



Evaluation of the Canada – New Brunswick Labour Market Development Agreement

Final report

August 8, 2023



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List of abbreviations

AS and LFT	Adjustment Services and Labour Force Training
EAS	Employment Assistance Services
EBSM	Employment Benefits and Support Measures
EI	Employment Insurance
ESDC	Employment and Social Development Canada
LMDA	Labour Market Development Agreements
SA	Social Assistance
TSD	Training and Skills Development
EWS	Employer Wage Subsidies

Executive summary

The Canada-New Brunswick Labour Market Development Agreement (LMDA) is a bilateral agreement between Canada and New Brunswick for the design and delivery of Employment Benefits and Support Measures (EBSMs).

The objective of EBSMs is to assist individuals to obtain or keep employment through various active employment programs, including training or employment assistance services. Successful delivery of EBSMs is expected to result in participants receiving needed services, a quick return to work, and savings to the Employment Insurance (EI) account.

Programs and services delivered by provinces and territories have to correspond to the EBSM categories defined under the *EI Act*. The following is a short description of the EBSMs examined in the evaluation of the Canada-New Brunswick LMDA:

- **Training and Skills Development (TSD)** ensures that case managed individuals, whose employment action plan identifies skill development as being necessary, have access to funding to assist them in achieving their goal.
- **Workforce Expansion - Employer Wage Subsidy (EWS)** helps participants obtain on-the-job work experience by providing employers with a wage subsidy.
- **Self-Employment Benefit** provides various types of support during the initial development phase of the business including financial assistance, coaching and ongoing technical advice.
- **Employment Assistance Services (EAS)** support individuals as they prepare to enter or re-enter the workforce or assist them to find a better job. Services can include counselling, job search skills, job placement services, provision of labour market information and case management.

Evaluation objectives

Building on the success of previous LMDA evaluation cycles, the aim of this evaluation is to fill in knowledge gaps about the effectiveness, efficiency, as well as design and delivery of EBSMs in New Brunswick.

The LMDA investment

In fiscal year 2020 to 2021, Canada transferred nearly \$111.5 million (including nearly \$ 8.9 million in administration funds) to New Brunswick.

Evaluation methodology

The findings in this report are drawn from 7 separate evaluation studies. These studies examine issues related to program effectiveness, efficiency, and design and delivery. A mix of qualitative and quantitative methods are used, including:

- Incremental impact analysis for participants who began an intervention between 2010 and 2012
- Outcome analysis
- Cost-benefit analysis (including savings to health care)
- Key informant interviews with 19 provincial representatives and service providers
- Questionnaire completed by provincial officials
- A survey of 170 Self-Employment Benefits participants
- Document and literature reviews

- **Adjustment Services and Labour Force Training (AS and LFT)** assist employers, communities and industries to address their labour force adjustments and human resource needs.
- **Research and Innovation** initiatives aim to identify better ways of helping people prepare for, return to or keep employment, and be productive participants in the labour force.

Incremental impacts are estimated for 2 types of participants:

- **Active EI claimants** are participants who started an EBSM intervention while collecting EI benefits.
- **Former EI claimants** are participants who started an EBSM intervention up to three years after the end of their EI benefits.¹

Table i provides an overview of the share of funding allocated to EBSMs and the average cost per participant. The average cost per participant is calculated based on the 2010 to 2012 data from the EI Monitoring and Assessment Reports. The 2010 to 2012 period corresponds with the cohort of participants selected for incremental impacts and cost-benefit analysis in the New Brunswick LMDA evaluation.

Compared to the 2010 to 2012 period, the LMDA budget allocation varied for few programs and services in 2020 to 2021. For example, investments in Training and Skills Development decreased from 79% to 60%. As well, investments in AS and LFT increased from 4% to 20% of total allocation.

Table i. Share of LMDA funding and average cost per Action Plan Equivalent per participant in New Brunswick^{2,3}

Employment Benefits and Support Measures	Share of funding (2010 to 2012)	Share of funding (2020 to 2021)	Average cost active claimants (2010 to 2012)	Average cost – former claimants (2010 to 2012)
Training and Skills Development	79%	60%	\$9,997	\$10,071
Employment Assistance Services	10%	8%	\$890	\$848
Adjustment Services and Labour Force Training	4%	20%	n/a	n/a

¹ Former claimants can be underemployed and unable to requalify for EI, out of the labour force for various reasons or on social assistance.

² The average cost for TSD includes the cost of delivering TSD regular and TSD apprentices. It is not possible to estimate the cost of delivering TSD regular alone because expenditure information is not available for TSD regular and TSD-Apprentices separately.

³ AS and Research and Innovation do not typically have participant specific interventions.

Workforce Expansion-Self-Employment Benefit	4%	6%	\$16,975	\$17,416
Workforce Expansion-Employer Wage Subsidies	4%	6%	\$4,289	\$4,720
Research and Innovation	<1%	<1%	n/a	n/a

Sources: EI Monitoring and Assessment Reports for fiscal years 2010 to 2011, 2011 to 2012 and 2020 to 2021.

Key findings

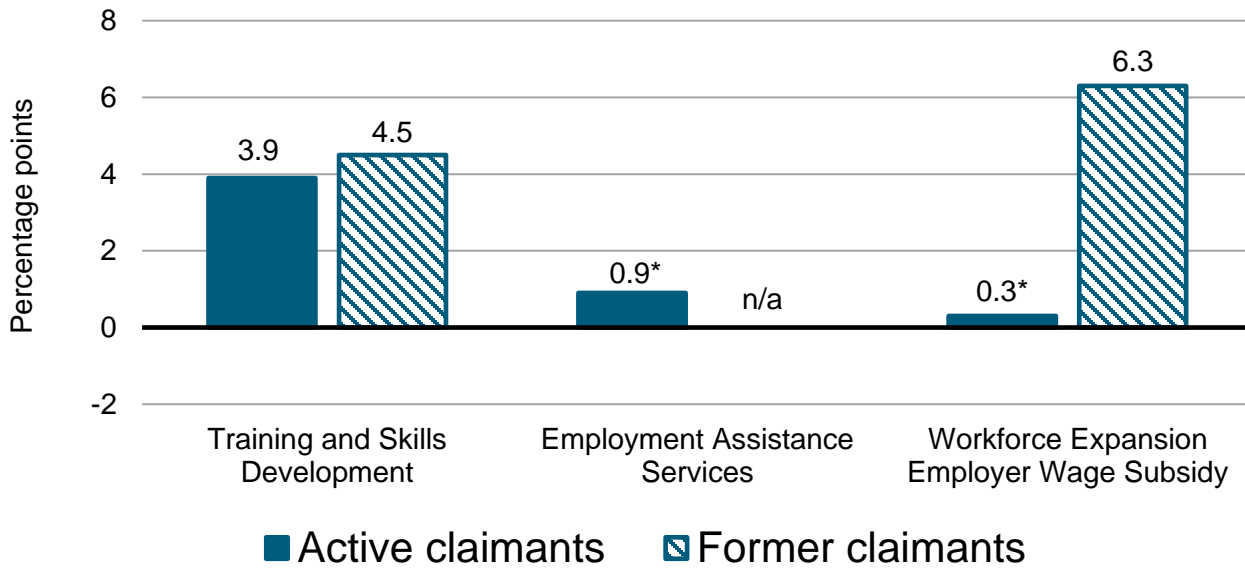
Between 2010 and 2012, nearly 21,000 active and former EI claimants participated in LMDA programs and services in New Brunswick.

Effectiveness and efficiency of EBSMs

- Overall, incremental impacts demonstrate that with some exceptions, participation in TSD, EAS and EWS improves labour market attachment and reduces dependence on government income support, compared to similar non-participants.
- A subgroup analysis shows that, with few exceptions, TSD improves the labour market attachment and reduces the dependence on income support for most sub-groups of active and former participants. Male, youth and older worker participants who only received EAS improve their labour market attachment compared to similar non-participants.
- A regional analysis of incremental impacts for TSD finds that participants increase their labour market attachment and reduce their dependence on government income supports both within the 2 municipalities of Fredericton and Moncton, and outside of these 2 municipalities.
- With the exception of active claimant participation in EWS, the initial program investment costs are recovered over time.

Chart i presents the incremental impacts on the incidence of employment for active and former claimants by EBSM. The estimates can be interpreted as change in the probability of being employed following participation. For example, participation in TSD increases the probability of being employed by 3.9 percentage points for active EI claimants relative to non-participants.

Chart i. Change in probability of being employed in participants relative to non-participants (annual average)

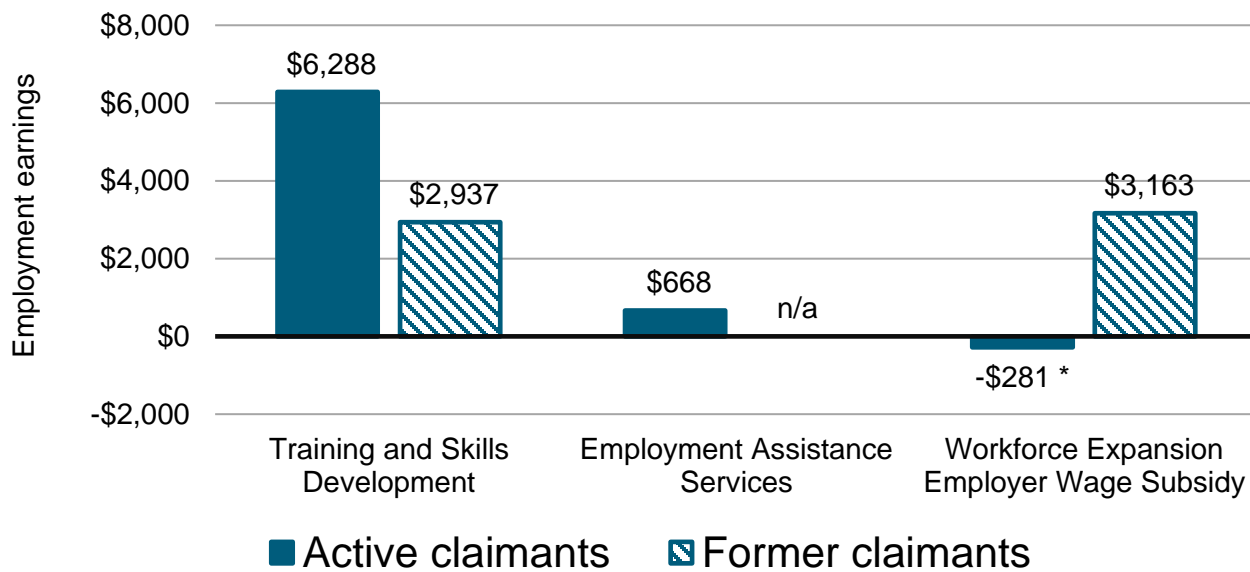


*The impact is not statistically significant.

Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

Chart ii presents the annual average change in employment earnings for active and former claimants over the post-participation period.

Chart ii. Employment earnings of participants relative to non-participants (annual average)



*The impact is not statistically significant.

Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

As shown in Chart iii, overall active and former claimants reduce their dependence on government income supports.

Chart iii. Change in dependence on government income support (annual average)



Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

Table ii presents the number of years required for the social benefits to exceed program costs. Social benefits to participation exceed initial investment costs over a period ranging from the program start year to 6.1 years.

Table ii. Number of years for the benefits to exceed program costs

Indicator	TSD active claimants (10 years post-program)	EAS active claimants (5 years post-program)	TSD former claimants (10 years post-program)	EWS former claimants (5 years post-program)
Payback period (years after end of participation)	3.2	5.1	6.1	Paid back within the program start year

Supplemental studies

A series of supplemental studies addresses information gaps previously identified in LMDA evaluations regarding the design and delivery, challenges and lessons learned for Self-Employment Benefit, AS and LFT, and Research and Innovation.

Some of these interventions are not suitable for incremental impact analysis. For example, AS and LFT and Research and Innovation do not collect participant information. As a result, a mix of qualitative and

quantitative methods are used to examine these EBSMs in detail. Key considerations are included to help guide future program and policy discussions.

Self-Employment Benefit study

The Self-Employment Benefit program aims to assist participants in creating employment for themselves by providing them with a range of services.

Based on a survey, it is found that 2 to 4 years after program participation:

- Participants increase their employment level by 8 percentage points from 61% in the year before participating to 69% at the time of survey. The increase is mainly due to an increase in the percentage of self-employed participants. Nearly 50% of survey respondents launched a self-employment business that was still in operation.
- Half of self-employment businesses are launched in other services⁴; professional, scientific and technical services; as well as in construction and retail trade.
- Seventy-seven percent (77%) of respondents say that they are financially about the same or better off after the program.
- Seventy-six percent (76%) of respondents say that their household net worth is about the same or higher after the program.

The survey examines the contribution of the program to the success of self-employment businesses. At least 84% of survey respondents who launched a self-employment business rate the following services and training as very or somewhat important to the business launch, operation and success:

- Living allowance during participation
- Assessment of entrepreneurial readiness
- One-on-one mentoring/advice or counselling supports
- Assistance with business plan development
- Discussion on risks and challenges of self-employment
- Orientation session on self-employment
- Training on budgeting, financial management, marketing, business operation and sales

Regarding the reliance on government income support, participants reduce their use of EI and SA following program participation.

