

***Formative Evaluation of Employment  
Benefits and Support Measures  
in the Ontario Region***

**Final Report**

*Evaluation and Data Development  
Strategic Policy  
Human Resources Development Canada*

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# *Acknowledgements*

*The evaluation of Employment Benefits and Support Measures (EBSM) in Ontario was planned and co-ordinated by an evaluation committee comprising Human Resources Development Canada (HRDC) staff in the Ontario Region and National Headquarters. The evaluation required the support of numerous staff at all levels of HRDC and the participation of HRDC clients, partners and agents.*

*HRDC engaged the services of EKOS Research Associates to undertake all stages of the evaluation's research, data collection, analysis and reporting activities. EKOS Research prepared the final evaluation reports. Three reports have been prepared to present findings from the formative evaluation of EBSMs in Ontario: this Overview Evaluation Report, a condensed four page Evaluation Brief, and a more detailed Technical Report. The evaluation committee and HRDC management have reviewed findings presented in these reports. A management response has been prepared and is included in both the Overview and Technical reports.*



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## *List of Abbreviations and Selected Glossary*

EAS	Employment Assistance Services
EBSM	Employment Benefits and Support Measures
EI	Employment Insurance
ERC	Employment Resource Centre
HRCC	Human Resource Centre of Canada
HRDC	Human Resources Development Canada
HRIB	Human Resources Investment Branch
HRIF	Human Resources Investment Fund
JCP	Job Creation Partnership
JFC	Job Finding Club
LLMP	Local Labour Market Partnership
LMDA	Labour Market Development Agreement
LMI	Labour Market Information
RB	Reachback client
SAR	Social Assistance Recipient
SEB	Self-Employment Benefit
SEA	Self-Employment Assistance
TWS	Targeted Wage Subsidy

*EI Part I Benefits:* These benefits are income benefits also called “income support” and are paid to eligible unemployed individuals. The benefits are temporary and vary in amount and duration according to various criteria.

*EI Part II Benefits:* These benefits supplement Part I income benefits and provide more “active” measures designed to help individuals return to work. These active measures are called Employment Benefits and Support Measures (EBSMs). *See Appendix B for description of the Benefits and Measures.*

*Found Work:* Refers to one of HRDC’s two performance indicators for EBSM. In general, clients are said to have “found work” if they obtain employment within three months after terminating an EBSM intervention. See HRDC’s website for more detailed explanation of the two EBSM performance indicators.

*Reachback:* EI reachback clients are unemployed clients who have had an EI claim in the past three years or received maternity or parental benefits in the past five years before applying for EBSM assistance.

*Third Party:* Refers to service providers who under contract to HRDC provide services to clients.

*Unpaid Benefits:* Refers to one of the two HRDC performance indicators for EBSM. Unpaid benefits is the dollar amount of EI benefits that EBSM clients did not need to collect by virtue of obtaining employment before the date that their EI claim expires.



# *Executive Summary*

During 1998 and 1999, a formative evaluation was conducted by Human Resources Development Canada (HRDC) of its Employment Benefits and Support Measures (EBSMs) provided in the Province of Ontario. EBSMs are funded under Part II of the *Employment Insurance (EI) Act*. The following EBSMs were evaluated: Targeted Wage Subsidy, Job Creation Partnerships, Training, Self-Employment Assistance and Employment Assistance Services. This formative evaluation is an element of HRDC's broader EI Monitoring and Assessment process that is intended to provide ongoing information to Parliament and HRDC management as to the progress of services provided and their impacts.

The focus of the formative evaluation was to review issues associated with delivery and early short-term impacts and outcomes two years after the introduction of the EBSMs in Ontario. The evaluation involved the participation of staff at all levels of HRDC, HRDC clients, partners and agents. This report presents the findings of the formative evaluation. In addition, a set of lessons learned is also presented.

## **Key Findings**

The formative evaluation examined a number of issues that can be organized into four broad categories: Participant profile, Consistency of EBSMs (administrative issues), Intervention and Service Activity, and Client Outcomes. The key evaluation findings are presented below.

