with priorities and speed of response on how the funding is spent. The province has proposed a separate working group on softwood lumber issues; HRDC feels it should be under the LMDA. Federal interviewees were concerned about the changing role of provincial LMDA co-ordinators at the local level.

⁶¹ Since LMDA negotiations began in 1996, six Deputy Ministers have been involved at the provincial level.

6.3 The Grants and Contributions Audits had a Strong Impact on the Federal Operating Environment

Two audits of HRDC's grants and contributions were conducted in 2000: the first by the department, and the second by the Auditor General of Canada. By all accounts, these two audits had a strong effect on the environment within which the LMDA operates.⁶²

- Provincial sources noted that the audits adversely affected the participation of federal officials in co-management activities. HRCCs had to wait for clarification, absorb the changes into their local systems, and then make their own local adjustments.
- Some HRCCs introduced segregation in the duties of contract managers (staff managing a contribution agreement could not also negotiate that agreement), which were considered to have resulted in some significant delays in getting contribution agreements in place. At the time of the evaluation, Regional Headquarters had allowed some relaxation of the segregation of duties in the few cases that involve low risk agreements. (This is also discussed in Section 6.8).

6.4 Provincial Restructuring and Welfare Reform Have Affected Visibility of the LMDA

All LMDA-related provincial field staff are now part of the Ministry of Human Resources. The restructuring of the Ministry of Social Development and Economic Security to form the Ministry of Human Resources in 1999, and the moving of the Skills Development Division from the ministry responsible for skills training, put those responsible for the LMDA into a much larger ministry. This restructuring caused a shift in focus: from an emphasis on people getting the skills they need to get jobs, to administering the *British Columbia Benefits Act* (Income Assistance) and getting clients to work.

The new provincial assistance legislation that came into effect on April 1, 2002 placed greater emphasis on moving clients into sustainable employment. This emphasis might re-establish a focus on acquiring the skills for longer-term employment. At the same time, however, the province's welfare reform was seen as the provincial change with the greatest potential impact on the LMDA and EBSMs, because it could affect the flow and number of mutual clients referred to EBSMs and thus reduce⁶³ the ability of contribution agreement holders to meet their service targets. The new legislation had just come into effect at the time of the evaluation and, therefore, it was too soon to determine the impacts of the reforms.

⁶² HRDC began its response to the internal audit as soon as it was received. Over an 8-month period, the department clarified the issues and took very specific steps to ensure that the department stopped taking the actions for which it was criticized in the audit.

⁶³ Now, a person who wants to apply for BC Employment and Income Assistance will be an "enquirer" and will be required to do a three-week independent job search (other than in real hardship cases). If that job search is not successful, the person will be allowed to apply for BC Employment and Income Assistance and, if eligible, will be referred to the (provincial) Job Placement Program (JPP), a program that may have some similarities to (federal) EAS. Mutual clients may be referred for EBSMs. However, where the province has a Job Placement Program, mutual clients may be referred there rather than to federal EAS.

The number of provincial LMDA coordinators has been reduced. These coordinators bring a focus to the federal/provincial relationship locally, and deal with issues such as client flow. The lack of a staff person dedicated to make the LMDA work has reportedly caused a lack of emphasis and consistency in some areas.

6.5 Some EI Part II Funds Have Gone Unspent

During the first two years of the LMDA, allocated funds were generally spent. Slippages started to occur, however, following the two audits of HRDC's grants and contributions. In the two years of 2000/01 and 2001/02, \$59 million went unspent in British Columbia, and the slippage was often forecasted too late in the year to be reduced. Reasons given for the slippage include the effects of the audits, staff shortages, and fewer clients. Many respondents expect part of the problem to be solved by the new process for allocation of funds and by modifications to contracting procedures.

6.6 The Role of Stakeholders has Changed Over Time

Since the two audits, some clearer lines have been drawn between partners and stakeholders of the LMDA. Only one LMDA partnership is considered to exist and that is the federal and provincial governments. Others involved in the process are considered to be "stakeholders", including employers, community groups or contribution agreement holders. Also, the federal relationship with contribution agreement holders is strictly a contractual or "business relationship".

The extent to which stakeholders are involved in consultation, planning and similar activities varies across the province from almost nothing to a large amount. Contribution agreement holders are more likely than community groups and employers to be involved in consultation. In some HRCCs, stakeholder consultation has decreased over time. Also the evidence indicates that opinions differ on what constitutes consultation: HRCC staff may consider certain meetings to be consultation, while community members participating in the meetings may not. Contribution agreement holders in the communities researched in detail noted that the lack of consultation and information sharing has created problems, for example regarding how the centralised case management function interfaces with services provided by other agencies.