⁴ Services include establishments such as repairing, maintenance of motor vehicles, machinery and equipment; providing personal care services, funeral services, laundry services and pet care services.

Adjustment Services and Labour Force Training (AS and LFT) study

AS and LFT aim to assist employers, communities and/or industries to address their labour force adjustments and human resource needs. Funded projects target current and/or forecasted skills and/or labour shortages. These projects also target specific unemployed populations (for example, Indigenous peoples, and persons with disabilities).

New Brunswick's Department of Post-Secondary Education, Training and Labour confirms that program officials carry out activities to support the formation and maintenance of partnerships. The department explains that partners' contributions are beneficial, but not required, for the achievement of expected project outcomes. The majority of program officials stress the importance of partnerships for projects' success as they bring different perspectives and expertise, avoid duplication, allow for sharing project costs, and help in the implementation of large-scale projects.

Research and Innovation study

The Research and Innovation support measure aims to identify better ways of helping individuals prepare for, return to, or keep employment and to be productive in the labour force.

A document review reveals that Research and Innovation projects encompass a variety of activities including:

- Development and/or testing of new approaches to improve employment outcomes for clients (for example, persons with disabilities)
- Strengthening service delivery
- Delivering career fairs

A questionnaire completed by provincial officials reveals factors contributing to successful testing and identification of innovative approaches, including:

- Project holders having strong commitment from partners
- Projects that have a clear plan with measurable outcomes

Training and Skills Development-Apprentices study

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.

The evaluation found that active EI claimants increased their average earnings from \$17,966 5 years before program participation to \$47,064 in the fifth year after the program start year. Former EI claimants increased their average earnings from \$16,827 before program participation to \$51,238 in the fifth year after the program start year. After participating in the program, both active and former claimants also decreased their dependence on government income supports.

Recommendations

Since 2012, 15 qualitative and quantitative studies addressed issues and questions related to EBSM design, delivery and effectiveness:

- The quantitative studies successfully assessed the effectiveness and efficiency of EBSMs by producing incremental impacts and cost-benefit analysis.
- The qualitative studies help to contextualize the findings from the quantitative studies and to identify specific challenges, lessons learned and best practices associated with the design and delivery of EBSMs. Some studies include key considerations for program and policy development or recommendations.

In addition, the recently completed evaluation of the Workforce Development Agreements complements the LMDA qualitative studies. This comprehensive evaluation provided unique insights into challenges and lessons learned to assist persons with disabilities, immigrants and those further removed from the labour market.

Most results from this evaluation stem from the conduct of advance causal analysis whereby impacts found could be attributed to a specific EBSM. These analyses are predicated on having access to high quality administrative records, thereby confirming the importance of the capacity to leverage and integrate relevant administrative data.

From these main findings, 2 key recommendations emerge:

Recommendation #1: New Brunswick is encouraged to share and discuss lessons learned, best practices and challenges associated with the design and delivery of programs. Discussions are encouraged with ESDC, at the bilateral or multilateral levels as well as with service delivery network if necessary.

Recommendation #2: New Brunswick is encouraged to pursue efforts to maintain and strengthen data collection provisions in support of reporting, performance measurement and data-driven evaluations at the national and provincial levels.

Management response

Two key recommendations for New Brunswick emerge:

Recommendation #1: New Brunswick is encouraged to share and discuss lessons learned, best practices and challenges associated with the design and delivery of programs. Discussions are encouraged with ESDC, at the bilateral or multilateral levels as well as with service delivery network if necessary.

New Brunswick would be open to sharing and discussing lessons learned, best practices and the challenges associated with the design and delivery of programs with ESDC, at the bilateral or multilateral levels and if necessary, our service delivery network.

Recommendation #2: New Brunswick is encouraged to pursue efforts to maintain and strengthen data collection provisions in support of reporting, performance measurement and data-driven evaluations at the national and provincial levels.

New Brunswick makes continuous enhancements and improvements to our data collection systems. These changes are initiated by the evolving requirements, changing programs, and measuring the effectiveness of programs and services. New Brunswick is open to engaging with ESDC, and with provinces and territories in discussions related to performance measurement and exploring opportunities to improve reporting and better demonstrate results of our funding agreements for Canadians.

1. Introduction

Employment and Social Development Canada (ESDC) worked jointly with New Brunswick and 11 other provinces and territories to complete the third evaluation cycle (2018 to 2023) for the Labour Market Development Agreement (LMDA).

The first cycle of LMDA evaluation was carried out from 1998 to 2012. It involved the conduct of separate formative and summative evaluations under the guidance of bilateral Joint Evaluation Committees.

Building on lessons learned and best practices from the first cycle, the second cycle of LMDA evaluations was undertaken between 2012 and 2017. The second cycle was designed and implemented under the guidance of a federal-provincial/territorial LMDA Evaluation Steering Committee. The work was supported by bilateral discussions at the Joint Evaluation Committee.

Under the second cycle, studies generated evaluation evidence on the effectiveness, efficiency and design and delivery of Employment Benefits and Support Measures (EBSMs). Findings and conclusions from up to 9 studies were summarized in 1 national and 12 bilateral reports for public release.

The third LMDA evaluation cycle builds on the success of the second cycle. The aim is to fill in knowledge gaps about the effectiveness, efficiency, and design and delivery of EBSMs. The evaluation cycle was designed and implemented under the guidance of a federal-provincial/territorial LMDA Evaluation Steering Committee composed of ESDC and 12 participating provinces and territories.

For New Brunswick, this report presents a summary of findings from 7 studies undertaken as part of the third LMDA evaluation cycle.

2. Canada–New Brunswick Labour Market Development Agreement

The Canada-New Brunswick LMDA is a bilateral agreement between Canada and New Brunswick for the design and delivery of EBSM programs and services. It was established under Part II of the *1996 Employment Insurance (EI) Act*.

In fiscal year 2020 to 2021, Canada transferred nearly \$111.5 million to New Brunswick.⁵ Under the agreement, New Brunswick is responsible for the design and delivery of LMDA-funded programs and services aimed at assisting individuals to prepare for, obtain, and maintain employment. LMDA programs and services are classified under 2 categories:

- **Employment benefits**^{6,7} fall under 3 categories: Training and Skills Development, Workforce Expansion - Employer Wage Subsidies and Self-Employment Benefit.
- **Support measures** fall under 3 categories: Employment Assistance Services;⁸ Adjustment Services and Labour Force Training; and Research and Innovation.

New Brunswick has the flexibility to adapt EBSMs to its jurisdiction's context as long as they are consistent with Part II of the *EI Act*.⁹

The objective of EBSMs is to assist individuals to obtain or keep employment through various active employment programs, including training or employment assistance services. Successful delivery of EBSMs is expected to result in participants receiving needed services, a quick return to work, and savings to the EI account.

Programs and services examined in this study include employment benefits and support measures.

2.1. Employment benefits

Employment benefits programs and services examined in this study include:

- **Training and Skills Development (TSD)** ensures that case managed individuals, whose employment action plan identifies skill development as being necessary, have access to funding to assist them in achieving their goal. Training is tailored to the needs of participants through

⁵ Employment and Social Development Canada. (2022). 2020 to 2021 EI Monitoring and Assessment Report.

⁶ As of April 1, 2018, eligibility for employment benefits was expanded to include those who have made minimum EI premium contributions above the premium refund threshold (that is \$2,000 in earnings) in at least 5 of the last 10 years.

⁷ In July 2016, new provisions were introduced, changing the definition of former claimants to cover those who completed an EI claim in the past 5 years.

⁸ Employment Assistance Services are available to all Canadians.

⁹ Employment and Social Development Canada (2012). Labour Market Development Agreements Process for Determination of Similarity (internal document).

counselling and career orientation. It can include adult-based education, literacy and essential skills, language training, short-term training and occupational training leading to certification from an accredited institution. Training duration can reach up to 3 years for co-op programs at recognized post-secondary institutions.

- **Workforce Expansion – Employer Wage Subsidies (EWS)** helps participants obtain on-the-job work experience by providing employers with a wage subsidy.
- **Self-Employment Benefit** provides various types of support during the initial development phase of the business including financial assistance, coaching and ongoing technical advice.

2.2. Support measures

Support measures programs and services examined in this study include:

- **Employment Assistance Services (EAS)** support individuals as they prepare to enter or re-enter the workforce or assist them to find a better job.
 - Services include job search services, career development and counselling, and résumé writing assistance. These services are light touch interventions due to their very short duration and can be provided on a one-on-one basis or in a group setting.
 - A typical intervention lasts less than one day, but a participant may receive multiple short interventions over a few weeks. These services are generally provided in combination with more intensive interventions.
- **Adjustment Services and Labour Force Training (AS and LFT)** assist employers, communities and industries to address their labour force adjustments and human resource needs.
 - AS aim to help employers, employee and employer associations, community groups, and communities or other agencies to improve their capacity for dealing with human resource requirements and to address their labour force adjustment needs.
 - LFT aims to assist businesses and organisations in addressing skills gaps specific to existing or new job opportunities. It also helps to ensure that participants develop the necessary skills to attain, increase, improve and/or maintain labour market attachment.
- **Research and Innovation:** aims to identify better ways of helping people prepare for, return to or keep employment, and be productive participants in the labour force.

2.3. Eligible participants covered in this study

The incremental impacts are estimated for active and former EI claimants:

- **Active claimants** are participants who started an EBSM intervention while collecting EI benefits.

- **Former claimants** are participants who started an EBSM intervention up to 3 years after the end of their EI benefits.¹⁰

2.4. Average EBSM share of funding and cost per Action Plan Equivalent

Table 1 provides an overview of the share of funding allocated to EBSMs and the average cost per participant in New Brunswick. It is noted that the average cost per participant is calculated based on the 2010 to 2012 data from the EI Monitoring and Assessment Reports. The 2010 to 2012 period corresponds with the cohort of participants selected for incremental impacts and cost-benefit analysis in the Canada-New Brunswick LMDA evaluation.

From the 2010 to 2012 time period to the 2020 to 2021 fiscal year, the LMDA budget allocation varied for few programs and services. For example, investments in TSD decreased from 79% to 60%. As well, the largest increases in funding are noted for AS and LFT (+16 percentage points).

Table 1. Share of LMDA funding and average cost per Action Plan Equivalent per participant in New Brunswick^{11,12}

Employment Benefits and Support Measures	Share of funding (2010 to 2012)	Share of funding (2020 to 2021)	Average cost active claimants (2010 to 2012)	Average cost former claimants (2010 to 2012)
Training and Skills Development	79%	60%	\$9,997	\$10,071
Employment Assistance Services	10%	8%	\$890	\$848
Adjustment Services and Labour Force Training	4%	20%	n/a	n/a
Workforce Expansion-Self-Employment Benefit	4%	6%	\$16,975	\$17,416
Workforce Expansion- Employer Wage Subsidies	4%	6%	\$4,289	\$4,720
Research and Innovation	<1%	<1%	n/a	n/a

Sources: EI Monitoring and Assessment Reports for fiscal years 2010 to 2011, 2011 to 2012 and 2020 to 2021.

¹⁰ Former claimants can be underemployed and unable to requalify for EI, out of the labour force for various reasons or on Social Assistance.

¹¹ The average cost for TSD includes the cost of delivering TSD regular and TSD apprentices. It is not possible to estimate the cost of delivering TSD regular alone because expenditure information is not available for TSD regular and TSD apprentices separately.

¹² AS and Research and Innovation do not typically have participant specific interventions.

3. Methodology

This section presents key aspects of the quantitative analyses carried out as part of the LMDA studies.

All quantitative analyses are based on administrative data from the EI Part I (EI claim data) and Part II (EBSM participation data). The EI Part I and II data are then linked to the T1 and T4 taxation files from the Canada Revenue Agency. Incremental impact and cost-benefit analyses are based on up to 100% of participants in New Brunswick who began their EBSM participation in 2010 to 2012.

The 2010 to 2012 timeframe was selected to assess the impacts of EBSMs in the years following participation. Impacts were assessed over a period of at least 4 years after program completion up to the 2017 calendar year (most recent available information at the time of this evaluation).

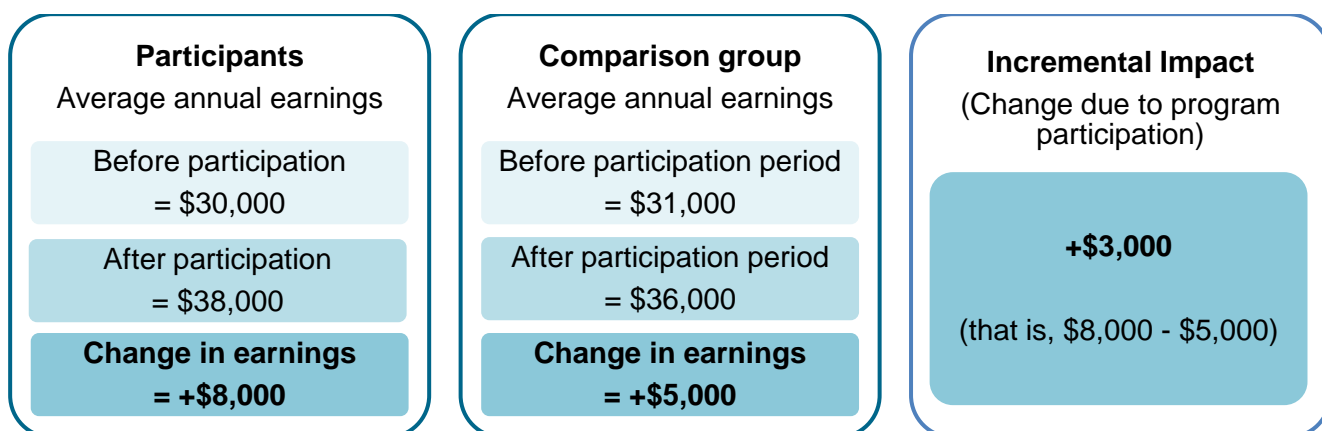
3.1. Incremental impacts analysis¹³

Program effectiveness is assessed by estimating incremental impacts from EBSM participation on participants' labour market experience. That is, earnings from employment and self-employment, incidence of employment, use of EI, use of social assistance (SA), and dependence on government income supports after participation.