## ***Participant Profile***

1. Take-up of EBSM spans the key demographic groups with the profile of clients varying among the EBSM components. The extent of EBSM participation is not as great for some groups, most notably visible minority and disabled populations who are under represented in comparison to their share of the unemployed in Ontario. The average proportion of active EI and reachback claimants was 80/20 percent. It was found that there is an absence of data on the reachback population to adequately gauge the use of EBSMs by this client group.
2. There was measured progress in EI claimants accessing Employment Benefits (Targeted Wage Subsidy [TWS], Self-Employment Assistance [SEA], Job Creation Partnerships [JCP], and Training). Over the period July 1996 to March 1998, there was a decline in the lapsed time between the establishment of the EI benefit period and commencement of an EBSM intervention.

## ***EBSM Consistency***

3. HRDC management and staff feel that planning and community consultation is a growing factor in EBSM delivery. There is, however, a wide variation in approach to and quality of business planning among Human Resource Centres of Canada (HRCCs) that may limit effective programming. There is an indication that clients served in HRCCs with better quality business plans experience a higher rate of post EBSM employment.
4. The focus on individual responsibility is consistent with clients' views of the relevance of EBSM. The majority of clients understand and accept the rationale of individual responsibility. In addition, clients believe that developing an action plan or back-to-work strategy contributes to better decision-making and more relevant interventions.
5. In general, monitoring and accountability activities are viewed by HRDC staff as being ineffective. HRDC staff note the lack of local information to clearly measure results, plan client activity and gauge third party effectiveness. As well, the availability of participant and cost data places limitations on the calculation of reliable cost efficiency / effectiveness measures and thereby, its application as a key local decision-making tool.

## ***Intervention and Service Activity***

6. There is a high level of satisfaction with both staff assistance received and program content. This is highest for those participating in Training and SEA. Clients, however, felt insufficient information was provided prior to selecting their intervention. As well, both clients and staff are concerned that some clients, particularly older and less experienced clients, are not as familiar with or can effectively use the self-serve resources.
7. Clients participating in more intensive EBSM use self-serve services to a high degree. This points to the integrated nature of EBSM and other HRDC employment services and to the fact that these various activities cannot be viewed in isolation. During the period of review, approximately 70 percent of EI Claimants used one or the other of these services.
8. A vast majority of clients who used third party services (group/individual counselling, Employment Resource Centres [ERCs] and Job Finding Clubs [JFC]) were aware of federal role in funding their EBSMs .
9. Approximately 92 percent of francophones were able to access services in designated areas in their language of preference.

## **Client Outcomes**

10. Initial results indicate that EBSMs have a positive employment impact, in both gross and incremental terms. Incremental employment results were only estimated for EI claimants, not reachback clients. All EBSMs contributed to incremental employment, although this varied with the type of EBSM and client group. There was less impact for older clients, members of visible minority groups and those with less recent employment attachment. The evaluation's incrementality analysis and client feedback point to lower impact of short-term group sessions compared to other initiatives .
11. The evaluation confirmed the employment status reported by HRDC's accountability "found work performance indicator". Absence of detail collected on clients and the resulting employment characteristics restricts interpretation of this measure and comparability across areas.

## **Lessons Learned**

Observations and conclusions based on results from the formative evaluation of the Ontario Region EBSMs have been used to develop lessons learned to support refinements to these initiatives and to share the knowledge gained from EBSM implementation, both within HRDC and with interested external parties.

**1. Program Environment.** Duplication or overlap among services was viewed as occurring only occasionally in Ontario. Community development and labour market research activities, however, were identified as potential areas of duplication. Developing more coherent and cohesive delivery and dissemination strategies for information and services has been facilitated in sites featuring collocations, communication between departments and community consultations.

**2. Planning.** Business plans vary significantly across HRCCs, as do approaches to developing them. Planning decisions are strongest when they are based on a combination of factors. Typical factors that have been used include past expenditure patterns, client volumes, and availability of HRCC resources and expertise. Additional approaches that have proved useful include use of locally based Labour Market Information (LMI) and community consultations.

**3. Information and Referral.** The qualitative and quantitative research indicated the importance of maximizing information on the program options available to clients and ensuring connection with the appropriate resources as rapidly as possible. Many clients also wished for greater personalized attention. Sites have responded to this in a variety of ways, for example having a "meet and greeter" at the front-end operation and providing structured information and referral through the employment resource centres.

**4. Delivery.** One of the key shifts in the delivery of EBSMs has been toward third party delivery (with third parties taking responsibility for services ranging from case management to Employment Resource Centres (ERCs) to program delivery). In terms of dealing effectively with third parties, factors of success include open and transparent communication; ongoing upgrading of third party deliverers; and ensuring sufficient knowledge of HRDC, in particular for third party deliverers who are located off site.

