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# Evaluation of the Labour Market Development Agreements

## Synthesis Report

February 7, 2017



## **Evaluation of the Labour Market Development Agreement – Synthesis Report**

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***Evaluation of the Labour Market Development Agreements***

**Synthesis Report**

***Evaluation Directorate  
Strategic and Service Policy Branch  
Employment and Social Development Canada***

***February 7, 2017***

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## *Executive Summary*

### **1. Introduction**

Employment and Social Development Canada (ESDC) worked jointly with 12 Provinces and Territories (P/Ts) to undertake the 2012-2017 second cycle for the Labour Market Development Agreement (LMDA) evaluation. The first cycle of LMDA evaluation was carried out between 1998 and 2012 and involved the conduct of bilateral formative and summative evaluations in all P/Ts. Under the second cycle, the evaluation work consisted of conducting two to three studies per year on the Employment Benefits and Support Measures (EBSMs) similar programming delivered under these agreements. The studies generated evaluation evidence on the effectiveness, efficiency and design/delivery of EBSMs for Canada overall and for the twelve P/Ts that opted for a joint evaluation process with Canada<sup>1</sup>.

Under LMDAs, Canada transfers \$2.14B in Employment Insurance (EI) Part II funds to P/Ts for the design and delivery of programs and services to help unemployed individuals, mainly eligible under EI, to find and maintain employment.

Programs and services delivered by P/Ts have to correspond to the EBSM categories defined under the *EI Act*. The following is a short description of the five programs and services examined in the evaluation:

- **Skills Development (including Apprenticeship)** helps participants obtain employment skills by giving them financial assistance in order to attend classroom training.
- **Targeted Wage Subsidies** help participants obtain on-the-job work experience by providing employers with a wage subsidy.
- **Self-Employment** provides financial assistance and business planning advice to participants to help them start their own business.
- **Job Creation Partnerships** provide participants with opportunities to gain work experience that will lead to ongoing employment. Employment opportunities are provided by projects that contribute to developing the community and the local economy.
- **Employment Assistance Services** such as counselling, job search skills, job placement services, the provision of labour market information and case management.

Three additional programs and services are available under the LMDA and they are: Labour Market Partnerships, Research and Innovation and Targeted Earnings Supplements. They were not evaluated as part of this evaluation. The Targeted Earnings Supplements program is used in one province only while Labour Market Partnerships, and Research and Innovation will be evaluated at a later stage.

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<sup>1</sup> Quebec is responsible for its own evaluation but data from Quebec were included in the national level analyses.



Table 1 provides an overview of the share of funding allocated to the five EBSMs examined under the second cycle for LMDA evaluation and the average cost per participant.

**Table 1. Share of LMDA Funding and Average Cost per Participant**

Program and Service	Share of Funding 2014-2015	Average Cost Per Participant 2002-2005
Skills Development	51%	\$7,150
Employment Assistance Services	35%	\$700
Targeted Wage Subsidies	6%	\$4,700
Self-Employment	6%	\$11,100
Job Creation Partnerships	2%	\$8,400
<b>Total</b>	<b>100%</b>	—

Sources: EI Monitoring and Assessment Reports 2002-2003 to 2014-2015.

This report presents a summary of the findings from nine national level studies. Similar reports will be available for each province and territory in 2017 and 2018. Results are presented for active and former EI claimants, and for long-tenured workers<sup>2</sup>, youth (under 30 years old) and older workers (55 years old and over). Active EI claimants were actively on EI at the time of their EBSM participation. Former EI claimants received EI up to three years before starting their EBSM participation.

## 2. Key Findings

### 2.1 Effectiveness and Efficiency of EBSMs

*Incremental impacts and cost-benefit analyses addressed EBSM effectiveness and efficiency. Overall, incremental impacts demonstrate that LMDA programs and services are improving the labour market attachment of active and former EI claimant participants, including youth and older workers. As well, social benefits of participation exceeded the cost of investments for most interventions over time. Finally, providing Employment Assistance Services interventions earlier during an EI claim (first four weeks) produced larger impacts on earnings and employment and facilitated earlier return to work. This demonstrates the importance of targeting early participation of EI active claimants.*

Figure i presents the incremental impacts on the incidence of employment for active and former claimants by type of program. The estimates can be interpreted as a change in the probability of being employed following participation. For example, participation in Skills Development

<sup>2</sup> The long-tenured workers covered in the study are individuals who had long-term attachment to the labour market but not necessarily a long tenure with the same employer.

increases the probability of being employed by 4 percentage points for active EI claimants relative to unemployed non- participants.

**Figure i. Change in Probability of Being Employed in Participants Relative to Non-Participants**

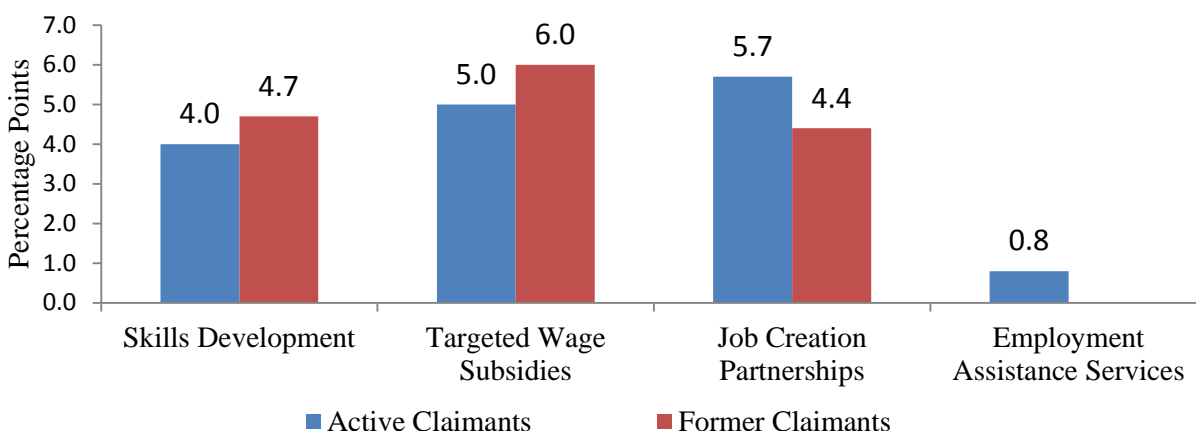
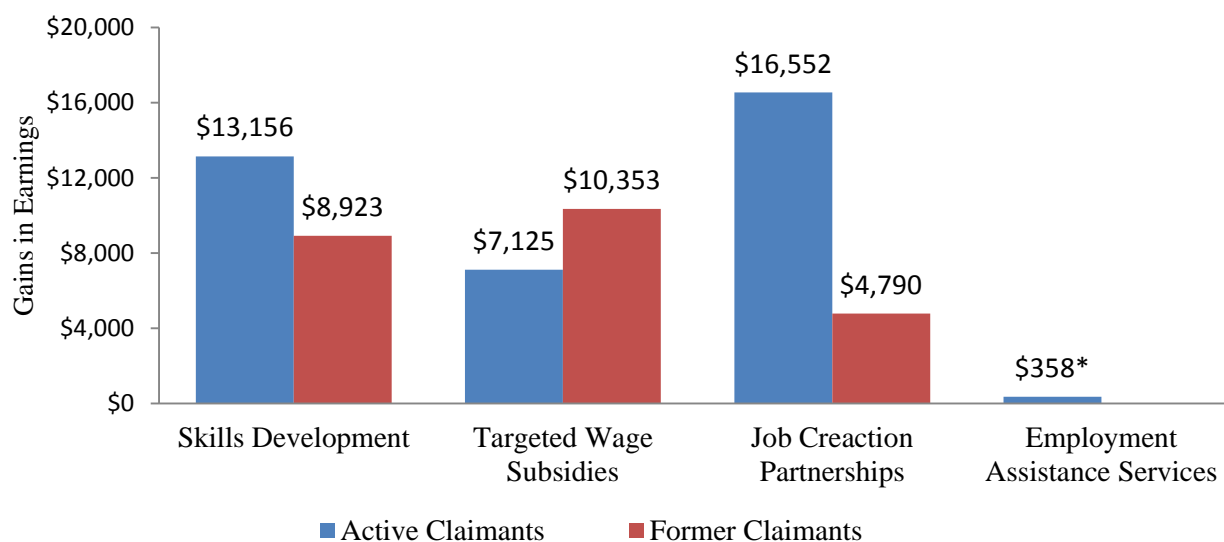


Figure ii presents the cumulative increase in employment earnings for active and former claimants over the 5 years post-participation. It is noted that Employment Assistance Services are relatively modest activities and, by themselves, are not expected to lead to substantial effects on labour market outcomes. In other words, these services aim to support the return to work of unemployed participants and not necessarily to secure a better paying job than pre-participation. However, as demonstrated later in the report, providing Employment Assistance Services earlier during the EI claim (first 4 weeks) produced larger impacts on earnings and employment and facilitated earlier returns to work.

**Figure ii. Increased Cumulative Earnings of Participants Relative to Non-Participants**



\* The incremental impact on earnings for Employment Assistance Services participants is not statistically significant at the 95% level.

Table 2 presents the number of years required for the social benefits to exceed program cost. Social benefits to participation exceeded investment costs in a period ranging between the 2nd year of program participation to about 10 years after participation. This excludes former claimants who participated in Job Creation Partnerships for whom the investment costs are not likely to be recouped before 25 years. However, this group represented only 0.3% of new EBSM interventions in 2014-2015.

**Table 2. Number of Years for the Benefits to Exceed Program Costs**

	<b>Skills Development</b>	<b>Targeted Wage Subsidies</b>	<b>Job Creation Partnerships</b>	<b>Employment Assistance Services</b>
Active Claimants	7.4	5.9	5.9	10.9
Former Claimants	8.6	2 <sup>nd</sup> participation year	Over 25 years	N/A

## **2.2 Lessons learned about Program Design and Delivery**

Key informants interviews with service providers and program managers as well as the documents reviewed and the questionnaires filled by provincial/territorial representative also generated a few lessons about program design and delivery:

### ***Skills Development***

- Key informants confirmed that most P/Ts take steps to direct Skills Development funding towards training for occupations in demand in the labour market. In particular, as part of the application process, prospective participants have to justify their choice of training program by demonstrating that labour market demand exists. Five provinces/territories may not approve applications for training leading to employment in low demand occupations.
- According to key informants, the main challenges related to Skills Development include:
  - Lack of capacity to case manage and monitor individuals facing multiple barriers to employment.
  - Access to the program is limited due to the EI eligibility criteria.
  - Participant's ability to access and complete training is often limited by a lack of essential skills, learning disabilities, literacy issues and other factors such as living in remote locations and lack of transportation.
  - Unemployed individuals lack awareness about the program and early engagement of EI claimants is difficult since Service Canada does not refer recent claimants to provincial/territorial offices.

### ***Skills Development for Apprentices***

- Existing Canadian literature showed that there is a fairly high non-completion rate among apprentices (40-50%)<sup>3</sup>. Furthermore, subject matter literature revealed that despite the growth in apprenticeship registrations in Canada, there has not been a corresponding increase in completion rates<sup>4</sup>. While it is not possible with available data to generate a reliable estimation of the completion rate of Skills Development-Apprentices participants, key informants involved in apprenticeship delivery confirmed the stagnation in completion rates.
- According to key informants, apprenticeship drop-out is due to factors such as low level of essential skills, financial difficulties (e.g., not being able to live on EI benefits while on training) and delays in getting EI benefits (e.g., EI eligibility is not confirmed until training is almost complete).

### ***Targeted Wage Subsidies***

- Key informants confirmed that participation in Targeted Wage Subsidies can be driven by either unemployed individuals or employers looking to fill a new position. Key informants also confirmed that in most P/Ts covered by the evaluation, the subsidized employers are generally hiring those they would not have otherwise hired without the help of the program.
- While evaluation results have demonstrated the effectiveness of Targeted Wage Subsidies, its use has been falling in recent years. According to the EI Monitoring and Assessment Reports, the proportion of new Targeted Wage Subsidies interventions decreased from 3% to 1% of all new interventions between 2002/03 and 2014/15. Reasons identified by key informants to explain this decline include:
  - The frequent and time consuming reporting requirements for the employers.
  - Lack of awareness about the program among employers.
  - Employers having a negative perception of the quality of the candidates.
  - Difficulty in matching employers' needs to the skills of available candidates.

### ***Employment Assistance Services***

- According to key informants, challenges with the design and delivery of Employment Assistance Services include:
  - Lack of awareness about Employment Assistance Services among potential participants.
  - Current budget allocation is not enough to support the delivery of Employment Assistance Services and has led some service providers to eliminate services.
  - Service providers cannot provide all the services needed for participants facing multiple barriers to employment. They have to refer these individuals to other organizations.

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<sup>3</sup> Red Seal. 2014. *Apprenticeship Completion, Certification and Outcomes*. Ottawa: Red Seal.

<sup>4</sup> Patrick Coe. 2013. "Apprenticeship programme requirements and apprenticeship completion rates in Canada." *Journal of Vocational Education and Training*. 65(4): 575–605.

### 3. Recommendations

A total of 9 recommendations emerge from the evaluation findings. They are as follows:

- The study on the timing of Employment Assistance Services participation showed that receiving assistance early after starting an EI claim can lead to better labour market impacts. However, key informants repeatedly reported a lack of awareness about the program.
  - *Recommendation 1:* Consideration should be given to providing P/Ts with timely access to data on new EI recipients for supporting targeting and increasing awareness.
  - *Recommendation 2:* Since ESDC has access to Records of Employment and EI data, it should explore what active role it could play in raising program awareness among new EI recipients.
- Key informants reported that lack of essential skills, learning disabilities and literacy issues are common barriers to accessing and completing training.
  - *Recommendation 3:* Consideration should be given to remove barriers to accessing and completing training such as literacy/essential skills training and learning disability assessments. The measures would help individuals with multiple barriers to prepare for vocational training and to reintegrate the labour market. The measures should be reported separately from other Skills Development interventions given their unique objectives.
- Incremental impact results show that Targeted Wage Subsidies is improving the earnings and employment of participants. However, its use has been falling over the years. According to key informants, the decline is related to employers not using the program due to the administrative processes, lack of awareness about the program and difficulty in finding suitable candidate.
  - *Recommendation 4:* P/Ts should explore ways of removing barriers to employer participation in Targeted Wage Subsidies.
- Key informants confirmed the necessity of having labour market information to support the delivery of Employment Assistance Services. They, however, pointed to the difficulty of accessing or producing labour market information at the regional/local level.
  - *Recommendation 5:* Consideration should be given to enhance the capacity of service providers to access or produce, when needed, relevant labour market information.
- The evaluation was not able to produce a conclusive assessment of Self-Employment effectiveness and efficiency since the data used to assess impacts on earnings may not be the best source of information available to reflect the financial wellbeing of the participants. As well, little is known about the design and delivery of this program. Overall, it is not clear whether participant's success in improving their labour market attachment through self-employment is more closely associated with their business idea and their entrepreneurship skills than the assistance provided under Self-Employment.

- *Recommendation 6:* Consideration should be given to examine in more detail the design and delivery of Self-Employment and whether the performance indicators for this program are appropriate.
- Job Creation Partnerships was found to be particularly effective at improving earnings and incidence of employment of active claimants. However, the evaluation has not yet examined the design and delivery of this program. Therefore, a lot remains unknown about how this program operates and the factors that contribute to its effectiveness.
- *Recommendation 7:* Consideration should be given to examine the design and delivery of Job Creation Partnerships in order to better understand how this program operates.
- Overall, the LMDA evaluation was able to produce a sound assessment of EBSM effectiveness and efficiency because the team had access to rich data on EI claimants and was capable of linking them to EBSM participation data and Canada Revenue Agency taxation files. However, some data gaps limited the evaluation's ability to assess how EBSMs operate.
- *Recommendation 8:* Improvements in the data collection is recommended to address key program and policy questions of interest to the federal and provincial/territorial governments. Specifically:
  - Mandatory reporting of the highest level of education as part of the EI claim application.
  - Collect data on whether participants are members of designated groups including Indigenous peoples, persons with disabilities and recent immigrants.
  - Collect data on the type of training funded under Skills Development and the type of assistance provided under Employment Assistance Services. ESDC should work with P/Ts to define common categories for both EBSMs.
  - Collect detailed data on the cost of interventions.
  - ESDC should consider securing access to provincial/territorial social assistance records in order to enrich the administrative data with patterns of social assistance use for participants and non-participants.
- The data assessment process revealed some gaps regarding data quality and integrity. These documented gaps can be addressed by defining clear roles and responsibilities.
- *Recommendation 9:* Considerations should be given to assign responsibility for a specific unit within ESDC to manage data integrity, including validating data uploads and documenting changes over time.

## ***Management Response***

### **1. Introduction**

The Skills and Employment Branch worked in close collaboration with the Evaluation Directorate of ESDC, as well as with P/Ts, during the planning and implementation of the second cycle for the LMDA evaluation. The Skills and Employment Branch would like to thank all members of the Evaluation Steering Committee for their dedication and commitment to the success of this evaluation process. The Skills and Employment Branch agrees with the evaluation recommendations and is pleased to submit this management response. These findings are an important source of advice, as governments work together to renew the labour market transfer agreements.

### **2. Background**

The main objective of EI Part II is to maintain a sustainable EI system by getting clients back to work quickly. Part II allows the federal government to sign agreements (i.e. LMDAs) with P/Ts to design, deliver and manage their own active employment programs for unemployed Canadians, particularly for those who are eligible for EI. The LMDAs transfer \$2.14B annually (\$1.95 billion in program funding and \$190 million in administrative funding) to P/Ts for the design and management of programs targeting unemployed Canadians.

Building on lessons learned and best practices from previous LMDA evaluations, the second cycle for the LMDA evaluation produced high quality evidence about the effectiveness and efficiency of the EBSM similar programming designed and delivered by provinces and territories. Evaluations became more timely and relevant to program and policy development, while using a cost-effective approach.

Cycle II confirms that:

- LMDA program participants benefited from improved labour market outcomes, such as increased employment and earnings, as well as reduced dependence on Employment Insurance and Social Assistance.
- In addition, providing Employment Assistance Services, which include counselling and job search assistance, earlier (first 4 weeks) during an EI claim produced larger impacts on earnings and employment, while facilitating earlier returns to work.
- Furthermore, a cost-benefit analysis demonstrated that, from a social perspective, the benefits for participants exceed the cost of investments for most interventions.

### **3. Response from Employment and Social Development Canada**

The Skills and Employment Branch identified the following actions in relation to the recommendations coming out of the evaluation:

- **Recommendation 1:** *“Consideration should be given to providing provinces/territories with timely access to data on new EI recipients for supporting targeting and increasing awareness”.*

- **Recommendation 2:** *“Since ESDC has access to Records of Employment and EI data, it should explore what active role it could play in raising program awareness among new EI recipients”.*

Response: This evaluation shows that interventions with EI clients in the first four weeks of an EI Part I claim results in significant positive impacts on earnings and employment. ESDC has been sharing EI client data with Quebec since 1999 to promote early interventions in that province and, with the advent of electronic EI applications, a Targeting, Referral and Feedback system was developed in 2006 for this purpose. Using the Targeting, Referral and Feedback system, P/Ts can strategically target and contact EI applicants, in order to refer them to a job or offer employment programs and services early in their claim.

Pilot projects with British Columbia and Manitoba were ran to test the impact of early interventions in the delivery of active measures on EI claimants. British Columbia then launched the province-wide implementation of its Targeting, Referral and Feedback initiative in the fall of 2016. In this context, ESDC continues to work with interested P/Ts to implement and use the Targeting, Referral and Feedback system, to facilitate the provision of employment supports to EI applicants, and to study the impacts of such measures.

ESDC and Service Canada will continue to work together to raise awareness of the programs and services available to EI applicants.

ESDC will also support the sharing of information and best practices from provinces, territories and various stakeholders involved in the delivery of active programming.

- **Recommendation 3:** *“Consideration should be given to remove barriers to accessing and completing training such as literacy/essential skills training and learning disability assessments. The measures would help individuals with multiple barriers to prepare for vocational training and to reintegrate the labour market. The measures should be reported separately from other Skills Development interventions given their unique objectives”.*

Response: As part of the Government of Canada’s commitment to modernize labour market transfers, ESDC is working to provide P/Ts with more flexibility under the LMDAs, in order to better target unemployed Canadians who need access to skills and training programs. ESDC will also explore with P/Ts the possibility of collecting more detailed intervention types under the Skills Development program.

- **Recommendation 4:** *“P/Ts should explore ways of removing barriers to employer participation in Targeted Wage Subsidies”.*

Response: The Skills and Employment Branch will discuss the design and delivery of Targeted Wage Subsidy programs with P/Ts in the context of the renewal of the labour market transfer programs.

- **Recommendation 5:** *“Consideration should be given to enhance the capacity of service providers to access or produce, when needed, relevant labour market information”.*



Response: Recognizing that timely, reliable, comprehensive and easily accessible labour market information is critical to determining and continuing to meet labour market needs, in July 2015 labour market ministers from across Canada endorsed the creation of a new labour market information Council and a complementary new National Stakeholder Advisory Panel. Through this approach, governments and stakeholders will work together to ensure all Canadians, including students, businesses, workers and educators, have access to unbiased information they need to make informed decisions.

In addition, ESDC continues to strengthen the labour exchange function through the national Job Bank, and supports the development of new, more granular labour market information that will help P/Ts in their calibration of labour market programming.

- **Recommendation 6:** *“Consideration should be given to examine in more detail the design and delivery of Self-Employment and whether the performance indicators for this program are appropriate”.*
- **Recommendation 7:** *“Consideration should be given to examine the design and delivery of Job Creation Partnerships in order to better understand how this program operates”.*

Response: ESDC will work closely with P/Ts, through the LMDA Evaluation Steering Committee, to carry out specific studies on the design and delivery of these two programs.

- **Recommendation 8:** *“Improvements in the data collection is recommended to address key program and policy questions of interest to the federal and provincial/territorial governments”.*
- **Recommendation 9:** *“Considerations should be given to assign responsibility for a specific unit within ESDC to manage data integrity, including validating data uploads and documenting changes over time”.*

Response: ESDC will work with P/Ts, under renewed labour market development agreements, to strengthen performance measurement and update data exchange agreements, including improving data collection. More precisely, efforts will be devoted to improving the integrity and granularity of LMDA administrative data on client characteristics, interventions and costs, as recommended in the evaluation report. Improved LMDA data will lead to better program design, management and delivery of LMDA programming, as well as improved comparability across P/Ts.

## **1. Introduction**

Employment and Social Development Canada (ESDC) worked jointly with twelve Provinces and Territories (P/Ts) to undertake the 2012-2017 second cycle for the Labour Market Development Agreement (LMDA) evaluations. The first cycle of LMDA evaluation was carried out between 1998 and 2012 and involved the conduct of bilateral formative and summative evaluations in all P/Ts. Under the second cycle, the evaluation work consisted of conducting two to three studies per year on the Employment Benefits and Support Measures (EBSMs) similar programming delivered under these agreements. The studies aimed to generate evaluation evidence on the effectiveness, efficiency and design/delivery of programs and services for Canada overall and for the twelve P/Ts that opted for a joint evaluation process with the Government of Canada. Quebec is responsible for its own evaluation but data from Quebec were included in the national level analyses.

This report presents a summary of the findings from nine national level studies. Similar reports will be available for each P/T in 2017 and 2018. The report is organised as follows:

- Introduction with an overview of the studies summarized in this report including their scope and methodology, and contextual information on the LMDAs.
- Findings section with a discussion around the rationale for investing in labour market programming.
- Conclusions and lessons learned.
- Recommendations that emerged from the evaluation findings.

### **1.1 Labour Market Development Agreement Background**

LMDAs are bilateral agreements between Canada and each P/T and were established under Part II of the 1996 *Employment Insurance (EI) Act*. As part of these agreements, Canada transfers \$2.14B annually to P/Ts (including \$190M in administration funds) in order to design and deliver programs and services aiming at assisting individuals to prepare for, obtain and maintain employment. Program delivery was either devolved or co-managed until 2010 and became fully devolved to all P/Ts at that time. Funded programs and services can be classified under two categories: 1) Employment Benefits and 2) Support Measures.

#### ***Employment Benefits***

Employment Benefits funded under the LMDAs are offered to unemployed individuals who 1) are actively on EI (i.e., active claimants); 2) ended their benefit period within three years before participating (i.e., former claimants); or 3) established a claim for maternity or parental benefits within the past five years and are returning to the labour force for the first time (i.e., former claimants)<sup>5</sup>. Employment Benefits include the following categories:

- **Skills Development** helps participants obtain employment skills by giving them financial assistance that enables them to select, arrange and pay for classroom training.

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<sup>5</sup> Former claimants who received maternity or parental benefits were not covered by the evaluation given the difficulty in finding a suitable comparison group.

- **Targeted Wage Subsidies** help participants obtain on-the-job work experience by providing employers with financial assistance to help paying the wages of participants.
- **Self-Employment** provides financial assistance and business planning advice to EI-eligible participants to help them start their own business. This financial assistance is intended to cover personal living and other types of expenses during the initial stages of the business.
- **Job Creation Partnerships** provide participants with opportunities to gain work experience that will lead to ongoing employment. Employment opportunities are provided by projects that contribute to developing the community and the local economy.
- **Targeted Earnings Supplements** encourage unemployed persons to accept employment by offering them financial incentives. This program was not covered by the evaluation given the fact that it was delivered in one province only.

### *Support Measures*

Support Measures are available to all unemployed individuals including those not eligible to receive EI and include:

- **Employment Assistance Services** such as individual counselling, action planning, help with job search skills, job-finding clubs, job placement services, the provision of labour market information, case management and follow-up.
- **Labour Market Partnerships** provide funding to help employers, employee and employer associations, and communities improve their capacity to deal with human resource requirements and implement labour force adjustments. These partnerships involve developing plans and strategies, and implementing labour force adjustment measures. This support measure was not covered by the evaluation.

**Research and Innovation** supports activities that identify better ways of helping people prepare for or keep employment and be productive participants in the labour force. Funds are provided to eligible recipients to enable them to carry out demonstration projects and research for this purpose. This support measure was not covered by the evaluation.

Table 2 provides an overview of the share of funding allocated to the five programs and services examined under the second cycle for LMDA evaluation and the average cost per participant. It is noted that the average cost per participant was calculated based on the 2002-2005 data from the EI Monitoring and Assessment Reports. The 2002-2005 period corresponds to the cohort of participants selected for incremental impacts and cost-benefit analysis in the LMDA evaluation.

**Table 3. Share of LMDA Funding and Average Cost per Participant**

<b>Program and Service</b>	<b>Share of Funding 2014-2015</b>	<b>Average Cost Per Participant 2002-2005</b>
Skills Development	51%	\$7,150
Employment Assistance Services	35%	\$700
Targeted Wage Subsidies	6%	\$4,700
Self-Employment	6%	\$11,100
Job Creation Partnerships	2%	\$8,400
<b>Total</b>	<b>100%</b>	—

Sources: EI Monitoring and Assessment Reports 2002-2003 to 2014-2015.

## **1.2 Methodology**

This section presents key aspects of the quantitative analyses carried out as part of the LMDA studies, while a more detailed description of the methodology is provided in [Appendix A](#).