In New Brunswick, incremental impacts are estimated for active and former EI claimant participants in TSD and in EWS, and for active EI claimant participants in EAS.

The role of the incremental impact analysis is to isolate the effects of participation from other factors. To achieve this, the incremental impact analysis compares the labour market experience of participants before and after their participation with that of similar non-participants. Figure 1 presents an example of incremental impact calculation.

Figure 1. Example of the incremental impact calculation



¹³ For more details about the methodology used for the incremental impacts, please refer to: ESDC, *Third Cycle for the Horizontal Evaluation of the Labour Market Development Agreements: Quantitative Methodology Report*. (ESDC Evaluation Directorate, 2019, internal document).

The main estimator used is propensity score kernel matching technique combined with difference-in-differences estimator. Moreover, 3 different state-of-the-art estimation techniques (Inverse Probability Weighting, Nearest Neighbour and Cross-sectional Matching) were carried out separately for each type of EBSMs and EI claimants to validate the impact estimates.

As for previous LMDA evaluation studies, the Action Plan Equivalent is the unit of analysis used. Action Plan Equivalents regroup all EBSMs received by an individual within less than 6 months between the end of one EBSM and the start of the next. Action Plan Equivalents are categorized based on the longest EBSM they contain, except for EAS-only Action Plan Equivalents which include only EAS interventions.

The analysis includes Action Plan Equivalents that consist only of LMDA interventions. Action Plan Equivalents that include a combination of LMDA and other labour market programs funded by ESDC, were excluded from the participant sample.

The matching of participants and comparison group members used up to 75 socio-demographic and labour market variables observed over 5 years before participation. Two different comparison groups were used to measure impacts for active and former EI claimants:

- For **active claimants**, 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.
- For **former claimants**, the comparison group was created using individuals who participated in EAS only during the reference period.¹⁴ In other words, the experience of former claimants in TSD and EWS interventions is compared to the experience of former claimants who received EAS only. This is a conservative approach given the fact that participation in EAS can lead to limited effects on labour market outcomes.

Due to this difference in measurement, incremental impacts estimated for active claimant participants should not be directly compared to those of former claimant participants.

Impacts are generated over 4 years for TSD and EWS, while a fifth year is estimated for participants in EAS.¹⁵

¹⁴ This is based on previous evaluation methodologies, on expert advice and given the difficulty in generating a suitable comparison group for former claimants using administrative data alone.

¹⁵ Further details are available in the report entitled Technical Report on the Analysis of Employment Benefits and Support Measures (EBSMs) Profile, Outcomes and Medium-Term Incremental Impacts from 2010 to 2017 in New Brunswick (2021).

3.2. Factors accounted for in the cost-benefit analysis^{16,17}

Building on the results of the incremental impacts, program efficiency is assessed through a cost-benefit analysis. The analysis compares the participants' cost of participating and the government's cost of delivering the program to the benefits associated with the program. Overall, this analysis provides insights on the extent to which the program is efficient for society (that is, for both participants and the government).

Sources of data and information

The analysis takes into account all the quantifiable costs and benefits directly related to EBSM delivery and participation that can be measured given the data available. The analysis is comprehensive in that it accounts for the vast majority of possible direct costs and benefits.

However, the analysis does not account for all costs and benefits. For example, there are factors that can lead to an understatement of the benefits (for example, positive spillovers to other family members) and other factors that can lead to an overstatement of the benefits (for example, effects on skill prices or displacement).

This study relied on integrated data from the EI Part I and II Databank and Income Tax records from the Canada Revenue Agency. Information about earnings, use of EI, and use of social assistance was taken from the study of incremental impacts.¹⁸ The program costs were calculated using information available in the EI Monitoring and Assessment Reports.

Relative to the previous cycle of evaluation, the methodology has been extended to incorporate one of the indirect health benefits associated with increased labour market attachment. In particular, the methodology includes an estimate of the change in public health care cost due to the decline in health care utilization resulting from program participation.

Data on average public healthcare costs by income quintiles are taken from the report *Lifetime Distributional Effects of Publicly Financed Health Care in Canada (2013)* by the Canadian Institute for Health Information.

Program costs are measured using information on LMDA expenditures and new interventions reported in the EI Monitoring and Assessment Reports. Other costs and benefits are assessed using integrated administrative data from the EI Part I and II databank and the Canada Revenue Agency.

¹⁶ Further details about the methodology used for the cost-benefit analysis are available in the technical report entitled *Cycle II of the Evaluation of the Labour Market Development Agreements: Cost-Benefit Analysis of Employment Benefits and Support Measures (2015)*.

¹⁷ Further details about the methodology used for the savings to health care are available in the technical report entitled *Cost-Benefit Analysis: Incorporating Public Health Care Costs Savings in the Context of the Labour Market Programs Evaluation (2022)*. The report is available upon request.

¹⁸ Further details are available in the report entitled *Technical Report on the Analysis of Employment Benefits and Support Measures (EBSMs) Profile, Outcomes and Medium-Term Incremental Impacts from 2010 to 2017 in New Brunswick (2021)*.

Incremental impacts measured over the second year of participation and up to 5 post-program years are discounted by 3% to bring them to a common base with the program cost and benefits incurred in the program start year. This 3% rate accounts for the interest the government could have collected if the funds used to pay for the program had been invested. Incremental impacts are estimated using 2010 constant dollars and this accounts for inflation.

The costs and benefits accounted for in the calculations are:

- **Program cost:** cost incurred by the government for delivering the program (that is, administration and direct program costs calculated from data reported in the EI Monitoring and Assessment Reports).
- **Marginal social cost of public funds:** loss incurred by society when raising additional revenues such as taxes to fund government spending. The value is estimated at 20% of the program cost, sales taxes, income taxes, impacts on EI and impacts on SA paid or collected by the government.
- **Foregone earnings:** estimated net impacts on participants' earnings during the participation period. During labour market program participation, some individuals have lower earnings than what they would have received if they had not participated.
- **Employment earnings:** incremental impacts on participants' earnings during and after participation. In-program earnings represent the foregone earnings for participants.
- **Fringe benefits:** the employer-paid health and life insurance as well as pension contributions. They are estimated at 15% of the incremental impacts on earnings.
- **Federal and provincial income taxes:** incremental impacts on federal, provincial and territorial taxes paid by participants.
- **Sales taxes:** the sales taxes paid by participants estimated as incremental impacts on earnings multiplied by the propensity to consume (97%), the proportion of household spending on taxable goods and services (52%) and the total average federal and provincial sales tax rate (11%).
- **Social assistance and Employment Insurance benefits collected:** incremental impacts on SA and EI benefits use by participants following participation.
- **Canada Pension Plan and Quebec Pension Plan contribution and EI premiums:** these contributions and premiums were identified from the Canada Revenue Agency data and then, the incremental impacts on Canada Pension Plan and Quebec Pension Plan contributions and EI premiums were estimated.
- **Public health care costs:** estimated impact of participation in EBSMs on public health care costs shown as an average change per participant over the post-program period examined.

3.3 Strengths and limitations of the studies

One of the key strengths from the studies is that all quantitative analyses are 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, this is because they were based on 5 years of pre-participation data. Moreover, these models are based on a vast array of variables including sociodemographic characteristics, location, skill level related to last occupation, and indicators of labour market attachment.

However, the matching process can be further refined for specific subgroups if the following information is available in the future:

- Persons with disabilities: the type and severity of the disability, and the capacity/willingness to work full-time.
- Recent immigrants: the country of origin, the proficiency in English or French, and the relevance of credentials and work experience.
- Visible minorities: place of birth; individuals who are born outside of Canada face different challenges compared to those born in Canada.

Refining the matching process for population subgroups could broaden the scope for greater Gender-based Analysis Plus.

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 are not influenced by factors not captured in the data.

The cost-benefit analysis accounted for all quantifiable costs and benefits directly attributable to the EBSMs and could be estimated with the available administrative data. It is further strengthened by incorporating one of the indirect benefits, which is the change in public health care expenditures associated with program participation. However, the analysis did not account for non-quantifiable factors that can lead to an understatement of the benefits (for example, positive spillovers to other family members) and factors that can lead to an overstatement of the benefits (for example, effects on skill prices or displacement).

In some studies that use qualitative data collection methods, the number of key informants interviewed is relatively small. 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.

3.4 Overview of the studies summarized in this report

The findings in this report are drawn from 7 separate studies:

- Examination of the medium-term outcomes from 2010 to 2017
- Estimation of the medium-terms incremental impacts from 2010 to 2017
- Cost-benefit analysis of Employment Benefits and Support Measures in New Brunswick
- Cost-Benefit Analysis of Employment Benefits and Support Measures in New Brunswick: Incorporating Public Health Care Costs Savings in the Context of the Labour Market Programs Evaluation

- Design and delivery of the Self-employment Benefit program in New-Brunswick
- Design and delivery of the Adjustment Services and Labour Force Training programs in New-Brunswick
- Design and delivery of the Research and Innovation support measure in New-Brunswick

Using a mix of qualitative and quantitative methods, these studies examine issues related to program effectiveness, efficiency, and design/delivery. Appendix A presents an overview of each study.

4. Evaluation findings

Main findings

- Overall, incremental impacts demonstrate that with some exceptions, participation in TSD, EAS and EWS improves labour market attachment and reduces dependence on government income support, compared to similar non-participants.
- A subgroup analysis shows that, with few exceptions, TSD improves the labour market attachment and reduces the dependence on income support for most sub-groups of active and former participants. Male, youth and older worker participants who only received EAS improve their labour market attachment compared to similar non-participants.
- A regional analysis of incremental impacts for TSD finds that participants increase their labour market attachment and reduce their dependence on government income supports both within the 2 municipalities of Fredericton and Moncton, and outside of these 2 municipalities.
- With the exception of active claimant participants in EWS, the initial program investment costs are recovered over time.

4.1 Profile of participants

Between 2010 and 2012, nearly 21,000 active and former EI claimants participated in LMDA programs and services in New Brunswick.

The profile of participants is presented in Table 2 by gender, age, sociodemographic group, and marital status. Information about their educational attainment, occupation and industry is based on the latest job they held prior to applying for EI benefits. Information about sociodemographic groups is self-reported.

Table 2. Profile of active and former EI claimant participants in EBSMs in New Brunswick in 2010 to 2012

Categories	Active claimants	Former claimants
Number of participants	13,428	7,459
Gender	Female = 45% Male = 55%	Female = 49% Male = 51%
Age	30 and under = 44% 31 to 54 = 46% 55 and over = 9%	30 and under = 38% 31 to 54 = 52% 55 and over = 10%
Sociodemographic groups	Indigenous = 4% Persons with disabilities = 5% Visible minorities = 0% Recent immigrants = 1%	Indigenous = 5% Persons with disabilities = 7% Visible minorities = 1% Recent immigrants = 1%

Categories	Active claimants	Former claimants
Marital status	Single = 52% Married or common-law = 35% Widow / divorced / separated = 11%	Single = 51% Married or common-law = 32% Widow / divorced / separated = 13%
Education or skills level	High school or occupational training = 38% On-the-job training = 26% College, vocational education or apprenticeship training = 26% University degree = 5%	High school or occupational training = 39% On-the-job training = 28% College, vocational education or apprenticeship training = 25% University degree = 4%
Top 3 occupational groups	Other manual workers = 17% Semi-skilled manual workers = 14% Intermediate sales and service personnel; and Clerical personnel = 12% each	Other manual workers = 16% Intermediate sales and service personnel = 14% Other sales and service personnel; Semi-skilled manual workers; and Clerical personnel = 12% each
Top 3 Industries	Manufacturing = 14% Construction = 11% Retail trade; and Public administration = 10% each	Retail trade = 12% Manufacturing; Construction; and Administrative and support, waste management and remediation services = 11% each Accommodation and food services = 10%

Note: Values may not equal 100% due to rounding or missing information.

As presented in Table 3, in the year before program participation, former claimants have lower levels of employment and annual earnings than active claimants. Former claimants also have a higher dependence on SA.

Table 3. Employment and earning levels, and use of SA in the year before participation in EBSMs

Pre-EBSM participation employment characteristics	Active claimants	Former claimants
Average employment earnings	\$19,272	\$11,457
Percentage employed	99%	85%
Percentage on SA	4%	19%

4.2 Incremental impacts for active and former EI claimants

Main findings: Overall, incremental impacts demonstrate that active and former EI claimant participants in TSD, active EI claimants in EAS, and former EI claimant participants in EWS improve their labour market attachment. All active and former EI claimants who participate in these programs reduce their dependence on government income support, compared to similar non-participants.