**5. Employment Resource Centres (ERCs).** ERCs are important complements to employment benefits. The benefits of an employment resource centre are greatest when it is accessible in a location that is highly visible and convenient for clients. While having the resource centre within the HRCC office is ideal, situations where this is not feasible should be dealt with through an effective communications strategy to ensure client awareness of and access to the ERC. Accessibility of resources (e.g., computers, workshops) and accessibility to the office itself (e.g., hours of operation) should be reviewed on an ongoing basis.

**6. Developing Partnerships.** Successful partnerships with HRCCs were generally associated with a prior history of working collaboratively, commitment of the individuals directly involved and investments of time and resources. Developing employer “partners” was facilitated through developing a promotional strategy and materials directed to local employers. Having clients approach employers themselves for the Targeted Wage Subsidy (TWS) program can also be an effective way of increasing the visibility of this program among employers.

**7. Employment Outcomes.** The preliminary results from the formative evaluation indicate positive results where EBSMs are closely linked to job opportunities and have a work experience orientation.

## **Conclusion**

In the main, the formative evaluation results are encouraging, particularly in light of organizational change in which the EBSMs were implemented. The absence of comparative benchmarks precludes categorical statements of achievements in terms of client satisfaction and employment outcomes. The evaluation findings, however, provide the opportunity to establish these benchmarks and suggest areas for improvement that can be used by HRDC to make refinements in the provision of EBSMs to clients in Ontario.

# *Management Response*

The formative evaluation of Employment Benefits and Support Measures (EBSMs) presents an interesting perspective on the early results from the implementation of EBSMs in Human Resources Development Canada (HRDC's) Ontario Region. This perspective comes from both the breadth of its review (all of Ontario) and the inclusion of the voice of the client. While the evaluation did review a number of internal processes through document review and staff interviews, it is its detailed presentation of client issues and client impacts that are most unique. The retrospective assessment provided by the evaluation is an important supplement to day-to-day operational experience and plays a key part in both accountability and continuous improvement.

In reviewing the evaluation's key findings, it is encouraging to note evidence of positive client results. The report's findings also suggest several areas for improvement. The remainder of the management response will focus on addressing some of the key findings. It should be noted that some of the findings fall within themes explored in separate reviews undertaken by the Auditor General (AG) and HRDC's Internal Audit Bureau (IAB). Actions planned or in progress arising from these reviews will be referenced in our response where they relate to the evaluation findings.

## **Key Finding on Participant Access**

Key Findings # 1 and # 2 fall within the broad theme of client access. The evaluation's analysis indicates that EBSM take-up is broadly based across client groups. For some groups, participation appears aligned with the proportions existing in the broader unemployed population, but for others participation is less.

HRDC acknowledges the report's finding on the relatively lower participation by designated group members, specifically persons with disabilities and visible minorities. The issue of under representation of some designated groups was identified in HRDC's 1999 Employment and Insurance Monitoring and Assessment report. It noted that past data capture and reliance on self-identification of designated group members were in part contributing factors to the reported under-representation.

HRDC also acknowledges the absence of information on the extent and characteristics of the reachback clients to analyze their participation in EBSM. The management response wishes to note that such analysis depends on information sources external to HRDC. HRDC takes great effort to undertake a demographic and needs analysis to plan and guide all its programs. From an operational perspective, HRDC strives to ensure that previous EI claimants have access to EBSM through approaches such as referrals from local social service offices and promotion in the community.

## **Key Finding on HRCC Business Planning**

Key Finding # 3 notes that at the time of the evaluation there was a perception of “... a wide variation in the approach and quality of business planning between Human Resource Centres of Canada (HRCCs) that may limit effective programming.” The variation in business planning approach and reporting is acknowledged. Given the emphasis in EBSM design on local flexibility, sound local business planning is essential.

HRDC Ontario Region is taking steps to strengthen business planning. In the fall of 2000, the Region commenced management consultations to promote the business planning process and establish key components for sound local business plans. The consultations are one element in a broader review of the HRCC business planning process. This review will examine the current state of business planning and methods for improvement.

## **Key Finding on Monitoring and Accountability**

Key Finding # 5 presents a number of observations related to adequacy of information to monitor activity, measure results and plan. In general, the weakness identified in the monitoring and accountability of EBSM is acknowledged. This key finding is of similar theme to that identified by the Auditor General and the Internal Audit Bureau and is currently being actioned by HRDC. These actions will help alleviate weakness also noted in the EBSM evaluation.