All quantitative analyses were based on administrative data from the EI Part I (EI claim data) and Part II (EBSM participation data) linked to the T1 and T4 taxation files from the Canada Revenue Agency. Incremental impact analyses and the cost-benefit analyses were based on up to 100% of participants in the reference period selected.

### ***Incremental Impacts Analysis***

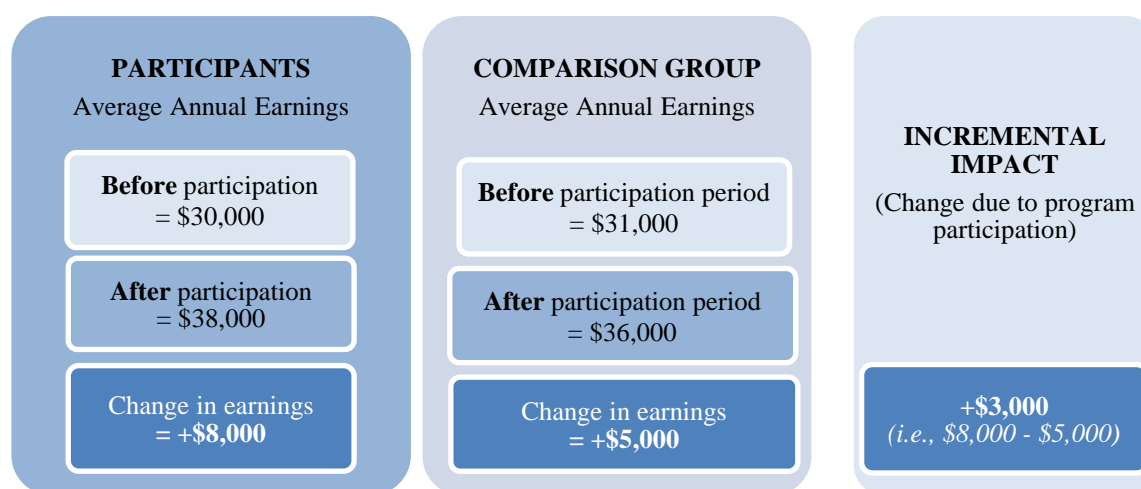
Five studies assessed program effectiveness by estimating incremental impacts from EBSM participation on participants' labour market experience (i.e., [earnings from employment/self-employment](#), [incidence of employment](#), [use of EI](#) or [Social Assistance](#) and [dependence on income support](#)) after participation. The role of the incremental impact analysis is to isolate the effects of participation from other factors such as the economic cycle. In order to achieve this, the incremental impact analysis compared the labour market experience of participants before and after their participation with that of non-participants (see the example of incremental impact calculation in Figure 1).

The matching of participants and comparison group members used up to 75 socio-demographic and labour market variables observed over five years before participation. Two different comparison groups were used to measure impacts for active and former EI claimants. For active claimants, the incremental impacts were measured relative to a comparison group of active claimants who were eligible to, but did not, participate in EBSMs during the reference period.

Former claimants can be underemployed and unable to requalify for EI, out of the labour force for various reasons or on Social Assistance. Based on previous evaluation methodologies, on expert advice and given the difficulty in generating a suitable comparison for former claimants

using administrative data alone, the comparison group for former claimants was created using individuals who participated in Employment Assistance Services only during the reference period. This is a conservative approach given the fact that participation in Employment Assistance Services can lead to limited effects on labour market outcomes. In other words, the experience of former claimants who received Employment Benefits (i.e., Skills Development, Targeted Wage Subsidies, Self-employment and Job Creation Partnerships) was compared to the experience of former claimants who received low intensity employment services (i.e., Employment Assistance Services only). Due to this difference in measurement, incremental impacts estimated for active claimant participants should not be directly compared to those of former claimant participants<sup>6</sup>.

**Figure 1. Example of Incremental Impact Calculation**



### ***Factors Accounted for in the Cost-Benefit Analysis***

Program efficiency was assessed through a cost-benefit analysis which compared the cost of participating in the program for the participants and the cost of delivering the program for the government to the benefits generated by the program. Overall, this analysis provided insights on the extent to which the program is efficient for the society (i.e., for both the participants and the government). The costs and benefits accounted for in the calculations were as follows (detailed definitions in [Appendix A](#)):

- Program cost: includes program and administration costs paid by the government.
- Marginal social costs of public funds: represent the loss incurred by society when raising additional revenues such as taxes to fund government programs.
- Employment earnings: consists of incremental impacts on participants' earnings during and after participation. The calculation accounts for the participant's forgone earnings during participation (i.e., opportunity cost). Employment earnings were also increased by 15% to

<sup>6</sup>Full details about the incremental impact methodology can be found in the following report: Stream 1 study for 2013-2014: national level analysis of EBSM incremental impacts. Methodology report, Evaluation Directorate, ESDC. September 16, 2013.

account for fringe benefits such as the employer-paid health, life insurance and pensions contributions.

### ***Strengths and Limitations of the Studies***

One of the key strength from the studies is that all quantitative analyses were based on administrative data rather than survey responses. Compared to survey data, administrative data are not subject to recall errors or response bias.

The propensity score models used to match participants and non-participants for the incremental impact analyses are judged to be robust in part because they were based on five years of pre-participation data and on a vast array of variables including socio-demographic characteristics, location, skills level related to last occupation and indicators of labour market attachment. Sensitivity analysis and the use of alternative estimation methods have increased confidence in the incremental impact estimates. However, one limitation with the propensity score matching techniques is that no one can be fully sure the impacts were not influenced by factors not captured in the data.

The cost-benefit analysis accounted for all quantifiable costs and benefits that are directly attributable to the EBSMs and could be estimated with the available administrative data. The analysis did not account for non-quantifiable benefits such as improvements in participant's wellbeing or for the multiplier effect of increased spending on the economy.

In some studies that relied on the use of qualitative data collection methods, the number of key informants interviewed was relatively small in some P/Ts. Responses provided by key informants reflect their own experience and their own region, and may not be fully representative of the entire province and territory.

## **1.3 Overview of the Studies Summarized in This Report**

Findings presented in this report were drawn from nine separate studies carried out at the national level. These studies examined issues related to program effectiveness, efficiency, design/delivery and used a mix of qualitative and quantitative methods. Each study examined evaluation issues in relation to active and former EI claimants.

[Table H1](#) in [Appendix H](#) presents an overview of these studies, including the type of evidence generated, the methods used, the reference period and the length of the post-program period over which program effects were observed.

## **2. Evaluation Findings**

### **2.1 Rationale and Labour Market Context**

#### ***LMDA Investments Align with Federal Government Priorities***

Active labour market programs are fairly similar across Organization for Economic Co-operation and Development countries and consist of skills training in a classroom setting, work experience with employers (often subsidized) or in the public/non-profit sector, return-to-employment assistance and self-employment assistance. In Canada, the largest active labour market investment is made under the LMDAs and targeted mainly to unemployed individuals who are eligible for EI. An additional \$500M is invested under the Canada Job Fund agreements and is targeted mainly to low-skilled workers and unemployed Canadians who are not eligible for EI benefits. As well, specific programs are targeted toward youth (Youth Employment Strategy), older workers (Targeted Initiative for Older Workers), Indigenous Peoples (Aboriginal Skills and Employment Training Strategy) and persons with disabilities (Labour Market Agreements for Persons with Disabilities).

The 2016/17 Report on Plans and Priorities for ESDC links LMDA investments to the strategic outcome of having *A skilled, adaptable and inclusive labour force and an efficient labour market*. The report aligns this strategic outcome with the Whole-of-government Framework outcome area of providing *Income security and employment for Canadians*.

#### ***LMDA Investments Are Responsive to the Needs of Unemployed Canadians***

As shown in Figure 2, from 2004/05 to 2014/15, the number of unemployed Canadians ranged between 1,077,000 and 1,523,000 annually. Figure 2 also shows the number of EBSM participants who were EI eligible as well as the total number of EBSM participants, including those who are non-EI eligible.

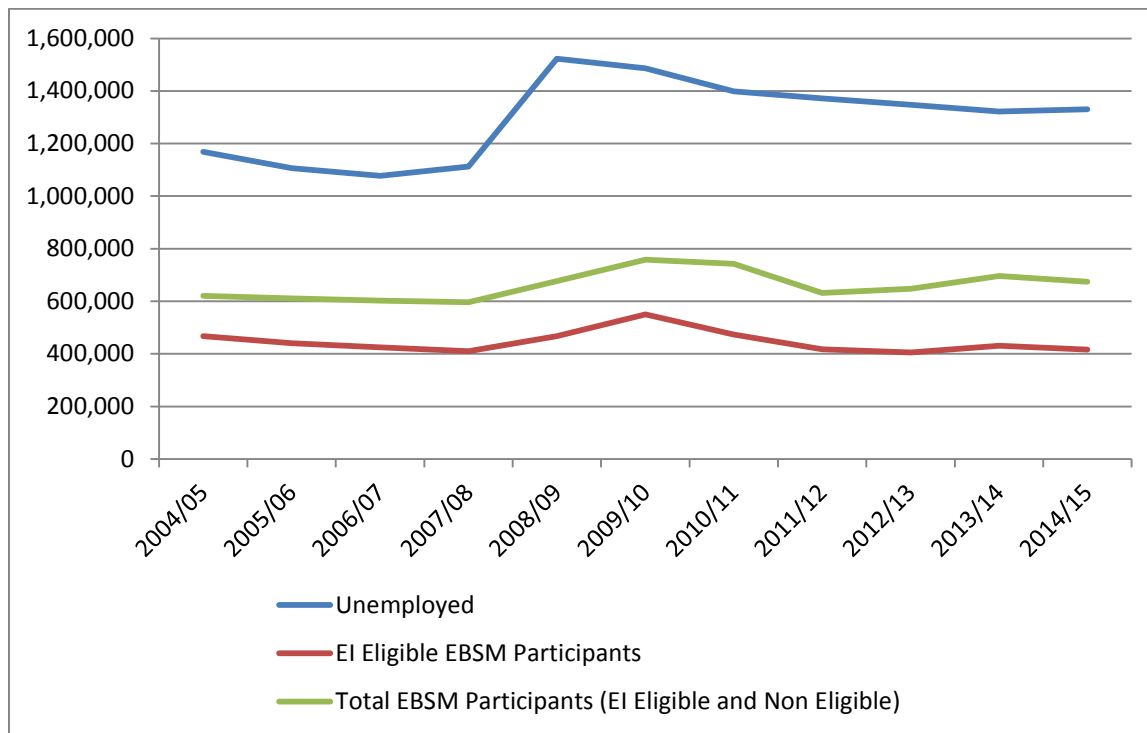
Overall, these data show the important contribution made by the LMDA over the last decade to assist unemployed Canadians in finding and keeping employment. Unemployed Canadians included both EI and non-EI eligible individuals:

- The annual number of EI eligible participants varied between 405,000 and 550,000.
- The total annual number of EI and non-EI eligible participants varied between 602,000 and 760,000.

Unemployed Canadians who are not eligible for EI and requiring assistance can also access support under other P/T or federally funded programs and services such as the Canada Job Funds which followed the Labour Market Agreements introduced in 2008.

Sub-sections 2.2 to 2.7 of this report will provide evidence that EBSMs are, overall, improving participants' incidence of employment, earnings and reducing dependence on government income support. As such, EBSMs are addressing actual needs and strengthening the labour market attachment of LMDA participants.

**Figure 2. Number of Unemployed Canadians and EBSM Participants**



Sources: Statistics Canada, CANSIM, Table 282-0002 and EI Monitoring and Assessment Reports (2004-2015)

Note: For the 2008-2010 period, it is not surprising to see the delay in EBSM participation compared to the increase in the number of unemployed. This is due to the fact that EBSM participation is reported on annual basis and that for most interventions there is a normal delay between becoming unemployed and starting interventions such as Skills Development, Targeted Wage Subsidies, Self-Employment and Job Creation Partnerships. As well, increased funding under Budget 2009 affected the number of EBSM participants.



## 2.2 Skills Development

### 2.2.1 Program Description

*Based on a document review and key informant interviews completed in 9 P/Ts in summer 2015*

The objective of the Skills Development program is to assist active and former EI claimants in obtaining the skills they need for employment, ranging from basic to advanced skills. The proportion of total EBSM expenditures spent on this program ranged from 51% to 54% between 2002/03 and 2014/15. The program provides financial supports to cover the following expenses:

- Tuition (9 P/Ts)
- Living allowance to cover expenses such as rent/mortgage, food and utilities (9 P/Ts)
- Childcare and dependent care (9 P/Ts)
- Transportation (9 P/Ts)
- Books and other materials (9 P/Ts).
- Disability-related supports (6 P/Ts)
- Living away from home allowance in temporary housing during training (6 P/Ts)
- Student fees (5 P/Ts)
- Special equipment, clothing and tools (4 P/Ts)
- Tutoring (3 P/Ts)
- Relocation costs (3 P/Ts)
- Health and dental care (3 P/Ts)
- Certification/licensing allowance (2 P/Ts)
- Specialized assessments (e.g., psycho-educational and ergonomic) (2 P/Ts)

The level of financial support provided under the program is determined through an assessment of the participant's need. Funding is generally granted to individuals who pursue essential skills training/adult basic education, English or French as second language training or occupational skills training. In some cases, occupational skills can include college or university training (4 P/Ts). Five P/Ts submitted information on the proportion of Skills Development interventions dedicated to supporting individuals in each training type for fiscal year 2014/15. The focus of Skills Development funding varies across those P/Ts:

#### In 3 out of 5 P/Ts:

- Occupational skills training represented 51% to 88% of interventions
- Adult basic education/essential skills training represented 12% to 26% of interventions
- In one P/T, 32% of interventions were for training such as pre-apprenticeship

#### In 2 out of 5 P/Ts:

- Focused primarily on adult basic education or essential skills training (51% and 56% of interventions)
- Occupational skills training represented 13% and 44% of interventions
- In one P/T, 36% of interventions consisted of English or French as a second language

### 2.2.2 Program Delivery

*Based on a document review and key informant interviews completed in 9 P/Ts in summer 2015*

Program delivery varied across the 9 P/Ts examined in the Skills Development study. Participants were entirely case-managed by government staff in 3 P/Ts and exclusively by third-party service providers in another 3 P/Ts. In the remaining 3 P/Ts, service providers case-

managed participants while government staff negotiated the level of financial supports with participants. The application process for the program usually starts with a need assessment which identifies the individual's skill level, credential, education, work experience and goals (9 P/Ts). The assessment may also look at other factors such as job readiness (5 P/Ts) and the amount of time spent on EI or searching for employment (2 P/Ts).

Once the individual is deemed eligible, he/she works with a caseworker to establish a return-to-work action plan and an application. As part of this process, the individual has to justify his/her choice of training program by demonstrating that labour market demand exists (9 P/Ts). The individual may have to conduct interviews with employers (9 P/Ts), identify job advertisements or use other labour market information sources (8 P/Ts). In 5 P/Ts, applications for training leading to employment in low demand occupations may not be approved. In two other P/Ts, training for occupations in low demand may be funded if the individual's action plan demonstrates how the training will improve his/her employability.

The application process may also involve a financial needs assessment which aims to determine the types of supports and level of funding required by the individual. Two P/Ts also provide budget planning advice to assist the individual in managing expenses during training (2 P/Ts). Overall, the length of the application and approval process ranges from 2 weeks to 6 months, depending on how long the individual takes to develop a return-to-work action plan and to proceed through the steps of the application process.

### **2.2.3 Profile of Skills Development Participants**

As shown in [Table B1](#) in [Appendix B](#), more than half of active claimants who started their Skills Development intervention in the 2002/05 and 2007/08 periods were male (54% and 52% respectively) and the majority were between 25 and 44 years of age (60% and 56% respectively). They most frequently had an occupation requiring secondary or occupational training prior to participation (40% of participants in each cohort). The 2002/05 participants had slightly lower earnings prior to participation (\$19,206) compared to the 2007/08 participants (\$20,024).

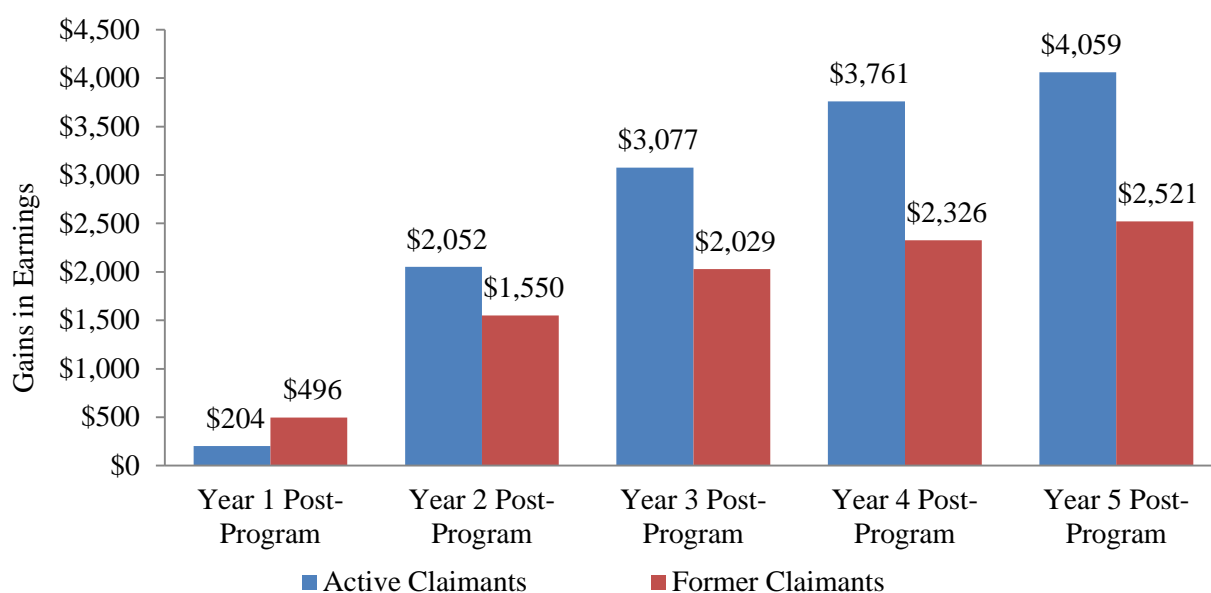
Former claimants who started their Skills Development intervention in the 2002/05 and 2007/08 periods were mainly female (53% and 56% respectively) and the majority were between 25 to 44 years of age (61% and 58% respectively). They most frequently had occupations requiring secondary or occupational training before participation (41% each). Both cohorts had very similar earnings from employment in the year before participation (\$8,280 and \$8,669).

### **2.2.4 Incremental Impacts**

#### ***Active Claimants***

As shown in [Table B2](#) in [Appendix B](#), active claimants who started their Skills Development participation between 2002 and 2005 had incremental gains in earnings and incidence of employment in each of the five years after participation. As shown in [Figure 3](#), earnings continuously increased over time with gains ranging from \$204 in the first year after participation to \$4,059 in the fifth year. Similarly, the increases in incidence of employment ranged between 2.4 percentage points in the first year and 4.4 percentage points in the fifth year.

**Figure 3. Increased Earnings of Active and Former Skills Development Participants Relative to Non-Participants<sup>7</sup>**



Gains in employment earnings and incidence of employment were accompanied by decreases in EI use ranging between \$69 and \$470 in all years after participation. Active claimant's use of social assistance benefits decreased in the last three years of the five years post-program period while their level of dependence on income support decreased between 1 and 2.2 percentage points in all years after participation.

Results for the more recent participants (i.e., 2007/08) were in the same direction with gains in earnings and incidence of employment and decreases in the use of government income support. However, the size of the impacts was slightly larger for the more recent participants (e.g., larger increases in incidence of employment and decreases in EI use).

Overall, active claimants increased their labour market attachment through increases in earnings, incidence of employment and a decrease in the level of dependence on government income support (use of EI and social assistance).

The results for sub-groups of active claimants were as follows:

- Youth (under 30 years old) who started their Skills Development participation between 2002 and 2005 improved their earnings and incidence of employment in most years after participation. As well, they had short-term decreases in EI use and decreases in social assistance use over most post-program years.
- Older workers (55 years old and over) who started their Skills Development participation between 2002 and 2005 had the largest incremental increases in earnings and incidence of employment when compared to youth and all active claimants. Their use of EI and social

<sup>7</sup> Incremental impacts on earnings are estimated relative to pre-participation levels and to the comparison group. They are estimated using current dollars but the calculation method controls for inflation.

assistance increased over most of the post-program period indicating the inability of some older workers to maintain the employment secured in the short-term.

- [Long-tenured workers](#) who started their Skills Development participation between 2007 and 2009 had increases in earnings in the second and third years after participation but these increases did not compensate for losses in earnings during the participation years and in the first year after participation. Participants did increase their incidence of employment and decrease their use of EI after participating in this program.

### *Former Claimants*

As shown in [Table B3](#) in Appendix B, former claimants who started their Skills Development participation between 2002 and 2005 had incremental gains in earnings in all five-year post-program period. As shown in Figure 3, earnings continuously increased over time with gains ranging from \$496 in the first year post-program to \$2,521 in the fifth year. As well, participants had increases in incidence of employment ranging between 3 and 5 percentage points over the five-year post-program period.

Their use of social assistance decreased in all years after participation by annual averages ranging between \$195 and \$247 while their overall dependence on income support decreased by averages ranging between 2.3 and 3.3 percentage points. While former claimants had a decrease of \$54 in the amount of EI benefit collected in the first year after participation, they had increases in their use of EI in all remaining years. These increases ranged between \$171 and \$217.

Former claimants who started their Skills Development participation in 2007 and 2008 had comparable increases in incidence of employment and comparable decreases in social assistance use and dependence on income support after participation. Their results for earnings and EI use were partially different compared to the 2002-2005 participants. Those who started participation in 2007 or 2008 had a decrease in earnings in the first year after participation but increases in the second and third year. As well, they had a decrease in EI use in the first year after participation but increases in the second and third years post-program.

Overall, former claimants increased their use of EI following participation. This indicates the inability of some former claimants to maintain the employment secured in the short-term. It can also be argued that the increase in EI use is an indication of increase labour market attachment for this client group since they did experience increases in employment earnings and incidence of employment as well as a decrease in the use of social assistance. As a reminder, former claimants are participants for whom the EI benefit period ended up to three years pre-participation.

Results by sub-groups showed that:

- Skills Development was effective at improving the earnings and incidence of employment of youth who started participation between 2002 and 2005. The program was also effective at reducing their use of social assistance after participation.
- Skills Development was also effective at improving the earnings and incidence of employment of older workers who started participation in the 2002/05 period. Most of the results for other indicators were not statistically significant.

- Long-tenured workers who started program participation between 2007 and 2009 had increases in earnings in the second and third years after participation but these increases did not compensate for the decreases experienced during and right after participation. They improved their incidence of employment and decreased their use of social assistance in all years after participation. As well, they had a short-term decrease in EI use but increases in the second and third years post-program.

### **2.2.5 Cost-Benefit Results**

As shown in [Table B4](#) in Appendix B, in order to recover the costs, the benefits of Skills Development for society would need to be maintained 7.4 years after participation for active claimants and 8.6 years for former claimants.

### **2.2.6 Challenges and Lessons Learned About Skills Development Design and Delivery**

*Based on a document review and key informant interviews completed in 9 P/Ts in summer 2015*

Managers and caseworkers involved in program delivery and interviewed during the summer of 2015 spoke about challenges related to program participation and delivery:

- Geographic locations and remoteness pose barriers to accessing training due to factors such as lack of training options in certain areas or lack of transportation (9 P/Ts).
- Caseworkers need extra time and resources to case manage participants with multiple barriers (8 P/Ts). As well, they may not be fully equipped to assist participants who face significant challenges or mental health issues (3 P/Ts).
- EI eligibility can be a barrier to low-skilled individuals (including those with multiple barriers to employment) who are in need of skills training but who cannot qualify for EI (5 P/Ts).
- The lack of essential skills (5 P/Ts), learning disabilities (3 P/Ts) and literacy issues (3 P/Ts) are common barriers to accessing and completing training. Individuals lacking the pre-requisite skills needed to succeed in occupational-specific training may drop out of more advanced related training.
- Some participants face financial constraints during the waiting period prior to the start of training and this may cause some to drop out (4 P/Ts). For example, participants may exhaust all their EI benefits while going through the Skills Development application process and waiting for the training to start (3 P/Ts).
- There is a lack of awareness about the program (4 P/Ts) by potential participants.
- Early engagement of EI claimants is difficult since Service Canada does not refer recent EI claimants to P/T offices (3 P/Ts).

Key informants also spoke about best practices and lessons learned for this program. These include:

- Requesting prospective participants to undertake labour market research and interviews with employers and training institutions helps them to take ownership of their return-to-work process and make an informed decision about training (8 P/Ts).

- Regular coordination and communication among caseworkers, training providers and other stakeholders is important (7 P/Ts).
- The financial assistance to cover child care expenses (7 P/Ts) living allowance (4 P/Ts), transportation (3 P/Ts), and tuition (3 P/Ts) could be increased in order to improve access and completion of training.
- Flexible or multi-stage training plans that consider occupational, life and essential skills along with occupational training is beneficial for individuals facing multiple barriers to employment (6 P/Ts).
- Regular monitoring of participants during and after training is beneficial particularly for individuals with multiple barriers. It allows for the identification of additional supports that can be offered if participants encounter challenges while in training (6 P/Ts).
- Conducting more learning disability and skills assessments at the outset of participation allow for the identification of supports needed by participants to succeed in training (4 P/Ts).
- Extending the financial assistance after the training period would help the participant while he/she is undertaking a job search (4 P/Ts).
- It was suggested to increase the living allowance (4 P/Ts) and the funding for transportation (3 P/Ts), and tuition (3 P/Ts). It was also suggested to provide disability-related employment and financial supports (2 P/Ts).

## **2.3 Skills Development-Apprentices**

### **2.3.1 Program Description**

*Based on a document review and key informant interviews completed in 10 P/Ts in summer 2015*

The objective of the program is to help apprentices become skilled tradespeople and to increase their labour market attachment. Program participants have generally chosen a career and are already attached to the labour market. The apprenticeship process involves on-the-job learning and technical training in a classroom setting which may range from 4 to 12 weeks per year (4 P/Ts). Apprentices who have worked enough hours to qualify for EI can apply to receive EI Part I benefits while on training.

The program provides financial assistance to EI eligible apprentices to help them offset the costs they incur while they attend technical training. It covers the following expenses:

- Transportation/travel (9 P/Ts)
- Childcare and/or dependent care (8 P/Ts)
- Living away from home allowance (8 P/Ts)
- Living allowance (7 P/Ts)
- Tuition (7 P/Ts)
- Books (4 P/Ts)
- Essential skills, academic upgrading, tutoring, salary of learning strategists (3 P/Ts)
- Supplies, tools and equipment (2 P/Ts)

The level of funding is based on the needs of apprentices, the location of the training, and any fees paid by the apprentices. Funding is generally attributed based on fixed rates.

### **2.3.2 Program Delivery**

*Based on a document review and key informant interviews completed in 10 P/Ts in summer 2015*

Since participants are generally already employed, they are not necessarily case managed. In fact, at least 5 P/Ts do not provide case management as part of the program. Apprentices may receive case management services in 3 jurisdictions but this is not a requirement. Overall, out of the 3 P/Ts that provide case management services, 2 confirmed that only a small share of participants received such services.