6.7 Target Setting has Undergone a Major Change

Targets are set at two levels: for each HRCC as a geographic unit (as shown in the annual Sub Provincial Plans), and for individual contribution agreements.

At the outset of the LMDA, Regional Headquarters imposed targets for inclusion in the Sub Provincial Plans. Effective in 2002, however, HRCCs are setting their own targets. Where the Planning and Budgets Committee responsible for approving Sub Provincial Plans has not agreed with the locally set targets, it has negotiated changes with some HRCCs to bring targets more in line with actual achievements in previous years. The intent of this new "bottom up" approach is to get target achievement closer to 100% for all HRCCs.

The new approach is generally considered to be an improvement and to result in more ownership at the local level. The targets⁶⁴ are based on four years of experience and are seen to be more realistic. Some interviewees expressed the view, however, that targets are actually irrelevant because they do what is needed, regardless of the target.

Although province-wide budgets are higher now than at the time of the formative evaluation, client targets are lower. Moreover, the number of EI claimants and the provincial unemployment rate are both lower than at the time of the formative evaluation. It should be noted that this observation was made on the basis of newly available data and after qualitative data gathering was finished. Therefore the reasons for these changes were not explored with staff.

Contribution agreement holders have varying opinions on the targets negotiated for their contribution agreements. Some consider their targets to be realistic. Others report that the negotiation process was unsatisfactory and consider some targets (whether set historically or according to some formula) to be unrealistically high.

Although the number of clients who return to work (RTW) is a key accountability target, it is not always considered to be appropriate. For example, this measure is considered not to work well in the case of a job maintenance program, where the target should be something like “how many people keep a job for a specified duration.” With interventions such as Career Decision Making, clients may have to take two or more steps before they can return to work. Measuring returns to work is also not considered appropriate for contribution agreement holders who are responsible for steps that have to occur before a return to work can happen. Similarly, RTW is not an appropriate measure for clients who require training before they can return to work.

Contribution agreement holders would like to see measures that reflect what they are actually doing and what clients need. In their view, the measures need to reflect the continuum of need and service. Some service providers also questioned the appropriateness of measuring outcomes at the 12-week mark for some activities/services.

When asked about the RTW targets, the interviewed HRCC staff indicated that the RTW targets in individual contribution agreements do in fact take into account the type of programming provided through the agreement.

6.8 Service Delivery Within British Columbia has Improved, but Can be Improved Further

There was general agreement that there have been improvements in service delivery since the formative evaluation, although significant local variations exist. In particular, accountability is seen to have improved and clients are better served.

⁶⁴ In addition to setting broad targets, HRCCs report that they also set targets by type of EBSM, including the various types of EAS. Typical steps in this process include reviewing the number of clients in the catchment area, by type, looking at actual results reported by contribution agreement holders, and comparing with BC Region reports and assessments. In 2002, in addition to the number of mutual clients served, a new target – the number of interventions per mutual client – has been introduced. A formula of 1.7 interventions per client (based on historical data) is used for the calculation.

Virtually all EBSMs are delivered through contribution agreement holders rather than by HRCC staff. This is considered to have become even more of a necessity since the formative evaluation, because LMDA funding allocations increased from \$206 million in 1997/98 to \$289 million in 2001/02 but with no corresponding increase in HRDC human resources to manage these funds.

Community co-ordinators are a particular type of contribution agreement holder and they are being used increasingly to deliver TWS and SDEB.

Contribution agreement holders, particularly Community co-ordinators, are often better connected with employers and others within their communities. According to interviewees, contribution agreement holders can provide certain high quality services not previously available in-house.

Some HRCCs issue an Expression of Interest as part of the process for negotiating contribution agreements. Local, regional and, depending on the dollar value, national committees, then review submitted proposals. This was seen to be a more equitable process. Staggering the dates for contribution agreement starts was also seen as an improvement because it spreads the process over a longer period and thus reduces the last-minute scramble at year end.

Both contribution agreement holders and staff identified problems relating to contribution agreements in the formative evaluation, and this area continues to be one of the most contentious, particularly at the local level.

As noted above (in Section 6.3), several HRCCs have introduced a segregation of duties related to the management of and the negotiation or monitoring of contribution agreements for “high-risk” agreements, which corresponds to the majority of agreements. In the case of “low-risk” agreements, however, the negotiating and managing Program Officer can be the same person. This latitude was granted by Regional Office because there is a paper review of all proposals and the agreement performed by a number of staff.

Contribution agreement holders cited several problems such as a lack of transparency during the proposal review process, and problems in having to negotiate with HRCC staff who are not conversant with what agreement holders do and not appreciative of their business constraints. Delays in getting contracts approved or amended combined with requests for immediate implementation and delays in the approval of invoices were noted as sources of frustration for contribution agreement holders.