In its response to the Auditor General’s Report, HRDC indicated that in May 2000, it embarked on a program management study to develop results-based management and accountability frameworks for all of its programs (AG recommendation 3). It also committed to develop a new information system for Grants and Contributions, of which EBSM is part (AG recommendation 5). Finally, the Internal Audit Bureau (IAB) report on HRDC’s contracting procedures has resulted in a “Six Point Action Plan” that has improved monitoring of the activity and results of third party service contracts.

## **Key Finding on: Client Opinion of EBSMs and Services**

Key Findings # 4, # 6, # 8 and # 9 present client opinions on their experiences with the process and service delivery associated with EBSMs. These opinions, collected within a structured, independent surveying of clients, provide valuable insights that extend beyond the anecdotal. The clients’ recognition of their personal responsibility in EBSM (Finding # 4) and awareness of HRDC’s support (Finding # 8) is very gratifying.

The level of satisfaction expressed by clients (Finding # 6) and the access by franco-Ontarians to EBSM in their preferred official language phone is also heartening, however as the analysis indicates, improvements are required. Quality of client service is a key element of HRDC’s vision and quality service standards are in place. Within its quality service process HRDC will take steps to address these issues raised in the evaluation.



## **Key Finding on Employment Outcomes**

Key finding # 10 highlights the employment outcomes of EBSM participants. The evaluation results are taken as encouraging signs that the EBSM program is meeting its key objective. The variation in employment existing between EBSMs is expected. In particular, the evaluation's finding of lower impact from short-term group sessions supports the change made in 1999 that tightened the method of calculating the found work performance indicator for Group Information Sessions. This change resulted in a lower employment estimate being attributed to participation in these sessions.

The management response acknowledges the report's caution in interpretation of the incremental impact analysis due to the relatively short time span after completion. The need for supplementary impact analysis is recognized. At present, it is intended to conduct a summative evaluation of EBSM in Ontario in 2001/2002. In addition and as the evaluation report refers, HRDC has commenced a research project that will endeavor to measure medium-term impacts from participation on EBSM. Both projects will examine the client implications of EBSM beyond the limited time horizon explored in the formative evaluation.



# 1. Introduction

## 1.1 Evaluation Context

In July 1996, the implementation of Bill C-12, the *Employment Insurance (EI) Act* brought about reforms to the Employment Insurance regime. It also authorized the federal government to enter into agreements with provincial and territorial governments regarding the design, delivery and evaluation of Employment Benefits and Support Measures (EBSM) under Part II of the Act.

While the federal government has made formal offers to all provinces to assume responsibility for employment benefits and measures, a labour market development agreement between Ontario and the federal government has not yet been concluded.<sup>1</sup> As a result, in Ontario the federal government is responsible for both Part I of the *EI Act* (income support to those temporarily out of work and active labour market programs that are national in scope) and for Part II which provides for active employment benefits to enable unemployed persons to return to work.

Among the guidelines for the implementation of EBSMs, the *EI Act* calls for the monitoring and assessment of the transition process, i.e., how individuals, communities and the economy are adjusting to changes made by the Act, along with annual reports to Parliament on progress towards intended goals. This evaluation of the Ontario Region EBSMs is undertaken as a component of this assessment process. The evaluation will be conducted in two phases. The first phase, a formative evaluation, focuses on design, implementation and delivery issues. Short-term impacts and outcomes are also examined. The second phase, a summative evaluation, focuses on the longer-term impacts and outcomes of EBSMs and issues arising since the time of the formative study. It is intended that the summative evaluation take place in 2001. The purpose of this document is to report on the results of this formative evaluation study.

It should be noted that this evaluation reflects a period of intense change in Human Resources Development Canada's (HRDC) service delivery and the current approach to the implementation of EBSMs continues to evolve. As a result, findings are anchored to an early period of service delivery. New and evolving methods of service delivery will be addressed in the summative evaluation.

This intense change in and of itself is a factor in gauging the impact of EBSM and the findings reported in the evaluation. Staff reductions brought about by budgetary restraint measures and priorities occurred at the same time of EBSM implementation. This presented challenges at all levels of HRDC to manage internal staffing and resource changes while implementing EBSM and at the same time maintaining quality client service.

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<sup>1</sup> As of February 2000 negotiations between Canada and the Province of Ontario were suspended for an indefinite period.