The application for funding differs across P/Ts. The participant most often completes the application on his/her own:

- In 3 P/Ts, the application is self-directed and the participant does not have any contact with a caseworker.
- In 4 other P/Ts, the caseworkers meet with the apprentices either before they start their training or during the first days of their training to discuss what financial supports are available and to determine the financial needs of apprentices.
- In two other P/Ts, the application is self-directed for some apprentices and involves meeting with a caseworker for others (e.g., the caseworkers meet with the first-year apprentices to complete the application but upper-year apprentices apply on their own).



At least 3 P/Ts send an application or information package to the apprentices, which includes information on how and where to apply for funding, either before they start their training or at the time of starting their training.

### **2.3.3 Profile of Skills Development-Apprentices Participants**

[Table C1](#) in [Appendix C](#) presents the socio-demographic characteristics of active and former claimants who started receiving funding in 2003/05 and in 2013/14.

Both cohorts of active claimants were predominantly male (93% and 95% respectively). These participants were fairly young but the less recent participants were younger as 84% of them were below 34 years of age compared to 72% for the 2013/14 cohort. Both the 2003/05 and 2013/14 participants most frequently had an occupation requiring college of apprenticeship training prior to participation (84% and 90% respectively). The most recent participants had higher earnings in the year before participation (\$33,250) compared to the 2003/05 participants.

Former claimants who started receiving funding from 2003 to 2005 and from 2013 to 2014 were mainly male (83% and 89% respectively) and below 34 years of age (68% and 72%). Most of them had an occupation requiring college or apprenticeship prior to participation and the incidence was higher for the most recent participants (70%) when compared to the 2003/05 participants (48%). As well, in the year before participation, the most recent participants had higher earnings from employment (\$23,345 versus \$18,388). They also had a lower incidence of EI use (49% versus 55%) and social assistance use (4% versus 6%).

### **2.3.4 Labour Market Outcomes**

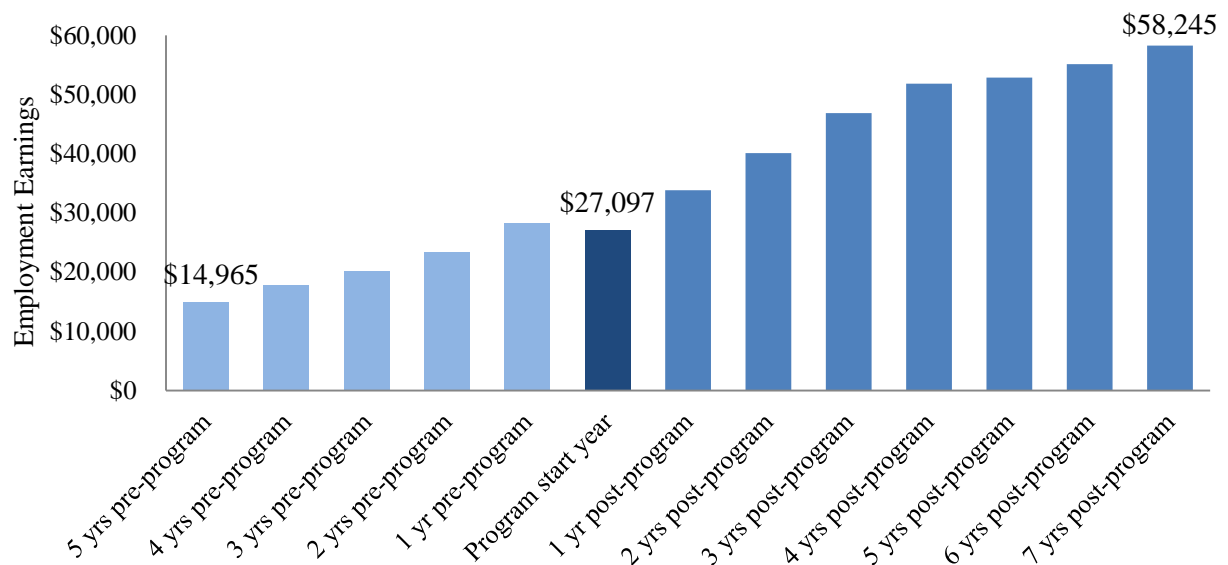
The labour market outcomes were based on individuals who began their participation during the 2003 to 2005 period. Statistics presented in [Tables C2](#) and [C3](#) in [Appendix C](#) focused on 5 years prior and 7 years after the program start year.

#### ***Active Claimants***

As shown in [Figure 4](#), program participants increased their average earnings from \$14,965 in the 5th year pre-program to \$58,245 in the 7th year after the program start year. The proportion of employed participants declined by 1 to 2 percentage points annually after the program start year, but remained at around 95%. The proportion of participants on EI Part I decreased from 99% in the program start year to 23% in the 7<sup>th</sup> year after the program start year. Participants decreased their dependence on income support from 15% in the program start year to 5% in the 7<sup>th</sup> year after participation.



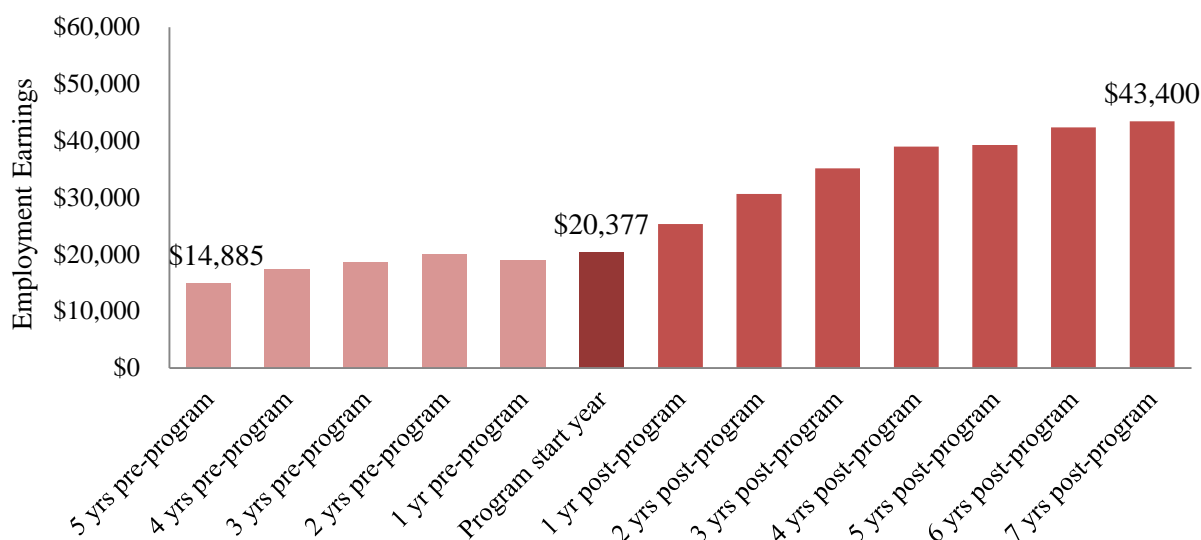
**Figure 4. Average Earnings for Active Claimant Participants in Skills Development-Apprentices (in Current Dollars)**



#### ***Former Claimants***

As shown in Figure 5, employment earnings increased steadily for former claimants from \$14,885 in the 5<sup>th</sup> year before participation to \$43,400 in the 7<sup>th</sup> year after the participation start year. On average, 93% to 97% of former claimants were employed before participation while 88% to 95% were employed after the start of participation. The proportion of former claimants receiving EI benefits decreased from 54% to 37% between the 1<sup>st</sup> and 7<sup>th</sup> years after the program start year. The level of dependence on income support of former claimants increased from 15% in the 5<sup>th</sup> year to 22% in the 1<sup>st</sup> year pre-program, and decreased from 17% to 14% between the program start year and the 7<sup>th</sup> year post program.

**Figure 5. Average Earnings for Former Claimant Participants in Skills Development-Apprentices (in Current Dollars)**



### 2.3.5 Challenges and Lessons Learned About Skills Development-Apprentices Design and Delivery

*Based on a document review and key informant interviews completed in 10 P/Ts in summer 2015*

Existing Canadian literature reports a fairly high non-completion rate among apprentices (40-50%)<sup>8</sup>. Furthermore, subject matter literature revealed that despite the growth in apprenticeship registrations in Canada, there has not been a corresponding increase in completions<sup>9</sup>. While available data do not provide reliable information on completion and non-completion rates of participants, key informants from 6 P/Ts confirmed this trend and explained what factors could lead the apprentices to dropping out. These include:

- Financial difficulties (e.g., not being able to live on EI benefits while on training) (10 P/Ts).
- Apprentices leaving the trade (7 P/Ts).
- Employers were unwilling or unable to release their apprentices for training (7 P/Ts).
- Lack of training opportunities in local communities (7 P/Ts).
- Labour market fluctuations and/or low demand for certain trades (6 P/Ts).
- Lack of or low level of essential skills (6 P/Ts).
- Delays in getting EI benefits (e.g., EI eligibility is not confirmed until training is almost complete) (5 P/Ts).

<sup>8</sup> Red Seal. 2014. *Apprenticeship Completion, Certification and Outcomes*. Ottawa: Red Seal.

<sup>9</sup> Patrick Coe. 2013. "Apprenticeship programme requirements and apprenticeship completion rates in Canada." *Journal of Vocational Education and Training*. 65(4): 575–605.

Key informants also highlighted lessons learned related to program design and delivery or apprenticeship in general. These include:

- Providing more financial supports for apprentices (6 P/Ts)
- Providing essential skills training to individuals facing multiple barriers to employment prior to the technical training sessions (6 P/Ts).
- Conducting needs assessments to identify all potential barriers to training at the beginning of the apprenticeship process (4 P/Ts).
- Providing apprentices with training on how to create and maintain a budget (3 P/Ts).

## **2.4 Targeted Wage Subsidies**

### **2.4.1 Program Description**

*Based on a document review and key informant interviews completed in 8 P/Ts in summer 2015*

The program provides a subsidy to employers to cover a portion of the participant's salary. The objective of the program is to encourage employers to hire unemployed EI-eligible individuals who they would not normally hire, to help them gain work experience. In this regard, key informants in 5 P/Ts confirmed that employers are generally hiring those they would not have otherwise hired without the assistance provided under the program.

The maximum level of the subsidy ranges from 50% to 100% of the employee's wage and its duration ranges from 16 to 52 weeks. In most (6) P/Ts, the rate and level of subsidy provided are negotiated individually with employers. The Targeted Wage Subsidies program also funds employment-related costs such as disability supports (e.g., adaptive tools or specialised equipment) (4 P/Ts); work supplies and safety equipment (2 P/Ts); and supplemental training or other courses (e.g., workplace safety, computer training) (2 P/Ts).

The wage subsidy is usually used to fund full-time positions but in 2 P/Ts, seasonal, temporary or part-time positions may be considered in unique circumstances. Wage subsidies are generally not confined to specific occupations or industries (6 P/Ts) and subsidies are offered to a broad range of occupations that include entry-level and more highly skilled jobs. The wage subsidy is expected to lead to a permanent position. In this regard, 3 P/Ts conducted systematic follow-ups with participants in order to examine whether they remained employed with the same employer after the end of the subsidy. The retention levels varied in these 3 P/Ts from 36.5% at 12 weeks after the subsidy, 50% after one year and 31% after 5 years.

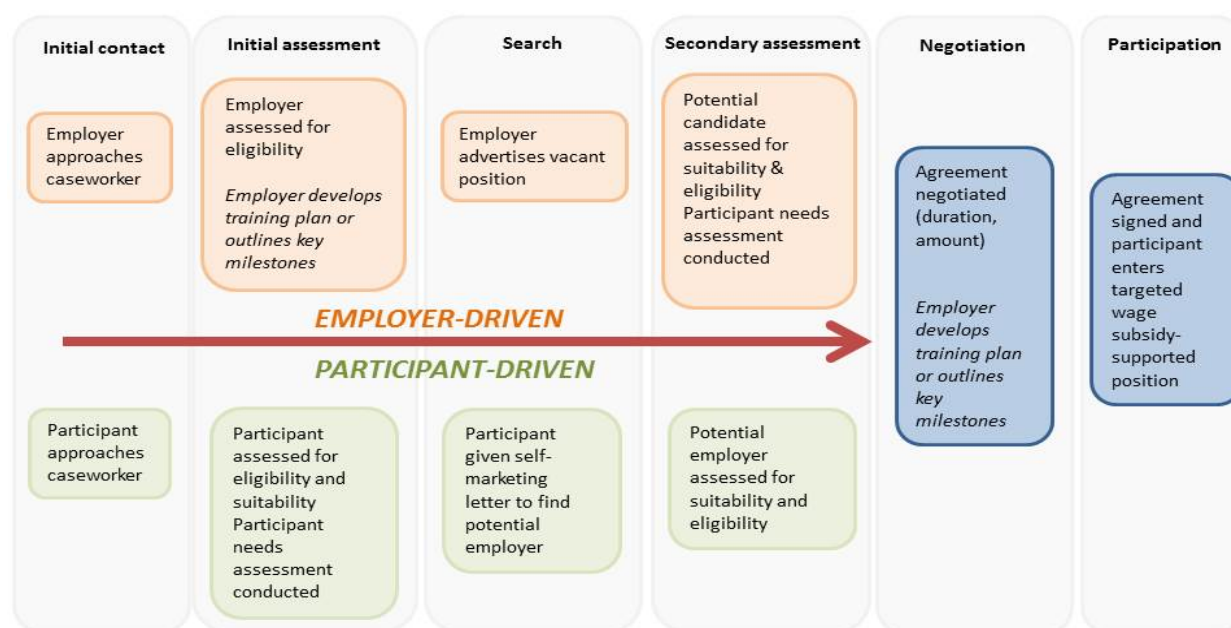
### **2.4.2 Program Delivery**

*Based on a document review and key informant interviews completed in 8 P/Ts in summer 2015*

The Targeted Wage Subsidies program is delivered by government caseworkers (3 P/Ts), caseworkers at third-party service providers (2 P/Ts) or a combination of both (3 P/Ts). Applications for participation may be driven primarily by the employer (2 P/Ts), primarily by the participants (2 P/Ts), or a mix of both (8 P/Ts).

Figure 6 illustrates the application process depending on whether this process was driven by an employer or a participant. The figure presents key steps of the process from the initial assessment to the start of program participation. Whether the wage subsidy is participant or employer-driven, in 7 out of 8 P/Ts, participants meet with caseworkers and a needs assessment is conducted where work history, skills levels, goals and barriers to employment are identified and evaluated.

**Figure 6. Targeted Wage Subsidies Application Process**



Caseworkers may recommend that participants enter the program if they are lacking work experience or require the development of work-related skills (5 P/Ts). In two P/Ts, priority is given to individuals with barriers to employment or who may be in one of the following sub-groups: Indigenous peoples, persons with disabilities, visible minorities, immigrants, older workers and recent post-secondary graduates. In addition, a wage subsidy may be used for an unemployed apprentice who needs to be attached to an employer to continue progressing in their apprenticeship (3 P/Ts).

The length of the application and approval process ranges from 3 days to 8 weeks. In 5 out of 8 P/Ts, the application and approval process takes less than 2 weeks.

### 2.4.3 Profile of Targeted Wage Subsidies Participants

Socio-demographic statistics presented in [Table D1](#) in [Appendix D](#) show that active claimants who started participation from 2002 to 2005 and 2007 to 2008 were primarily male (55% and 53% respectively). One third of those who started participating between 2002 and 2005 were over 45 years of age and this proportion was even higher for the most recent participants (42%). Both cohorts most frequently occupied jobs requiring secondary or occupational training prior to participation (36% and 38% respectively). The most recent participants had higher earnings from employment in the year before participation (\$20,866 versus \$18,511).

More than half of the former claimants who started participation either between 2002 and 2005 or between 2007 and 2008 were male (53% and 51% respectively). Slightly less than one third of participants in these two cohorts were between 25 and 34 years of age (31% and 30% respectively) and the proportions of participants above 45 year of age were in a similar range for both cohorts (29% and 34% respectively). These participants most frequently had occupations requiring secondary or occupational training prior to participation (35% and 36% respectively).

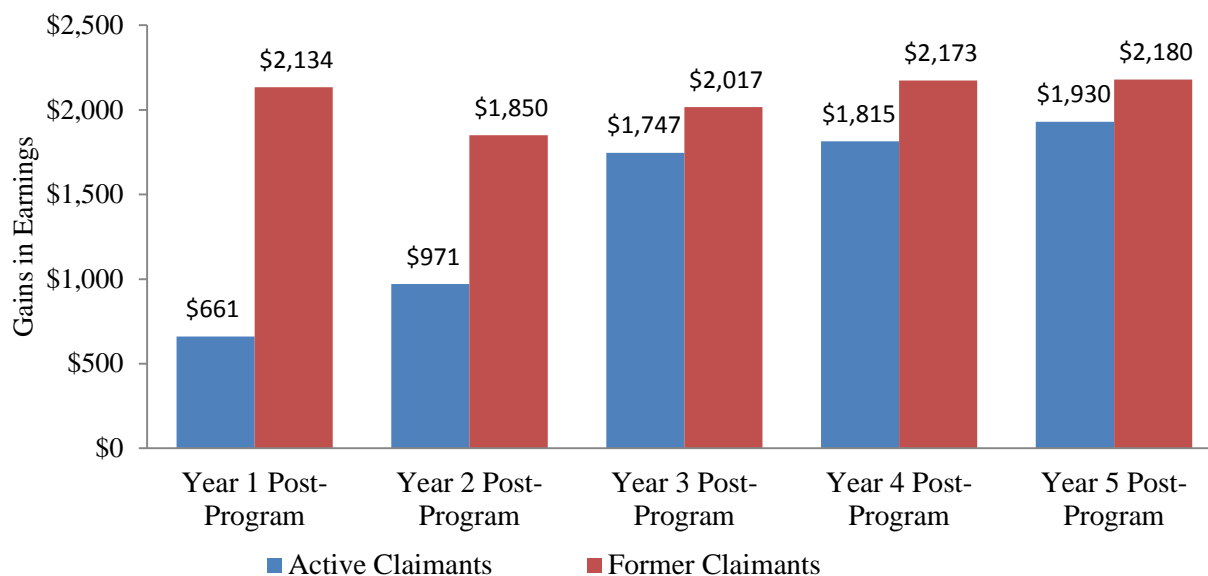
Both the 2002/05 and 2007/08 cohorts had similar earnings from employment in the year before participation (\$10,971 and \$11,302 respectively).

#### 2.4.4 Incremental Impacts

##### *Active Claimants*

As shown in [Table D2](#) in Appendix D, active claimants who started participation in Targeted Wage Subsidies between 2002 and 2005 had incremental gains in earnings in all years after participation and those gains grew in size over the years. Gains in earnings increased from \$661 in the first year to \$1,930 in the fifth year (see Figure 7). They also had incremental increases in the incidence of employment ranging between 4.9 and 5.1 percentage points in all post-program years. Their use of social assistance decreased in all years post-program with annual reductions in the \$58 to \$79 range. Active claimants had incremental increases in the number of weeks in receipt of EI ranging between 0.3 and 0.5 weeks per year over the five post-program years. When interpreting these results, readers should keep in mind that participants collect insurable hours under EI while working in the subsidized job. This may allow them to start claiming EI if they are not able to maintain their subsidized job.

**Figure 7. Increased Earnings of Active and Former Targeted Wage Subsidies Participants Relative to Non-Participants**



Active claimants who started participation in 2007 or 2008 also had increases in earnings and incidence of employment as well as decreases in social assistance use in all years after participation. The incremental impacts for each of these three indicators were generally larger than those found for the 2002/05 participants. Most of the results for EI use were not statistically significant for the 2007/08 cohort.

Overall, despite the increase use of EI, active claimants improved their labour market attachment through increases in earnings and incidence of employment, and a decrease in the use of social assistance.

Results for the various sub-groups showed:

- Youth (under 30 years old) who started participation between 2002 and 2005 had increases in earnings and incidence of employment in most post-program years. Their use of social assistance decreased after participation but their use of EI generally increased.
- Older workers (55 years old and over) who started participation between 2002 and 2005 improved their earnings and incidence of employment. In fact, they had the largest gains of all active claimants examined. Like youth and all active claimants, their use of EI generally increased after participation.
- Unlike other groups, [long-tenured workers](#) who started participation between 2007 and 2009 had decreases in earnings in the first two years after program participation. Their incidence of employment increased but the time spent on EI generally increased as well.

### ***Former Claimants***

As shown in [Table D3](#) in Appendix D, the Targeted Wage Subsidies program was effective at improving the earnings and incidence of employment of former claimants who started their participation between 2002 and 2005. As shown in Figure 7, participants had incremental gains in earnings ranging between \$1,850 and \$2,180. As well, they had incremental gains in incidence of employment ranging between 5.5 and 6.9 percentage points.

Their use of social assistance also decreased in all years after participation by annual averages ranging between \$266 and \$387. As well, their level of dependence decreased between 0.5 and 2.2 percentage points per year. Former claimants had incremental increases in EI use in all years after participation. These increases were in the \$296 to \$679 and 0.7 to 2.4 weeks range. When interpreting these results, readers should keep in mind that participants collect insurable hours under EI while working in the subsidized job. This may allow them to start claiming EI if they are not able to maintain their subsidized job.

The results for former claimants who started participation in 2007 or 2008 were similar in terms of direction and size. This cohort also improved its earnings and incidence of employment and reduced its use of social assistance and level of dependence on income support while increasing its use of EI.

Overall, former claimants increased their use of EI following participation. This indicates the inability of some former claimants to maintain the employment secured in the short-term. It can also be argued that the increase in EI use is an indication of increase labour market attachment for this client group since they did experience increases in employment earnings and incidence of employment as well as a decrease in the use of social assistance. As a reminder, former claimants are participants for whom the EI benefit period ended up to three years pre-participation.

Results were generally in the same directions for other groups of former claimants:

- Youth and older workers who started participation between 2002 and 2005 and long-tenured workers who started participation between 2007 and 2009 had increases in earnings and incidence of employment in all years post-program. They also decreased their use of social assistance while their use of EI generally increased after program participation.

#### **2.4.5 Cost-Benefit Results**

For active claimants, as shown in [Table D4](#) in Appendix D, the benefits of Targeted Wage Subsidies recovered the costs within 5.9 years after participation from the society perspective. As well, the benefits of the program for former claimants exceeded the costs during the second year of the participation period.

#### **2.4.6 Challenges and Lessons Learned About Targeted Wage Subsidies Design and Delivery**

*Based on a document review and key informant interviews completed in 8 P/Ts in summer 2015*

Despite improving the labour market attachment of participants, the use of the program has been falling in recent years. According to the EI Monitoring and Assessment Reports, the proportion of new interventions decreased from 3% to 1% of total EBSM interventions between 2002/03 and 2014/15, while investments in the program remained stable at 6% of total EBSM expenditures.

Key informants in 7 P/Ts confirmed the decline and identified potential reasons including:

- The reporting requirements for the employers make the subsidy less appealing (7 P/Ts).
- Employers are unaware of the program due to a lack of marketing or outreach (5 P/Ts).
- The subsidy and the self-marketing letter given to participants to promote the program create a negative perception of the quality of candidates among employers (5 P/Ts).
- Mismatches between employers' needs and the skills of available candidates (4 P/Ts).
- Some employers are hesitant to work with the government due to past negative experiences (3 P/Ts).
- Local economic conditions have a direct impact on the use of the program by employers (3 P/Ts). For example, strong local economies with a low unemployment rate mean that employers are more willing to hire individuals without the subsidy (2 P/Ts).
- The length of time to secure program approval is an issue for employers (2 P/Ts) who want the participant to start working immediately.

Key informants highlighted a number of lessons learned related to the program design and delivery. The main lessons learned are detailed below:

- Matching participants' skills with employer needs in order to enhance retention (5 P/Ts).
- There is a need to increase the awareness of the program. For example, there is a need for service delivery organizations to have job developers responsible for conducting outreach with employers and matching employers and more difficult-to-employ participants (3 P/Ts).



- Have a simple, easy to use application process for employers and ensure timely approval. Using electronic systems can help reduce the processing time for employers when they have to submit monthly and quarterly updates (3 P/Ts).
- Have sufficient flexibility to adjust the program in order to meet the needs of persons with disabilities (e.g., level of subsidy and hours of work requirements) (3 P/Ts).
- Ongoing monitoring is important. For example, conducting regular monitoring and site visits helps to ensure that employers respect the training provisions established in the signed contract (3 P/Ts). As well, having ongoing contacts with employers and participants helps to resolve issues during the subsidy period (2 P/Ts).

## **2.5 Self-Employment**

### **2.5.1 Program Description**

Self-Employment helps individuals create jobs for themselves by starting a business or otherwise becoming self-employed. It provides financial assistance and business planning advice to EI eligible participants to help them start their own business. This financial assistance is intended to cover personal living expenses and other expenses during the initial stages of the business. Investments in the program declined from 8% to 6% of total EBSM expenditures between 2002/03 and 2014/15.

### **2.5.2 Profile of Self-Employment Participants**

As shown in [Table E1](#) in [Appendix E](#), active claimants who started participation between 2002 and 2005 were mainly male (58%) while those who started in 2007 or 2008 were almost evenly split between male and female. Four percent of participants in both cohorts were under 25 years of age while the remaining participants were almost evenly distributed across other age categories (i.e., 25-34, 35-44 and 45 and over).

Both the 2002/05 and 2007/08 participants most frequently had occupations requiring college or apprenticeship prior to participation (37% and 39% respectively). Notably, 26% of the 2002/05 and 23% of the 2007/08 participants had occupations requiring either university or managerial skills. This is a higher proportion than for other EBSM participants. In the year before participation, the 2002/05 participants earned more from employment (\$27,719) than the more recent participants (\$25,801).

Former claimants who started program participation in 2002/05 were almost evenly split between male and female. The distribution was different for the most recent participants whom included more female (58%) than male (42%). Participants in both cohorts had a similar age distribution with 3-4% being less than 25 years old and the remaining participants being fairly evenly distributed across other age categories (i.e., 25-34, 35-44 and 45 and over).

Both the 2002/05 and 2007/08 participants most frequently had occupations requiring either college/apprenticeship (32% and 33% respectively) or secondary/occupational training (31% each) prior to participation. As well, respectively 24% and 23% of these participants had an occupation requiring either university or managerial skills which is also higher than usually seen for other EBSMs. Both cohorts had similar earnings in the year before participation (\$11,387 and \$11,642).

### **2.5.3 Challenges in Measuring Self-Employment Incremental Impacts**

Like other EBSMs, incremental impacts were estimated for Self-Employment participants in the 2002/05 and 2007/08 periods. Results showed large decreases in employment/self-employment earnings and decreases in the incidence of employment. As well, compared to similar non-participants, participants decreased their use of EI and social assistance and reduced their dependence on government income support.

Detailed estimates are presented in Tables [E2](#) and [E3](#) in Appendix E. However, they are not discussed in the report since they may not provide an accurate depiction of the financial well-being of participants in the post-program period. Impacts were examined using individual earnings reported in the T1 and T4 taxation files from Canada Revenue Agency, and measured relative to active claimants who did not participate in SE and may have been in any employment/unemployment situation following participation (e.g., unemployed, paid employee or self-employed).