The incremental impact results presented below are generally consistent with those found as part of the second LMDA evaluation cycle.

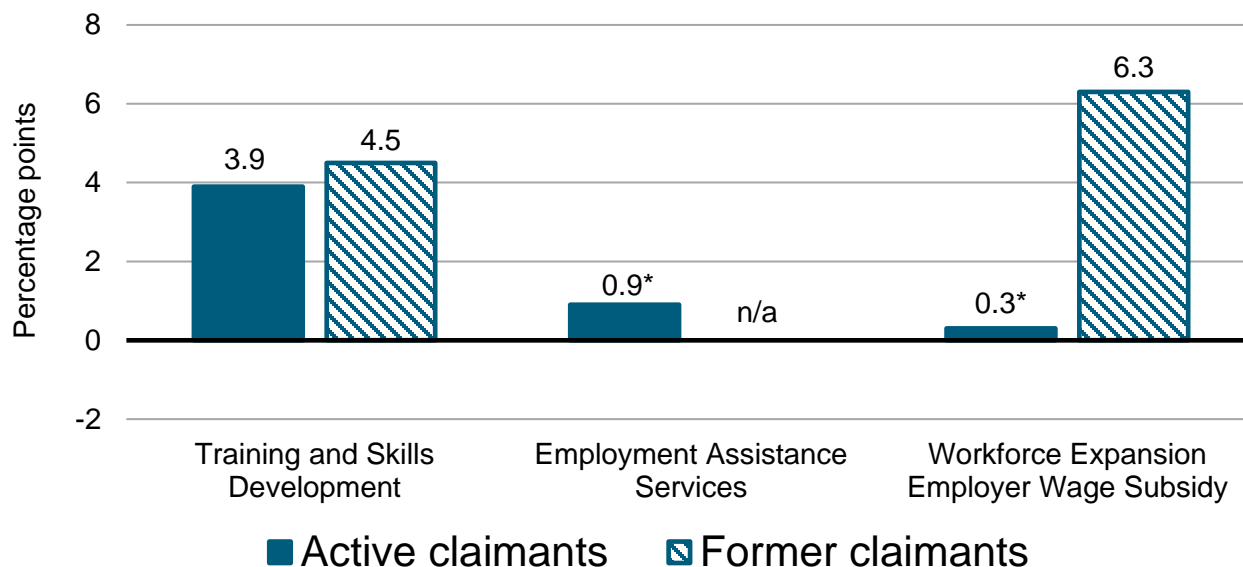
Incidence of employment

Chart 1 presents the incremental impacts on the incidence of employment for active and former claimants by type of program.¹⁹ The estimates can be interpreted as a change in the probability of being employed following participation.

Active EI claimants in TSD increase their incidence of employment relative to similar non-participants.

Former EI claimants in TSD and EWS increase their incidence of employment relative to similar participants who receive only EAS services.

Chart 1. Change in probability of being employed in participants relative to non-participants (annual average)



*The impact is not statistically significant over the entire post-program period.

Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

¹⁹ An individual is considered employed if they earned more than \$1 from employment or self-employment in a calendar year.

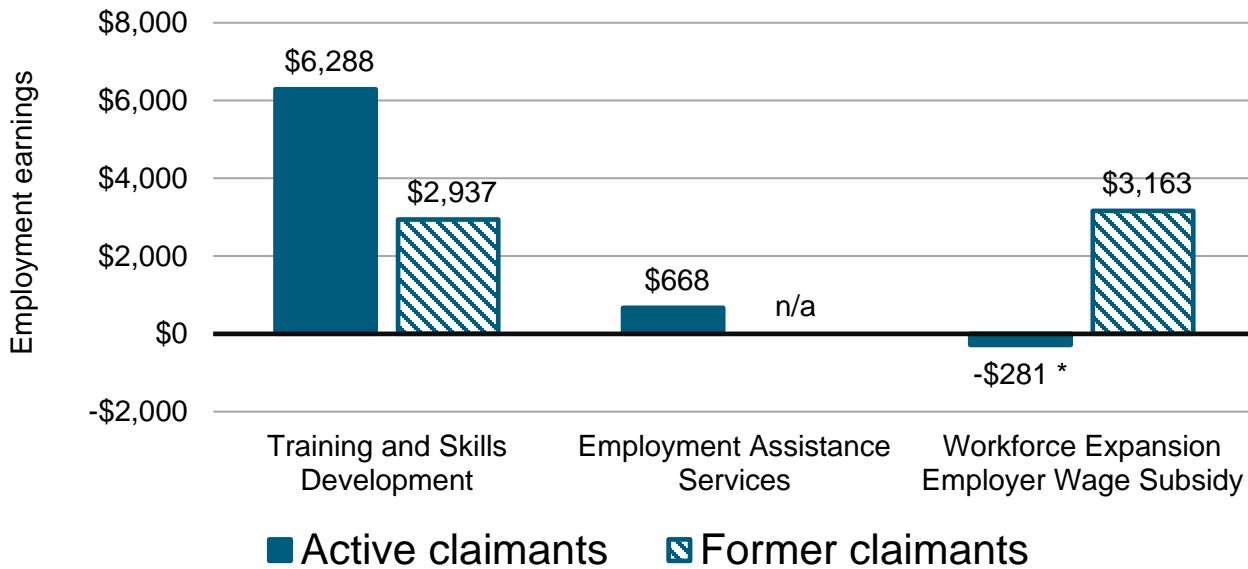
Employment earnings

Chart 2 presents the average annual increase in employment earnings for active and former EI claimants over the 4 years post-participation.

Active EI claimants in TSD and EAS increase their annual average employment earnings relative to similar non-participants.

Former EI claimants in TSD and EWS increase their annual average employment earnings relative to similar participants who receive only EAS services.

Chart 2. Employment earnings of participants relative to non-participants (annual average)



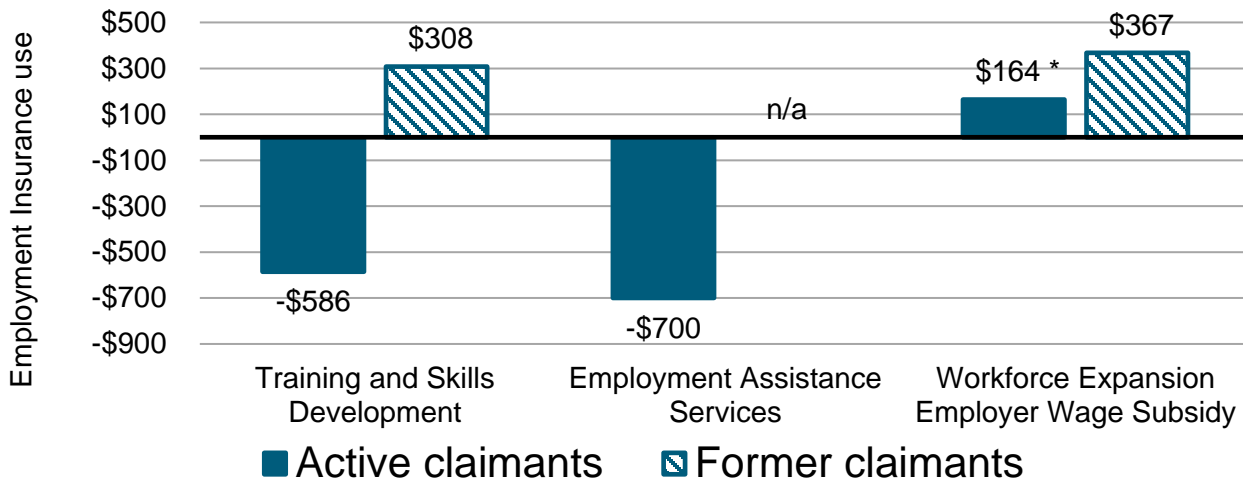
*The impact is not statistically significant over the entire post-program period.
 Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

Use of EI benefits

As shown in Chart 3, active EI claimant participants in TSD and EAS reduce their annual average use of EI benefits in the post-program period compared to similar non-participants.

Former EI claimants in TSD and EWS increase their use of EI benefits in the post-program period relative to similar participants who received EAS only. From a cost-benefit perspective, the increase in the use of EI by former claimant participants in TSD and EWS is not necessarily a negative impact given the increased incidence of employment and earning. Following participation, former claimants are likely to requalify for EI benefits due to their stronger labour market attachment demonstrated by increases in employment and earnings.

Chart 3. Change in the use of EI benefits (annual average)



*The impact is not statistically significant over the entire post-program period.
 Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

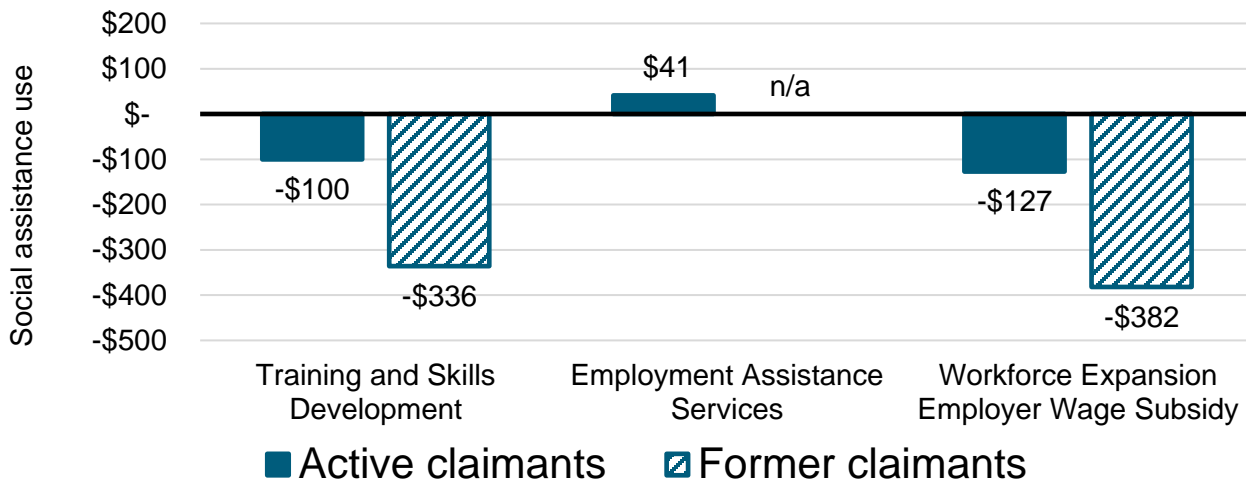
Use of SA benefits

As shown in Chart 4, most active and former EI claimant participants decrease their use of SA benefits in the post-program period.

Active EI claimants in TSD and EWS decrease their use of SA benefits in the post-program period compared to similar non-participants. Active EI claimants in EAS services experience a small increase in the use of SA benefits compared to similar non-participants.

Former EI claimants in TSD and EWS decrease their use of SA benefits compared to similar participants in only EAS services.

Chart 4. Change in the use of SA benefits (annual average)

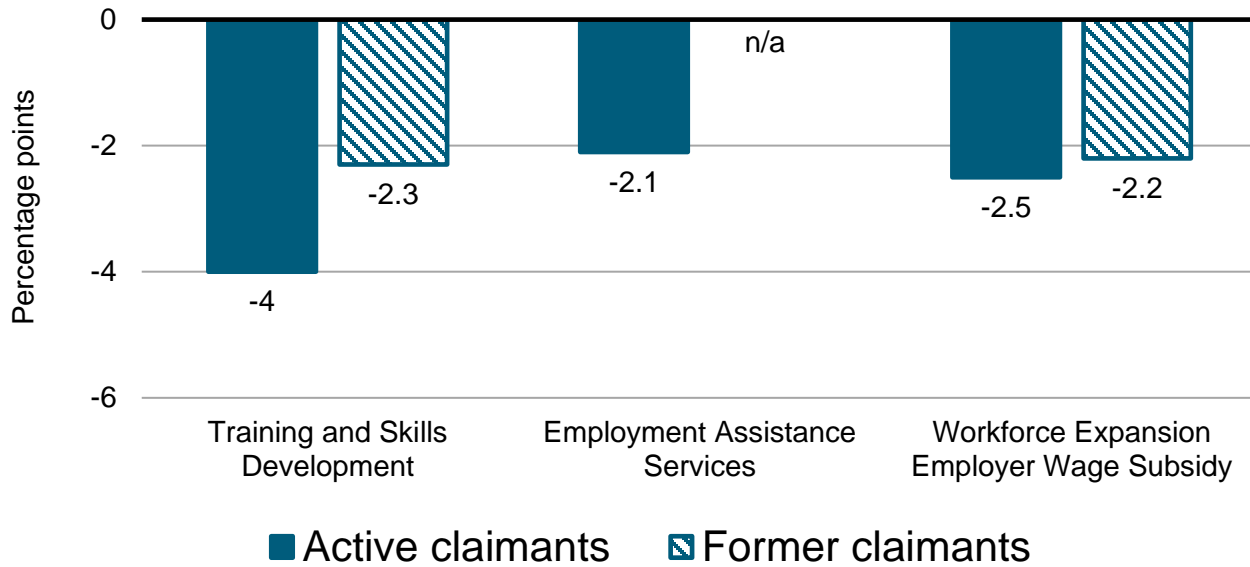


Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

Dependence on income support

As shown in Chart 5, overall active and former claimants in TSD, EWS and EAS reduce their dependence on government income supports.