In reviewing the evaluation findings, it is also important to consider the economic context existing in Ontario. The period 1997 to early 1999 was a period of economic growth and improving labour markets. Unemployment was declining and employment opportunities, growing. This concurrence contributed to a reduction in the size of EI claimant (and likely reachback client) populations, and increased post-intervention job opportunities for EBSM participants. These labour market conditions contribute to EBSM impacts and variations across sub-regions in Ontario. Results reported in this evaluation will include comparison group analysis to adjust for these effects.

## **1.2 Evaluation Objectives and Issues**

This formative evaluation focuses on relevance, design, process and delivery issues, though attention is also paid to preliminary impacts of programs for clients. The objectives of this evaluation are:

- to measure the extent to which the benefits and measures have been successful in assisting EI clients to return to employment;
- to provide information to managers, policy makers and program designers on a number of program issues, including design, delivery and client experiences, to support improvements;
- to produce reliable estimates of impacts of EBSM participation to date, for Ontario as a whole and disaggregated by client groups within Ontario Region; and
- to identify “lessons learned.”

The research questions addressed by the formative evaluation can be grouped into three main categories: implementation and planning, service delivery and impacts. These are presented in more detail in Appendix A.

## **1.3 Evaluation Methodology**

The evaluation methodology combines qualitative and quantitative evidence drawn from four main lines of evidence indicated below. Appendix B contains greater description of the methodology.

- Document review and administrative data
- Key informant interviews
- Case studies
- Survey of participants and non-participants

## **1.4 Organization of the Report**

There are five additional chapters in this report. Chapter Two presents a profile of EBSM program activities and participants. Chapter Three addresses program consistency issues. Client intervention and service issues are examined in Chapter Four. Chapter Five examines the impacts and effects of EBSMs. Chapter Six presents summary observations.



## ***2. Program and Participant Profile***

### ***Key Findings***

- There was measured progress in Employment Insurance (EI) claimants accessing Employment Benefits (Targeted Wage Subsidy [TWS], Self-Employment Assistance [SEA], Job Creation Partnership [JCP], Training). Over the period July 1996 to March 1998, there was a decline in the lapsed time between the establishment of EI benefit and commencement of an Employment Benefit and Support Measures (EBSM) intervention.
- Take-up of EBSM was spread across the key demographic groups. The demographic profile of clients varied among the EBSM components. Visible minority and disabled populations were under represented in comparison to their share of the unemployed in Ontario.
- The average proportion of active EI claimants and reachback was 80/20 percent. There is an absence of information on the reachback population to obtain a profile of take-up and participation for this important client group.

This chapter provides background on EBSM program components, resources and participation during the period covered by the evaluation. It also describes the profile of participants who used EBSM.

### **2.1 Program Description**

The objectives of EBSM are to assist clients to find work, maintain employment<sup>2</sup> and reduce their dependence on insurance benefits and other income transfers. There are two types of unemployed clients who are eligible for EBSM:

- active EI claimants, i.e., those who are currently receiving EI benefits;
- previous EI claimants (referred to as reachback clients). Reachbacks comprise two groups of recent EI claimants, i.e., those who received EI benefits within the last three years but who are not currently in receipt of EI, or those who received maternity/paternity benefits within the last five years and are now seeking to re-enter the workforce.

The following are the five EBSMs delivered in Ontario Region and the base of this formative evaluation. These are briefly described in Appendix C:

- Targeted Wage Subsidy (TWS);
- Self-Employment Assistance (SEA);

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<sup>2</sup> The terms “found work” and “maintain employment” also encompass self-employment.

- Job Creation Partnership (JCP);
- Training Purchases; and
- Employment Assistance Services (EAS).

Local Labour Market Partnerships (LLMP) is another support measure. This program provides resources to enhance community capacity in the labour market area. Projects funded under LLMP include, for example, labour market/economic research, community planning and conferences.

In Ontario, as in other regions, the Human Resources Development Canada (HRDC) principle of local accountability means varied service delivery across the province. Examples of different approaches to service delivery are direct delivery by federal staff in the Human Resources Centre of Canada (HRCCs), of which there are 30 principal and secondary office sites in Ontario; contracted service delivery agreements as in EAS, where services are delivered on-site at the HRCC or off-site by third parties; and collocation of service delivery with other provincial, municipal government or community-based organizations.

Exhibit 2.1 presents total Human Resource Investment Fund (HRIF) expenditures to fiscal year 1997/98 by program. Training purchases represent the largest proportion of expenditures — almost 30 percent and a further four percent of funds were dedicated to feepayers.