According to a study from Statistics Canada, self-employed individuals in Canada have a lower average annual income than paid employees (\$46,200 versus \$52,400 in 2009), but the average net worth of their households is 2.7 times greater than that of the paid employee households, which indicates that some self-employed individuals may leave funds within their business for reinvestment purposes.<sup>10</sup> Overall, this suggests that looking at individual earnings alone, without taking the net worth into consideration, may not provide a fair assessment of how well participants are doing financially after participation.

As well, currently, little is known about the design and delivery of this program. In particular, there is a lack of understanding around the role played by this program in helping future entrepreneur to implement viable business plans and to develop their entrepreneurship skills. Overall, it is not clear whether participant's success in improving their labour market attachment through self-employment is more closely associated with their business idea and their entrepreneurship skills than the assistance provided under the Self-Employment program.

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<sup>10</sup> Sébastien LaRochelle-Côté and Sharanjit Uppal, "The Financial Well-Being of the Self-Employed," *Perspectives on Labour and Income*, vol. 23, no. 4, Winter 2011.

## **2.6 Job Creation Partnerships**

### **2.6.1 Program Description**

Job Creation Partnership projects provide participants with opportunities to gain work experience. Participants continue to receive their EI Part I benefits or receive an allocation while they are employed by a project funded under the program. Activities of the project help develop the community and the local economy. Program expenditures decreased from 4% to 2% of total EBSM expenditures between 2002/03 and 2014/15.

### **2.6.2 Profile of Job Creation Partnerships Participants**

#### ***Active Claimants***

As shown in [Table F1](#) in [Appendix F](#), the proportion of female active claimants who participated in Job Creation Partnerships increased over time. Specifically, the 2002/05 participants included 49% female while the share increased to 55% for the 2007/08 cohort. As well, the most recent participants were older as the share of individuals over 45 years old increased from 28% for the 2002/05 cohort to 40% for the 2007/08 cohort. Participants in both cohorts most frequently had occupations requiring secondary or occupational training prior to participation (34% of participants in each cohort). They also had similar employment earnings in the year before participation (\$15,733 for 2002/05 participants and \$14,833 for 2007/08 participants).

#### ***Former Claimants***

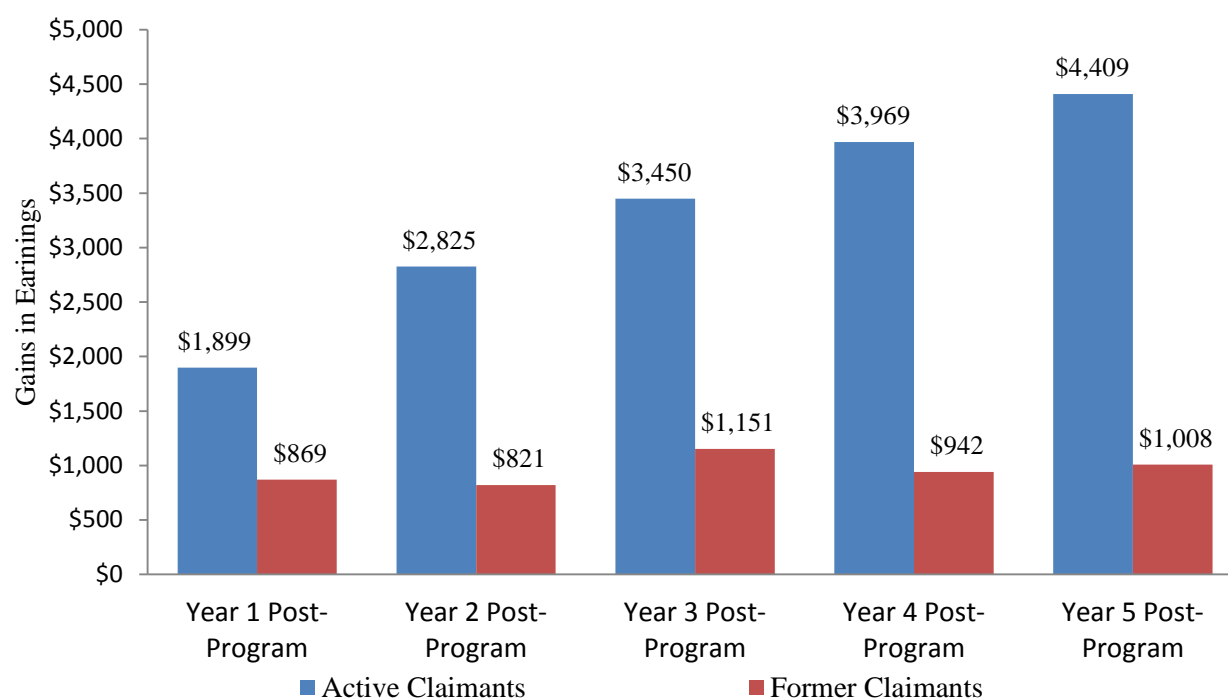
Former claimants who participated in Job Creation Partnerships in 2002/05 were more likely to be male (55%) while those who participated in 2007/08 were more likely to be female (52%). Like active claimants, the less recent participants were more likely to be younger as compared to the more recent participants as 29% of those who participated in 2002/05 were over 45 years of age while this share increased to 38% for those participated in 2007/08. Participants in both cohorts most frequently had an occupation requiring secondary or occupational training before participation. These represented 34% of 2002/05 participants and 35% of 2007/08 participants. In the year before participation, both the 2002/05 and 2007/08 participants had similar level of earnings (\$8,776 and \$7,811, respectively).

### **2.6.3 Incremental Impacts**

#### ***Active Claimants***

Active claimants who participated in Job Creation Partnerships between 2002 and 2005 had incremental gains in earnings and incidence of employment in all years after participation. As shown in [Table F2](#) in Appendix F, these gains ranged between \$1,899 and \$4,409 for earnings (see Figure 8) and between 5.5 and 6.3 percentage points for incidence of employment. These participants reduced their use of EI benefits in the first (\$549) and second years (\$220) after participation while most results for social assistance use were not statistically significant. Overall, these participants reduced their level of dependence on income support in the first four years after participation (between 1.1 and 3.1 percentage points).

**Figure 8. Increased Earnings of Active and Former Job Creation Partnerships Participants Relative to Non-Participants**



Active claimants who participated in Job Creation Partnerships in 2007 or 2008 had increases in earnings in the first two years after participation and those were smaller in size when compared to the gains found for the 2002/05 participants. As well, like the 2002/05 participants, active claimants who participated in the program in 2007/08 had increases in incidence of employment in all years after participation but these gains were also smaller in size. These individuals had decreases in their use of EI benefits and overall level of dependence on income support in the first two years after participation and decreases in their use of social assistance benefits in all three years.

Impacts by sub-groups were as follows:

- Youth (under 30 years old) who participated in the program between 2002 and 2005 had increases in earnings and incidence of employment in all years after participation but decreases in EI use and dependence on income support only in the first year after program completion. Results for other years and for social assistance use were generally not statistically significant.
- Older workers (55 years old and over) who participated in the program between 2002 and 2005 also improved their earnings and incidence of employment over most of the five post-program years. Their use of EI increased in the medium-term after program participation. Results for social assistance and dependence on income support were not statistically significant.
- [Long-tenured workers](#) who started program participation between 2007 and 2009 increased their incidence of employment in all three years after program participation and decreased

their use of EI in the first post-program year. Results for other indicators were not statistically significant.

### ***Former Claimants***

As shown in [Table F3](#) in Appendix F, the Job Creation Partnerships program was effective at improving the earnings of former claimants who participated in the 2002 to 2005 period. These individuals experienced gains ranging between \$821 and \$1,151 in all years after participation (see Figure 8). As well, they had gains in incidence of employment ranging between 3.8 and 4.9 percentage points over the same years. These increases in earnings and incidence of employment were accompanied by increases in EI use ranging between \$144 and \$284 in the second to fifth year after participation. On the other hand, their use of social assistance and overall dependence on income support decreased over the entire post-program period by annual averages ranging between \$158 and \$277 for social assistance benefits and between 1.1 and 3.9 percentage points for dependence on income support.

Overall, former claimants who participated in the program between 2002 and 2005 increased their use of EI following participation. This indicates the inability of some former claimants to maintain the employment secured in the short-term. It can also be argued that the increase in EI use is an indication of increase labour market attachment for this client group since they did experience increases in employment earnings and incidence of employment as well as a decrease in the use of social assistance. As a reminder, former claimants are participants for whom the EI benefit period ended up to three years pre-participation.

Unlike the less recent participants, former claimants who started participation in 2007 and 2008 had decreases in earnings after participation while their results for incidence of employment were not statistically significant at the 95% level and above. Results for other indicators generally followed the same patterns as those found for 2002/05 participants with increases in EI use as well as decreases in social assistance use and dependence on income support over most of the post-program period.

There were some variations in the results for the three sub-groups of former claimants examined:

- Results for youth former claimants who participated in the program between 2002 and 2005 followed similar trends as those found for all former claimants. Youth experienced increases in earnings and incidence of employment as well as decreases in social assistance use over most post-program years. They increased their use of EI over that period. In terms of the extent of impacts, their gains in earnings were higher than those found for all former claimants.
- Impacts on earnings and EI use for older workers who participated in the program between 2002 and 2005 were generally not statistically significant at the 95% level or above. The results however show increases in incidence of employment as well as decreases in social assistance use and dependence on income support over most years after participation.
- Results for long-tenured workers who participated in the program between 2007 and 2009 followed similar trends as those found for all former claimants who participated in the same period. Long-tenured workers had decreases in earnings after participation while their impacts on incidence of employment were not statistically significant. Their use of EI generally

increased while their use of social assistance decreased in the short term after participation. Impacts on dependence on income support were not statistically significant.

#### **2.6.4 Cost-Benefit Results**

As shown in [Table F4](#) in Appendix F, the benefits of Job Creation Partnerships exceeded the costs of those programs within 5.9 years for active claimants. The results were different for former claimants where the benefits may never recover the costs. Overall, when interpreting cost-benefit results for Job Creation Partnerships, it should also be acknowledged that program funding helps develop the community and the local economy and none of those benefits were accounted for in the calculations as they are difficult to quantify.

## **2.7 Employment Assistances Services**

### **2.7.1 Program Description**

*Based on a document review from 8 P/Ts and key informant interviews completed in 10 P/Ts in summer 2013*

The objective of Employment Assistance Services is to assist unemployed individuals to prepare for, obtain and maintain employment. This support measure includes a wide range of assisted and unassisted employment-related services and resources which are made available in order to respond to the career, employment and training needs of unemployed individuals. As well, some services are targeted directly to meet the human resource needs of employers. Employment Assistance Services are often provided in conjunction with Employment Benefits such as Skills Development but some individuals may only access the services provided under Employment Assistance Services. The share of the program among the total EBSM expenditure increased from 28% to 35% between 2002/03 and 2014/15.

Employment Assistance Services services may include:

- Employment resource centres providing equipment (e.g., computers, phones.), local labour market information and resources that can assist in job search, career planning as well as learning about occupational requirements and available training programs.
- Needs/employability assessment, career advice and planning, employment counselling and return to work action plans are activities carried out to determine the employment and training related needs of participants. Once their needs are determined, the participants work with a case manager to develop a return to work action plan which addresses identified employment barriers and activities that will lead to employment.
- Individualized case management services and supports provided by case managers on an ongoing basis in order to monitor the participants' progression in implementing their return to work action plan.
- Specialized assessments and diagnostics to assess the implications of physical, social, intellectual and/or psychological traits on the participant's ability to participate in specific types of employment. These services can include psychological, functional capacity, learning disability and ergonomic assessments.
- Job preparation and job search activities provide individualized services in support of a job search such as career clarification, goal setting, resume writing, interview and job preparation (e.g., orientation to workplace rules and employer expectations, rights and responsibilities of employees) as well as life skills workshops.
- Job finding clubs are employment group services offered to assist participants in improving their job searching skills.
- Job placement and matching services are provided to participants who are unlikely to succeed in conducting their own job search. Services include skill analysis, job search techniques, interview skills, résumé writing, self-marketing, tapping into the hidden job market and/or job retention skills, matching of skills and interests with employment opportunities and



employers' needs. In some P/Ts, funding incentives are provided to either the employer or the participant in order to remove financial barriers to participating in the placement program.

- Work exploration provides more structured and individualized support for participants who have demonstrated challenges in maintaining employment, or participants with a disability who need support to transition to an identified employment opportunity. Services can include, job shadowing, virtual work experience, job placement services and work exploration.
- Job retention services provide longer-term support to participants to help them obtain either employment advancement or longer-term attachment to the labour force. These services are provided mainly to participants with multiple barriers to employment.
- Job coaching provides employment support to assist participants in developing essential knowledge and skills needed in their new employment. On-site job coaching is also available to those who are facing multiple barriers to employment and require additional support in obtaining some degree of self-sufficiency in their position.
- Short-term training is provided to job ready participants to support the completion of short duration training certificates/courses (e.g., first aid certification, food safety).
- Workshops aim to address a variety of career and employment needs such as job search techniques, resume writing, and marketing skills.
- Labour market information products are made available to job seekers to support them in their job search, as well as in their training and career decision making. These products are also made available to employers to assist them in hiring, training and retraining workers, and in developing human resource strategies.
- Services to employers are provided to employers in situations where businesses and employees are affected by production slowdowns or layoffs as well as to address labour shortages through training, job placement and matching, and retention. Some P/Ts offer employers the possibility of advertising for job openings.

## **2.7.2 Program Delivery**

*Based on a document review from 8 P/Ts and key informant interviews completed in 10 P/Ts in summer 2013*

Among the 10 P/Ts examined in the study, Employment Assistance Services are most often delivered by third party service providers (5 P/Ts). Three P/Ts use a mixed approach where services are delivered by both government staff and service providers while two other jurisdictions deliver Employment Assistance Services directly. Service providers from 8 P/Ts confirmed that labour market information is used to support the provision of Employment Assistance Services. Among other things, labour market information can be used to support participants in applying for Skills Development training, to inform participants about the local labour market and employment opportunities, for the provisions of workshops or to create a job board that is available within the employment resource centres.

When asked about the adequacy of available labour market information, service providers in 3 P/Ts specified that national level information is of limited value for them. As well, they indicated that regional level information is limited and not available or outdated at the rural area level. In

two jurisdictions, service providers indicated that they lack capacity and resources to collect labour market information.

### **2.7.3 Profile of Employment Assistance Services Participants**

The following presents the main socio-demographic characteristics of active and former claimants who only participated in Employment Assistance Services without receiving Employment Benefits.

#### ***Active Claimants***

As shown in [Table G1](#) in [Appendix G](#), active claimants who participated only in Employment Assistance Services in 2002/05 included a higher share of males (54%) while those who participated in 2007/08 were slightly more likely to be female (51%). The 2002/05 participants were more likely to be younger than those who received assistance in more recent years as 39% of them were under 34 years of age while 34% of the 2007/08 participants were in this age group. Both cohorts most frequently had employment requiring secondary or occupational training before participation (38% for 2002/05 and 40% for 2007/08). Both cohorts had similar levels of employment earnings (\$22,335 and \$22,214).

#### ***Former Claimants***

Like active claimants, the share of female former claimants who participated only in Employment Assistance Services increased over time. It went from 45% for 2002-2005 participants to 52% for 2007/08 participants. Forty two percent of the 2002/05 participants were under 34 years old compared to 39% for 2007/08 participants. Both the 2002/05 and 2007/08 participants most frequently had occupations requiring secondary or occupational training before participation (38% and 39%, respectively). Those who participated in 2002/05 had slightly lower earnings (\$10,530) while the latter group earned \$11,991 on average.

#### ***Labour Market Barriers Faced by Employment Assistance Services Participants in General***

*Based on key informant interviews completed in 10 P/Ts in summer 2013*

According to key informants, the main labour market barriers faced by individual who access Employment Assistance Services with or without participating in Employment Benefits include:

- Lack of work experience or skills mismatches (9 P/Ts).
- Low essential and foundational skills (8 P/Ts).
- Access and affordability of transportation (8 P/Ts).
- Access and affordability of childcare (8 P/Ts).
- Criminal records and addictions (8 P/Ts).
- Being a person with disability or having mental health issues (7 P/Ts).
- Temporary, seasonal or part-time employment (7 P/Ts).
- Lack of marketable skills (outdated skills, inability to network) (7 P/Ts).

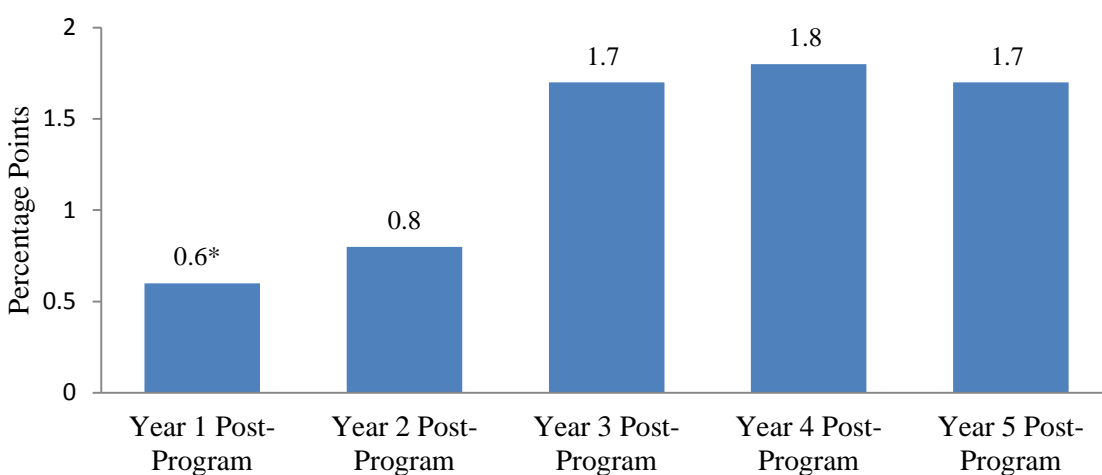
- Employers' perception toward individuals in some groups (visible minorities, persons with disabilities, new immigrants, Indigenous peoples, etc.) (7 P/Ts).
- Lack of employment opportunities, particularly in rural and remote areas (6 P/Ts).
- Language barriers (6 P/Ts).
- Low self-esteem, lack of motivation and negative attitude (6 P/Ts).
- Lack of job search/interview skills (5 P/Ts).
- Homelessness and lack of affordable housing (4 P/Ts).

#### 2.7.4 Incremental Impacts

Incremental impacts were produced only for active claimants since former claimants who participated only in Employment Assistance Services were used as a comparison group for former claimants who participated in other EBSMs.

Results presented in [Table G2](#) in Appendix G indicate that active claimants who participated exclusively in Employment Assistance Services had decreases in earnings in the first (\$1,097) and second years (\$279) after participation while they had gains in the fourth (\$645) and fifth years (\$742). While their earnings improved in the medium-term after participation, they increased their incidence of employment by annual averages ranging between 0.8 and 1.8 percentage points starting the second year after participation (see Figure 9). As well, they reduced their use of EI in all years after participation by averages ranging between \$136 and \$451. Their use of social assistance increased after participation by averages ranging between \$29 and \$94 but their level of dependence in income support decreased in the first four years by averages ranging between 0.6 and 1.2 percentage points.

**Figure 9. Incidence of Employment for Active Claimant Participants in Employment Assistance Services**



\*The estimate for year 1 post-program is statistically significant at 90% level.

Results for active claimants who participated exclusively in Employment Assistance Services in 2007 or 2008 were in the same direction as those for the 2002/05 participants. The most recent participants also had decreases in earnings in the first and second years after participation and gains in incidence of employment in all post-program years. They decreased their use of EI and their level of dependence on income support but increased their use of social assistance.

The three sub-groups examined had the following results:

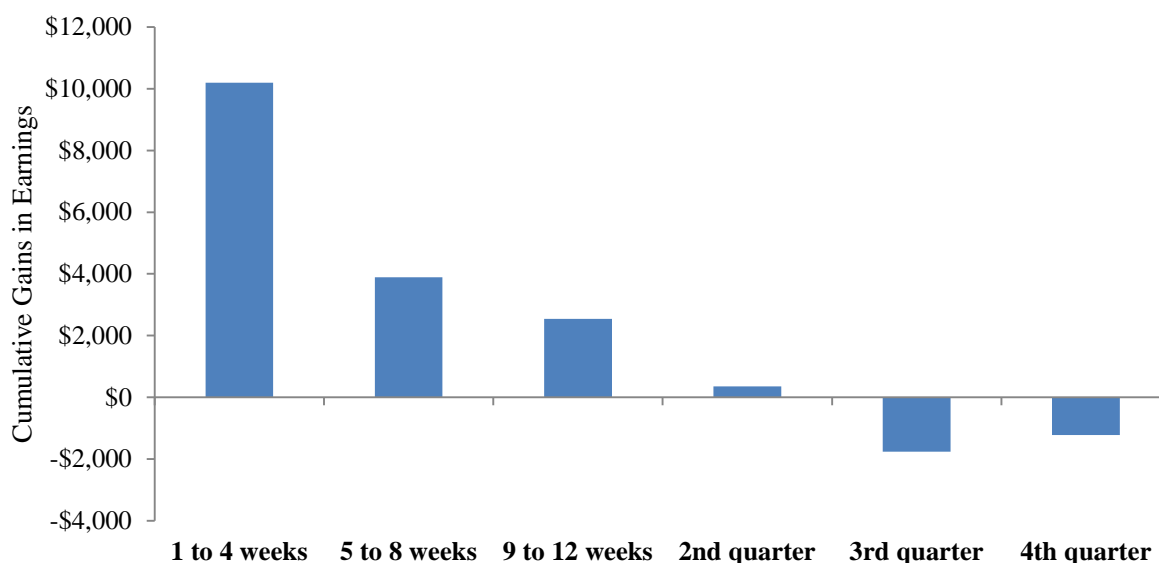
- Youth (under 30 years old) who started participation between 2002 and 2005 had gains in earnings starting in the third year after participation and in incidence of employment starting in the second year. Their use of EI decreased in all post-program years while their use of social assistance increased. Their dependence on income support decreased in the first three years after participation and increased during the remainder of the post-program period.
- Older workers (55 years old and over) who started participation between 2002 and 2005 had gains in earnings starting in the second post-program year and increases in incidence of employment during the entire post-program period. Their use of EI decreased in the first three years after participation while their dependence on income support decreased in the first two years. Their use of social assistance benefits increased over all post-program years.
- Unlike other participants, [long-tenured workers](#) who started participation between 2007 and 2009 had decreases in earnings and incidence of employment in all three post-program years. Like other active claimants, their use of EI and dependence on income support decreased over most of the post-program period while their use of social assistance increased.

### ***Earlier Participation in Employment Assistance Services Improves Participants' Labour Market Outcomes***

The study on the effects related to the timing of participation showed that incremental impacts on earnings and employment were larger for individuals who participated exclusively in Employment Assistance Services early during their EI claim compared to non-participants and to individuals who remained longer on EI before receiving these services (see Figure 10 below and [Table G3](#) in Appendix G). Specifically, individuals who started their participation within four weeks following the start of their EI benefit period had a cumulative increase of \$10,192 in their earnings over five years post-program and increases in their incidence of employment ranging between 0.9 to 2.6 percentage points per year.

Participants who received Employment Assistance Services between 5 and 8 weeks and those who started between 9 and 12 weeks after the start of their EI claim had cumulative increases in their earnings totalling \$3,888 and \$2,543 respectively over the post-program period. The increases in earnings for participants who started between 5 and 8 weeks were accompanied by statistically non-significant impacts on incidence of employment. Participants who started between 9 and 12 weeks had decreases in their incidence of employment after participation. The participants who started participation during the second and third quarters of their EI claim generally had decreases in their employment earnings and incidence of employment after participation.

**Figure 10. Cumulative Incremental Impacts on Earnings Related to the Timing of Participation in Employment Assistance Services**



As well, the study looked at the difference between the number of EI weeks unused by participants and the number of EI weeks unused by their comparison group in order to determine the effect of the timing of participation in Employment Assistance Services on the return to employment. It was found that only those who received assistance within the first four weeks of their claim returned to employment faster than the comparison group. Specifically, they returned to employment 3 weeks earlier than the comparison group. Participants who received assistance after the fourth week of their EI claim returned to employment 0.5 to 3.5 weeks later than the comparison group (see [Table G4](#) in Appendix G).

Among all participants in the 2002-2005 period, 39,354 received assistance within the first 4 weeks of establishing an EI claim. With average weekly EI benefits of \$312 during this period, the 39,354 participants did not use \$35,607,499 in EI benefits ( $39,354 * \$312 * 2.9$  weeks). The average cost of receiving Employment Assistance Services in the 2002-2005 period was \$692. This represents a cost of \$27,232,968 ( $39,354 * \$692$ ) for a net saving of \$8,374,531.

### 2.7.5 Cost-Benefit Results

As shown in [Table G5](#) in Appendix G, the benefits from Employment Assistance Services would need to persist over 10.9 years in order to recover the costs from the social perspective. This result is partly due to the decreases in earnings experienced by active claimants during and immediately after participation. The main expected benefit from Employment Assistance Services is the return to employment by itself and not necessarily improvements in earnings that may follow as Employment Assistance Services alone do not focus on skill acquisition.

Incremental impact analyses showed that Employment Assistance Services are achieving this objective since it increased participant's employment and decreased their EI use after participation. The value of the return in employment was not accounted for in this analysis since it is difficult to attribute a dollar figure to this impact. The decrease in EI use was also not

considered from the social perspective because it represents a benefit for the government and a cost to the individual – they cancel each other out.

## **2.7.6 Challenges and Lessons Learned About Employment Assistance Services Design and Delivery**

*Based on key informant interviews completed in 10 P/Ts in summer 2013*

Key informants interviewed as part of the Employment Assistance Services study identified the following challenges with respect to program design and delivery:

- Participants in some regions face issues with limited access to services, mobility and transportation (7 P/Ts).
- There is a lack of awareness about the program among potential participants (6 P/Ts).
- The current budget allocation is not enough to support the delivery of Employment Assistance Services. This led some service providers to eliminate services and reduce the number of participants served (5 P/Ts).
- Service providers cannot necessarily provide all the services required by participants facing multiple barriers to employment. They have to refer these individuals to other organizations and sometimes, one individual can be referred to more than one organization. This may lead some participants to give up on their return-to-work process (5 P/Ts).
- The current performance measurement strategy does not capture the various outcomes achieved over time when assisting people with multiple barriers to employment (3 P/Ts).
- Service providers have difficulties in hiring skilled and knowledgeable staff (2 P/Ts). As well, some service providers have a high turn-over of staff and staff training is very costly (2 P/Ts).
- Service providers lack capacity to follow up with each participant in order to provide job maintenance support (2 P/Ts).