Chart 5. Change in dependence on government income support (annual average)



Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

4.3 Incremental impacts by subgroups of participants

Main findings: The subgroup analysis shows that TSD improves the labour market attachment and reduces the dependence on income support for most sub-groups of active and former participants. Male, youth (in the medium term) and older worker participants who only received EAS improve their labour market attachment relative to similar non-participants.

Female participants

Main findings:

- Female active and former EI claimant participants in TSD improve their labour market attachment through increases in their incidence of employment and employment earnings. They also decrease their dependence on government income supports (that is, the combined use of EI and SA benefits).
- In the case of EWS, only female former EI claimant participants increase their labour market attachment, through increases in their incidence of employment and employment earnings (in the short-term) and decrease the use of SA benefits.
- Female active claimant participants in EAS decrease their reliance on government income support due to decreases in EI benefits.

Between 2010 and 2012, nearly 9,750 EI active and former claimant participants in LMDA programs and services were female, representing nearly 47% of participants.

The profile of female participants is presented in Table 4 by age, sociodemographic group, and marital status. Information about their educational attainment, occupation and industry is based on the latest job they held prior to applying for EI benefits. Information about sociodemographic groups is self-reported.

Table 4. Profile of female participants in New Brunswick in 2010 to 2012

Categories	Active claimants	Former claimants
Number of participants	6,107	3,629
Age	30 and under = 40% 31 to 54 = 52% 55 and over = 9%	30 and under = 38% 31 to 54 = 52% 55 and over = 9%
Sociodemographic groups	Indigenous = 3% Persons with disabilities = 4% Recent immigrants = 1%	Indigenous = 4% Persons with disabilities = 7% Recent immigrants = 1%
Marital status	Married or common-law = 37% Widow / divorced / separated = 15% Single = 46%	Married or common-law = 36% Widow / divorced / separated = 17% Single = 45%

Categories	Active claimants	Former claimants
Education or skills level	High school or occupational training = 44% On-the-job training = 21% College, vocational education or apprenticeship training = 22% University degree = 6%	High school or occupational training = 46% On-the-job training = 22% College, vocational education or apprenticeship training = 22% University degree = 5%
Top 3 occupational groups	Intermediate sales and service personnel = 20% Clerical personnel = 18% Other sales and service professionals = 13%	Intermediate sales and service personnel = 24% Clerical personnel = 18% Other sales and service professionals = 16%
Top 3 Industries	Retail trade; Accommodation and food services; and Health care and social assistance = 12% each Manufacturing; and Public administration = 11% each Administrative and support, waste management and remediation services = 9%	Retail trade; and Accommodation and food services = 15% each Health care and social assistance = 12% Administrative and support, waste management and remediation services = 11%

Note: Values may not equal 100% due to rounding or missing information.

Table 5 presents the detailed incremental impacts. For example, the results reveal that:

- Female active claimant participants in TSD have higher annual average earnings (+ \$4,472) and incidence of employment (+ 4.4 percentage points). They also have a lower income support reliance rate (- 4.6 percentage points), due to decreases in EI (- \$417 per year) and SA benefits (- \$216 per year).
- Female former claimant participants in EWS have a higher annual average incidence of employment rate (+ 3.9 percentage points). They also decrease their use of SA benefits (- \$224 per year). These female participants also have an increase in employment earnings (+\$1,942) in year 1 post-program participation.

Table 5. Incremental impacts for female participants (annual average)

Indicator	TSD active claimants	TSD former claimants	EWS active claimants	EWS former claimants	EAS active claimants
Incidence of employment (percentage points)	4.4***	3.8**	1.2	3.9**	1.2
Employment earnings (\$)	4,472***	2,485***	511	1,138 ¹	-213

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EI benefits (\$)	-417***	367**	405	256	-560***
SA benefits (\$)	-216***	-468***	34	-224**	-12
Dependence on income support (percentage points)	-4.6***	-2.8**	0.7	-1.2	-1.7***
n=	3,235	1,067	308	531	2,540

Statistical significance level *** 1%; ** 5%; * 10%, other values are **not statistically** significant.

Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

¹ The impact is not statistically significant. However, female former EI claimant participants in EWS have a statistically significant increase in their employment earnings of + \$1,942 in year 1 post-program participation.

Male participants

Main findings: Male active and former claimant participants in TSD, as well as former claimant participant in EWS and active claimant participants in EAS, improve their labour market attachment through increases in incidence of employment and employment earnings. These participants also decrease their dependence on government income supports (that is, the combined use of EI and SA benefits).

Between 2010 and 2012, nearly 11,150 EI active and former claimant participants in LMDA programs and services were male, representing about 53% of participants.

The profile of male participants is presented in Table 6 by age, sociodemographic group, and marital status. Information about their educational attainment, occupation and industry is based on the latest job they held prior to applying for EI benefits. Information about sociodemographic groups is self-reported.

Table 6. Profile of male participants in New Brunswick in 2010 to 2012

Categories	Active claimants	Former claimants
Number of participants	7,321	3,830
Age	30 and under = 48% 31 to 54 = 42% 55 and over = 10%	30 and under = 38% 31 to 54 = 51% 55 and over = 11%
Sociodemographic groups	Indigenous = 4% Persons with disabilities = 5% Visible minorities = 0% Recent immigrants = 1%	Indigenous = 5% Persons with disabilities = 7% Visible minorities = 1% Recent immigrants = 1%
Marital status	Married or common-law = 33% Widow / divorced / separated = 8% Single = 57%	Married or common-law = 29% Widow / divorced / separated = 9% Single = 56%

Categories	Active claimants	Former claimants
Education or skills level	High school or occupational training = 33% On-the-job training = 31% College, vocational education or apprenticeship training = 29% University degree = 4%	High school or occupational training = 32% On-the-job training = 33% College, vocational education or apprenticeship training = 29% University degree = 3%
Top 3 occupational groups	Other manual workers = 24% Semi-skilled manual workers = 21% Skilled crafts and trades = 15%	Other manual workers = 25% Semi-skilled manual workers = 20% Skilled crafts and trades = 16%
Top 3 industries	Construction = 18% Manufacturing = 16% Agriculture, forestry, fishing and hunting = 10%	Construction = 19% Manufacturing = 14% Administrative and support, waste management and remediation services = 11%

Note: Values may not equal 100% due to rounding or missing information.

Table 7 presents the detailed incremental impacts. For example, the results reveal that:

- Male active claimant participants in TSD have higher average annual earnings (+ \$7,574) and incidence of employment (+ 4.2 percentage points). They also have a lower income support reliance rate (- 3.6 percentage points), due to their decreased use of EI (- \$626 per year) and SA benefits (-\$46 per year).
- Male former claimant participants in EWS have higher annual average earnings (+ \$4,546) and incidence of employment (+ 8.1 percentage points). They also have a lower income support reliance rate (- 2.8 percentage points), due mainly to their decreased use of SA benefits (- \$425 per year).

Table 7. Incremental impacts for male participants (annual average)

Indicator	TSD active claimants	TSD former claimants	EWS active claimants	EWS former claimants	EAS active claimants
Incidence of employment (percentage points)	4.2***	5.9***	2.1 ¹	8.1***	1.7**
Employment earnings (\$)	7,574***	3,343***	358	4,546***	1,352***
EI benefits (\$)	-626***	294	2	422*	-606***
SA benefits (\$)	-46***	-317***	-91**	-425***	67**
Dependence on income support (percentage points)	-3.6***	-2.1*	-1.4	-2.8**	-1.3**

n=

3,965

806

619

735

2,722

Statistical significance level *** 1%; ** 5%; * 10%, other values are not statistically significant.

Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

¹ The impact is not statistically significant. However, male active claimant participants in EWS have a statistically significant increase in their incidence of employment of + 3.4 percentage points in year 1 post-program participation.

Youth participants

Main findings:

- Youth active and former claimants in TSD improve their labour market attachment through increases in their employment earnings and incidence of employment. They also decrease their dependence on government income support (that is, the combined use of EI and SA benefits).
- Youth former claimants in EWS increase their labour market attachment through increases in their employment earnings and reduce their dependence on government income supports in the medium term.
- Youth active EI claimants in EAS increase their labour market attachment through increases in their employment earnings in the medium term and reduce their dependence on government income supports.

Between 2010 and 2012, nearly 8,800 EI active and former claimant participants were 30 years of age or younger when they began their program, representing about 42% of participants.

The profile of youth participants is presented in Table 8 by gender, sociodemographic group, and marital status. Information about their educational attainment, occupation and industry are based on the latest job they held prior to applying for EI benefits. Information about sociodemographic groups is self-reported.

Table 8. Profile of youth participants in New Brunswick in 2010 to 2012

Categories	Active claimants	Former claimants
Number of participants	5,953	2,838
Gender	Female = 41% Male = 59%	Female = 49% Male = 51%
Sociodemographic groups	Indigenous = 4% Persons with disabilities = 3% Recent immigrants = 1%	Indigenous = 5% Persons with disabilities = 5% Recent immigrants = 0%
Marital status	Married or common-law = 17% Widow / divorced / separated = 3% Single = 79%	Married or common-law = 21% Widow / divorced / separated = 5% Single = 71%

Categories	Active claimants	Former claimants
Education or skills level	High school or occupational training = 36% On-the-job training = 30% College, vocational education or apprenticeship training = 25% University degree = 6%	High school or occupational training = 40% On-the-job training = 32% College, vocational education or apprenticeship training = 23% University degree = 3%
Top 3 occupational groups	Other manual workers = 20% Intermediate sales and service personnel = 13% Clerical personnel = 12%	Other manual workers = 17% Intermediate sales and service personnel = 16% Other sales and service professionals; and Clerical personnel = 14% each
Top 3 industries	Manufacturing = 13% Retail trade; Construction; and Public administration = 11% each Administrative and support, waste management and remediation services = 10%	Retail trade; and Administrative and support, waste management and remediation services = 13% each Accommodation and food services = 12% Manufacturing; and Construction = 10% each

Note: Values may not equal 100% due to rounding or missing information.

Table 9 presents the detailed incremental impacts. For example, the results reveal that:

- Youth active EI claimants in TSD have higher annual earnings (+\$7,639 per year) and incidence of employment (+5.6 percentage points). They also depend less on government income supports (-4.3 percentage points), by decreasing their use of EI (-\$599 per year) and SA (-\$163 per year) benefits.
- Youth former EI claimants in EWS increase their annual earnings (+\$3,267 per year) and decrease their use of SA benefits (-\$435 per year). These participants also decrease their reliance on government income supports (-3.3 percentage points) in year 3 post-program participation.

Table 9. Incremental impacts for youth participants (annual average)

Indicator	TSD active claimants	TSD former claimants	EWS former claimants	EAS active claimants
Incidence of employment (percentage points)	5.6***	5.1***	2.8	0.8
Employment earnings (\$)	7,639***	3,715***	3,267**	918 ²
EI benefits (\$)	-599***	387**	171	-615***
SA benefits (\$)	-163***	-411***	-435***	-11

Indicator	TSD active claimants	TSD former claimants	EWS former claimants	EAS active claimants
Dependence on income support (percentage points)	-4.3***	-2.6**	-2.4 ¹	-2.5***
n=	4,227	1,070	393	1,488

Statistical significance level *** 1%; ** 5%; * 10%, other values are not statistically significant.

Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

¹ The impact is not statistically significant. However, former EI claimants in EWS have a statistically significant decrease in their reliance on government income supports of -3.3 percentage points in year 3 post-program participation.

² The impact is not statistically significant. However, youth active EI claimants in EAS have a statistically significant increase in their earnings of + \$1,614 and \$1,306, in years 3 and 4 post-program participation.

Older worker participants

Main findings: Older worker active claimant participants in TSD and EAS improve their labour market attachment through increases in their employment earnings and incidence of employment. However, older worker participants in TSD increase their dependence on government income supports (the combination of EI and SA benefits) following participation.

Between 2010 and 2012, nearly 2,000 EI active and former claimant participants were 55 years of age or older when they began their program, representing about 9.6% of participants.

The profile of older worker participants is presented in Table 10 by gender, sociodemographic group, and marital status. Information about their educational attainment, occupation and industry are based on the latest job they held prior to applying for EI benefits. Information about sociodemographic groups is self-reported.

Table 10. Profile of older worker participants in New Brunswick in 2010 to 2012

Categories	Active claimants	Former claimants
Number of participants	1,255	769
Gender	Female = 43% Male = 57%	Female = 45% Male = 55%
Sociodemographic groups	Indigenous = 2% Person with disabilities = 8%	Indigenous = 4% Person with disabilities = 8%
Marital status	Married or common-law = 56% Widow / divorced / separated = 24% Single = 19%	Married or common-law = 49% Widow / divorced / separated = 26% Single = 23%

Categories	Active claimants	Former claimants
Education or skills level	High school or occupational training = 40% On-the-job training = 25% College, vocational education or apprenticeship training = 25% University degree = 4%	High school or occupational training = 40% On-the-job training = 27% College, vocational education or apprenticeship training = 25% University degree = 3%
Top 3 occupational groups	Semi-skilled manual workers = 20% Other manual workers = 14% Skilled crafts and trade workers; Intermediate sales and service personnel; and Other sales and service personnel = 11% each	Semi-skilled manual workers = 16% Intermediate sales and service personnel; and Other manual workers = 15% each Other sales and service personnel = 12%
Top 3 industries	Manufacturing = 17% Construction = 13% Public administration; and Agriculture, forestry, fishing and hunting = 9% each	Manufacturing; Construction; and Retail trade = 12% each Administrative and support, waste management and remediation services = 10% Health care and social assistance; and Public administration = 8% each

Note: Values may not equal 100% due to rounding or missing information.