Case management has been further centralised at some HRCCs, and this is seen by most to be a best practice. In the communities studied in depth by the evaluation, the Employment Development Offices who are responsible for case management are not allowed to have contribution agreements for other EAS. This is also considered to be a best practice.

At the time of the formative evaluation, the most significant service gaps related primarily to multi-barriered clients and to youth who typically are not eligible for services other than EAS.

Two issues not raised during the formative evaluation relate to problems resulting from split authority over active claimants⁶⁵ and to the monitoring of contribution agreements. Local staff feel that inadequate time is available for monitoring and that monitoring is sometimes not conducted or not conducted as thoroughly as staff would like.

6.9 The Mix of EBSMs has Changed

Between 1997/98 and 2001/02, total expenditures on EBSMs increased from \$198 million to \$238 million. This increase of \$40 million (20%) occurred at the same time as the number of insured participants declined from 68,885 to 49,500. However, approximately 2,000 more returns to work were recorded for 2001/02 than for 1997/98.

Also, the mix of EBSMs provided by HRCCs has changed, with EAS accounting for a greater share of the budget (rising from 27% of EBSMs expenditures in 1997/98 to 42% in 2001/02). The share of the budget spent on TWS and SE has remained virtually unchanged. The share of the budget spent on SDEB has decreased (declining from 42% in 1997/98 to 36% in 2001/02). The share of the budget has also decreased for JCP (declining from 11% in 1997/98 to 3% in 2001/02) and decreased for LMPs (declining from 5% in 1997/98 to 2% in 2001/02). The reason given for the decreases in JCP and LMP is that the administration of these EBSMs has become more cumbersome since the two audits of HRDC's grants and contributions. No reason was given for the decrease in SDEB. However, it should be noted that while its share of the total budget has decreased, the total level of expenditures on SDEB has increased over this period. Overall, more contribution agreement holders are providing a wider range of services, particularly EAS, in a greater number of communities.

SDEB is the only EBSM to have changed significantly since the formative evaluation. In July 1999, it replaced the Training Purchases Employment Benefit that existed at the time of the formative evaluation (briefly renamed as the Skills Loans and Grants Employment Benefit in the interim). SDEB is generally considered to be an improvement over its predecessors. It is more client-focused and requires clients to conduct their own research. Under SDEB, clients are taking a wider range of courses. Also, these courses tend to be longer than those accessed through Training Purchases and are more likely to result in some form of certification or diploma.

Nevertheless, some concerns remain. Of particular concern is equality of access to SDEB particularly for mutual clients, multi-barriered clients, and clients in some rural or isolated areas. Despite the fact that HRCCs have criteria for checking applications, some SDEB clients are placed in situations beyond their qualifications. According to contribution agreement holders this happens because some HRCC staff do not properly match client

⁶⁵ Assuming that a client is confirmed by the HRCC as an insured client, the Community Co-ordinator (CC) has absolute authority to select the client and decide on how much EI Part II support the client should get. However, for those on an EI claim (Part I), the CC does not have the authority to make a Section 25 decision (i.e., waive of the normal obligation to be available and looking for work). Section 25 can only be delegated by the EI Commissioners' authority. As a result, authority for the same client is split between HRDC and the CC. If HRDC says no to the active EI claimant, then the client could be entirely reliant on the Part II funding that is administered by the CC. This split authority also requires HRDC to keep files in the HRCCs for Section 25 decisions, which is a duplication of effort. It is not clear where the locus of decision-making rests. It was also questioned whether it made sense to have split authority, given that CCs are entrusted with administering millions of dollars.

skills and abilities with course requirements. The loss of life skills training (behavioural) and work experience is also seen as detrimental. Finally, there is concern about the effectiveness of SDEB in terms of whether the jobs that clients get after their training are connected to their training.

6.10 EAS is the EBSM Most Frequently Provided

EAS initiatives range from drop-in resource centres to relatively intensive one-on-one assistance. Since the start of the LMDA, EAS has become a larger and more important component of the EBSM mix across the entire province and now accounts for 75% of all LMDA interventions in British Columbia. Clients include both insured participants (active and former claimants, some of whom are mutual clients), and non-insured participants, provided they are unemployed and eligible to work in Canada.⁶⁶ While it is possible to calculate how many non-insured participants are in some EAS, in other cases (such as the drop-in centres) clients cannot be differentiated.

HRDC has made a conscious effort to deliver EAS through contribution agreements, mainly to ensure the range of services is available throughout the province. EAS contribution agreements accounted for \$100 million at the time of the summative evaluation, compared with \$53 million at the time of the formative evaluation. More EAS and a greater range of EAS are offered in more communities than at the time of the formative evaluation, and these services have become increasingly client-centred.