Key informants also provided examples of best practices and lessons learned with respect to program design and delivery. These include:

- It is important to case manage participants and to provide a client-centered holistic approach through counselling, motivation, building self-esteem and assisting them in choosing a career path (9 P/Ts).
- It is important for service providers to be engaged in their community and well connected to other service providers (for information sharing and referral purposes) particularly with those dealing with persons with disabilities and mental health issues. As well, partnerships and ongoing communication with employers can facilitate the labour market integration of participants through job placements and subsidy (8 P/Ts).
- Since participants with multiple barriers to employment often require more intensive interventions, it is important to conduct a strong needs assessment in order to make the best training decision (7 P/Ts).
- Having a one stop shop for services and to streamline services (co-location, no wrong door approach, offering a comprehensive suite of services from self-serve to workshops,

employability assessment, career orientation, need determination and ongoing case management) and to remove barriers to access and participation (7 P/Ts).

- It is important to keep a long-term perspective when assisting participants facing multiple barriers to employment (6 P/Ts).
- Providing long-term follow-up with participants for employment retention support is seen as a best practice (6 P/Ts).
- Giving service providers increased flexibility when assisting participants with multiple barriers to employment particularly in terms of the length of services and the type of financial support that can be made available to participants (6 P/Ts).
- It is important for service providers to have dedicated workers, specialized teams to deal with participants facing multiple barriers to employment, having job coaches/developers that are dedicated and committed to support these participants (6 P/Ts).
- Service providers need to make appropriate referrals, when available, to specialized community organizations for Employment Assistance Services participants dealing with disabilities, mental health issues, addictions and criminal records (5 P/Ts).
- Providing participants with help to contact employers (e.g., assisting in handing out resumes) and networking opportunities (5 P/Ts).
- Providing participants with an opportunity to try and test prospective jobs (5 P/Ts).
- It is important for provincial/territorial governments to have strong partnerships with third-party service providers and employers in order to be able to mobilize the service delivery network in cases of emerging labour market challenges (major lay-offs, downturn, etc.) and to organize job fairs and joint group workshops (5 P/Ts).
- There is a need to enhance the promotion of programs and services (5 P/Ts).
- There is a need to provide services in an innovative way depending on local needs and reality (e.g., online resources and training) (3 P/Ts).
- There is a need to change the way success is measured under Employment Assistance Services. For example, the progress of a participant with multiple barriers to employment should be measured through small steps from securing adequate housing to dealing with addictions, improving life skills and integrating the labour market (3 P/Ts).
- Services providers need additional resources in order to maintain the level and quality of services and to train staff, particularly those operating in rural areas (3 P/Ts).



### 3. *Comparison of Key Findings by Program Type*

This section provides an overview of the key findings from the incremental impact analysis for Skills Development, Targeted Wage Subsidies, Job Creation Partnerships and Employment Assistance Services for both active and former EI claimant participants who started participation in the 2002-2005 period.

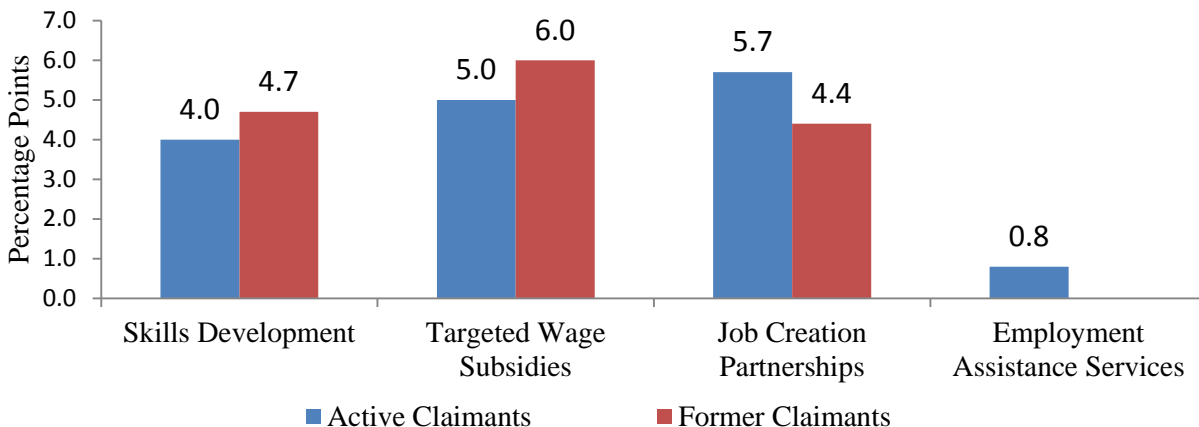
Overall, incremental impacts demonstrate that LMDA programs and services are improving the labour market attachment of participants, including youth and older workers. As well, social benefits of participation exceeded the cost of investments for most interventions over time. Finally, providing Employment Assistance Services interventions earlier during an EI claim (first four weeks) produced larger impacts on earnings and employment and facilitated earlier return to work. This demonstrates the importance of targeting early participation of EI active claimants.

#### ***Program participants have a higher probability of being employed than comparison group members***

As shown in figure 11, active EI claimants who participated in Skills Development, Targeted Wage Subsidies, Job Creation Partnerships and Employment Assistance Services had higher probability of being employed (i.e., increased their incidence of employment) compared to similar non-participants. As well, former EI claimants who participated in Skills Development, Targeted Wage Subsidies and Job Creation Partnerships had higher probability of being employed compared to former EI claimants who received low intensity interventions under Employment Assistance Services.

It is noted that Employment Assistance Services are relatively modest activities such as counselling, job search assistance and case management. By themselves, they are not expected to lead to substantial effects on labour market outcomes. However, as demonstrated in the report, providing Employment Assistance Services earlier during the EI claim (first 4 weeks) generates significantly greater returns (see Figure 10 in sub-section 2.7.4).

**Figure 11. Change in Probability of Being Employed in Participants Relative to Non-Participants**





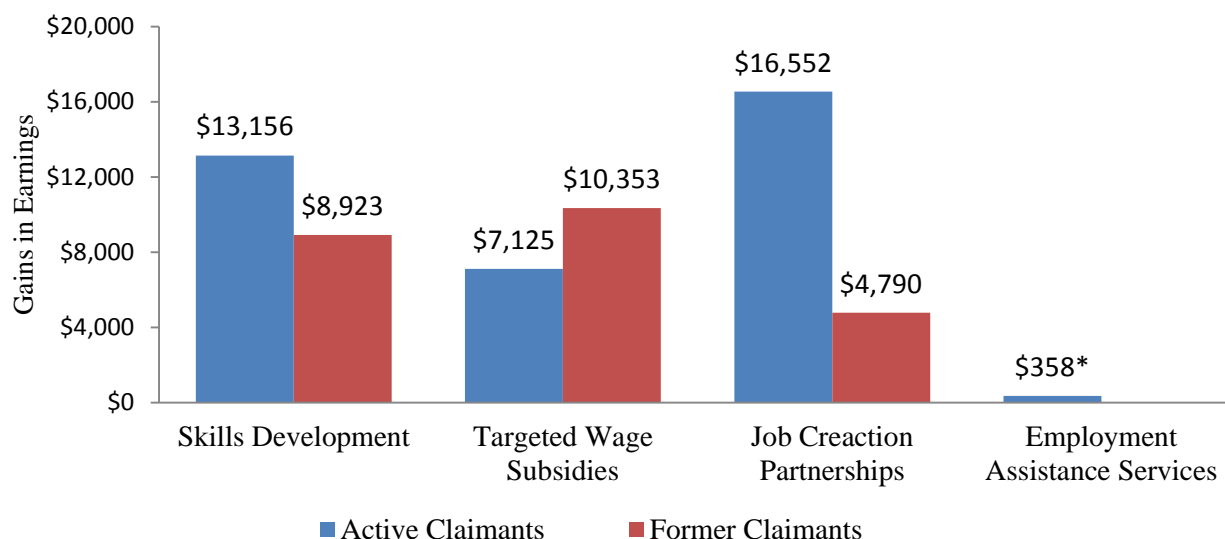
The incidence of employment reported in Figure 11 were estimated using separate models aimed to produce an annual average. These estimates do not represent an arithmetic average of the annual incidence of employment estimates reported in the annexes.

### ***Increased earnings for participants compared to comparison group members***

As shown in figure 12, active EI claimants who participated in Skills Development, Targeted Wage Subsidies and Job Creation Partnerships increased their employment earnings compared to similar non-participants. As well, former EI claimants who participated in Skills Development, Targeted Wage Subsidies and Job Creation Partnerships increased their employment earnings compared to former EI claimants who received Employment Assistance Services exclusively.

As already noted, Employment Assistance Services are relatively modest activities and, by themselves, are not expected to lead to substantial effects on labour market outcomes. In other words, EAS aims to support the return to work of unemployed participants and not necessarily to secure a better paying job than pre-participation. However, as demonstrated in the report, providing Employment Assistance Services earlier during the EI claim (first 4 weeks) generates significantly greater returns.

**Figure 12. Increased Cumulative Earnings of Participants Relative to Non-Participants**



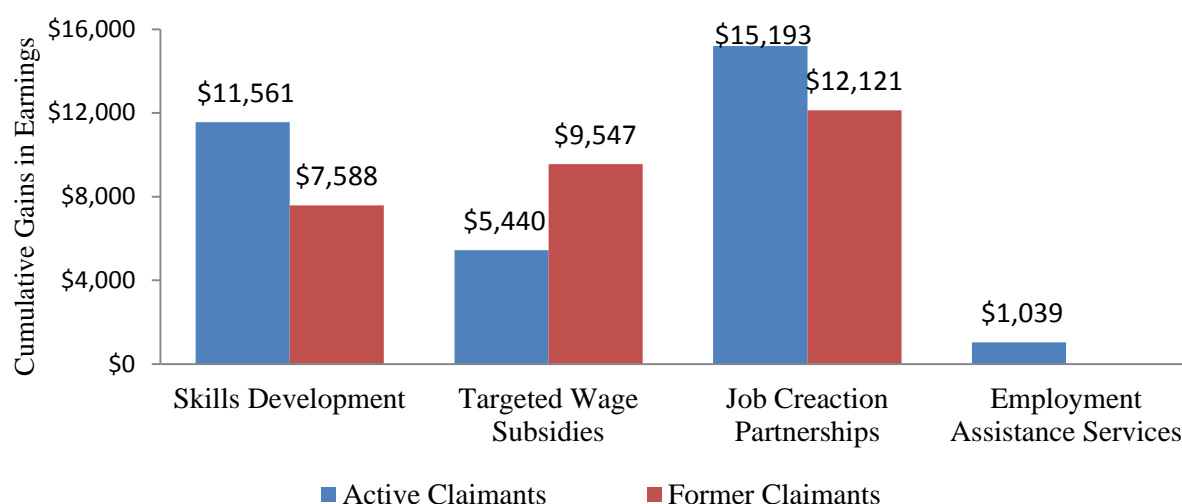
\* The incremental impact on earnings for Employment Assistance Services participants is not statistically significant at the 95% level.

### ***LMDA are also improving the probability of employment and the earnings of youth and older worker participants***

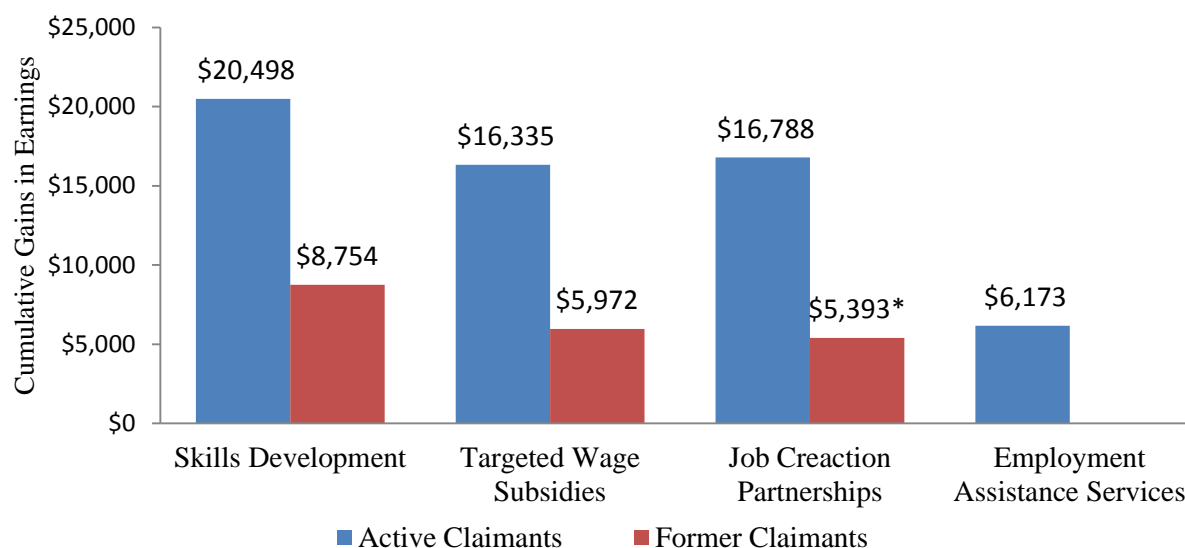
Incremental impacts demonstrate that active and former EI claimants who were youth and older workers, and who participated in Skills Development, Targeted Wage Subsidies, Job Creation Partnerships and Employment Assistance Services increased the probability of employment compared to comparison group members. Older worker participants experienced consistently higher impact on the incidence of employment than youth participants.

With the exception of former EI claimant who were older workers and who participated in Job Creation Partnerships, incremental impacts also demonstrate that active and former EI claimants who were youth and older workers, and who participated in Skills Development, Targeted Wage Subsidies, Job Creation Partnerships and Employment Assistance Services increased their employment earnings compared to comparison group members (see Figures 13 and 14). Among active claimants, youth who participated in Job Creation Partnerships and older workers who participated in Skills Development had the largest cumulative gain in earnings. This suggests that providing work experience to youth and training to older workers yield strongest results.

**Figure 13. Cumulative Increase in Employment Earnings for Youth Participants Relative to Non-Participants Youth**



**Figure 14. Cumulative Increase in Employment Earnings for Older Workers Participants Relative to Non-Participants Older Workers**

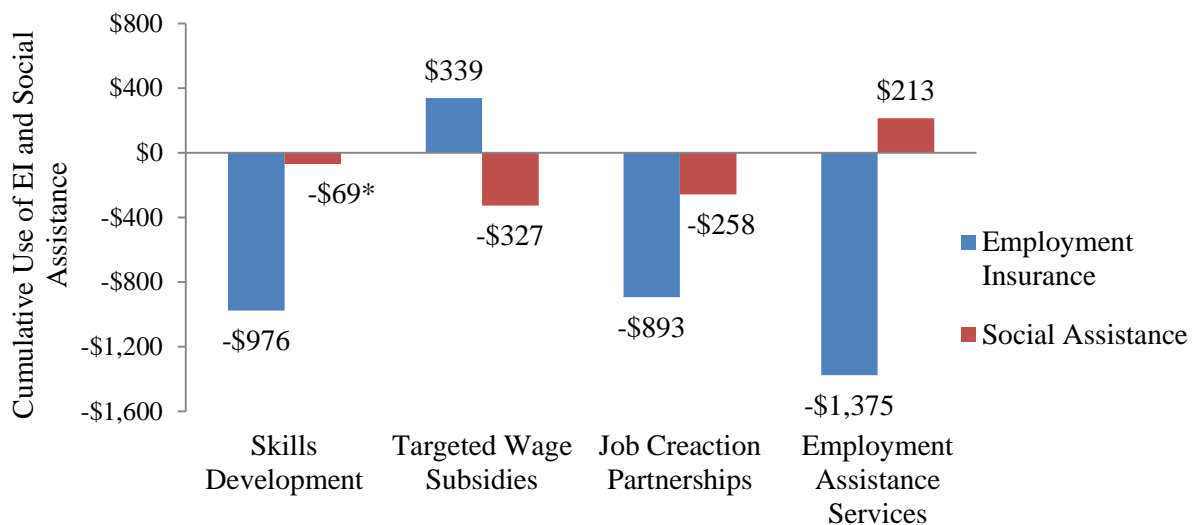


\* The incremental impact on earnings for former claimants who participated in Job Creation Partnerships is not statistically significant at the 95% level.

*The use of EI is reduced for most active claimants. While EI use increased for former claimants, it can be argued that this reflects an increase in labour market attachment since the incremental impacts on employment earnings and incidence of employment are positive and given the decrease in the use of social assistance.*

As shown in figure 15, active EI claimants who participated in Skills Development, Job Creation Partnerships and Employment Assistance Services decreased their use of EI compared to similar non-participants. It is not surprising to observe an increase in EI use for active claimants who participated in Targeted Wage Subsidies since participants build entitlement to EI while working. Active claimants decreased their use of social assistance benefits with the exception of participants in Employment Assistance Services. However, as previously stated, the relatively modest activities provided under Employment Assistance Services are not expected to lead to substantial effects on participants' labour market outcomes.

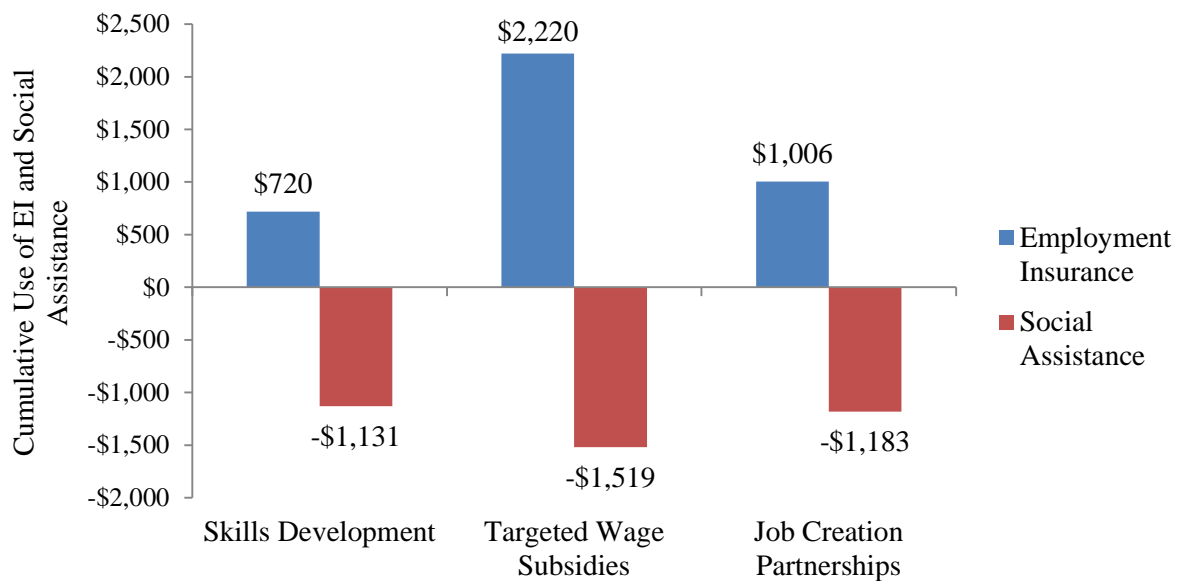
**Figure 15. Change in the Cumulative Use of Employment Insurance and Social Assistance for Active Claimants Relative to Non-Participants**



\* The incremental impact on Social Assistance use for active claimants who participated in Skills Development is not statistically significant at the 95% level.

As shown in Figure 16, former claimants who participated in the program between 2002 and 2005 increased their use of EI following participation. This indicates the inability of some former claimants to maintain the employment secured in the short-term. It can also be argued that the increase in EI use is an indication of increase labour market attachment for this client group since they did experience increases in employment earnings and incidence of employment as well as a decrease in the use of social assistance. As a reminder, former claimants are participants for whom the EI benefit period ended up to three years pre-participation.

**Figure 16. Change in Cumulative Use of Employment Insurance and Social Assistance for Former Claimants Relative to Non-Participants**



*Social benefits of participation exceeded costs of investments for most interventions.*

As shown in Table 4, social benefits to participation exceeded investment costs in a period ranging between the 2nd year of program participation to about 10 years after participation. This excludes former claimants who participated in Job Creation Partnerships for whom the investment costs are not likely to be recouped before 25 years. However, this group represented only 0.3% of new EBSM interventions in 2014-2015.

**Table 4. Number of Years for the Benefits to Exceed Program Costs**

	Skills Development	Targeted Wage Subsidies	Job Creation Partnerships	Employment Assistance Services
Active Claimants	7.4	5.9	5.9	10.9
Former Claimants	8.6	2 <sup>nd</sup> participation year	Over 25 years	N/A

## 4. *Conclusions*

LMDA investments represent the largest annual investment in active labour market programs in Canada. Given their positive incremental impacts on improving the labour market attachment of participants in general, these investments are meeting the needs of unemployed Canadians and are contributing to achieving ESDC strategic outcome of having *A skilled, adaptable and inclusive labour force and an efficient labour market*. This strategic outcome is aligned with the Whole-of-government Framework outcome area of providing *Income security and employment for Canadians*.

Overall, incremental impacts demonstrate that programs and services are improving the labour market attachment of participants, including youth and older workers. As well, social benefits of participation exceeded the cost of investments for most interventions over time. Finally, providing Employment Assistance Services earlier during an EI claim (first four weeks) produced larger impacts on earnings and employment and facilitated earlier return to work. This demonstrates the importance of targeting early participation of EI active claimants.

Key informants interviews with service providers and program managers as well as the documents reviewed and the questionnaires filled by provincial/territorial representative also generated few lessons about program design and delivery:

### *Skills Development*

- Key informants confirmed that most P/Ts take steps to direct Skills Development funding towards training for occupations in demand in the labour market. In particular, as part of the application process, prospective participants have to justify their choice of training program by demonstrating that labour market demand exists. Five provinces/territories may not approve applications for training leading to employment in low demand occupations.
- According to key informants, the main challenges related to Skills Development include:
  - Lack of capacity to case manage and monitor individuals facing multiple barriers to employment.
  - Access to the program is limited due to the EI eligibility criteria.
  - Participant's ability to access and complete training is often limited by a lack of essential skills, learning disabilities, literacy issues and other factors such as living in remote locations and lack of transportation.
  - Unemployed individuals lack awareness about the program and early engagement of EI claimants is difficult since Service Canada does not refer recent EI claimants to provincial/territorial offices.

### *Skills Development for Apprentices*

- Existing Canadian literature showed that there is a fairly high non-completion rate among apprentices (40-50%)<sup>11</sup>. Furthermore, subject matter literature revealed that despite the growth in apprenticeship registrations in Canada, there has not been a corresponding increase in

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<sup>11</sup> Red Seal. 2014. *Apprenticeship Completion, Certification and Outcomes*. Ottawa: Red Seal.

completion rates<sup>12</sup>. While available data do not provide reliable information on completion and non-completion rates of Skills Development – Apprentices participants, key informants involved in apprenticeship delivery confirmed the stagnation in completion rates.

- According to key informants, apprenticeship drop-out is due to factors such as low level of essential skills, financial difficulties (e.g., not being able to live on EI benefits while on training) and delays in getting EI benefits (e.g., EI eligibility is not confirmed until training is almost complete).

### ***Targeted Wage Subsidies***

- Key informants confirmed that participation in Targeted Wage Subsidies can be driven by either unemployed individuals or employers looking to fill a new position. Key informants also confirmed that in most P/Ts covered by the evaluation, the subsidized employers are generally hiring those they would not have otherwise hired without the help of the program.
- While evaluation results have demonstrated the effectiveness of Targeted Wage Subsidies, its use has been falling in recent years. According to the EI Monitoring and Assessment Reports, the proportion of new Targeted Wage Subsidies interventions decreased from 3% to 1% of total new interventions between 2002/03 and 2014/15. Reasons identified by key informants to explain this decline include:
  - The frequent and time consuming reporting requirements for the employers.
  - Lack of awareness about the program among employers.
  - Employers having a negative perception of the quality of the candidates.
  - Difficulty in matching employers' needs to the skills of available candidates.

### ***Employment Assistance Services***

- According to key informants, challenges with the design and delivery of Employment Assistance Services include:
  - Lack of awareness about Employment Assistance Services among potential participants.
  - Current budget allocation is not enough to support the delivery of Employment Assistance Services and has led some service providers to eliminate services.
  - Service providers cannot provide all the services needed for participants facing multiple barriers to employment. They have to refer these individuals to other organizations.

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<sup>12</sup> Patrick Coe. 2013. "Apprenticeship programme requirements and apprenticeship completion rates in Canada." *Journal of Vocational Education and Training*. 65(4): 575–605.

## 5. *Recommendations*

A total of 9 recommendations emerge from the evaluation findings. They are as follows:

- The study on the timing of Employment Assistance Services participation showed that receiving assistance early after starting an EI claim can lead to better labour market impacts. However, key informants repeatedly reported a lack of awareness about the program.
  - *Recommendation 1:* Consideration should be given to providing provinces/territories with timely access to data on new EI recipients for supporting targeting and increasing awareness.
  - *Recommendation 2:* Since ESDC has access to Records of Employment and EI data, it should explore what active role it could play in raising program awareness among new EI recipients.
- Key informants reported that lack of essential skills, learning disabilities and literacy issues are common barriers to accessing and completing training.
  - *Recommendation 3:* Consideration should be given to remove barriers to accessing and completing training such as literacy/essential skills training and learning disability assessments. The measures would help individuals with multiple barriers to prepare for vocational training and to reintegrate the labour market. The measures should be reported separately from other Skills Development interventions given their unique objectives.
- Incremental impact results show that Targeted Wage Subsidies is improving the earnings and employment of participants. However, its use has been falling over the years. According to key informants, the decline is related to employers not using the program due to the administrative processes, lack of awareness about the program and difficulty in finding suitable candidates.
  - *Recommendation 4:* P/Ts should explore ways of removing barriers to employer participation in Targeted Wage Subsidies.
- Key informants confirmed the necessity of having labour market information to support the delivery of Employment Assistance Services. They, however, pointed to the difficulty of accessing or producing labour market information at the regional/local level.
  - *Recommendation 5:* Consideration should be given to enhance the capacity of service providers to access or produce, when needed, relevant labour market information.
- The evaluation was not able to produce a conclusive assessment of Self-Employment effectiveness and efficiency since the data used to assess impacts on earnings may not be the best source of information available to reflect the financial wellbeing of the participants. As well, little is known about the design and delivery of this program. Overall, it is not clear whether participant's success in improving their labour market attachment through self-employment is more closely associated with their business idea and their entrepreneurship skills than the assistance provided under Self-Employment.
  - *Recommendation 6:* Consideration should be given to examine in more detail the design and delivery of Self-Employment and whether the performance indicators for this program are appropriate.

- Job Creation Partnerships was found to be particularly effective at improving earnings and incidence of employment of active claimants. However, the evaluation has not yet examined the design and delivery of this program. Therefore, a lot remains unknown about how this program operates and the factors that contribute to its effectiveness.
  - *Recommendation 7:* Consideration should be given to examine the design and delivery of Job Creation Partnerships in order to better understand how this program operates.
- Overall, the LMDA evaluation was able to produce a sound assessment of EBSM effectiveness and efficiency because the team had access to rich data on EI claimants, EBSM participation data and Canada Revenue Agency taxation files. However, some data gaps limited the evaluation's ability to assess how EBSMs operate.
  - *Recommendation 8:* Improvements in the data collection is recommended to address key program and policy questions of interest to the federal and provincial/territorial governments. Specifically:
    - Mandatory reporting of the highest level of education as part of the EI claim application.
    - Collect data on whether participants are members of designated groups including Indigenous peoples, persons with disabilities and recent immigrants.
    - Collect data on the type of training funded under Skills Development and the type of assistance provided under Employment Assistance Services. ESDC should work with P/Ts to define common categories for both EBSMs.
    - Collect detailed data on the cost of interventions.
    - ESDC should consider securing access to provincial/territorial social assistance records in order to enrich the administrative data with patterns of social assistance use for participants and non-participants.
  - The data assessment process revealed some gaps regarding data quality and integrity. These documented gaps can be addressed by defining clear roles and responsibilities.
  - *Recommendation 9:* Considerations should be given to assign responsibility for a specific unit within ESDC to manage data integrity, including validating data uploads and documenting changes over time.