Table 11 presents the detailed incremental impacts. The results reveal that:

- Older worker active claimant participants in TSD increase their average annual earnings (+ \$4,561) and incidence of employment (+ 9.8 percentage points). However, they also have a higher average annual income support reliance rate (+ 4.1 percentage points), due to their increased use of EI (+ \$812 per year) and SA benefits (+ 112 per year).
- Older worker active claimant participants in EAS increase their average annual earnings (+ \$3,431) and incidence of employment (+ 8.6 percentage points). They also decrease their use of EI benefits by \$471 and \$676, in the first and second years post-program participation.

Table 11. Incremental impacts for older worker participants (annual average)

Indicator	TSD active claimants	EAS active claimants
Incidence of employment (percentage points)	9.8***	8.6***
Employment earnings (\$)	4,561***	3,431***
EI benefits (\$)	812**	-270 ¹
SA benefits (\$)	112*	70

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Dependence on income support (percentage points)	4.1**	-0.2
n=	343	707

Statistical significance level *** 1%; ** 5%; * 10%, other values are not statistically significant.

Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

¹ The impact is not statistically significant. However, active EI claimants in EAS have a statistically significant decrease in their use of EI benefits of -\$471 and -\$676, in the years 1 and 2 post-program participation.

Indigenous participants

Main findings: Indigenous active claimant participants in TSD improve their labour market attachment through increases in employment earnings and decrease their use of EI in the short to medium term post-program participation.

Between 2010 and 2012, nearly 500 active and former EI claimant participants self-identified as being Indigenous Canadians, representing about 2.4% of participants.

The profile of Indigenous participants is presented in Table 12 by gender, age and marital status. Information about educational attainment, occupation and industry are based on the latest job held prior to applying for EI benefits.

Table 12. Profile of Indigenous active EI claimant participants in New Brunswick in 2010 to 2012 in New Brunswick

Categories	Active claimants
Number of participants	503
Gender	Female = 39% Male = 61%
Age	30 and under = 42% 31 to 54 = 52% 55 and over = 6%
Marital status	Married or common-law = 29% Widow / divorced / separated = 11% Single = 54%
Education or skills level	High school or occupational training = 30% On-the-job training = 27% College, vocational education or apprenticeship training = 34% University degree = 5%
Top 3 occupational groups	Other manual workers = 18% Skilled crafts and trades workers = 16% Semi-skilled manual workers = 14%
Top 3 Industries	Public administration = 41% Agriculture, forestry, fishing and hunting = 8% Health care and social assistance = 7%

Note: Values may not equal 100% due to rounding or missing information.

Table 13 presents the detailed incremental impacts. The results reveal that Indigenous active claimant participants in TSD increase their employment earnings (+ \$2,626 and \$3,095) in years 2 and 3 after program participation. They also decrease their use EI benefits (- \$1,005) in year 2 post-program participation.

Table 13. Incremental impacts for Indigenous participants (annual average)

Indicator	TSD active claimants
Incidence of employment (percentage points)	2.6
Employment earnings (\$)	2,090 ¹
EI benefits (\$)	-291 ²
SA benefits (\$)	17
Dependence on income support (percentage points)	-1.6
n=	334

Statistical significance level *** 1%; ** 5%; * 10%, other values are not statistically significant.

Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

¹ The impact is not statistically significant. However, active claimant participants in TSD have a statistically significant increase in their earnings of \$2,626 and \$3,095, in years 2 and 3 post-program participation.

² The impact is not statistically significant. However, active claimant participants in TSD have a statistically significant decrease in their use of EI benefits of \$1,005 in year 2 post-program participation.

4.4 Incremental impacts by region for Training and Skills Development participants

Main findings: A regional analysis of incremental impacts for TSD finds that participants increase their labour market attachment and reduce their dependence on government income supports both within the 2 municipalities of Fredericton and Moncton, and outside of these 2 municipalities.

An additional analysis was conducted to examine the incremental impacts for TSD active and former EI claimant participants in 2 regions:

- Moncton and Fredericton
- Outside of Moncton and Fredericton

Training and Skills Development participants in Moncton and Fredericton

Between 2010 and 2012, approximately 3,200 active and former claimant participants in TSD were located in Moncton and Fredericton, representing roughly 35% of participants in TSD. Table 14 presents the detailed incremental impacts for participants in this region. The results reveal that:

- Active claimant participants in TSD in Moncton and Fredericton increase their annual average incidence of employment (+ 5.3 percentage points) and employment earnings (+ \$8,494). They also

reduce their dependence on government income supports (- 4.2 percentage points), due to decreases in EI (- \$350 per year) and SA benefits (- \$169 per year).

- Former claimant participants in TSD in Moncton and Fredericton increase their annual average incidence of employment (+ 6.1 percentage points) and employment earning (+\$3,440 per year). They also reduce their dependence on government income supports (- 2.3 percentage points per year), due to decreases in SA benefits (- \$186 per year).

Table 14. Incremental impacts for Training and Skills Development participants in Moncton and Fredericton (annual average)

Indicator	TSD active claimants	TSD former claimants
Incidence of employment (percentage points)	5.3***	6.1***
Employment earnings (\$)	8,494***	3,440***
EI benefits (\$)	-350***	118
SA benefits (\$)	-169***	-186*
Dependence on income support (percentage points)	-4.2***	-2.3*
n=	2,476	721

Statistical significance level *** 1%; ** 5%; * 10%, other values are not statistically significant.

Training and Skills Development participants outside of Moncton and Fredericton

Between 2010 and 2012, approximately 5,900 active and former claimant participants in TSD were located outside of Moncton and Fredericton, representing roughly 65% of participants in TSD.

Table 15 presents the detailed incremental impacts for participants in this region. The results reveal that:

- Active claimant participants in TSD outside of Moncton and Fredericton increase their annual average incidence of employment (+ 3.2 percentage points) and employment earnings (+ \$5,515). They also reduce their dependence on government income supports (- 3.9 percentage points), through decreases in EI (- \$658 per year) and SA benefits (- \$64 per year).
- Former claimant participants in TSD outside of Moncton and Fredericton increase their annual average incidence of employment (+ 2.9 percentage points) and employment earnings (+\$2,661). They also reduce their dependence on government income supports (- 2.3 percentage points), through decreases in SA benefits (- \$424 per year).

Table 15. Incremental impacts for Training and Skills Development participants outside of Moncton and Fredericton (annual average)

Indicator	TSD active claimants	TSD former claimants
Incidence of employment (percentage points)	3.2***	2.9*
Employment earnings (\$)	5,515***	2,661***
EI benefits (\$)	-658***	358*
SA benefits (\$)	-64***	-424***
Dependence on income support (percentage points)	-3.9***	-2.3**
n=	4,723	1,153

Statistical significance level *** 1%; ** 5%; * 10%, other values are not statistically significant.

4.5 Cost-benefit analysis

Main findings: Over time, the social benefits of participating in TSD, EWS and EAS exceed the initial investment costs. However, the investments in EWS for active claimants may not be recovered.

This analysis is based on the EBSM medium-term incremental impacts previously described in this report. Costs and benefits are examined over the participation period of 1 or 2 years and 5 or 10 years after the end of participation.²⁰

The cost-benefit analysis addresses the following questions:

1. Are the benefits from EBSMs exceeding the costs within 5 years for EWS and EAS or 10 years for TSD after the end of participation?
2. How much is the benefit for the government and society if the government spends \$1 in EI part II funding?
3. How many years does it take the benefits to recover the costs?

The cost-benefit results are generated separately for active and former EI claimants and for each EBSM. However, cost-benefit analysis is not conducted for:

- Active EI claimant participants in EWS. Given that incremental impact results for employment earnings are negative for these participants, cost benefit analysis results would also be negative.
- Former claimants who participate in EAS since they are used as a comparison group to estimate the incremental impacts for former claimants who participated in TSD and EWS.

²⁰ EAS is examined for one participation year, while TSD and EWS are examined for two participation years. EWS and EAS are examined over 5 post-program years, while TSD is examined over 10 years (the first 4 post-program years are based on an observed period, while the fifth year and onwards are projected).

The following results are presented from the social perspective, that is, the government and individual combined. This allows for a sound assessment of program effectiveness in achieving its objectives of helping unemployed individuals to obtain and maintain employment and to generate EI savings.

Table 16 presents the cost-benefit results for active and former EI claimant participants.

Table 16. Cost-benefit results for active and former EI claimant participants

Indicator	TSD active claimants (10 years post-program)	EAS active claimants (5 years post-program)	TSD former claimants (10 years post-program)	EWS former claimants (5 years post-program)
Net present value	\$55,247	-\$44	\$17,337	\$23,501
Benefit cost ratio	\$6.53	\$0.95	\$2.72	\$5.98
Payback period (years after end of participation)	3.2 years	5.1 years	6.1 years	Paid back within the program start year
Social return	553%	-5%	172%	498%
Savings to public health care	\$569	\$27	\$234	\$261

The information below provides examples of the net present value, the benefit-cost ratio, the payback period, the social rate of return and savings to health care costs.

Training and Skills Development²¹

During the 2010 to 2012 period, TSD represents almost 79% of EBSM expenditures under the LMDAs in New Brunswick. This is the highest share of EBSM spending in the province.

The average duration of a TSD Action Plan Equivalent is 56 weeks for active claimants and 60 weeks for former claimants. As shown in Table 16, over the 10 year post-program period:

- The social benefit for active claimants is \$55,247 higher than the costs, yielding a social return of 553% on investment. This means that if the government spends \$1 on TSD for active claimants, it generates a benefit of \$6.53 for society. It takes 3.2 years for the benefits to recover the costs of programming. Overall, there are savings to health care costs of \$569 per participant.

²¹ Please note, the cost of delivering TSD pertains to both TSD-regular and TSD-apprentices since expenditure information is not available for each intervention type separately. However, the benefits detailed in this report are those that relate solely to participation in TSD-regular.

- The social benefit for former claimants is \$17,337 higher than the costs, yielding a social return of 172% on investment. It takes 6.1 years for the benefits to recover the costs of programming. Overall, there are savings to health care costs of \$234 per participant.

Workforce Expansion-Employer Wage Subsidies²²

During the 2010 to 2012 period, EWS represents 4% of total EBSM expenditures in New Brunswick. The average duration of a EWS Action Plan Equivalent is 28 weeks for active claimants and 25 weeks for former claimants. As shown in Table 16, over the 5 year post-program period:

- The social benefit for former claimants is \$23,501 higher than the costs, yielding a social return on investment of 498%. Savings to health care costs of \$261 are found per participant 5 years after the program. The costs are recovered within the program start year.

Employment Assistance Services²³

EAS includes a variety of services such as computer access for job search services, group sessions to prepare for an interview, career counselling, and action plan development. The administrative data, however, do not allow to identify what proportion of EAS interventions belong to each category or the intensity of services offered to participants.

While EAS are often provided with other EBSMs, this analysis examined only participants who received one or more EAS without participating in other EBSMs. EAS represents about 10% of total EBSM expenditures between 2010 and 2012. The average length of an EAS-only Action Plan Equivalent is 23 weeks.

As shown in Table 16, over the 5 year post-program period, the social benefit for active claimants in EAS is \$44 lower than the costs, yielding a social return on investment of -5%. However, the initial investment in EAS is fully recovered 5.1 years after participation. Savings to the public health care costs of \$27 are found per participant.

Overall, the goal of EAS is not to help participants acquire more skills, therefore, increasing participants' earnings after participation is not necessarily expected. Conducting a cost-benefit analysis for EAS is a challenge as it is not possible to attribute a dollar figure to the return to employment. However, including earnings in the cost-benefit calculation is still very relevant since it captures partially the positive impact of the quicker return to work.

²² The cost-benefit analysis is not conducted for active EI claimant participants in EWS. Given that incremental impact results for employment earnings are negative for these participants, cost benefit analysis results would also be negative.

²³ The cost-benefit analysis is conducted only for EAS active claimants, since it is not possible to evaluate incremental impacts for EAS former claimants using available administrative data.

5. Supplemental studies

5.1. Self-Employment Benefit²⁴

Program design and delivery

The Self-Employment Benefit program aims to assist participants in creating employment for themselves by providing them with a range of services including:

- Assistance with business plan development
- Coaching and ongoing technical advice
- Entrepreneurial training

New Brunswick has the flexibility to design and deliver the program to meet its labour market needs. In fall 2018, the program was delivered by the Community Business Development Corporations and not-for-profit third-party organisations.

Program officials reported that the amount allocated to the Self-Employment Benefit program is influenced by regional allocations and demand for the program.

The application process is structured and aims to ensure that participants are suited for self-employment, have a viable business plan and the financial resources to launch a business.

Participants' employment outcomes²⁵

Self-Employment Benefit participants increased their employment level by 8 percentage points from 61% in the year before participating to 69% at the time of survey. That is, 2 to 4 years after program participation. The increase is mainly due to an increase in the percentage of self-employed participants.