Since the formative evaluation, a general improvement has been seen in client flow (the referral of mutual clients), as well as a reduction in the duplication of services through more centralised case management. At the same time, however, changes over the same period have moved the emphasis away from the one-stop client service.⁶⁷

6.11 Reporting Problems Persist

Despite some improvements, many of the issues relating to data collection and reporting identified at the time of the formative evaluation remain. Problem areas that still need to be resolved are definitions, accuracy, completeness, timeliness, the appropriateness of what is being measured, and thus the overall usefulness of the data. An issue not raised during the

⁶⁶ The definition of unemployed changed over the course of this evaluation. In August 2002 (subsequent to the data collection period), it was defined to mean individuals who are working less than an average 20 hours per week and are actively seeking full-time employment or are in receipt of a notice of imminent lay-off, or must leave their current occupation due to medical reasons. Before August 2002 no single definition appears to have existed. The most often used definition of “unemployed” at the time of field data collection seems to have been employed less than 8 hours/week. However, agreement on this definition or its interpretation does not exist.

⁶⁷ In accordance with its EI Uses Paper of 2000, HRDC ensured a greater distinction between contribution agreement holder staff and HRDC employees. Clients of EAS (a support measure) are the direct clients of contribution agreement holders. However, HRCCs retain control of benefit expenditures (except where they have chosen to establish agreements with Community Co-ordinators). Prior to this change, EAS agreement holders made recommendations on employment benefits such as SDEB and TWS that were rarely questioned. After the change, EAS agreement holders “may” assist clients with making application to HRDC, but applications and related decisions are clearly now the responsibility of HRDC. Clients that move from an EAS service to an employment benefit, move from being clients of the contribution agreement holder to being clients of HRDC or a Community Co-ordinator.

formative evaluation is that follow-up with clients is generally brief and not necessarily consistent. The overall conclusion is that Contact 4, the computerised system used to record program-related information, does not provide much of the information considered to be necessary to do the best job possible in implementing the LMDA. The following problems were identified:

- Some data are entered twice, which is not efficient;
- Attribution (the cause-effect relationship between EBSMs and outcomes) cannot be determined with the data and reporting that is currently available;⁶⁸
- Long-term attachment to the labour force/sustained employment cannot be determined;
- The data required to look at potential “big issues” such as displacement do not exist;
- Managers know the allocation of funds by type of activity, but they do not know the number of clients by activity, because that information cannot be extracted from the system for a variety of reasons.⁶⁹

Although the headquarters interviewees from both governments generally consider the Sub Provincial Plans to contain sufficient detail for accountability purposes, given sufficient human resources to assure the prescribed processes are followed, the problems identified with reporting and the data are of a sort that would impede accountability reporting. Also, reaching targets has become more complicated as more mutual clients with multiple barriers recycle through the system. An improved performance monitoring system is needed to capture this complex reality.

6.12 Experience has Identified Some Best Practices and Lessons to Share with Others

When asked about best practices, interviewees noted the following examples:

- Having a dedicated LMDA co-ordinator working from a neutral position has been extremely beneficial;
- The Joint Secretariat’s practice of distributing information to others involved in the LMDA with respect to the substantial funds not under LMDA but aimed at the same or similar clientele;

⁶⁸ For example, interviewees said that HRDC does not have sufficient indicators or data to determine if clients who receive training are getting jobs, let alone jobs related to the training received. Overall, wage levels for clients who have received training are low, a fact that is seen as “an anomaly”. It raises the question of the effectiveness of training, especially as career technology now accounts for 25 to 30% of all SDEB training. Regional Headquarters staff has insufficient information on SDEB clients and client outcomes to identify, for example, “bad” courses or classes that clients should avoid.

⁶⁹ Problems exist with using formulae to calculate the total number of clients. The cost of a TWS negotiated by an HRCC could differ from one through a service provider or a Community Co-ordinator. There are problems in calculating the total number of EAS clients, especially given the wide range of EAS services and contracts. Also, because HRDC counts interventions and not clients, no way currently exists to avoid double or triple counting clients who receive more than one EBSM.

- A centralised case management approach helps clients. This, together with contribution agreement holders learning more about each other's facilities and programs, has frequently meant more appropriate referrals to those providing specialised services.

Interviewees also noted the following areas of concern:

- It is feared that perceived problems with the contracting process, slow payment of invoices and other contracting issues will drive the good contribution agreement holders away;
- Frequent change in both process and expected outcomes is disruptive to contribution agreement holders and ultimately to clients.

Appendix A

Glossary of Terms Used in this Report

Action Plan is a co-ordinated set of activities of participants typically intended to lead to a return to work. Action Plan information is recorded within administrative systems to help co-ordinate and record the activities of participants.