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## ***Acronyms***

EAS	Employment Assistance Services
EBSM	Employment Benefits and Support Measures
EI	Employment Insurance
ESDC	Employment and Social Development Canada
JCP	Job Creation Partnerships
LMDA	Labour Market Development Agreements
P/Ts	Provinces and territories
SA	Social Assistance
SD–A	Skills Development – Apprentices
SD	Skills Development
SE	Self-Employment
TWS	Targeted Wage Subsidies

## Appendix A – Methodology

### Qualitative Data

Qualitative data reported in the Skills Development (SD), Skills Development-Apprentices (SD-A), Targeted Wage Subsidies (TWS) and Employment Assistance Services (EAS) studies were collected from key informant interviews with managers and service providers and a document/literature review. As well, questionnaires were completed by provincial/ territorial government representatives for the SD, SD-A and TWS studies. Table A1 provides the number of key informants interviewed by province and territory.

Key informant interviews for the EAS study were conducted in 2013 while those for the SD, SD-A and TWS studies were conducted in 2015.

**Table A1. Number of Key Informants Interviews and P/Ts Covered by the LMDA Studies**

	Studies			
	SD	SD-A	TWS	EAS
<b>Number of Key informant Interviews</b>				
Managers	25	30	21	33
Service Providers	28	23	23	44
<b>Total</b>	<b>53</b>	<b>53</b>	<b>44</b>	<b>77</b>
<b>P/Ts Covered by the Qualitative Findings</b>				
Alberta	X	X	X	X
British Columbia	X	X	X	X
Manitoba	X	X	X	X
New Brunswick	X	X	X	X
Newfoundland and Labrador	X	X	X	X*
Northwest Territories	N/A	N/A	N/A	N/A
Nova Scotia	X	X	X	X
Nunavut	X	X	X	X*
Ontario	X	X	N/A	X
Prince Edward Island	N/A	N/A	X	X
Saskatchewan	X	X	N/A	X
Yukon	X	X	X	N/A
<b>Total number of province/territories</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>8</b>

\* No report was generated for this province/territory.

N/A: P/T opted not to participate in these studies

## ***Quantitative Methods***

All quantitative analyses were conducted using linked administrative data from EI Part I (EI claim), EI Part II (EBSM participation data) and T1 and T4 taxation files on up to 100% of participants.

## ***Incremental Impacts***

The incremental impact analysis compared the labour market experience of participants before and after their participation with that of a comparison group. The goal was to determine the direct effect of program participation on key labour market indicators (see [Figure 1](#) on page 4).

For active claimants, incremental impacts were measured relative to a comparison group of active claimants who could have participated in the EBSMs but did not. Former claimants can be underemployed and unable to requalify for EI, out of the labour force for various reasons or on Social Assistance. Based on previous evaluation methodologies, on expert advice and given the difficulty in generating a suitable comparison for former claimants using administrative data alone, the comparison group for former claimants was created using individuals who participated in low-intensity Employment Assistance Services only during the reference period. This is a conservative approach given the fact that participation in Employment Assistance Services can lead to limited effects on labour market outcomes.

Participants and non-participants were matched based on a wide array of variables including age, sex, location, skill level required by the last occupation held prior to participation, reason for separation from employment, industry in which they were previously employed as well as employment earnings and use of EI and Social Assistance (SA) for each of the five years before participation.

All analyses were conducted using a unit of analysis called the Action Plan Equivalent, which combines all EBSMs given to an individual within no more than six months of each other. For reporting purposes, incremental impacts were attributed to the longest intervention of the Action Plan Equivalent when SD, TWS, Job Creation Partnerships or Self-Employment was the longest intervention. Impacts for EAS were calculated for Action Plan Equivalent that contained only EAS with no Employment Benefits. These were referred to as EAS-only.

The incremental impact estimates were produced using non-experimental methods, namely propensity score matching, using the Kernel Matching method, along with Difference-in-Differences method to estimate program impacts. Alternative matching techniques (i.e., Nearest Neighbour and Inverse Propensity Weighting) were also used for validation purposes.

Incremental impacts were measured for the following indicators:

- Employment/self-employment earnings represent the total earnings an individual had from paid employment and/or self-employment. (This information is available by calendar year and is obtained from T1 and T4 tax return records.)
- Incidence of employment/self-employment represents the incidence of having earnings from employment and/or self-employment.
- Amount of EI benefits received represent the average amount of EI benefits received.

- Weeks in receipt of EI benefits represent the average number of weeks during which EI benefits were received.
- Social Assistance benefits represent the average amount of SA benefits received. (This information is available by calendar year and is obtained from T1 tax return records.)
- Dependence on income support represents the ratio of participant's income that came from EI and SA benefits (i.e., EI benefits + SA benefits / (EI benefits + SA benefits + earnings from employment/self/employment)).

Incremental impacts were estimated for different cohorts of participants:

- All active and all former claimants as well as youth (under 30 years old) and older workers (55 years old and over) who started their EBSM participation between April 1, 2002 and March 31, 2005.
- All active and all former claimants who stated their EBSM participation between January 1, 2007 and December 31, 2008.
- Active and former claimants who were long-tenured workers and who started their EBSM participation between January 1, 2007 and December 31, 2009. The long-tenured workers covered in this study are individuals who have established an EI regular or fishing benefit claimants and who had paid at least 30% of the annual maximum employee EI premiums in seven of the ten years preceding their EI claim and who had collected 35 or fewer weeks of EI regular or fishing benefits in the five years preceding their claim. This definition is similar to the EI claimant category long-tenured workers introduced under Connecting Canadians with Available Jobs.

### ***Cost-Benefit Analysis***

The cost-benefit analysis compared how much it cost for individuals to participate in the programs and how much it costs the government to deliver those programs with the benefits both the participants and the government drew from those programs. The analysis was carried out from the society perspective which combines the costs and the benefits for both the participants and the government.

Costs and benefits included in the calculations were as follows:

- Program costs included the administration cost and the direct cost of the EBSMs. The cost for each EBSM was calculated at the Action Plan Equivalent level. The costs were determined based on the average composition of the Action Plan Equivalent.
- The Marginal Social Cost of Public Funds represented the loss incurred by society when raising additional revenues such as taxes to fund government spending. The value was estimated as 20% of the program cost, sales taxes, income taxes, impacts on EI and impacts on SA paid or collected by the government.
- Employment earnings consisted of incremental impacts on participants' earnings during and after participation. The calculation accounts for the participant's forgone earnings during participation (i.e., opportunity cost). These are based on incremental impacts for the 2002-2005 participants.

- Fringe benefits included benefits such as employer-paid health and life insurance as well as pension contributions. The rate used to calculate the fringe benefits was 15% of the incremental impact on earnings.

The program effects on EI and SA use, and the sale and income tax revenues were not included in the calculations since these costs and benefits cancel each other out from the social perspective by definition. For example, while EI and SA are benefits received by participants, they represent a cost for the government. However, as indicated above, these effects are accounted for in the calculation of the Marginal Social Cost of Public Funds.

When producing the results, to bring all costs and benefits to a common base and to account for inflation and interest on foregone government investment, the estimates for the second year of participation and up to the sixth year post-program were discounted by 5% per year. As well, when the benefits were still lower than the costs six years after program end, the payback period was calculated by assuming that the average benefit or cost measured over the fifth and six year post-program would persist over time (discounted at a 5% annual rate).

### ***Strengths and Limitations from the Studies***

Overall, the number of key informants interviewed was relatively small in some P/Ts. The key informants' responses were representative of their own experience and their own region but it is unclear if they were fully representative of the entire province and territory.

The matching process led to the creation of comparison groups closely matched to the LMDA participants in terms of their background characteristics. Results obtained with Kernel Matching were validated with the use of two other techniques (i.e., Inverse Propensity Weighting and Nearest Neighbour), increasing the level of confidence in the results. However, readers should be aware that incremental impacts may be affected by factors not captured by the matching process. For example, the motivation to seek employment was not directly measured except to the extent it was captured in prior income and labour market attachment patterns.

Readers should also keep in mind that it is not possible to compare the results obtained for each claimant type since the results for active claimants represent the effects of the EBSMs relative to non-participation while the results for former claimants represents the Employment Benefits relative to a limited treatment (i.e., EAS).

This definition of long-tenured workers differs from the definition used in the literature as it does not consider the number of years the worker remained employed with the same employer.

The cost-benefit analysis was limited in the sense that it only took into account the quantifiable benefits and costs that were directly linked to EBSM delivery and participation and that could be estimated using available administrative data and the EI Monitoring and Assessment Report. The analysis did not capture “intangible”, non-pecuniary and indirect benefits. It did not consider the multiplier effect that improving participant's income may have on the economy and did not account for the effect of EI Part II investment on sustaining a service delivery infrastructure and creating jobs among the governmental program service providers. As well, this analysis did not consider the displacement effect where participants may take away jobs that would otherwise be

filled by other unemployed individuals. Finally, this analysis did not consider the possible effect of EBSMs on increasing skill prices.

## Appendix B – Detailed Results Skills Development

**Table B1. Socio-Demographic and Labour Market Characteristics of Skills Development Participants**

	Active Claimants		Former Claimants	
	2002-2005	2007-2008	2002-2005	2007-2008
Number of observations	127,056	72,100	42,516	29,375
<b>Gender</b>				
Male	54%	52%	47%	44%
Female	46%	48%	53%	56%
<b>Age</b>				
Under 25	20%	18%	20%	20%
25-34	32%	29%	35%	33%
35-44	28%	27%	26%	25%
45 and over	20%	25%	18%	21%
<b>Marital status</b>				
Married or common-law	44%	47%	35%	38%
Widow/ divorced or separated	12%	11%	14%	12%
Single	42%	41%	47%	46%
Missing data / Unknown	1%	2%	3%	4%
<b>Skills level related to National Occupation Code associated with the last EI claim opened before SD participation<sup>1</sup></b>				
Managerial	3%	4%	3%	3%
University	4%	3%	5%	3%
College or apprenticeship training	27%	27%	22%	22%
Secondary or occupational training	40%	40%	41%	41%
On-the-job training	26%	27%	29%	31%
<b>Key Labour Market Indicators In the Year Preceding the Start of Participation</b>				
Earnings <sup>2</sup>	\$19,206	\$20,024 <sup>3</sup>	\$8,280	\$8,669 <sup>3</sup>
Proportion employed	98%	99%	79%	82%
Proportion on EI	53%	53%	68%	65%
Proportion on SA	6%	5%	24%	22%
Proportions may not add up to 100% due to rounding				
<sup>1</sup> Skill level corresponds to the type and/or amount of training or education typically required to work in the last occupation participants had before opening the last EI claim they had before participating in EBSMs:				
-Managerial: Management occupations				
-University: Occupations usually requiring university education (i.e., University degree at the bachelor's, master's or doctorate level)				
-College or apprenticeship training: Occupations usually requiring college or vocational education or apprenticeship training such as 2 to 3 years of post-secondary education at a community college, institute of technology or CEGEP or 2 to 5 years of apprenticeship training or 3 to 4 years of secondary school and more than 2 years of on-the-job training, specialized training courses or specific work experience and/or occupations with supervisory responsibilities and occupations with significant health and safety responsibilities, such as firefighters, police officers and registered nursing assistants.				
- Secondary or occupational training: Occupations usually requiring secondary school and/or occupation-specific training such as one to four years of secondary school education or up to 2 years of on-the-job training specialized training courses or specific work experience.				
-On-the-job training: On-the-job training is usually provided for occupations (i.e., short work demonstration or on-the-job training <i>or no</i> formal educational requirements).				
<sup>2</sup> Average earnings for all individuals included in the studies. The average was calculated including participants who reported \$0 earnings during that year.				
<sup>3</sup> Earnings for 2007-2008 participants have been adjusted by the Consumer Price Index published by Statistics Canada, using 2002 as the base year.				



**Table B2. Incremental Impacts for Skills Development – Active Claimants**

Indicators	In-program period		Post-program period						Total in- and post-program
	Program start year	Additional Year	1st year	2nd year	3rd year	4th year	5th year	Total post	
ALL ACTIVE CLAIMANTS									
2002-2005 participants (n=64,283 or a random sample of 50% of participants)									
Employment earnings (\$)	-4,747***	-4,211***	204***	2,052***	3,077***	3,761***	4,059***	13,156***	4,197***
Incidence of employment (percentage points)	-4.5***	-4.7***	2.4***	3.7***	4***	4.2***	4.4**	N/a	N/a
EI benefits (\$)	1,847***	222***	-470***	-218***	-128***	-89***	-69***	-976***	1,093***
EI weeks (weeks)	6.3***	0.7***	-1.7***	-0.8***	-0.5***	-0.4***	-0.3***	-3.7***	3.3***
SA benefits (\$)	21**	44***	36***	-8	-30***	-35***	-31***	-69	-3
Dependence on income support (percentage points)	16.4**	7.4***	-2.2***	-1.5***	-1.3***	-1.2***	-1***	N/a	N/a
2007-2008 participants (n=18,025 or a random sample of 25% of participants)									
Employment earnings (\$)	-5,581***	-5,040***	292***	2,745***	3,904***	-	-	6,943***	-3,660***
Incidence of employment (percentage points)	-4.8***	-6.0***	3.1***	5.2***	5.8***	-	-	N/a	N/a
EI benefits (\$)	1,949***	-199***	-755***	-298***	-191***	-	-	-1,244***	506***
EI weeks (weeks)	5.7***	-0.8***	-2.3***	-0.9***	-0.5***	-	-	-3.7***	1.3***
SA benefits (\$)	18	-20	-18	-54***	-58***	-	-	-130***	-131*
Dependence on income support (percentage points)	16.3***	5.6***	-4.4***	-2.9***	-2.1***	-	-	N/a	N/a
SUB-GROUPS OF ACTIVE CLAIMANTS									
Youth (below 30 years old) – 2002-2005 participants (n=47,458)									
Employment earnings (\$)	-4,292***	-4,626***	-138	1,834***	2,802***	3,407***	3,656***	11,561***	2,644***
Incidence of employment (percentage points)	-5***	-6.1***	1.4***	2.6***	3***	2.5***	2.7***	N/a	N/a
EI benefits (\$)	1,580***	244***	-454***	-191***	-72***	-20	-4	-741***	1,084***
EI weeks (weeks)	6.2***	1.2***	-1.5***	-0.6***	-0.3***	-0.1*	-0.1	-2.6***	4.8***
SA benefits (\$)	21***	7	-8	-35***	-49***	-62***	-57***	-212***	-183***
Dependence on income support (percentage points)	15.9***	8.6***	-2.4***	-1.6***	-1.3***	-1.2***	-1***	N/a	N/a
Older workers (55 years old and over) – 2002-2005 participants (n=4,602)									
Employment earnings (\$)	-2,997***	-621*	2,698***	3,872***	4,286***	4,701***	4,940***	20,498***	16,879***
Incidence of employment (percentage points)	-2.4***	3.6***	9.6***	11.7***	12.7***	13***	12.2***	N/a	N/a
EI benefits (\$)	1,735***	79	-198**	128	268***	440***	384***	1,022***	2,837***
EI weeks (weeks)	5.1***	-0.3	-1***	0.1	0.6**	1.1***	1***	1.8*	6.6***
SA benefits (\$)	-53***	92***	100***	99***	73***	70***	71***	413***	452***
Dependence on income support (percentage points)	11.1***	1.3*	-0.6	2.3***	2.2***	3.7***	3.6***	N/a	N/a
Long-Tenured workers - 2007-2009 participants (n=41,714)									
Employment earnings (\$)	-9,930***	-9,523***	-2,854***	254**	1,548***	-	-	-1,052***	-20,505***
Incidence of employment (percentage points)	-5.2***	-6.2***	2.5***	4.2***	4.7***	-	-	N/a	N/a
EI benefits (\$)	3,492***	1,373***	-348***	-196***	-72***	-	-	-617***	4,249***
EI weeks (weeks)	8.1***	2.8***	-1.1***	-0.5***	-0.3***	-	-	-1.9***	9.1***
SA benefits (\$)	1	23***	36***	5	-11	-	-	29	54**
Dependence on income support (percentage points)	21.2***	11.9***	-1.1***	-1.2***	-0.3**	-	-	N/a	N/a

Significance level \*\*\* 1%; \*\* 5%; \* 10%

**Table B3. Incremental Impacts for Skills Development – Former Claimants**

Indicators	In-program period		Post-program period						Total in- and post-program
	Program start year	Additional Year	1st year	2nd year	3rd year	4th year	5th year	Total post	
All FORMER CLAIMANTS									
2002-2005 Participants (n=42,513 or 100% of participants)									
Employment earnings (\$)	-2,405***	-2,432***	496***	1,550***	2,029***	2,326***	2,521***	8,923***	4,085***
Incidence of employment (percentage points)	-10***	-4***	3***	5***	5***	5***	5***	N/a	N/a
EI benefits (\$)	395***	-70***	-54***	171***	217***	203***	183***	720***	1,046***
EI weeks (weeks)	1.4***	-0.5***	-0.4***	0.5***	0.6***	0.5***	0.4**	1.5***	2.5***
SA benefits (\$)	-236***	-334***	-195***	-209***	-237***	-241***	-247***	-1,131***	-1,702***
Dependence on income support (percentage points)	8.3**	-1.6***	-3.3***	-2.3***	-2.4***	-2.4***	-2.8***	N/a	N/a
2007-2008 Participants (n=17,625 or a random sample of 60% of participants)									
Employment earnings (\$)	-3,570***	-3,727***	-170***	1,153***	1,821***	-	-	2,791***	-4,511***
Incidence of employment (percentage points)	-12.5***	-6.5***	2.5***	5.0***	5.8***	-	-	N/a	N/a
EI benefits (\$)	477***	-263***	-267***	124***	186***	-	-	43	257**
EI weeks (weeks)	1.5***	-1.0***	-1.1***	0.2*	0.3***	-	-	-0.6**	-0.1
SA benefits (\$)	-323***	-410***	-240***	-223***	-207***	-	-	-669***	-1,403***
Dependence on income support (percentage points)	8.9***	-2.6***	-4.3***	-2.5***	-2.2***	-	-	N/a	N/a
SUB-GROUPS OF FORMER CLAIMANTS									
Youth (below 30 years old) – 2002-2005 participants (n=16,941)									
Employment earnings (\$)	-2,265***	-2,601***	423***	1,485***	1,802***	1,931***	1,946***	7,588***	2,722***
Incidence of employment (percentage points)	-10.4***	-5.5***	2.4***	4.4***	4.6***	4.5***	4.3***	N/a	N/a
EI benefits (\$)	397***	-35***	-116***	155***	205***	162***	172***	\$578***	\$940***
EI weeks (weeks)	1.6***	-0.3***	-0.6***	0.4***	0.6***	0.4***	0.4***	1.1***	2.4***
SA benefits (\$)	-248***	-385***	-178***	-192***	-217***	-237***	-236***	-1,060***	-1,693***
Dependence on income support (percentage points)	8.8***	-0.8**	-3.1***	-2***	-1.9***	-2.3***	-2.5***	N/a	N/a
Older workers (55 years old and over) – 2002-2005 participants (n=1,408)									
Employment earnings (\$)	-1,587***	-756*	990**	1,217**	1,675***	2,663***	2,209***	8,754***	6,411**
Incidence of employment (percentage points)	-6.2***	0.4	4.1***	4.6***	4.7***	5.7***	5.5***	N/a	N/a
EI benefits (\$)	225**	-100	6	168*	171*	77	146	568	693
EI weeks (weeks)	0.9**	-0.8***	-0.2	0.4	0.4	0.1	0.2	0.9	1
SA benefits (\$)	-161**	-86	-79	-100	-74	-25	-26	-305	-552
Dependence on income support (percentage points)	6***	-1.7*	-1.3	-1.1	-0.7	0.1	0.5	N/a	N/a
Long-Tenured workers - 2007-2009 participants (n=8,647)									
Employment earnings (\$)	-4,756***	-5,371***	-914***	674***	1,155***	-	-	917	-9,216***
Incidence of employment (percentage points)	-13.4***	-5.6***	2.8***	4.5***	4.5***	-	-	N/a	N/a
EI benefits (\$)	954***	-27	-166***	203***	276***	-	-	312***	1,239***
EI weeks (weeks)	2.4***	-0.4***	-0.6***	0.4***	0.6***	-	-	0.3	2.2***
SA benefits (\$)	-287***	-330***	-255***	-206***	-175***	-	-	-636***	-1,253***
Dependence on income support (percentage points)	10.6***	-2.7***	-4.5***	-2.5***	-1.6***	-	-	N/a	N/a

Significance level \*\*\* 1%; \*\* 5%; \* 10%

**Table B4. Cost-Benefit Results from the Social Perspective for Skills Development**

<b>Total Costs and Benefits Over Participation (1 to 2 years) and 6 Years Post-program</b>	<b>ACTIVE CLAIMANTS (n=64,283)</b>	<b>FORMER CLAIMANTS (n=42,513)</b>
Program cost	-\$8,500	-\$8,766
Marginal social costs of public funds	-\$1,707	-\$1,471
Employment earnings (including participant's forgone earnings)	\$4,875	\$4,333
Fringe benefit	\$731	\$650
<b>Net present value</b> <i>(By how much do the benefits exceed the costs 6 years after participation?)</i>	<b>-\$4,600</b>	<b>-\$5,254</b>
<b>Cost-benefit ratio</b> <i>(How much does it cost in EI part II funds to achieve \$1 in benefit 6 years after participation?)</i>	<b>\$2.20</b>	<b>\$2.50</b>
<b>Payback period</b> <i>(How many years after participation would it take for the benefits to recover the costs?)</i>	<b>7.4 years</b>	<b>8.6 years</b>

## Appendix C – Detailed Results Skills Development – Apprenticeship

**Table C1. Socio-Demographic and Labour Market Characteristics of Skills Development-Apprenticeship Participants**

	Active Claimants		Former Claimants	
	2003 to 2005	2013 to 2014	2003 to 2005	2013 to 2014
Number of observations	32,485	7,144	1,400	895
<b>Gender</b>				
Male	93%	95%	83%	89%
Female	7%	5%	17%	8%
<b>Age</b>				
Under 25	47%	15%	28%	18%
25-34	37%	57%	40%	54%
35-44	12%	21%	19%	20%
45 and over	5%	7%	12%	9%
<b>Skills level related to National Occupation Code associated with the last EI claim opened before Skills Development-Apprenticeship participation<sup>1</sup></b>				
Managerial	1%	0%	1%	2%
University	1%	0%	1%	1%
College or apprenticeship training	84%	90%	48%	70%
Secondary or occupational training	7%	3%	23%	12%
On-the-job training	8%	7%	27%	16%
<b>Key Labour Market Indicators In the Year Preceding the Start of Participation</b>				
Earnings <sup>2</sup>	\$25,963	\$33,250 <sup>3</sup>	\$18,388	\$23,345 <sup>3</sup>
Proportion employed	100%	100%	94%	97%
Proportion on EI	23%	39%	55%	49%
Proportion on SA	1%	2%	6%	4%
<p>Proportions may not add up to 100% due to rounding</p> <p><sup>1</sup>Skill level corresponds to the type and/or amount of training or education typically required to work in the last occupation participants had before opening the last EI claim they had before participating in EBSMs:</p> <ul style="list-style-type: none"> <li>-Managerial: Management occupations</li> <li>-University: Occupations usually requiring university education (i.e., University degree at the bachelor's, master's or doctorate level)</li> <li>-College or apprenticeship training: Occupations usually requiring college or vocational education or apprenticeship training such as 2 to 3 years of post-secondary education at a community college, institute of technology or CEGEP or 2 to 5 years of apprenticeship training or 3 to 4 years of secondary school and more than 2 years of on-the-job training, specialized training courses or specific work experience and/or occupations with supervisory responsibilities and occupations with significant health and safety responsibilities, such as firefighters, police officers and registered nursing assistants.</li> <li>- Secondary or occupational training: Occupations usually requiring secondary school and/or occupation-specific training such as one to four years of secondary school education or up to 2 years of on-the-job training specialized training courses or specific work experience.</li> <li>-On-the-job training: On-the-job training is usually provided for occupations (i.e., short work demonstration or on-the-job training <i>or no</i> formal educational requirements).</li> </ul> <p><sup>2</sup> Average earnings for all individuals included in the studies. The average was calculated including participants who reported \$0 earnings during that year.</p> <p><sup>3</sup> Earnings for 2013–2014 participants have been adjusted according to the Consumer Price Index (CPI), published by Statistics Canada, to the 2002 base year.</p>				

**Table C2. Labour Market Outcomes for Active Claimants Who Started Skills Development-Apprenticeship in 2003/05**

Average outcomes	Pre-program period					After the Program Start Year							
	5 year pre	4 year pre	3 year pre	2 year pre	1 year pre	Program start year	1 year	2 year	3 year	4year	5 year	6 year	7 year
Earnings including \$0 <sup>1</sup>	\$14,965	\$17,821	\$20,243	\$23,379	\$28,199	\$27,097	\$33,817	\$40,107	\$46,861	\$51,817	\$52,845	\$55,112	\$58,245
Earnings excluding \$0 <sup>2</sup>	\$15,956	\$18,590	\$20,946	\$23,824	\$28,271	\$27,237	\$34,373	\$41,049	\$48,513	\$54,430	\$56,128	\$59,017	\$62,665
Proportion employed	94%	96%	97%	98%	100%	100%	98%	98%	97%	95%	94%	93%	93%
Proportion on EI	20%	24%	28%	26%	26%	99%	69%	56%	41%	29%	28%	26%	23%
EI benefits	\$856	\$997	\$1,183	\$1,134	\$1,093	\$3,754	\$2,746	\$2,321	\$1,817	\$1,474	\$1,683	\$1,607	\$1,371
Number of weeks on EI	3.0	3.4	3.9	3.5	3.3	11.5	7.9	6.2	4.7	3.7	4.1	3.9	3.2
Proportion on SA	4%	3%	3%	2%	1%	1%	1%	1%	1%	1%	2%	2%	2%
SA benefits	\$140	\$114	\$89	\$72	\$37	\$21	\$36	\$44	\$47	\$57	\$77	\$76	\$89
Dependence on income support	6%	6%	7%	6%	5%	15%	11%	8%	6%	5%	6%	6%	5%
Proportion self employed	8%	9%	10%	12%	16%	20%	22%	22%	23%	24%	25%	24%	24%

N= 25,445. Data exclude individuals with no Canada Revenue Agency data for the 5 years before participation.

<sup>1</sup>Earnings outcome for all individuals covered by the study.

<sup>2</sup>Earnings outcomes excluding individuals who reported no earnings in a given year.