Type of businesses created, survival rates and success factors

Nearly 50% of survey respondents launched a self-employment business that was still in operation in winter 2020 (2 to 4 years following program participation).

- Among the 119 respondents who started a business, 69% of them were still operating their business at 2 to 4 years post-program.
- Twenty-two percent (22%) of respondents were unable to maintain the operation of the business they started as part of the program.

²⁴ Further details about the Self-employment Benefit study are available in a report entitled Evaluation of the Labour Market Development Agreements, Design and delivery of the Self-employment Benefit program in New Brunswick, January 26, 2021.

²⁵ The following is a summary of labour market outcomes and satisfaction rates from a survey of self-employment participants in New Brunswick completed in winter 2020. A total of 170 participants responded, resulting in a 36% response rate.

The business survival rate is consistent with a 2018 Statistics Canada study that found that less than half of unincorporated self-employed individuals continued operations for more than 2 years.²⁶

Half of self-employment businesses were launched in other services²⁷; professional, scientific and technical services; as well as in construction and retail trade.

Regarding factors influencing the success or failure of self-employment businesses:

- Participants who started a business and were still in operation at the time of survey attributed their business success to:
 - Their dedication, hard work and positive attitude
 - The high demand for their services or products
 - The quality of service provided
- Participants who did not launch a business attributed this to:
 - The lack of funding
 - The level of uncertainty and risk involved
 - The level of responsibility, pressure and stress

Earning outcomes and reliance on income support

Survey respondents were not comfortable answering questions that related to their earnings. This situation made it difficult to compare the pre- and post-earnings of Self-Employment Benefit participants.

Overall, there appears to be an increase in the number of participants reporting less than \$10,000 in earnings annually. However, survey respondents who were able to maintain the operation of their business, were more likely than respondents whose business had closed, to report earning more or the same as before participating in the program.

As a complement to the earning questions, survey respondents assessed their financial well-being. When considering their entire financial situation:

- Seventy-seven percent (77%) of respondents said that they are financially about the same or better off after the program.
- Seventy-six percent (76%) of respondents said that their household net worth is about the same or higher after the program.

In line with survey findings, 6 program managers state that immediate increases in earnings are not necessarily an expected outcome of the program.

²⁶ Douwre Grekou and Huju Liu, "The Entry into and Exit out of Self-employment and Business Ownership in Canada", Statistics Canada, 2018.

²⁷ From the North American Industry Classification System (NAICS). Other services include, for example, establishments engaged in repairing, or performing maintenance on motor vehicles, machinery and equipment, providing personal care services, funeral services, laundry services, pet care services.

Regarding the reliance on government income support, participants reduced their use of EI and SA following program participation.

Satisfaction with services received and current employment

The majority of respondents who started a self-employment business report that they are equally or more satisfied with their job situation after program participation. Those who are able to maintain the operation of their business are 28 percentage points more likely to report being more satisfied, compared to those whose business closed (79% compared to 51%).

The survey examined the contribution of the program to the success of self-employment businesses. At least 84% of survey respondents who launched a self-employment business rate the following services and training as very or somewhat important to the business launch, operation and success:

- Living allowance during participation
- Assessment of entrepreneurial readiness
- One-on-one mentoring/advice or counselling supports
- Assistance with business plan development
- Discussion on risks and challenges of self-employment
- Orientation session on self-employment
- Training on budgeting, financial management, marketing, business operation and sales

Challenges and lessons learned related to program design and delivery

Key informants identified the following challenges related to program design and delivery, including:

- Lack of formal relationship and/or communication between program coordinators/service providers and Service Canada including:
 - Privacy regulations impede service providers from verifying EI eligibility of applicants
 - Inconsistent interpretation of program eligibility criteria between program consultants and service providers
- Interpretation and implementation of EI legislation create challenges to program delivery, such as:
 - Difficulties to thoroughly disseminate EI legislation changes to all affected and update program information
 - Expanded EI eligibility has resulted in additional verifications
 - Ambiguities in EI legislation (for example, distinction between a “lay off” and a “quit”) lead to frustration for some clients

Best practices related to program design and delivery included:

- Composition of selection committee to assess applicants:
 - Include a diversity of perspectives to assess applicants. This can include departmental representatives, service providers, retired local business owners, chamber of commerce

representatives, financing services representatives, and other members of the business community.

- Types of organisations as service providers to deliver Self-Employment Benefit:
 - Service providers having a good understanding of, and connection to, the local labour market
 - Using service providers that develop/maintain a strong network/knowledge of services
 - Using service providers that provides financing or lending options
- Training and supports:
 - Training on topics such as marketing, social media and taxation
 - Successful methods of providing training and supports include:
 - Providing training on an as-needed basis
 - One-on-one training
 - “Boot camp” on areas where participants might be experiencing difficulty/need extra help
- Supporting access to financing:
 - Preparing participants and their business plans for what is expected by financial institutions to improve chances of approval
 - Teaching participants how to find and navigate financing options, including grants and contributions and let them choose what is right for them
- Program delivery:
 - Collaboration and communication between all those involved in program delivery is crucial for participant referrals.
 - Ensuring consistent implementation of the program guidelines and other resources such as business plan template

Key considerations for Self-Employment Benefit program and policy development

The following consideration emerge as part of the Self-Employment Benefit study.

- The Self-Employment Benefit program can benefit from an updated objective specifying that it is dedicated to eligible participants who have a viable business idea, the financial or in-kind resources to launch a business, and the required level of dedication.
- The data collection process should include only participants who have been deemed suitable for self-employment and accepted into the program. This will require excluding candidates who attended information sessions alone or those deemed not suited for self-employment. The latter participants can be reported under Employment Assistance Services.
- Indicators of program success can include: increase in employment and/or self-employment levels; medium-term increase in earnings; business survival rate similar to the local economy and/or the sector; and acquisition of transferable skills.
- New Brunswick may wish to consult with the service delivery network on the extent to which identified challenges are applicable to their unique context, and how best to address them along with integrating lessons learned that can benefit program delivery.

Rationale

The Self-Employment Benefit program aims to assist participants in creating employment for themselves. The participant application process is structured and aims to ensure that they are suited for self-employment, have a viable business plan, and the financial resources to launch a business. However, the survey revealed that:

- Thirty percent (30%) of participants did not launch a business.
- Fourteen percent (14%) survey respondents confirmed that they did not participate in the program.
- Twenty-two percent (22%) of participants were unable to maintain the operation of the business they had started as part of the program.

In New Brunswick, participants who started a business under the Self-employment Benefit program and were still in operation at the time of the survey attributed their business success to their dedication, hard work and positive attitude; the high demand for their services or products; and the quality of service provided. Participants who did not launch a business during program participation attributed this to: the lack of funding; the level of uncertainty and risk involved; and underestimating the required commitment.

The survey confirmed that participants acquire transferable skills through training and workshops, they experience increase in employment and medium-term earnings, and they create additional jobs. As well, business survival rates mirror those observed for small business in the economy. These indicators are useful in measuring and reporting program success as well as managing contribution agreements with service providers.

5.2. Adjustment Services and Labour Force Training²⁸

Program design and delivery

New Brunswick has designed 2 programs under the Labour Market Partnerships support measure, AS and LFT, which collectively aim to assist employers, communities and industries to address their labour force adjustments and human resource needs. They include a wide range of funded activities, such as:

- Labour force adjustment
- Labour market research and analysis to maintain a skilled workforce
- Training to attain, increase, improve and/or maintain labour market attachment

With \$17.3 million in 2019 to 2020, AS and LFT programs represent nearly 16% of total expenditure under the Canada-New Brunswick Labour Market Development Agreement.

²⁸ Further details about the study are available in the report entitled Horizontal evaluation of the Labour Market Development Agreements, Design and delivery of the Adjustment Services and Labour Force Training programs, November 9, 2021.

Funded organisations

Funded organisations include:

- Employers
- Employee and employer associations
- Communities and community groups
- Industry associations

Targeted labour market issues

AS and LFT projects targeted skills and/or labour shortages. These projects also targeted unemployment and specific unemployed populations (for example, Indigenous peoples, and persons with disabilities).

Generally, funded projects target labour market issues associated with:

- Lack of capacity for human resource planning resulting in attraction and retention challenges for employers
- Employer expansion
- Demographic changes
- Business downsizing/closure/layoffs
- Barriers to employment experienced by a target population
- Lack of housing in communities

The majority of projects reviewed align with provincial program objectives and eligible activities.

Partnerships

New Brunswick's Department of Post-Secondary Education, Training and Labour confirm that program officials carry out activities to support the formation and maintenance of partnerships as part of the program design and delivery. The department states that partners' contributions are beneficial, but not required, for the achievement of expected project outcomes. The majority of program officials stress the importance of partnerships for projects' success as they bring different perspectives and expertise, avoid duplication, allow for sharing project costs, and help in the implementing of large-scale projects.

Through the document review of 23 projects and key informant interviews it is found that:

- Partnerships were established to support the delivery of 5 AS projects.
- LFT project holders are considered partners as they contribute in-kind and financially to the projects.
- Partnerships with other organisations are not required for the achievement of expected project outcomes; therefore, they were established as needed.

Challenges and lessons learned

New Brunswick's Department of Post-Secondary Education, Training and Labour and key informants identified the following challenges:

- Factors affecting the recruitment of project holders and setting up projects:
 - Approval levels vary depending on project costs and may have an impact on the length of the assessment
- Factors affecting program administration:
 - Staff turnover
 - Loss of historical knowledge due to retirement and purging of records every 7 years

Actions of program officials and project characteristics that are conducive to the success of the programs included:

- Ensuring that project holders have the capacity to deliver the project
- Providing clearly defined project timelines and outcomes
- Providing clear communication and relationship building between program officials and project holders
- Providing clear guidelines and ensuring good understanding of program parameters
- Providing clearly defined reporting requirements

Key considerations for AS and LFT programs and policy development

The following considerations emerge from this study.

- Considering that the current performance indicators do not reflect the diversity of activities funded under AS and LFT, it is important for ESDC and New Brunswick to discuss current funded activities in order to make recommendations on how to best report on results.
- It is essential to share lessons learned about successful AS and LFT projects. Particularly, for projects targeted to employers (such as workplace or employer-sponsored training), and those assisting communities and economic sectors dealing with labour market adjustment issues (contraction or expansion).

5.3. Research and Innovation²⁹

Program design and delivery

The objectives of Research and Innovation are to identify new and better tools and approaches to:

- Help persons in the labour force
- Ensure education and skills of the New Brunswick labour force meet current and emerging demands of the labour market
- Develop innovative means to promote transition programs including the development of tools and procedures to be used in transitional programming
- Reduce barriers to employment

Program officials report that the amount allocated to Research and Innovation is influenced by:

- Labour market demand
- Project capacity to introduce innovative tools

New Brunswick uses Research and Innovation funding annually.³⁰ In the 6 fiscal years between April 2014 and March 2020, funding ranged from less than 1% (\$105,000) to 1% (\$916,000) of the province's annual LMDA funding.

Funded organisations

Funded organisations include non-profit organisations.

Funded Research and Innovation activities

Research and Innovation projects encompassed a variety of activities including:

- Development and/or testing of new approaches to improve employment outcomes
- Strengthening service provision
- Delivering career fairs

Innovation definition and criteria

In New Brunswick, innovative approaches are deemed to be either:

²⁹ Findings in this section are based on a document review complemented by a written questionnaire completed by New Brunswick. Reviewed documents included, for example, provincial program documentation, EI Monitoring and Assessment reports, and funding agreements for 5 Research and Innovation projects.

³⁰ Source: 2014 to 2015 and 2019 to 2020 Employment Insurance Monitoring and Assessment Reports, Chapter 3.

- Tools or processes that have not been used in the jurisdiction or Canada in general
- Existing tools or processes that are being used with a new client group

Performance measurement

Project holders are required to submit a final report at the end of the project. The final report should provide measures of all the project's short and/or long-term evaluation indicators identified in the project proposal, in order to demonstrate that the objective(s) have been met.

New Brunswick undertakes an early evaluation of the Research and Innovation program including individual projects.

Challenges and lessons learned

Project documents and program officials identified challenges related to testing and identification of innovative approaches including:

- Project holder staff turnover due to poor terms of employment and job security
- Transportation issues due to lack of access in rural areas

In relation to factors contributing to successful testing and identification of innovative approaches, program officials highlighted the importance of:

- Having strong commitment from partners
- Having a clear project implementation plan with measurable outcomes

5.4. Training and Skills Development-Apprentices³¹

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.

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. The level of funding is based on the needs of apprentices, the location of the training, and any fees paid by the apprentices.³²

The profile of participants is presented in Table 17 by gender, age, sociodemographic group, and marital status. Information about their educational attainment, occupation and industry is based on the

³¹ This section presents Training and Skills Development-Apprentices findings from the following report: Evaluation of the Canada-New Brunswick Labour Market Development Agreements – Cycle III: Examination of the medium-term outcomes from 2010 to 2017.

³² Funding is generally attributed based on fixed rates.

last job they held prior to applying for EI benefits. Information about sociodemographic groups is self-reported.