Action Plan Equivalent (APE) is a construct of the evaluation used to capture participation information of an Action Plan. An APE was defined as comprising one or more EBSMs received with less than six months between the end of one EBSM and the start of the next. In other words, if a gap of six months or more occurs between successive EBSMs, the later EBSM is considered the start of a new APE. The APE was developed as the Action Plan as recorded within administrative systems was insufficient for evaluation purposes.

Active claimants are insured participants with a current employment insurance (EI) claim (Eligible to collect EI (Part I) benefits).

Apprentices who are active claimants can participate under SDEB when they temporarily leave their employer to attend classroom training as part of their apprenticeship requirements. Apprentices are included in Accountability Measures but due to their unique characteristics are not covered in this evaluation.

Contribution agreement holders are third party deliverers who through contribution agreements with HRDC deliver EAS. Increasingly, contracted Community Co-ordinators directly facilitate client access to Skills Development Employment Benefit (SDEB) and Targeted Wage Subsidies (TWS).

Employment Benefits and Support Measures (EBSMs) are the interventions evaluated in this summative evaluation. Interventions include the following **Employment Benefits** (programs):

- **Skills Development Employment Benefit (SDEB)** replaced Training Purchases. SDEB provides funds to clients to pay for costs associated with training (for example, tuition and child care expenses);
- **Targeted Wage Subsidies (TWS)** covers some wage costs of clients hired by employers;
- **Self-Employment (SE)** provides help to clients seeking self-employment opportunities;
- **Job-Creation Partnerships (JCP)** offers placements with sponsors on projects to provide participants with work experience, which will help them find employment. JCP also seeks to support community development and the local economy.

and **Support Measures** (services):

- **Labour Market Partnerships (LMP)** promotes the development of strategies to improve the local labour market. The portion of LMP that is used for Industrial Adjustment is not part of this evaluation;

- **Employment Assistance Services (EAS)** covers a wide range of services to unemployed clients.

Employment Group Services (EGS) are short sessions (typically one-half day in length). They count as an intervention within the Accountability Framework if they are the only intervention taken by an active claimant. Due to their limited program exposure active claimants taking EGS only are not covered in this evaluation.

Insured participants are a sub-set of participants who are eligible for all Employment Benefits and Support Measures (EBSMs).

Former claimants are insured participants through a previous claim meeting eligibility rules. Former claimants must have had either a regular claim in the past three years or a claim for maternity or paternity benefits within the past five years (and also be returning to the labour force for the first time since leaving work to care for a newborn or newly adopted child).

Mutual clients are insured participants who are also current or eligible recipients of provincial income assistance (IA).

Non-insured participants are unemployed, but not insured as they do not meet criteria to participate as an active or former claimant. They are eligible to receive Support Measures only (primarily EAS—Employment Assistance Services).

Appendix B

Demographic Characteristics of All Participants and by Client Type

Demographic characteristic	All	Client type		
	(n= 2002)	Active claimant (n= 1126)	Former claimant (n=876)	Mutual client (n= 382)
	%	%	%	%
Gender:				
Male	52	52	54	59
Female	48	48	46	41
Age:				
< 30	18	15	21	17
30-44	49	53	45	52
45-54	23	26	19	18
55-64	10	6	14	13
>64	1	1	1	<1
Educational attainment:				
Less than high school	1	1	1	2
Some high school	8	8	9	15
Completed high school*	23	20	28	34
Some college	15	15	14	19
Completed college	30	38	20	11
Some university	5	4	6	7
Completed university	12	7	17	12
Post-graduate studies	6	7	5	1
Foreign born	28	21	37	27
If Yes, year came to Canada:				
Pre 1970	24	22	27	20
1970-1979	29	46	16	24
1980-1989	19	10	25	34
1990-1999	21	22	20	22
2000-2001	7	0	12	0
Language:				
English	79	89	66	88
French	4	1	6	1
Indian and area	4	3	6	7
Chinese and area	3	2	6	0
Other oriental	4	1	6	4
All other	6	5	10	<1
Marital status:				
Single	26	23	31	53
Married/common-law	58	63	51	25
Separated/Divorced	15	14	17	22
Household income:				
< \$10 k	8	6	11	20
\$10k – \$19.9k	24	22	27	42
\$20k – \$29.9k	22	24	20	26
\$30k – \$39.9k	20	21	19	7
> \$39.9k	26	27	23	5

Source: Participant survey.

Note: Don't know/not stated not shown. This represented a maximum of 0.2% of responses across most variables, 0.4% for income.

* Includes high school equivalent.