**Table C3. Labour Market Outcomes for Former Claimants Who Started Skills Development-Apprenticeship in 2003/05**

Average outcomes	Pre-program period					After the Program Start Year							
	5 year pre	4 year pre	3 year pre	2 year pre	1 year pre	Program start year	1 year	2 year	3 year	4year	5 year	6 year	7 year
Earnings including \$0 <sup>1</sup>	\$14,885	\$17,425	\$18,662	\$20,003	\$18,997	\$20,377	\$25,333	\$30,651	\$35,146	\$38,994	\$39,253	\$42,369	\$43,400
Earnings excluding \$0 <sup>2</sup>	\$15,959	\$18,314	\$19,199	\$20,947	\$20,267	\$21,363	\$26,747	\$32,408	\$37,808	\$42,692	\$43,746	\$47,541	\$49,150
Proportion employed	93%	95%	97%	96%	94%	95%	95%	95%	93%	91%	90%	89%	88%
Proportion on EI	33%	39%	52%	54%	56%	50%	54%	54%	47%	43%	41%	39%	37%
EI benefits	\$1,501	\$1,771	\$2,455	\$2,755	\$3,260	\$2,100	\$2,701	\$2,821	\$2,600	\$2,639	\$3,098	\$2,900	\$2,762
Number of weeks on EI	6.1	7.9	9.2	9.8	11	7.5	9.2	9	7.9	7.5	8.3	7.5	6.4
Proportion on SA	9%	6%	6%	6%	6%	8%	6%	4%	4%	4%	6%	5%	5%
SA benefits	\$361	\$250	\$195	\$193	\$206	\$265	\$217	\$189	\$214	\$206	\$284	\$302	\$291
Dependence on income support	15%	14%	16%	18%	22%	17%	17%	15%	13%	13%	15%	14%	14%
Proportion self employed	10%	13%	12%	13%	14%	18%	19%	20%	22%	22%	23%	22%	24%

N= 1,240. Data exclude individuals with no Canada Revenue Agency data for the 5 years before participation

<sup>1</sup>Earnings outcome for all individuals covered by the study.

<sup>2</sup>Earnings outcomes excluding individuals who reported no earnings in a given year.

## Appendix D – Detailed Results Targeted Wage Subsidies

**Table D1. Socio-Demographic and Labour Market Characteristics of Targeted Wage Subsidies Participants**

	Active Claimants		Former Claimants	
	2002-2005	2007-2008	2002-2005	2007-2008
Number of observations	18,772	9,114	24,525	10,613
<b>Gender</b>				
Male	55%	53%	53%	51%
Female	45%	46%	46%	49%
<b>Age</b>				
Under 25	10%	8%	13%	11%
25-34	27%	24%	31%	30%
35-44	30%	26%	27%	25%
45 and over	33%	42%	29%	34%
<b>Marital status</b>				
Married or common-law	50%	51%	43%	43%
Widow/ divorced or separated	14%	13%	14%	12%
Single	34%	34%	40%	41%
Missing data / Unknown	2%	2%	3%	4%
<b>Skills level related to National Occupation Code associated with the last EI claim opened before Targeted Wage Subsidies participation<sup>1</sup></b>				
Managerial	5%	7%	4%	5%
University	6%	5%	7%	6%
College or apprenticeship training	29%	29%	27%	28%
Secondary or occupational training	36%	38%	35%	36%
On-the-job training	24%	21%	27%	25%
<b>Key Labour Market Indicators In the Year Preceding the Start of Participation</b>				
Earnings <sup>2</sup>	\$18,511	\$20,866 <sup>3</sup>	\$10,971	\$11,302 <sup>3</sup>
Proportion employed	98%	99%	86%	87%
Proportion on EI	59%	52%	68%	65%
Proportion on SA	7%	5%	15%	15%
<p>Proportions may not add up to 100% due to rounding</p> <p><sup>1</sup>Skill level corresponds to the type and/or amount of training or education typically required to work in the last occupation participants had before opening the last EI claim they had before participating in EBSMs:</p> <ul style="list-style-type: none"> <li>-Managerial: Management occupations</li> <li>-University: Occupations usually requiring university education (i.e., University degree at the bachelor's, master's or doctorate level)</li> <li>-College or apprenticeship training: Occupations usually requiring college or vocational education or apprenticeship training such as 2 to 3 years of post-secondary education at a community college, institute of technology or CEGEP or 2 to 5 years of apprenticeship training or 3 to 4 years of secondary school and more than 2 years of on-the-job training, specialized training courses or specific work experience and/or occupations with supervisory responsibilities and occupations with significant health and safety responsibilities, such as firefighters, police officers and registered nursing assistants.</li> <li>- Secondary or occupational training: Occupations usually requiring secondary school and/or occupation-specific training such as one to four years of secondary school education or up to 2 years of on-the-job training specialized training courses or specific work experience.</li> <li>-On-the-job training: On-the-job training is usually provided for occupations (i.e., short work demonstration or on-the-job training <i>or no</i> formal educational requirements).</li> </ul> <p><sup>2</sup> Average earnings for all individuals included in the studies. The average was calculated including participants who reported \$0 earnings during that year.</p> <p><sup>3</sup> Earnings for 2007-2008 participants have been adjusted by the Consumer Price Index published by Statistics Canada, using 2002 as the base year.</p>				

**Table D2. Incremental Impacts for Targeted Wage Subsidies – Active Claimants**

Indicators	In-program period		Post-program period						Total in- and post-program
	Program start year	Additional Year	1st year	2nd year	3rd year	4th year	5th year	Total post	
ACTIVE CLAIMANTS									
2002-2005 Participants (n=18,767)									
Employment earnings (\$)	-1,404***	752***	661***	971***	1,747***	1,815***	1,930***	7,125***	6,473***
Incidence of employment (percentage points)	4.4***	7.2***	5.0***	4.9***	5.1***	5.0***	5.1***	N/a	N/a
EI benefits (\$)	100***	-208***	-2	52	39	104***	146***	339***	231
EI weeks (weeks)	0.3***	0	0.5***	0.4***	0.3***	0.4***	0.5***	2.1***	2.4***
SA benefits (\$)	-24*	-86***	-79***	-61***	-63***	-58***	-65***	-327***	-436***
Dependence on income support (percentage points)	-0.5*	-2.7***	0.7***	0.7***	0.1	0.4	0.5*	N/A	N/A
2007-2008 Participants (n=9,114)									
Employment earnings (\$)	-1,560***	967***	1,270***	1,112***	1,580***	-	-	4,014***	3,492**
Incidence of employment (percentage points)	3.8***	9.3***	7.7***	5.3***	5.6***	-	-	N/a	N/a
EI benefits (\$)	-88	-149*	-32	-55	-209**	-	-	-296	-532*
EI weeks (weeks)	-0.8***	0	0.3	0.2	-0.3	-	-	0.2	-0.6
SA benefits (\$)	13	-182***	-275***	-200***	-132***	-	-	-609***	-781***
Dependence on income support (percentage points)	-1.7***	-3.3***	-0.4	-0.2	0.0	-	-	N/a	N/a
SUB-GROUPS OF ACTIVE CLAIMANTS									
Youth (below 30 years old) – 2002-2005 participants (n=4,506)									
Employment earnings (\$)	-657***	1,228***	789***	544*	1,637*	1,045***	1,425***	5,440***	6,011***
Incidence of employment (percentage points)	3.8***	5.5***	4***	3.2***	2.8***	2.1***	3.3***	N/a	N/a
EI benefits (\$)	-198***	-475***	-199***	-11	64	174**	167**	194	-479*
EI weeks (weeks)	-0.6***	-0.8***	0	0.3	0.4**	0.6***	0.6***	1.7**	0.3
SA benefits (\$)	-4	-76***	-76***	-57***	-79***	-67***	-59**	-338***	-418***
Dependence on income support (percentage points)	-3.3***	-4.7***	-1.1**	-0.3	-0.3	0.7	0.1	N/a	N/a
Older workers (55 years old and over) – 2002-2005 participants (n=1,571)									
Employment earnings (\$)	-608	2,189***	2,354***	2,891***	3,986***	3,657***	3,447***	16,335***	17,917***
Incidence of employment (percentage points)	8.2***	15.6***	15***	13.3***	15.2***	15.1***	13.3***	N/a	N/a
EI benefits (\$)	350**	213	399***	464***	468***	638***	370**	2,339***	2,902***
EI weeks (weeks)	1.4***	2.2***	2.4***	2.1***	2***	2.4***	1.7***	10.6***	14.2***
SA benefits (\$)	-35	-106***	-101**	-7	-45	-76	-125***	-354*	-495*
Dependence on income support (percentage points)	-2.3**	-2.2*	2.5**	2.9***	1.9*	3.5***	1.8	N/a	N/a
Long-Tenured workers - 2007-2009 participants (n=9,471)									
Employment earnings (\$)	-4,407***	-3,034***	-1,727***	-959***	-225	-	-	-2,879***	-10,298***
Incidence of employment (percentage points)	2.8***	2.4***	2.1***	2.3***	2.6***	-	-	N/a	N/a
EI benefits (\$)	1,397***	\$748***	\$13	-\$3	\$28	-	-	\$37	\$2,182***
EI weeks (weeks)	3.0***	1.7***	0.3**	0.2	0.2**	-	-	0.6**	5.4***
SA benefits (\$)	3	12	1	-4	-8	-	-	-12	4
Dependence on income support (percentage points)	5.7***	4.2***	1.0***	0.3	0.4	-	-	N/a	N/a

Significance level \*\*\* 1%; \*\* 5%; \* 10%



**Table D3. Incremental Impacts for Targeted Wage Subsidies – Former Claimants**

Indicators	In-program period		Post-program period						Total in- and post-program
	Program start year	Additional Year	1st year	2nd year	3rd year	4th year	5th year	Total post	
FORMER CLAIMANTS									
2002-2005 Participants (n=24,523)									
Employment earnings (\$)	3,237***	3,564***	2,134***	1,850***	2,017***	2,173***	2,180***	10,353***	17,155***
Incidence of employment (percentage points)	14***	11.1***	6.9***	6.2***	5.7***	5.5***	5.7***	N/a	N/a
EI benefits (\$)	391***	855***	679***	499***	397***	349***	296***	2,220***	3,466***
EI weeks (weeks)	1.2***	3.4***	2.4***	1.6***	1.2***	1***	0.7***	7.1***	11.8***
SA benefits (\$)	-481***	-587***	-387***	-306***	-285***	-274***	-266***	-1,519***	-2,587***
Dependence on income support (percentage points)	-10.5***	-2.2***	-0.5***	-1.1***	-1.5***	-1.7***	-2.2***	N/a	N/a
2007-2008 Participants (n=10,613)									
Employment earnings (\$)	3,019***	3,147***	2,076***	2,018***	2,110***	-	-	6,189***	12,349***
Incidence of employment (percentage points)	14.1***	12.5***	8.2***	6.8***	7.1***	-	-	N/a	N/a
EI benefits (\$)	277***	913***	697***	420***	297***	-	-	1,415***	2,605***
EI weeks (weeks)	1.1***	3.9***	2.8***	1.6***	1.0***	-	-	5.4***	10.4***
SA benefits (\$)	-493***	-697***	-479***	-404***	-350***	-	-	-1,234***	-2,424***
Dependence on income support (percentage points)	-8.9***	-1.7***	-0.2	-1.6***	-2.0***	-	-	N/a	N/a
SUB-GROUPS OF FORMER CLAIMANTS									
Youth (below 30 years old) – 2002-2005 participants (n=7,269)									
Employment earnings (\$)	2,789***	3,215***	1,893***	1,625***	1,790***	2,026***	2,212***	9,547***	15,550***
Incidence of employment (percentage points)	10.3***	8.2***	4.5***	3.9***	3.5***	3.9***	4.5***	N/a	N/a
EI benefits (\$)	296***	550***	473***	317***	191***	217***	181***	1,379***	2,225***
EI weeks (weeks)	1***	2.4***	1.9***	1.1***	0.6***	0.6***	0.4***	4.5***	7.9***
SA benefits (\$)	-498***	-548***	-355***	-280***	-238***	-271***	-271***	-1,415	-2,461***
Dependence on income support (percentage points)	-9.6***	-3.2***	-0.8***	-1.4***	-1.8***	-2***	-2.2***	N/a	N/a
Older workers (55 years old and over) – 2002-2005 participants (n=1,888)									
Employment earnings (\$)	2,851***	2,979***	1,758***	1,150**	1,430***	1,008**	626	5,972***	11,802***
Incidence of employment (percentage points)	20.3***	17.1***	10.4***	7.6***	5.1***	4.1***	4.2***	N/a	N/a
EI benefits (\$)	810***	1,451***	999***	763***	456***	293***	79	2,589***	4,851***
EI weeks (weeks)	2.5***	5.8***	3.3***	2***	0.8**	-0.1	-1.1***	4.8***	13.2***
SA benefits (\$)	-453***	-569***	-384***	-353***	-348***	-351***	-328***	-1,764***	-2,786***
Dependence on income support (percentage points)	-8.7***	3.1***	2.8***	2.1***	0.3**	0.7	-0.3	N/a	N/a
Long-Tenured workers - 2007-2009 participants (n=4,883)									
Employment earnings (\$)	4,912***	5,236***	3,704***	2,956***	2,958***	-	-	9,608***	19,748***
Incidence of employment (percentage points)	10.5***	10.0***	6.5***	5.5***	5.0***	-	-	N/a	N/a
EI benefits (\$)	367***	511***	454***	214***	148***	-	-	816***	1,694***
EI weeks (weeks)	0.7***	1.6***	1.2***	0.4***	0.1***	-	-	1.7***	3.9***
SA benefits (\$)	-310***	-390***	-267***	-226***	-181***	-	-	-673***	-1,372***
Dependence on income support (percentage points)	-8.1***	-2.0***	-0.8***	-1.9***	-1.9***	-	-	N/a	N/a

Significance level \*\*\* 1%; \*\* 5%; \* 10%

**Table D4. Cost-Benefit Results from the Social Perspective for Targeted Wage Subsidies**

<b>Total Costs and Benefits Over Participation (1 to 2 years) and 6 Years Post-program</b>	<b>ACTIVE CLAIMANTS (n=18,767)</b>	<b>FORMER CLAIMANTS (n=24,523)</b>
Program cost	-\$6,259	-\$6,102
Marginal social costs of public funds	-\$1,082	-\$812
Employment earnings (including participant's forgone earnings)	\$6,601	\$16,839
Fringe benefit	\$990	\$2,526
<b>Net present value</b> <i>(By how much do the benefits exceed the costs 6 years after participation?)</i>	<b>\$251</b>	<b>\$12,452</b>
<b>Cost-benefit ratio</b> <i>(How much does it cost in EI part II funds to achieve \$1 in benefit 6 years after participation?)</i>	<b>\$1.00</b>	<b>\$0.30</b>
<b>Payback period</b> <i>(How many years after participation would it take for the benefits to recover the costs?)</i>	<b>5.9 years</b>	<b>2<sup>nd</sup> program year</b>

## Appendix E – Detailed Results Self-Employment

**Table E1. Socio-Demographic and Labour Market Characteristics of Self-Employment Participants**

	Active Claimants		Former Claimants	
	2002-2005	2007-2008	2002-2005	2007-2008
Number of observations	20,689	10,220	8,884	5,244
<b>Gender</b>				
Male	58%	50%	50%	42%
Female	42%	49%	49%	58%
<b>Age</b>				
Under 25	4%	4%	4%	3%
25-34	30%	30%	31%	33%
35-44	36%	32%	35%	33%
45 and over	30%	33%	30%	30%
<b>Marital status</b>				
Married or common-law	58%	57%	54%	55%
Widow/ divorced or separated	14%	12%	14%	12%
Single	26%	27%	28%	27%
Missing data / Unknown	2%	4%	4%	5%
<b>Skills level related to National Occupation Code associated with the last EI claim opened before Self-Employment participation<sup>1</sup></b>				
Managerial	12%	13%	9%	11%
University	14%	10%	15%	12%
College or apprenticeship training	37%	39%	32%	33%
Secondary or occupational training	28%	28%	31%	31%
On-the-job training	10%	10%	13%	13%
<b>Key Labour Market Indicators In the Year Preceding the Start of Participation</b>				
Earnings <sup>2</sup>	\$27,719	\$25,801 <sup>3</sup>	\$11,387	\$11,642 <sup>3</sup>
Proportion employed	98%	99%	79%	82%
Proportion on EI	46%	49%	73%	70%
Proportion on SA	3%	2%	9%	8%

Proportions may not add up to 100% due to rounding

<sup>1</sup>Skill level corresponds to the type and/or amount of training or education typically required to work in the last occupation participants had before opening the last EI claim they had before participating in EBSMs:

-Managerial: Management occupations

-University: Occupations usually requiring university education (i.e., University degree at the bachelor's, master's or doctorate level)

-College or apprenticeship training: Occupations usually requiring college or vocational education or apprenticeship training such as 2 to 3 years of post-secondary education at a community college, institute of technology or CEGEP or 2 to 5 years of apprenticeship training or 3 to 4 years of secondary school and more than 2 years of on-the-job training, specialized training courses or specific work experience and/or occupations with supervisory responsibilities and occupations with significant health and safety responsibilities, such as firefighters, police officers and registered nursing assistants.

- Secondary or occupational training: Occupations usually requiring secondary school and/or occupation-specific training such as one to four years of secondary school education or up to 2 years of on-the-job training specialized training courses or specific work experience.

-On-the-job training: On-the-job training is usually provided for occupations (i.e., short work demonstration or on-the-job training *or no* formal educational requirements).

<sup>2</sup> Average earnings for all individuals included in the studies. The average was calculated including participants who reported \$0 earnings during that year.

<sup>3</sup> Earnings for 2007-2008 participants have been adjusted by the Consumer Price Index published by Statistics Canada, using 2002 as the base year.

**Table E2. Incremental Impacts for Self Employment – Active Claimants**

Indicators	In-program period		Post-program period						Total in- and post-program
	Program start year	Additional Year	1st year	2nd year	3rd year	4th year	5th year	Total post	
ACTIVE CLAIMANTS									
2002-2005 Participants (n= 20,688)									
Employment earnings (\$)	-9,256***	-13,863***	-11,041***	-9,331***	-8,376***	-7,449***	-6,870***	-43,066***	-66,184***
Incidence of employment (percentage points)	-12.4***	-29.1***	-21.9***	-17.4***	-15.2***	-13.7***	-12.3***	N/a	N/a
EI benefits (\$)	3,642***	1,489***	-1,304***	-1,036***	-809***	-774***	-712***	-4,635***	496***
EI weeks (weeks)	9.6***	3.7***	-4***	-3.1***	-2.3***	-2.1***	-1.9***	-13.4***	-0.1
SA benefits (\$)	-13	-52***	-19	-21	-45***	-40***	-41***	-167***	-232***
Dependence on income support (percentage points)	24.2***	22.5***	-5.2***	-4.9***	-3.6**	-3.5**	-3.3**	N/a	N/a
2007-2008 Participants (n=10,220)									
Employment earnings (\$)	-10,325***	-14,571***	-11,412***	-9,929***	-9,375***	-	-	-30,708***	-55,590***
Incidence of employment (percentage points)	-12.8***	-28.7***	-22.7***	-18.3***	-16.1***	-	-	N/a	N/a
EI benefits (\$)	2,463***	-999***	-2,038***	-1,473***	-1,172***	-	-	-4,682***	-3,218***
EI weeks (weeks)	5.7***	-3.2***	-5.7***	-4.0***	-3.1***	-	-	-12.7***	-10.3***
SA benefits (\$)	-1	-92***	-83***	-73***	-93***	-	-	-249***	-343***
Dependence on income support (percentage points)	22.9***	6.1***	-10.3***	-7.5***	-5.7***	-	-	N/a	N/a
SUB-GROUPS OF ACTIVE CLAIMANTS									
Youth (below 30 years old) – 2002-2005 participants (n=3,420)									
Employment earnings (\$)	-7,781***	-11,955***	-9,609***	-8,685***	-7,985***	-7,313***	-7,148***	-40,741***	-60,477***
Incidence of employment (percentage points)	-11***	-29***	-20***	-18.2***	-16.1***	-14.4***	-12.9***	N/a	N/a
EI benefits (\$)	3,192***	881***	-1,529***	-1,199***	-913***	-787***	-832***	-5,259***	-1,187***
EI weeks (weeks)	8.8***	2.1***	-4.6***	-3.4***	-2.4***	-2.1***	-2.2***	-14.8***	-3.9***
SA benefits (\$)	-3	-67***	-47**	-44*	-47**	-38	-57**	-233**	-303**
Dependence on income support (percentage points)	24***	19.9***	-6.7***	-5.6***	-3.6***	-3.3	-3.4***	N/a	N/a
Older workers (55 years old and over) – 2002-2005 participants (n=1,480)									
Employment earnings (\$)	-6,541***	-8,612***	-5,826***	-4,222***	-3,097***	-1,827***	-1,109	-16,081***	-31,234***
Incidence of employment (percentage points)	-9.6***	-20***	-13.8***	-9.2***	-7.6***	-5.2***	-0.3	N/a	N/a
EI benefits (\$)	3,251***	1,490***	-1,022***	-801***	-619***	-499***	-318**	-3,259***	1,482**
EI weeks (weeks)	8.5***	3.8***	-3.2***	-2.5***	-1.7***	-1.4***	-0.6**	-9.4***	3
SA benefits (\$)	-87***	-61**	-33	38	-29	-56*	-56*	-136	-283
Dependence on income support (percentage points)	18.7***	18.3***	-5.1***	-3.8***	-3.9***	-3.2***	-2.3**	N/a	N/a
Long-Tenured workers - 2007-2009 participants (n=6,352)									
Employment earnings (\$)	-12,681***	-18,320***	-15,787***	-14,217***	-13,010***	-	-	-43,014***	-74,014***
Incidence of employment (percentage points)	-11.9***	-30.4***	-25.1***	-21.5***	-18.6***	-	-	N/a	N/a
EI benefits (\$)	3,694***	270***	-1,370***	-959***	-673***	-	-	-3,002***	962***
EI weeks (weeks)	8.2***	0.0***	-3.6***	-2.5***	-1.7***	-	-	-7.8***	0.5***
SA benefits (\$)	-3	-49***	-54***	-43***	-61***	-	-	-158***	-210***
Dependence on income support (percentage points)	25.4***	14.9***	-6.0***	-4.5***	-3.2***	-	-	N/a	N/a

Significance level \*\*\* 1%; \*\* 5%; \* 10%

**Table E3. Incremental Impacts for Self Employment – Former Claimants**

Indicators	In-program period		Post-program period						Total in- and post-program
	Program start year	Additional Year	1st year	2nd year	3rd year	4th year	5th year	Total post	
FORMER CLAIMANTS									
2002-2005 Participants (n=8,882)									
Employment earnings (\$)	-5,944***	-8,683***	-7,121***	-5,978***	-5,448***	-4,886***	-4,506***	-27,939***	-42,567***
Incidence of employment (percentage points)	-22.7***	-25.6***	-18.4***	-15***	-12***	-11***	-9.8***	N/a	N/a
EI benefits (\$)	708***	-696***	-736***	-521***	-360***	-344***	-381***	-2,341***	-2,329***
EI weeks (weeks)	1.8***	-2.4***	-2.4***	-1.5***	-1***	-0.9***	-0.9***	-6.8***	-7.4***
SA benefits (\$)	-479***	-439***	-253***	-231***	-194***	-207***	-206***	-1,092***	-2,010***
Dependence on income support (percentage points)	11.2***	-7.8***	-7.3***	-5.4***	-4***	-3.6***	-3.9***	N/a	N/a
2007-2008 Participants (n=5,244)									
Employment earnings (\$)	-7,220***	-9,766***	-7,610***	-6,655***	-6,904***	-	-	-21,162***	-38,155***
Incidence of employment (percentage points)	-23.0***	-26.0***	-18.3***	-14.9***	-13.1***	-	-	N/a	N/a
EI benefits (\$)	698***	-1,004***	-1,163***	-689***	-551***	-	-	-2,403***	-2,709***
EI weeks (weeks)	1.8***	-3.0***	-3.4***	-1.9***	-1.4***	-	-	-6.7***	-7.9***
SA benefits (\$)	-478***	-508***	-364***	-365***	-314***	-	-	-1,042***	-2,028***
Dependence on income support (percentage points)	11.2***	-8.7***	-9.8***	-6.9***	-5.6***	-	-	N/a	N/a
SUB-GROUPS OF FORMER CLAIMANTS									
Youth (below 30 years old) – 2002-2005 participants (n=1,528)									
Employment earnings (\$)	-6,197***	-8,484***	-6,604***	-5,301***	-5,231***	-4,934***	-4,588***	-26,658***	-41,339***
Incidence of employment (percentage points)	-22.9***	-27.3***	-18.8***	-13.6***	-12***	-12.6***	-11.3***	N/a	N/a
EI benefits (\$)	673***	-716***	-786***	-531***	-367***	-461***	-460***	-2,605***	-2,648***
EI weeks (weeks)	1.8***	-2.9***	-3***	-1.9***	-1.4***	-1.6***	-1.6***	-9.5***	-10.6***
SA benefits (\$)	-535***	-498***	-301***	-237***	-231***	-262***	-227***	-1,259***	-2,292***
Dependence on income support (percentage points)	8.8***	-8.8***	-9***	-5.6***	-4***	-4***	-3.7***	N/a	N/a
Older workers (55 years old and over) – 2002-2005 participants (n=616)									
Employment earnings (\$)	-4,287***	-6,208***	-4,535***	-3,546***	-2,153***	-553	139	-10,647***	-21,142***
Incidence of employment (percentage points)	-19.8***	-19.3***	-10.7***	-8***	-2.6	0.1	0.8	N/a	N/a
EI benefits (\$)	1,018***	-594***	-495***	-267**	-138	-216*	-3	-1,119***	-695
EI weeks (weeks)	1.5***	-2.3***	-1.8***	-0.9**	-0.6	-0.7*	-0.1	-4.2**	-5**
SA benefits (\$)	-395***	-386***	-333***	-322***	-289***	-248***	-187***	-1,379***	-2,160***
Dependence on income support (percentage points)	12***	-7.5***	-6.9***	-5.1***	-5.2***	-5.2***	-3.1***	N/a	N/a
Long-Tenured workers - 2007-2009 participants (n=1,835)									
Employment earnings (\$)	-8,833***	-12,363***	-9,933***	-8,552***	-8,694***	-	-	-27,177***	-48,370***
Incidence of employment (percentage points)	-23.3***	-26.8***	-20.4***	-16.5***	-16.0***	-	-	N/a	N/a
EI benefits (\$)	1,056***	-946***	-1,066***	-713***	-589***	-	-	-2,367***	-2,256***
EI weeks (weeks)	2.4***	-2.4***	-2.8***	-1.7***	-1.2***	-	-	-5.7***	-5.6***
SA benefits (\$)	-385***	-371***	-279***	-179***	-216***	-	-	-674***	-1,429***
Dependence on income support (percentage points)	13.4***	-5.1***	-6.9***	-4.4***	-3.2***	-	-	N/a	N/a

Significance level \*\*\* 1%; \*\* 5%; \* 10%

## Appendix F – Detailed Results Job Creation Partnerships

**Table F1. Socio-Demographic and Labour Market Characteristics of Job Creation Partnerships Participants**

	Active Claimants		Former Claimants	
	2002-2005	2007-2008	2002-2005	2007-2008
Number of observations	5,056	2,456	5,013	2,321
<b>Gender</b>				
Male	51%	45%	55%	48%
Female	49%	55%	45%	52%
<b>Age</b>				
Under 25	13%	11%	11%	8%
25-34	31%	25%	31%	28%
35-44	28%	24%	28%	25%
45 and over	28%	40%	29%	38%
<b>Marital status</b>				
Married or common-law	48%	50%	42%	44%
Widow/ divorced or separated	11%	10%	14%	13%
Single	39%	38%	41%	38%
Missing data / Unknown	2%	3%	3%	5%
<b>Skills level related to National Occupation Code associated with the last EI claim opened before Job Creation Partnerships participation<sup>1</sup></b>				
Managerial	6%	6%	5%	5%
University	9%	6%	8%	7%
College or apprenticeship training	25%	24%	25%	26%
Secondary or occupational training	34%	34%	34%	35%
On-the-job training	27%	31%	27%	28%
<b>Key Labour Market Indicators In the Year Preceding the Start of Participation</b>				
Earnings <sup>2</sup>	\$15,733	\$14,833 <sup>3</sup>	\$8,776	\$7,811 <sup>3</sup>
Proportion employed	97%	99%	82%	82%
Proportion on EI	58%	59%	70%	70%
Proportion on SA	7%	6%	16%	13%
Proportions may not add up to 100% due to rounding				
<sup>1</sup> Skill level corresponds to the type and/or amount of training or education typically required to work in the last occupation participants had before opening the last EI claim they had before participating in EBSMs:				
-Managerial: Management occupations				
-University: Occupations usually requiring university education (i.e., University degree at the bachelor's, master's or doctorate level)				
-College or apprenticeship training: Occupations usually requiring college or vocational education or apprenticeship training such as 2 to 3 years of post-secondary education at a community college, institute of technology or CEGEP or 2 to 5 years of apprenticeship training or 3 to 4 years of secondary school and more than 2 years of on-the-job training, specialized training courses or specific work experience and/or occupations with supervisory responsibilities and occupations with significant health and safety responsibilities, such as firefighters, police officers and registered nursing assistants.				
- Secondary or occupational training: Occupations usually requiring secondary school and/or occupation-specific training such as one to four years of secondary school education or up to 2 years of on-the-job training specialized training courses or specific work experience.				
-On-the-job training: On-the-job training is usually provided for occupations (i.e., short work demonstration or on-the-job training <i>or no</i> formal educational requirements).				
<sup>2</sup> Average earnings for all individuals included in the studies. The average was calculated including participants who reported \$0 earnings during that year.				
<sup>3</sup> Earnings for 2007-2008 participants have been adjusted by the Consumer Price Index published by Statistics Canada, using 2002 as the base year.				