<b>Exhibit 2.1</b> <b>Ontario Region</b> <b>Human Resources Investment Fund (HRIF), by Intervention</b> <b>As at End of Fiscal Year 1997/98</b>			
	<b>Expenditure (\$000s)</b>	<b>Percent Distribution</b>	<b>Percent Considering Only Case-Managed EBSMs Included in the Evaluation</b>
<b>Ontario Total</b>	<b>438,874</b>	<b>100</b>	<b>100</b>
EAS	83,002	18.8	25.1
TWS	32,320	7.3	9.8
JCP	24,548	5.6	7.5
SEA	48,525	11.0	14.7
Feepayer	14,907	3.4	4.5
Training (CEC purchases)	127,104	28.8	38.5
LLMP	34,473	7.8	n/a
Other (project-based training, apprenticeship, coordinating group purchases, other)*	76,627	17.4	n/a
* Participants in these programs were not included in the evaluation.			

There was a great deal of variation of expenditures at the HRCC level. For example, the proportion of funds devoted to EAS at the regional level overall is 19 percent. However, for individual HRCCs, this percentage is as low as four percent and as high as 71 percent.



Similarly, for training, the proportion of expenditures ranges from 5 to 72 percent. This variation attests to the principle of local flexibility built into EBSM delivery and with its importance of local business planning (referred to in Chapter 3).

Cost per participant shows a considerable variation across program components. This variation is not surprising given the differences in objective and design among the benefits and measures. Self-Employment Benefit (SEB) and JCP, considered the most resource intensive EBSM benefits, had the highest cost per participant at between \$ 11,800 and \$ 10,800. The EAS support, measure, associated with the least intensive support, had the lowest cost per client at \$545. At the time of the evaluation, calculation and reporting of these unit costs was limited by Management Information System (MIS) capacities and the availability of data that consistently identified the number of clients against specific activities and services received.<sup>3</sup> For this reason, the use of cost per client measures (and as well, cost per client result measures) as a management tool is limited at both the regional and HRCC level.

## 2.2 Program Activity

As noted above, the evaluation focused on the activities of participants who “terminated” an EBSM intervention between January 1, 1997 and March 31, 1998. The following descriptions of activity and client profile therefore reflect clients who terminated. It is expected that the distributions are similar for 1997/98 New Starts.

Exhibit 2.2 describes the pattern of program participation based on the administrative data for the entire population of participants. According to these data, all EBSMs are being used in Ontario. Considering only case-managed clients, by far the most common intervention among EBSM participants was training (including fee-payers); 62 percent of clients participated in training programs during the period under study. Participation rates in each of the TWS, JCP and SEA were low (six percent of the participants). When short-term group session participants are included in the program profile, the percentages shift dramatically given the significant size of this group. EAS now represents the majority of EBSM participants at 73 percent.

The following are characteristics of participants’ program activity:

- Just over one-third of clients (34 percent) were reported to have committed to an action plan.
- On average, EBSM participants started their (first) intervention 19 weeks into their EI claim. This figure was higher for SEA and TWS participants and slightly lower for EAS.
- Those who started their program later in the period under study (i.e., after March 31, 1997) had a quicker entry into their program compared to those who participated earlier (16 versus 20 weeks).

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<sup>3</sup> For example, EAS funds a variety of services where the number of participants and the specific program they used are either not captured or are not easily extracted from administrative files.

- SEA was by far the intervention having the longest duration, at 35 weeks. Case-managed EAS clients had the shortest intervention (two weeks on average).
- The majority of EBSM clients participated in one intervention only.

<b>Exhibit 2.2</b>	
<b>Percentage Distribution of EBSM Participant Population by Benefit/Measure Type, Mean Duration of Intervention and Existence of an Action Plan (Clients Who Terminated an Intervention January 1997 to March 1998)<sup>4</sup></b>	
<b>Program Types (excluding Short-Term Group Session)</b>	
	<b>100%</b>
	<small>(does not add due to rounding)</small>
Employment Assistance Service	25
Targeted Wage Subsidy	5
SEB	5
Purchase of Training	62
Job Creation Partnership	5
<b>Program Types (including Short-term Group Session – approximate)</b>	
	<b>100%</b>
Employment Assistance Service	73
Targeted Wage Subsidy	2
SEB	2
Purchase of Training	20
Job Creation Partnership	2
<b>Mean Duration (weeks)</b>	
EAS	2
TWS	22
SEA	35
Training	16
JCP	14
<b>Indicated Commitment to an Action Plan</b>	
	<b>100%</b>
Yes	34
No	52
Missing/invalid cases	14
<b>Average Number of Weeks into Claim Started Intervention (EI claimants only)</b>	
EAS (excluding Short-term Group Session)	15
TWS	23
SEA	24
Training	20
JCP	20

<sup>4</sup> Terminations up to February 28, 1999 for Short-Term Group Sessions.