Appendix C

Impact estimates by Client Type and Principal Outcome Indicator

Table 7.1 Employment Impact in Terms of Effect and Percent Change in Annual Hours Worked by Select Groups and Time Periods											
Domain	Period, after end of APE	ACTIVE CLAIMANTS					FORMER CLAIMANTS				
		n	OLS		Matching		n	OLS		Matching	
			Effect	%	Effect	%		Effect	%		
All	During	985	-54	-6	29	4	464	48	9	-17	-3
	1-12 mos.	990	190	18**	99	9	473	-18	-2	108	12
	13-18 mos.	957	227	20**	48	4	461	-419	-32**	-93	-9
	19-24 mos.	557	187	16**	262	23*	292	-97	-8	-25	-2
Males	During	461	-46	-5	-62	-6	203	-421	-57**	-267	-46
	1-12 mos.	468	276	27**	-83	-6	211	-288	-22**	31	3
	13-18 mos.	448	229	20**	-123	-8	207	-270	-19*	-181	-14
	19-24 mos.	259	103	8	-80	-5	121	-123	-9	138	12
Females	During	524	-6	-1	-41	-5	261	394	101**	178	29
	1-12 mos.	522	95	9	11	1	262	156	21	209	30
	13-18 mos.	509	101	8	163	14	254	-392	-35**	-79	-10
	19-24 mos.	298	191	16**	481	55**	171	69	7	-56	-5
EAS Only	During	249	64	8	-68	-7	74	226	61	-73	-11
	1-12 mos.	249	126	12	-13	-1	74	90	10	68	7
	13-18 mos.	241	112	10	-67	-5	71	-742	-47**	-400	-32
	19-24 mos.	126	132	11	-7	-1	37	-275	-20*	-165	-13
SDEB	During	317	-266	-31**	-252	-30	87	-291	-49**	-329	-52*
	1-12 mos.	311	113	10	181	18*	88	-352	-38**	-351	-38**
	13-18 mos.	303	259	21**	279	23**	85	-172	-17	-48	-5
	19-24 mos.	171	311	26**	403	36	59	-158	-14	-17	-2
TWS	During	135	132	13	248	29	124	312	39**	356	47
	1-12 mos.	141	355	32**	287	24	126	300	28**	419	43*
	13-18 mos.	131	336	26**	267	19	120	305	26**	224	18
	19-24 mos.	79	40	3	364	30	78	248	21	395	39
SE	During	204	183	19*	352	45**	98	225	39	118	17
	1-12 mos.	208	576	50**	554	47**	103	223	23	323	36
	13-18 mos.	203	394	29**	375	27**	105	121	10	85	7
	19-24 mos.	123	100	7	294	23	64	-1	0	580	91
JCP	During	80	15	2	302	51	81	-369	-41**	-122	-19
	1-12 mos.	81	260	25*	381	41	82	-29	-3	156	16
	13-18 mos.	79	116	9	367	35	80	-118	-9	38	3
	19-24 mos.	58	70	5	428	42	54	368	36**	265	23

> Es> Estimated effect exceeds post-LMDA level.
n = Unweighted number of participant observations.
Results that are statistically significant at 90% and 95% level of significance are indicated by * or ** respectively.

For example, the impact for male active claimants, 13-18 months after participation ranged from -123 hours to +229 hours. The Matching estimator was statistically significant and represented a 20% impact.

Table 8.1
Earnings Impact in Terms of Effect and Percent Change in Annual Earnings by
Select Groups and Time Periods