Table 17. Profile of active and former claimant participants in Training and Skills Development-Apprentices program in 2010 to 2012 in New Brunswick

Categories	Active claimants	Former claimants
Number of participants	984	193
Gender	Female = 3% Male = 97%	Female = < 10 participants Male = 96%
Age	30 and under = 64% 31 to 54 = 34% 55 and over = 1%	30 and under = 71% 31 to 54 = 28% 55 and over = < 10 participants
Sociodemographic group	Indigenous = 3% Person with disability = 2% Visible minority = 2%	Indigenous = 7% Person with disability = < 10 participants Visible minority = < 10 participants
Marital status	Married or common-law = 35% Widow / divorced / separated = 5% Single = 58%	Married or common-law = 28% Widow / divorced / separated = < 10 participants Single = 65%
Education or skills level	High school or occupational training = 3% On-the-job training = 10% College, vocational education or apprenticeship training = 85% University degree = < 10 participants	High school or occupational training = 19% On-the-job training = 25% College, vocational education or apprenticeship training = 52% University degree = < 10 participants
Top 3 occupational groups	Skilled crafts and trades workers = 77% Other manual workers = 10% Semi-skilled manual workers; Skilled sales and service personnel = 3% each	Skilled crafts and trades workers = 40% Other manual workers = 20% Semi-skilled manual workers = 11%
Top 3 Industries	Construction = 54% Manufacturing = 11% Retail trade = 7%	Construction = 31% Manufacturing = 17% Public administration = 10%

Note: Values may not equal 100% due to rounding or missing information.

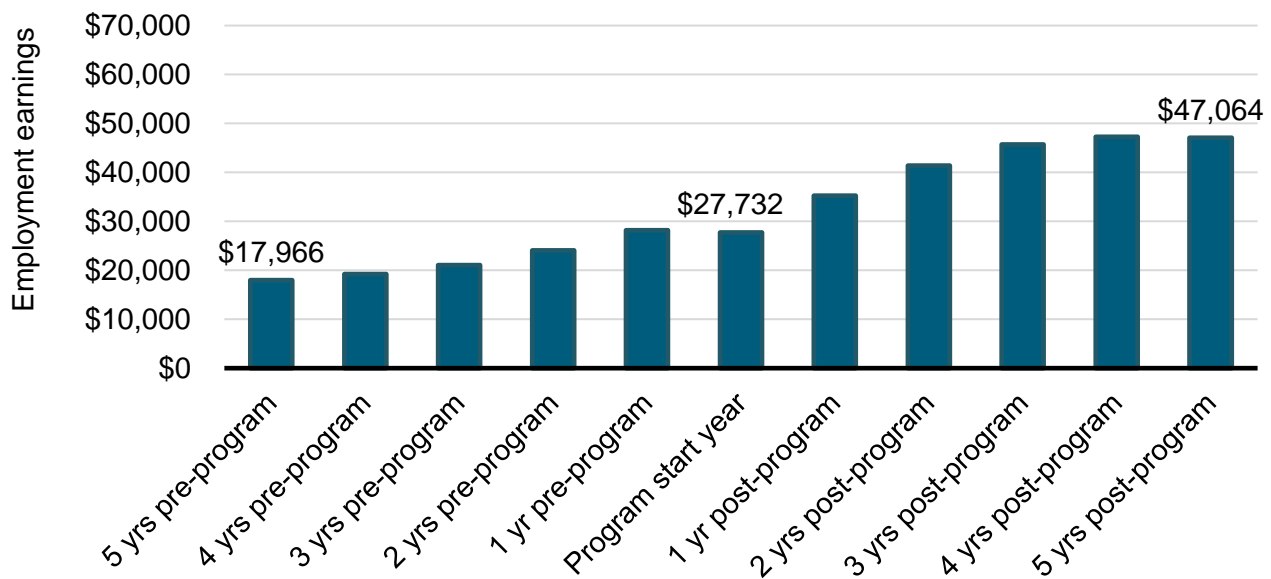
Labour market outcomes

The labour market outcomes are based on individuals who began their participation during the 2010 to 2012 period. Statistics focus on 5 years before program participation and 5 years after the program start year.

Active claimants

As shown in Chart 6, program participants increase their average earnings from \$17,966 5 years before participating in the program to \$47,064 5 years after the program start year.

Chart 6. Average earnings for active claimant participants in Training Skills Development-Apprentices

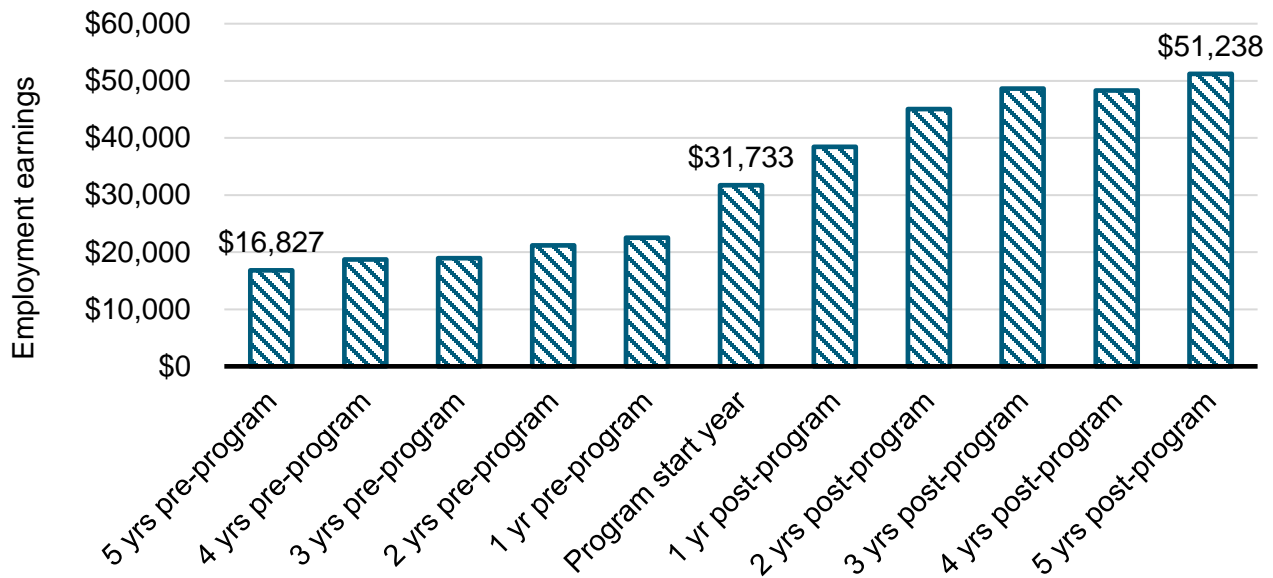


The proportion of employed participants declines slightly after the program start year but remains around 97% in the post-program period. The proportion of participants on EI Part I decreases from 100% in the program start year to 43% 5 years after the program start year. Participants decrease their dependence on income support from 29% in the program start year to 9% 5 years after the program start year.

Former claimants

As shown in Chart 7, program participants increased their average earnings from \$16,827 5 years before participating in the program, to \$51,238 5 years after the program start.

Chart 7. Average earnings for former claimant participants in Training and Skills Development-Apprentices



The proportion of employed participants declines slightly after the program start year but remains around 93%. The proportion of participants on EI Part I decreases from 68% in the program start year to 39% 5 years after the program start year. Participants decrease their dependence on income support from 18% in the program start year to 9% 5 years after the program start year.

6. Conclusions and recommendations

The LMDAs are the largest annual investment in active labour market programs and services in Canada. Based on the findings presented in this report, the EBSMs are meeting the objective of assisting individuals to obtain or keep employment through various active employment programs, including training or employment assistance services.

6.1 Summary of findings

Overall, incremental impacts demonstrate that, with some exceptions, participation in TSD, EAS and EWS improves labour market attachment and reduces dependence on government income supports, compared to similar non-participants.

A subgroup analysis shows that TSD improves the labour market attachment and reduces the dependence on income support for most sub-groups of active and former participants. Male, youth and older worker participants who only received EAS improve their labour market attachment compared to similar non-participants.

A regional analysis of incremental impacts for TSD finds that participants increase their labour market attachment and reduce their dependence on government income supports both within the 2 municipalities of Fredericton and Moncton, and outside of these 2 municipalities.

With the exception of active claimant participation in EWS, the initial program investment costs are recovered over time.

A series of supplemental studies address information gaps previously identified in LMDA evaluations for Self-Employment Benefit, AS and LFT, Research and Innovation, and TSD-apprentices. Each study identifies lessons learned, best practices and challenges, and issue considerations for policy design and development when relevant. Overall, the following findings emerged from these studies:

- The Self-Employment Benefit program helps carefully selected participants to create employment for themselves by providing them with a range of services.
- New Brunswick uses AS and LFT programs to assist employers, communities and/or industries to address their labour force adjustment and human resource needs. The current performance indicators do not reflect the diversity of funded activities. Therefore, it is important for ESDC and New Brunswick to discuss current funded activities in order to make recommendations on how to best report on results.
- The Research and Innovation support measure is used by the province to identify new and better tools and approaches that are designed to help persons in the labour force.
- After participating in TSD, apprentices increase their employment earnings and decrease their dependence on government income supports.

6.2 Recommendations

Since 2012, 15 qualitative and quantitative studies addressed issues and questions related to EBSM design, delivery and effectiveness:

- The quantitative studies successfully assessed the effectiveness and efficiency of EBSMs by producing incremental impacts and cost-benefit analysis.
- The qualitative studies identified specific challenges, lessons learned and best practices associated with the design and delivery of EBSMs. When relevant, studies included key considerations for program and policy development or recommendations.

The recently completed evaluation of the Workforce Development Agreements complements the LMDA qualitative studies. This evaluation was also supported by literature reviews and provided unique insights into challenges and lessons learned to assist persons with disabilities, immigrants and those further removed from the labour market.

Most results from this evaluation stem from the conduct of advance causal analysis whereby impacts found could be attributed to a specific EBSM. These analyses are predicated on having access to high quality administrative records, thereby confirming the importance of the capacity to leverage and integrate relevant administrative data.

From these main findings, 2 key recommendations emerge:

Recommendation #1: New Brunswick is encouraged to share and discuss lessons learned, best practices and challenges associated with the design and delivery of programs and services. Discussions are encouraged with ESDC, at the bilateral or multilateral levels, as well as with service delivery network if necessary.

Recommendation #2: New Brunswick is encouraged to pursue efforts to maintain and strengthen data collection provisions in support of reporting, performance measurement and data-driven evaluations at the national and provincial levels.

7. References

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Appendix A. List of 7 studies included in this synthesis report

Table A 1. Overview of studies included in this synthesis report.

Study	Evidence generated	Methods	Reference period	Observation period
Examination of medium-term outcomes from 2010 to 2017 in New Brunswick	<ul style="list-style-type: none"> • Profile of active and former EI claimants • Outcomes by claimant type and by subgroup 	<ul style="list-style-type: none"> • Before and after results of program participation 	2010 to 2012 participants	Up to 12 years (5 years before participation, 1 to 2 years of participation, and up to 5 years after participation)
Estimation of medium-term incremental impacts from 2010 to 2017 in New Brunswick	<ul style="list-style-type: none"> • Incremental impacts for active and former EI claimants • Incremental impacts by subgroup • Profile and socio-demographic characteristics of participants 	<ul style="list-style-type: none"> • Non-experimental method using propensity score matching in combination with Difference-in-Differences • Statistical profiling 	2010 to 2012 participants	Up to 7 years (1 to 2 years in program, and up to 5 years after participation)
Cost-Benefit Analysis of Employment Benefits and Support Measures in New Brunswick	<ul style="list-style-type: none"> • Cost-benefit analysis 	<ul style="list-style-type: none"> • Non-experimental method using propensity score matching in combination with Difference-in-Differences • Cost analysis 	2010 to 2012 participants	5 years post-program for EWS and EAS 10 years post-program for TSD
Cost-Benefit Analysis of Employment Benefits and Support Measures in New Brunswick: Incorporating Public Health Care Costs Savings in the Context of the Labour Market Programs Evaluation	<ul style="list-style-type: none"> • Cost-benefit analysis 	<ul style="list-style-type: none"> • Estimation of adjusted annualized healthcare costs 	2010 to 2012 participants	5 years post-program for EWS and EAS 10 years post-program for TSD

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Study	Evidence generated	Methods	Reference period	Observation period
Design and delivery of the Self-employment Benefit program in New Brunswick	<ul style="list-style-type: none"> • Program design, delivery and success • Define outcomes attributed to the program • Fill in knowledge gaps • Challenges and lessons learned 	<ul style="list-style-type: none"> • Document review • Statistical analysis of administrative data • Canadian self-employment literature and statistics • Semi-structured telephone interviews with 15 key informants • Statistical analysis of administrative data • Survey of self-employment participants in New Brunswick 	2015 to 2017 participants	2015 to 2020
Design and delivery of the Adjustment Services and Labour Force Training programs in New Brunswick	<ul style="list-style-type: none"> • Program design and delivery • Challenges and lessons learned 	<ul style="list-style-type: none"> • Document review • Questionnaire • Semi-structured interviews with 4 key informants 	2018 to 2020	Design and delivery at the time of the data collection
Design and delivery of the Research and Innovation Support measure	<ul style="list-style-type: none"> • Program design and delivery • Challenges and lessons learned 	<ul style="list-style-type: none"> • Document review • Questionnaire 	2017 to 2020	Design and delivery at the time of the data collection