## **2.3 Profile of EBSM Participants**

The profile of participants indicates that there are important differences in the kinds of individuals who participate in different EBSMs. Differences are partially explained by the focus of the intervention on specific clients as in the case of SEA and JCP. However, limited administrative data collected on client characteristics to monitor participation would also suggest these profiles also reflect random take-up. Difference among the programs include:

### ***SEA Participants***

- are drawn from the more established portion of HRDC's clientele, that is participants are older, are more likely to have an established household and family and have a stronger educational profile and labour market history than other participants;
- males account for a greater share of participants, while equity groups comprise a lower share;
- prior to becoming unemployed, these participants held stable, well-paying jobs;
- participants used EI or social assistance less in the past than their counterparts in other programs.

### ***JCP Participants***

- represent a younger clientele;
- higher representation of equity group members and Francophones;
- despite a relatively strong educational profile, this group exhibits a weak prior attachment to the labour force with prior employment concentrated in seasonal or causal/contract positions with lower earnings and income;
- reachback clients are overrepresented in this group.

### ***TWS Participants***

- represent younger, less established portion of HRDC's clientele;
- weaker educational profile and labour market history compared to participants in other programs;
- most likely to have been on social assistance prior to program participation and reachback clients are overrepresented.

## ***EAS Participants***

- The only distinguishing characteristic for EAS participants was that females comprise a larger share than males.

## ***Training Participants***

Given the preponderance of participants in Training, there is also relatively little to distinguish this group from the overall client profile. However, compared to other program participants, training participants were:

- less likely to be on social assistance and not surprisingly;
- indicate a higher interest in entering a training or education program prior to their intervention.

## ***Short-Term Group Session Participants***

- have a larger share of males compared to EBSMs overall;
- have comparatively lower-levels of education.

To gauge take-up of EBSM by the eligible population the socio-demographic profile of EBSM participants was compared to the overall unemployed population.<sup>5</sup> The socio-demographic profile of EBSM participants differs from that of the overall unemployed in that (case managed) EBSM participants have a higher proportion of females and participants have higher education. The age distribution of EBSM participants reasonably parallels that of the unemployed (adjusting for the fact that the EBSM target and EI and Reachback target population have proportionately fewer youth than the general population). The participation of equity groups in EBSM is below that of the group's share of the unemployed in Ontario, particularly for visible minority and disabled clients.

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<sup>5</sup> Contrasting EBSM clients with the unemployed population is used as a proxy measure of take-up. The ideal comparison would be with the target population – EI and reachback. A profile of the target population is restricted by the limited client characteristics retained on HRDC administrative systems for EI claimants and the challenge of inferring a current reachback profile from Statistics Canada's Labour Force survey.

**Exhibit 2.3**  
**Demographic Profile of EBSM Participants <sup>1</sup>**  
**Compared to Ontario Unemployed (% share)**

	<b>EBSM Participants</b>	<b>Ontario Unemployed 1998 <sup>2</sup></b>
Male	45	53
Female	55	47
<b>Age</b>		
Up to 25	3	31
26-34	21	24
35-44	39	22
45-54	27	16
55+	10	7
<b>Education</b>		
Less than high school	10	33
High school graduate	22	22
Some post-secondary	16	11
College diploma	26	22
University graduate	19	11
<b>Family Status</b>		
Married/common-law	65	43
Single	21	45
With dependants	56	40 <sup>5</sup>
<b>Equity Status</b>		
Visible minority	11	23 <sup>4</sup>
Aboriginal	2	2 <sup>4</sup>
Disabled	3	10 <sup>3</sup>
<sup>1</sup> Participant share based on the evaluation survey and weighted by mother tongue, year of the intervention and the benefit or measure. <sup>2</sup> Source: Statistics Canada, Labour Force Survey, 1998 unless otherwise stated. <sup>3</sup> 1991 Health and Limitation Survey. <sup>4</sup> 1996 Census. <sup>5</sup> 1996 Census. Percent of unemployed with children living at home.		