Domain	Period, after end of APE	ACTIVE CLAIMANTS					FORMER CLAIMANTS				
		n	OLS		Matching		n	OLS		Matching	
			Effect	%	Effect	%		Effect	%	Effect	%
All	During	985	-2 568	-18 **	-286	-2	464	-348	-5	-1 229	-16
	1-12 mos.	990	215	1	889	5	473	-213	-2	1 061	9
	13-18 mos.	957	1 822	10	1 088	6	461	-6 443	-35 **	-2 542	-17
	19-24 mos.	557	1 521	8	4 574	28 *	292	-2 651	-15	-3 546	-19
Males	During	461	-2 776	-17 *	-2 491	-16	203	-5 844	-58 **	-4 627	-52 **
	1-12 mos.	468	540	3	-5 840	-24 **	211	-4 284	-20 *	1 112	7
	13-18 mos.	448	1 987	10	-2 878	-12	207	-4 681	-22 *	-5 217	-24
	19-24 mos.	259	-1 328	-6	1 632	8	121	-2 839	-13	2 199	13
Females	During	524	-2 311	-20 **	188	2	261	3 005	59 *	1 513	23
	1-12 mos.	522	-744	-4	2 714	21	262	1 608	18	1 731	20
	13-18 mos.	509	-628	-3	4 919	35 **	254	-6 851	-44 **	-1 686	-16
	19-24 mos.	298	1 365	7	7 494	59 **	171	-599	-5	-9 409	-46
EAS Only	During	249	-1 029	-8	-1 011	-8	74	720	14	-1 792	-23
	1-12 mos.	249	42	0	48	0	74	2 093	17	2 465	20
	13-18 mos.	241	428	2	-668	-4	71	-10 735	-50 **	-7 696	-41
	19-24 mos.	126	261	1	271	1	37	-7 079	-34 **	-6 087	-31
SDEB	During	317	-4 514	-33 **	-3 453	-27 *	87	-2 924	-40 *	-3 567	-44
	1-12 mos.	311	409	2	2 289	15	88	-5 063	-40 **	-5 400	-42 *
	13-18 mos.	303	4 762	25 **	5 015	27	85	-2 428	-16	-284	-2
	19-24 mos.	171	6 102	31 **	10 261	66 **	59	-2 631	-15	-4 793	-24
TWS	During	135	-1 113	-7	2 094	17	124	4 553	39 **	5 640	54 *
	1-12 mos.	141	2 606	15	3 054	18	126	4 625	30 **	4 583	30
	13-18 mos.	131	1 634	8	3 003	16	120	2 750	16	-225	-1
	19-24 mos.	79	-724	-3	6 460	40	78	1 395	7	1 372	7
SEA	During	204	-3 297	-20 **	786	6	98	-2 510	-30	-2 098	-26
	1-12 mos.	208	-485	-2	2 090	12	103	-4 127	-28 **	-1 674	-14
	13-18 mos.	203	-2 286	-10	-898	-4	105	-4 456	-26 **	-5 343	-30 *
	19-24 mos.	123	-4 343	-18 **	-1 699	-8	64	-1 278	-9	4 873	58
ZJCP	During	80	-2 639	-18	3 532	40	81	-5 098	-39 **	-3 168	-28
	1-12 mos.	81	337	2	6 004	50	82	-3 222	-17	255	2
	13-18 mos.	79	-450	-2	5 072	33	80	-4 405	-21 *	-4 816	-22
	19-24 mos.	58	-2 977	-13	3 104	18	54	4 499	29	-5 164	-21

> Es> Estimated effect exceeds post-LMDA level.

n = Unweighted number of participant observations.

Results that are statistically significant at 90% and 95% level of significance are indicated by * or ** respectively.

Table 9.1
EI Impact in Terms of Effect and Percent Change in Annual EI Benefits by
Select Groups and Time Periods

Domain	Period, after end of APE	ACTIVE CLAIMANTS					FORMER CLAIMANTS				
		n	OLS		Matching		n	OLS		Matching	
			Effect	%	Effect	%		Effect	%		
All	During	985	5 505	229 **	4 211	114 **	464	-576	-89 **	-554	-89
	1-12 mos.	990	1 502	102 **	1 320	80 **	473	-441	-38 **	49	7
	13-18 mos.	957	573	51	295	21	461	1 581	95 **	2 102	184 **
	19-24 mos.	557	602	54 **	-607	-26	292	2 115	151 **	1 035	42
Males	During	461	5 603	161 **	4 222	87	203	-805	-96 **	73	>
	1-12 mos.	468	2 011	104 **	2 568	187 **	211	-422	-53	586	>
	13-18 mos.	448	578	31	-498	-17	207	1 625	60 **	3 734	603 **
	19-24 mos.	259	1 130	69 **	-1 302	-32 *	121	2 446	122 **	1 520	52
Females	During	524	5 374	414 **	3 598	117 **	261	-321	-77	-239	-71
	1-12 mos.	522	360	23 *	493	35	262	-434	-29 *	-584	-36
	13-18 mos.	509	160	19	208	26	254	1 506	208 **	2 275	> **
	19-24 mos.	298	267	38	-880	-48 **	171	1 016	61 **	-2 176	-45
EAS Only	During	249	4 345	218 **	3 229	104 **	74	-98	-91	-478	-98
	1-12 mos.	249	2 255	191 **	1 964	133 **	74	-314	-27	229	36
	13-18 mos.	241	847	91 *	311	21	71	2 122	93 **	3 829	661 **
	19-24 mos.	126	669	124	-252	-17	37	3 280	386 **	2 661	181 *
SDEB	During	317	6 739	191 **	6 594	180 **	87	-1 192	-90 **	32	35
	1-12 mos.	311	840	48 **	694	37	88	-686	-63 **	-396	-49
	13-18 mos.	303	290	19	-347	-16	85	402	65	424	70
	19-24 mos.	171	595	28	-584	-18	59	892	45	640	29
TWS	During	135	1 506	57 **	2 206	112 **	124	-521	-65 *	-1 202	-81 **
	1-12 mos.	141	-34	-2	307	23	126	-108	-12	-498	-38
	13-18 mos.	131	-78	-6	864	185 **	120	1 172	119 **	769	55
	19-24 mos.	79	470	30	330	19	78	1 104	60	-1 663	-36
SEA	During	204	8 021	234 **	6 650	139 **	98	-896	-84 **	-1 053	-86 **
	1-12 mos.	208	-18	-1	277	17	103	-591	-66 *	-618	-67
	13-18 mos.	203	-494	-37 **	-396	-32	105	-517	-50	-577	-52
	19-24 mos.	123	535	38	-20	-1	64	-1 119	-58 *	-666	-45
ZJCP	During	80	10 119	245 **	11 047	345 **	81	-1 225	-75 **	-573	-59
	1-12 mos.	81	80	4	-528	-22	82	-598	-51 *	-600	-51
	13-18 mos.	79	362	26	22	1	80	-174	-10	982	170
	19-24 mos.	58	729	67	29	2	54	-38	-1	2 479	456 **