**Table F2. Incremental Impacts for Job Creation Partnerships – Active Claimants**

Indicators	In-program period		Post-program period						Total in- and post-program
	Program start year	Additional Year	1st year	2nd year	3rd year	4th year	5th year	Total post	
ACTIVE CLAIMANTS									
2002-2005 Participants (n=5,055)									
Employment earnings (\$)	-4,760***	-1,548***	1,899***	2,825***	3,450***	3,969***	4,409***	16,552***	10,244***
Incidence of employment (percentage points)	N/a	N/a	5.5***	5.6***	6***	5.8***	6.3***	N/a	N/a
EI benefits (\$)	2,563***	286***	-549***	-220***	-55	-14	-55	-893***	1,956***
EI weeks (weeks)	6.1***	-0.3	-1.6***	-0.5***	-0.1	0.1	0	-2.1***	3.6***
SA benefits (\$)	-59***	10	-36	-50*	-68***	-58***	-47	-258***	-308***
Dependence on income support (percentage points)	16.6***	3.1***	-3.1***	-1.7***	-1.2***	-1.1***	-0.8	N/a	N/a
2007-2008 Participants (n=2,456)									
Employment earnings (\$)	-4,541***	59	1,427***	1,286**	850	-	-	3,537**	-956
Incidence of employment (percentage points)	N/a	N/a	6.1***	4.5***	3.8***	-	-	N/a	N/a
EI benefits (\$)	370***	-1,406***	-513***	-404***	-44	-	-	-961***	-1,997***
EI weeks (weeks)	2.8***	-3.5***	-0.8**	-0.8**	0.3	-	-	-1.4	-2.1
SA benefits (\$)	-100***	-43	-104***	-78**	-87**	-	-	-269***	-412***
Dependence on income support (percentage points)	8.6***	-7.4***	-2.4***	-2.0***	-0.9	-	-	N/a	N/a
SUB-GROUPS OF ACTIVE CLAIMANTS									
Youth (below 30 years old) – 2002-2005 participants (n=1,511)									
Employment earnings (\$)	-4,169***	-863**	1,897***	2,792***	3,330***	3,433***	3,740***	15,193***	10,161***
Incidence of employment (percentage points)	N/a	N/a	3.3***	4.1***	4.2***	4.6***	3.8***	N/a	N/a
EI benefits (\$)	2,794***	428***	-414***	8	91	202*	187	73	3,295***
EI weeks (weeks)	6.9***	0	-1.1***	0.1	0.3	0.7**	0.6*	0.5	7.4***
SA benefits (\$)	29	21	-36	-36	-50	-56	-35	-213	-163
Dependence on income support (percentage points)	19.7***	3.2***	-3.2***	-1.3*	-0.6	-0.7	0.1	N/a	N/a
Older workers (55 years old and over) – 2002-2005 participants (n=347)									
Employment earnings (\$)	-4,713***	-920	1,765**	2,980***	3,234***	4,424***	4,385***	16,788***	11,154**
Incidence of employment (percentage points)	N/a	N/a	3.9*	5.5**	7.4***	8.1***	11.6***	N/a	N/a
EI benefits (\$)	3,483***	251	39	447*	1,023***	758***	877***	3,144***	6,878***
EI weeks (weeks)	10.7***	0.8	0.8	1.6**	2.9***	2**	2.4***	9.7***	21.1***
SA benefits (\$)	-70	-28	68	12	-30	21	-37	34	-65
Dependence on income support (percentage points)	23***	1.2	-0.3	0.8	3.6*	-0.1	-0.8	N/a	N/a
Long-Tenured workers - 2007-2009 participants (n=872)									
Employment earnings (\$)	-7,677***	-2,385***	368	1,668*	947	-	-	2,983	-7,079**
Incidence of employment (percentage points)	N/a	N/a	5.6***	6.2***	5.0***	-	-	N/a	N/a
EI benefits (\$)	1,701***	-483***	-506***	-157	-70	-	-	-733**	485
EI weeks (weeks)	4.7***	-1.0*	-1.0**	-0.1	0.0	-	-	-1.0	2.8*
SA benefits (\$)	33	127***	61	-4	18	-	-	75	234
Dependence on income support (percentage points)	14.6***	0.4	-1.5	0.1	0.7	-	-	N/a	N/a

Significance level \*\*\* 1%; \*\* 5%; \* 10%

**Table F3. Incremental Impacts for Job Creation Partnerships – Former Claimants**

Indicators	In-program period		Post-program period						Total in- and post-program
	Program start year	Additional Year	1st year	2nd year	3rd year	4th year	5th year	Total post	
FORMER CLAIMANTS									
2002-2005 Participants (n=5,013)									
Employment earnings (\$)	-2,242***	-631***	869***	821***	1,151***	942***	1,008***	4,790***	1,917***
Incidence of employment (percentage points)	N/a	N/a	4.9***	4***	4.8***	4***	3.8***	N/a	N/a
EI benefits (\$)	183***	-240***	44	284***	144***	276***	258***	1,006***	949***
EI weeks (weeks)	0.2	-1***	0.16	1***	0.5***	0.9***	0.8***	3.3***	2.6***
SA benefits (\$)	-302***	-301***	-277***	-257***	-267***	-223***	-158***	-1,183***	-1,785***
Dependence on income support (percentage points)	1.9***	-5.2***	-3.9***	-2***	-2.7***	-1.3***	-1.1***	N/a	N/a
2007-2008 Participants (n=2,321)									
Employment earnings (\$)	-3,760***	-1,962***	-715*	-1,136**	-1,073**	-	-	-2,926**	-8,650***
Incidence of employment (percentage points)	-N/a	N/a	2.1*	1.9*	1.6	-	-	N/a	N/a
EI benefits (\$)	-9	-385***	29	199*	112	-	-	340	-54
EI weeks (weeks)	0.0	-0.7**	0.8**	0.9**	0.6*	-	-	2.3***	1.6
SA benefits (\$)	-339***	-351***	-296***	-181***	-158***	-	-	-636***	-1,325***
Dependence on income support (percentage points)	1.2	-6.3***	-3.3***	-2.1***	-2.0***	-	-	N/a	N/a
SUB-GROUPS OF FORMER CLAIMANTS									
Youth (below 30 years old) – 2002-2005 participants (n=1,383)									
Employment earnings (\$)	-2,131***	-212	1,353***	1,733***	2,712***	3,040***	3,283***	12,121***	9,778***
Incidence of employment (percentage points)	N/a	N/a	5***	3.3***	3.5***	3.6***	4***	N/a	N/a
EI benefits (\$)	226***	-126*	171**	412***	154	378***	282**	1,397***	1,497***
EI weeks (weeks)	0.6**	-0.7**	0.6**	1.4***	0.5	1.1***	0.7**	4.2***	4.2***
SA benefits (\$)	-295***	-272***	-183***	-229***	-259***	-212***	-161**	-1,044***	-1,610***
Dependence on income support (percentage points)	2*	-5.6***	-2.7***	-1.1	-2.6***	-0.7	-1	N/a	N/a
Older workers (55 years old and over) – 2002-2005 participants (n=423)									
Employment earnings (\$)	-2,184***	-679	334	1,002	1,873*	1,442	742	5,393	2,531
Incidence of employment (percentage points)	N/a	N/a	4.4*	5**	6.3**	5*	5.1**	N/a	N/a
EI benefits (\$)	-439**	-665***	-273	-64	194	241	341	439	-666
EI weeks (weeks)	-3***	-2.9***	-1.6**	-1.1	-0.7	-1	-1.3*	-5.6*	-11.5***
SA benefits (\$)	-396***	-469***	-322***	-355***	-272***	-174*	-92	-1,214***	-2,080***
Dependence on income support (percentage points)	-1.9	-10.8***	-8.2***	-8***	-7.3***	-5.9***	-6.1***	N/a	N/a
Long-Tenured workers - 2007-2009 participants (n=532)									
Employment earnings (\$)	-5,275***	-4,741***	-2,229***	-2,682***	-2,257**	-	-	-7,168***	-17,184***
Incidence of employment (percentage points)	N/a	N/a	3.1	3.2	2.8	-	-	N/a	N/a
EI benefits (\$)	118	-108	39	667***	497***	-	-	1,204***	1,214*
EI weeks (weeks)	0.6	0.1	0.7	2.4***	2.1***	-	-	5.2***	5.9***
SA benefits (\$)	-212**	-295***	-216**	-158	-135	-	-	-508*	-1,015***
Dependence on income support (percentage points)	5.4***	-2.2	-2.3	1.2	1.6	-	-	N/a	N/a

Significance level \*\*\* 1%; \*\* 5%; \* 10%



**Table F4. Cost-Benefit Results from the Social Perspective for Job Creation Partnerships**

<b>Total Costs and Benefits Over Participation (1 to 2 years) and 6 Years Post-program</b>	<b>ACTIVE CLAIMANTS (n=5,055)</b>	<b>FORMER CLAIMANTS (n=5,013)</b>
Program cost	-\$9,834	-\$10,141
Marginal social costs of public funds	-\$1,605	-\$1,665
Employment earnings (including participant's forgone earnings)	\$10,265	\$1,348
Fringe benefit	\$1,540	\$202
<b>Net present value</b> <i>(By how much do the benefits exceed the costs within 6 years after participation?)</i>	<b>\$366</b>	<b>-\$10,257</b>
<b>Cost-benefit ratio</b> <i>(How much does it cost in EI part II funds to achieve \$1 in benefit 6 years after participation?)</i>	<b>\$1.00</b>	<b>Negative benefits</b>
<b>Payback period</b> <i>(How many years after participation would it take for the benefits to recover the costs?)</i>	<b>5.9 years</b>	<b>Benefits may never recover the cost</b>

## Appendix G – Detailed Results Employment Assistance Services Only

**Table G1. Socio-Demographic and Labour Market Characteristics of Employment Assistance Services only Participants**

	Active Claimants		Former Claimants	
	2002-2005	2007-2008	2002-2005	2007-2008
Number of observations	374,348	216,461	211,718	119,298
<b>Gender</b>				
Male	54%	49%	55%	48%
Female	45%	51%	45%	52%
<b>Age</b>				
Under 25	11%	10%	12%	11%
25-34	28%	24%	30%	28%
35-44	30%	27%	30%	28%
45 and over	31%	38%	28%	33%
<b>Marital status</b>				
Married or common-law	46%	46%	33%	34%
Widow/ divorced or separated	14%	14%	16%	15%
Single	37%	37%	45%	44%
Missing data / Unknown	3%	4%	5%	7%
<b>Skills level related to National Occupation Code associated with the last EI claim opened before Employment Assistance Services participation<sup>1</sup></b>				
Managerial	5%	6%	4%	4%
University	7%	5%	6%	4%
College or apprenticeship training	28%	27%	24%	24%
Secondary or occupational training	38%	40%	38%	39%
On-the-job training	22%	23%	28%	28%
<b>Key Labour Market Indicators In the Year Preceding the Start of Participation</b>				
Earnings <sup>2</sup>	\$22,335	\$22,214 <sup>3</sup>	\$10,530	\$11,991 <sup>3</sup>
Proportion employed	97%	99%	81%	85%
Proportion on EI	46%	45%	59%	56%
Proportion on SA	6%	5%	23%	20%
Proportions may not add up to 100% due to rounding				
<sup>1</sup> Skill level corresponds to the type and/or amount of training or education typically required to work in the last occupation participants had before opening the last EI claim they had before participating in EBSMs:				
-Managerial: Management occupations				
-University: Occupations usually requiring university education (i.e., University degree at the bachelor's, master's or doctorate level)				
-College or apprenticeship training: Occupations usually requiring college or vocational education or apprenticeship training such as 2 to 3 years of post-secondary education at a community college, institute of technology or CEGEP or 2 to 5 years of apprenticeship training or 3 to 4 years of secondary school and more than 2 years of on-the-job training, specialized training courses or specific work experience and/or occupations with supervisory responsibilities and occupations with significant health and safety responsibilities, such as firefighters, police officers and registered nursing assistants.				
-Secondary or occupational training: Occupations usually requiring secondary school and/or occupation-specific training such as one to four years of secondary school education or up to 2 years of on-the-job training specialized training courses or specific work experience.				
-On-the-job training: On-the-job training is usually provided for occupations (i.e., short work demonstration or on-the-job training <i>or no</i> formal educational requirements).				
<sup>2</sup> Average earnings for all individuals included in the studies. The average was calculated including participants who reported \$0 earnings during that year.				
<sup>3</sup> Earnings for 2007-2008 participants have been adjusted by the Consumer Price Index published by Statistics Canada, using 2002 as the base year.				

**Table G2. Incremental Impacts for Employment Assistance Services Only**

Indicators	In-program period	Post-program period						Total in- and post-program
		1st year	2nd year	3rd year	4th year	5th year	Total post	
ACTIVE CLAIMANTS								
2002-2005 Participants (n=38,564 or a random sample of 10% of participants)								
Employment earnings (\$)	-2,913***	-1,097***	-279***	347*	645***	742***	358	-2,555***
Incidence of employment (percentage points)	-0.5***	0.6*	0.8***	1.7***	1.8***	1.7***	N/a	N/a
EI benefits (\$)	697***	-451***	-312***	-251***	-222***	-136***	-1,375***	-677***
EI weeks (weeks)	2.1***	-1.5***	-0.9***	-0.8***	-0.7***	-0.4***	-4.3***	-2.2***
SA benefits (\$)	60***	94***	31***	23*	29***	36***	213***	273***
Dependence on income support (percentage points)	5.6***	-1.2***	-0.9***	-0.9***	-0.6***	-0.4*	N/a	N/a
2007-2008 Participants (n=108,230 or a random sample of 50% of participants)								
Employment earnings (\$)	-3,134***	-1,113***	-368***	87	-	-	-1,395***	-4,529***
Incidence of employment (percentage points)	0.3**	0.6***	0.6***	0.8***	-	-	N/A	N/A
EI benefits (\$)	788***	-512***	-371***	-288***	-	-	-\$1,171	-384
EI weeks (weeks)	1.9***	-1.7***	-1.1***	-0.8***	-	-	-3.6***	-1.7***
SA benefits (\$)	67***	89***	48***	37***	-	-	174***	241***
Dependence on income support (percentage points)	5.6***	-1.0***	-0.9***	-0.7***	-	-	N/A	N/A
SUB-GROUPS OF ACTIVE CLAIMANTS								
Youth (below 30 years old) – 2002-2005 participants (n=46,771)								
Employment earnings (\$)	-1,895***	-510***	16	372***	510***	650***	1,039***	-855
Incidence of employment (percentage points)	0.3	0.9	0.4**	0.7***	0.6**	0.5**	N/a	N/a
EI benefits (\$)	406***	-539***	-339***	-262***	-183***	-136***	-1,457***	-1,051***
EI weeks (weeks)	1.4***	-1.7***	-0.9***	-0.7***	-0.4***	-0.3**	-4**	-2.6***
SA benefits (\$)	1	62***	27***	16*	29***	28***	164***	165***
Dependence on income support (percentage points)	5.7***	-2.3***	-0.5***	-0.5***	0.4***	0.9***	N/a	N/a
Older workers (55 years old and over) – 2002-2005 participants (n=32,480)								
Employment earnings (\$)	-2,717***	-661***	741***	1,575***	2,199***	2,318***	6,173***	3,456***
Incidence of employment (percentage points)	0.9***	3.8***	5.2***	6.6***	7.7***	7.7***	N/a	N/a
EI benefits (\$)	841***	-302***	-229***	-80**	-3	83**	-531***	309**
EI weeks (weeks)	2.5***	-0.9***	-0.6***	-0.2*	0.1	0.3**	-1.5***	1**
SA benefits (\$)	-24***	66***	70***	73***	68***	68***	345***	320***
Dependence on income support (percentage points)	5.4***	-1.6***	-0.8***	0.1	0.4	0.9***	N/a	N/a
Long-Tenured workers - 2007-2009 participants (n=45,182 or a random sample of 40% of participants)								
Employment earnings (\$)	-4,866***	-2,659***	-1,281***	-822***			-4,763***	-9,630***
Incidence of employment (percentage points)	-0.8***	-1.4***	-1.1***	-1.0***			N/a	N/a
EI benefits (\$)	1,447***	-8	-374***	-263***			-644***	802***
EI weeks (weeks)	3.0***	-0.5***	-1.0***	-0.7***			-2.2***	0.9***
SA benefits (\$)	47***	84***	67***	54***			205***	251***
Dependence on income support (percentage points)	7.3***	1.3***	-1.1***	-0.6***			N/a	N/a

Significance level \*\*\* 1%; \*\* 5%; \* 10%

**Table G3. Incremental Impacts Related to the Timing of Participation in Employment Assistance Services**

Cohorts	n=	In-program	Post-program period					Total impact post-program	Total impact in- and post-program
			1 year	2 years	3 years	4 years	5 years		
Employment Earnings									
1–4 weeks	39,354	-\$505***	\$258***	\$1,708***	\$2,343***	\$2,804***	\$3,080***	\$10,192***	\$9,687***
5–8 weeks	31,168	-\$2,046***	-\$765***	\$444***	\$1,123***	\$1,511***	\$1,574***	\$3,888***	\$1,842***
9–12 weeks	48,648	-\$3,109***	-\$839***	\$124	\$783***	\$1,179***	\$1,296***	\$2,543***	-\$566
2 <sup>nd</sup> quarter	38,513	-\$4,566***	-\$1,106***	-\$240**	\$327***	\$603***	\$775***	\$358	-\$4,209***
3 <sup>rd</sup> quarter	38,495	-\$6,680***	-\$1,139***	-\$703***	-\$178	\$151	\$114	-\$1,754***	-\$8,433***
4 <sup>th</sup> quarter	24,456	-\$6,814***	-\$545***	-\$696***	-\$253	-\$11	\$287	-\$1,218	-\$8,032***
Incidence of Employment									
1–4 weeks	39,354	2.6pp***	2.1pp***	1.6pp***	1.6pp***	0.9pp***	0.3pp	N/A	N/A
5–8 weeks	31,168	1.4pp***	0.4pp*	0.3pp	0.2pp	-0.3pp	-0.8pp***	N/A	N/A
9–12 weeks	48,648	0.2pp	-0.6pp***	-0.6pp***	-0.4pp**	-0.6pp***	-1.0pp***	N/A	N/A
2 <sup>nd</sup> quarter	38,513	-1.2pp***	-0.5pp**	-0.6pp**	-0.4pp	-0.5pp**	-0.7pp***	N/A	N/A
3 <sup>rd</sup> quarter	38,495	-4.1pp***	-0.5pp**	-0.7pp***	-0.6pp**	-0.7pp***	-1.0pp***	N/A	N/A
4 <sup>th</sup> quarter	24,456	-5.8pp***	-0.4pp	-1.1pp	-0.5pp	-0.8pp	-0.2pp	N/A	N/A
EI Benefits									
1–4 weeks	39,354	\$298***	\$5	-\$209***	-\$137***	-\$84***	-\$80***	-\$503***	-\$205**
5–8 weeks	31,168	\$1,174***	-\$31***	-\$214***	-\$195***	-\$157***	-\$65***	-\$663***	\$511***
9–12 weeks	48,648	\$1,470***	-\$385***	-\$270***	-\$229***	-\$198***	-\$146***	-\$1,228***	\$242***
2 <sup>nd</sup> quarter	38,513	\$1,809***	-\$687***	-\$333***	-\$196***	-\$138***	-\$94***	-\$1,449***	\$360***
3 <sup>rd</sup> quarter	38,495	\$1,823***	-\$1,502***	-\$453***	-\$364***	-\$240***	-\$164***	-\$2,723***	-\$899***
4 <sup>th</sup> quarter	24,456	\$1,498***	-\$1,911***	-\$442***	-\$355***	-\$266***	-\$167***	-\$3,143***	-\$1,645***
* Significant at 10%; ** significant at 5%; *** significant at 1%									
n= refers to the number of participants. It corresponds to 100% of participants. pp= percentage points									
Note: for the estimations we have selected a 50% random sample among comparison group in each cohort due to their large number. We used 100% of participants.									

**Table G4. Incremental Impacts on the Time of Return to Employment for the Participation in Employment Assistance Services Only**

Cohorts	1–4 weeks (N=39,354)	5–8 weeks (N=31,168)	9–12 week (N=48,648)	2 <sup>nd</sup> quarter (N=38,513)	3 <sup>rd</sup> quarter (N=38,495)	4 <sup>th</sup> quarter (N=24,456)
Time of Return to Employment	2.9wks***	-0.5wks***	-1.9wks***	-3.3wks***	-3.5wks***	-3.0wks***
* Significant at 10%; ** significant at 5%; *** significant at 1%						

**Table G5. Cost-Benefit Results from the Social Perspective for Employment Assistance Services Only**

<b>Total Costs and Benefits Over Participation (1 to 2 years) and 6 Years Post-program</b>	<b>ACTIVE CLAIMANTS (n=38,564)</b>
Program cost	-\$692
Marginal social costs of public funds	-\$197
Employment earnings (including participant's forgone earnings)	-\$2,079
Fringe benefit	-\$312
<b>Net present value</b> <i>(By how much do the benefits exceed the costs within 6 years after participation?)</i>	<b>-\$3,280</b>
<b>Cost-benefit ratio</b> <i>(How much does it cost in EI part II funds to achieve \$1 in benefit 6 years after participation?)</i>	<b>Negative benefits</b>
<b>Payback period</b> <i>(How many years after participation would it take for the benefits to recover the costs?)</i>	<b>10.9 years</b>

## Appendix H. List of Nine Studies Included in the Synthesis Report

**Table H1. Overview of Studies Included in This Synthesis Report**

Study	Evidence generated	Methods	Reference period	Observation period
Analysis of EBSM Profile, Outcomes and Medium-Term Incremental Impacts for 2002-2005 Participants ( <i>Completed in 2014</i> )	- Incremental impacts for participants including youth and older workers - Profile and socio-demographic characteristics of participants	- Non-experimental method using propensity score matching in combination with Difference-in-Differences - Statistical profiling	2002-2005 participants	7 years between 2002 and 2011 (i.e., 2 years in program and 5 years post-program)
Effects of the Timing of Participation in Employment Assistance Services ( <i>Completed in 2014</i> )	- Incremental impacts	- Non-experimental method using propensity score matching in combination with Difference-in-Differences - Statistical profiling		8 years between 2002 and 2013 (i.e., 2 years in-program and 6 years post-program)
Cost-Benefit Analysis of Employment Benefits and Support Measures ( <i>Completed in 2016</i> )	- Cost-benefit analysis	- Non-experimental method using propensity score matching in combination with Difference-in-Differences - Cost analysis		5 years between 2007 and 2012 (i.e., 2 years in-program and 3 years post-program)
Analysis of EBSMs Profile, Outcomes and Incremental Impacts for 2007-2008 Participants ( <i>Completed in 2015</i> )	- Incremental impacts - Profile and socio-demographic characteristics of participants	- Non-experimental method using propensity score matching in combination with Difference-in-Differences - Statistical profiling	2007-2008 participants	5 years between 2007 and 2013 (i.e., 2 years in-program and 3 years post-program)
Analysis of EBSMs Profile, Outcomes, and Incremental Impacts for EI Claimants Category “Long-Tenured Workers” ( <i>Completed in 2015</i> )	- Incremental impacts - Profile and socio-demographic characteristics of participants	- Non-experimental method using propensity score matching in combination with Difference-in-Differences - Statistical profiling	2007-2009 participants	Design and delivery at the time of the data collection (i.e., 2013)
Study on Employment Assistance Services ( <i>Completed in 2014</i> )	- Program design and delivery - Challenges and lessons learned	- 81 key informants interviews in 10 P/Ts - Literature and document review in 8 P/Ts	Design and delivery at the time of the data collection (i.e., 2015)	
Study on Targeted Wage Subsidies ( <i>Completed in 2015</i> )	- Program design and delivery - Challenges and lessons learned	- 44 key informants interviews in 8 P/Ts - Literature and document review - Questionnaire filled by P/Ts		
Study on Skills Development Regular ( <i>Completed in 2016</i> )	- Program design and delivery - Challenges and lessons learned	- 53 key informants interviews in 9 P/Ts - Literature and document review - Questionnaire filled by P/Ts		
Study on Skills Development – Apprenticeship ( <i>Completed in 2016</i> )	- Program design and delivery - Challenges and lessons learned	- 53 key informants interviews in 10 P/Ts - Literature and document review - Questionnaire filled by P/Ts		