> Es> Estimated effect exceeds post-LMDA level.

n = Unweighted number of participant observations.

Results that are statistically significant at 90% and 95% level of significance are indicated by * or ** respectively.

Table 10.1
Impact on Provincial Income Assistance in Terms of Effect and Percent Change in Annual
Income Assistance Benefits by Select Groups and Time Periods

Domain	Period, after end of APE	ACTIVE CLAIMANTS					FORMER CLAIMANTS				
		n	OLS		Matching		n	OLS		Matching	
			Effect	%	Effect	%		Effect	%		
All	During	985	-132	-50 **	76	138	464	121	27	46	9
	1-12 mos.	990	-31	-12	94	68	473	220	40	-26	-3
	13-18 mos.	957	-51	-30	50	73	461	212	43	-68	-9
	19-24 mos.	557	109	125	79	68	292	168	107	-331	-50
Males	During	461	-90	-32	209	> **	203	-201	-30	24	5
	1-12 mos.	468	-44	-13	217	277 *	211	-58	-16	-252	-45
	13-18 mos.	448	-44	-24	-126	-48	207	475	2 377 **	42	9
	19-24 mos.	259	188	292 *	-75	-23	121	39	50	-460	-80 **
Females	During	524	-104	-59 *	-17	-19	261	263	67 **	-23	-3
	1-12 mos.	522	25	18	22	16	262	478	68 **	420	56
	13-18 mos.	509	-27	-21	-11	-10	254	308	52	-637	-41 **
	19-24 mos.	298	96	155	157	33 094	171	512	27 303 **	181	54
EAS Only	During	249	-85	-36	169	> **	74	318	138 *	-9	-2
	1-12 mos.	249	69	31	190	187	74	597	292 **	-253	-24
	13-18 mos.	241	-6	-4	-20	-13	71	769	> **	29	4
	19-24 mos.	126	125	1 727	99	294	37	851	> **	-271	-50 **
SDEB	During	317	-220	-68 **	-235	-69	87	363	116	332	96
	1-12 mos.	311	-171	-58 **	-296	-70 *	88	112	14	153	21
	13-18 mos.	303	-162	-70 **	-176	-71	85	-9	-1	47	7
	19-24 mos.	171	50	19	35	13	59	55	16	-677	-62 **
TWS	During	135	39	34	133	685 **	124	-372	-42 *	-150	-23
	1-12 mos.	141	69	100	92	201	126	-571	-60 **	-561	-60 **
	13-18 mos.	131	108	96	180	447 **	120	-453	-67 *	-503	-69 *
	19-24 mos.	79	80	64	109	115	78	-121	-41	-743	-81 **
SEA	During	204	2	3	76	3 548	98	54	11	-388	-41
	1-12 mos.	208	156	236 *	251	> **	103	-355	-34	-173	-20
	13-18 mos.	203	167	7 238 **	160	1 676 **	105	-169	-18	105	16
	19-24 mos.	123	132	155	120	124	64	816	446 **	-338	-25 **
ZJCP	During	80	-156	-61 *	-16	-14	81	-236	-45	-218	-43
	1-12 mos.	81	130	122	197	510 **	82	-898	-85 **	-575	-79 **
	13-18 mos.	79	-212	-81 **	-6	-11	80	-503	-61 *	-336	-51 *
	19-24 mos.	58	172	105	210	167 **	54	-495	-81 *	-443	-79 *

> Es> Estimated effect exceeds post-LMDA level.

n = Unweighted number of participant observations.

Results that are statistically significant at 90% and 95% level of significance are indicated by * or ** respectively.