The EI claimant to reachback ratio was 80 percent to 20 percent.<sup>6</sup> The majority of reachback clients had received EI within one year prior to their EBSM intervention. In terms of program participation, reachback clients are under-represented among training and EAS participants and are more likely to have participated in programs involving job placements such as JCP or TWS.

<sup>6</sup> EI claimants here are defined as those who received an intervention during their EI claim. If the start date or end date of any intervention received by the participant during the time period under study fell within an EI claim, the individual was defined to be an EI claimant.

The reachback group in Ontario appears highly heterogeneous, and as a result no clear image of this group emerges from the data. The group appears variously composed of youth, homemakers re-entering the labour market, social assistance recipients, EI exhaustees and those who are under-employed or in poor jobs and looking to improve their employment situation. Women are somewhat over-represented in the reachback group. Compared to EI claimants, reachback clients have less recent employment experience and also have lower earnings and have relied more on EI and social assistance benefits in the past.

## ***3. Program Consistency***

### ***Key Findings:***

- Human Resources Development Canada (HRDC) management and staff perceive that planning and community consultations are growing factors in Employment Benefits and Support Measures (EBSM) delivery. There is however a wide variation in approach to and quality of business planning among Human Resources Centres of Canada (HRCCs) which may limit effective programming. There is an indication that HRCCs with better quality business plans experience a higher rate of post EBSM client employment.
- Partnerships take many forms (collocation, project delivery, community consultations) and are viewed as an important improvement in EBSM delivery, especially the potential to broaden client access.
- Opinions of the perceived effectiveness of third party delivery are mixed. Adequate information was not available at the time the evidence was provided to make an objective statement of effectiveness.
- Monitoring and accountability are viewed as areas lacking information to clearly measure results, plan client activity and gauge third party effectiveness.
- The focus on individual responsibility is consistent with client's views of the relevance of EBSM. The majority of clients understand and accept the rationale of individual responsibility. Clients feel this, in combination with developing an action plan or back to work strategy, contributes to better decision-making and more relevant interventions.

This section presents feedback from the evaluation on issues related to the consistency of EBSM with respect to key HRDC organizational priorities. These issues are Planning; Local Flexibility; Delivery: Third Party, Partnership, Collocation; Client Targeting; Monitoring and Accountability; and Relevance.

### **3.1 Business Planning**

The issue of business planning received mixed reviews in this evaluation. While HRCCs are required to develop annual business plans, it is questionable whether this process is fulfilling its intended objectives. Business plans vary significantly in their quality and comprehensiveness and in the extent to which community partners have been integrated into this process. Moreover, many business plans do not provide a clear linkage between the unique conditions in their community and decision-making around program targeting and strategies to be used to address local labour market issues. The results for this evaluation suggest that clients who receive services from HRCCs with better quality business plans realize a relatively greater probability of finding post intervention

employment. The review and rating of HRCC business plans done for analysis in this evaluation should be viewed as an initial measure. Further review of quality of these plans and role in decision making is required in the Region's drive toward improving the business planning process.

## **3.2 Local Flexibility**

In general, key informants interviewed for the study and involved in the implementation of EBSMs believed that implementation of EBSMs was consistent with the principles of the *Employment Insurance (EI) Act* respecting local level flexibility and commitment to partnerships. In terms of the former, HRCC offices were pleased with the level of flexibility to tailor EBSMs to the particular needs of their community, and the administrative data indicate that indeed there is significant variation in the level of activity in different EBSMs across the offices. The array of benefits and support measures was considered to be broad enough and flexible enough to meet client needs. HRCC managers believed that increased flexibility had translated into higher quality service and greater relevance of programs and services.

Reservations expressed about flexibility focused on the potential lack of consistency among offices in terms of the programs and services that are available to clients. (For example, some offices that have exceeded their employment and unpaid benefits targets are focussing on the reachback claimants while others are not.) It was suggested that there was room for greater exchange and co-ordination among offices. HRCC offices are looking to regional headquarters for guidance around interpretation of policy and expenditure rules, staff development and dissemination of best practices.

## **3.3 Delivery: Third Party, Partnership, Collocation**

### **a) Third Party**

The vast majority of offices are using third parties under Employment Assistance Services (EAS) to deliver services such as case management, job finding clubs, and employment resource centres. In some cases, third parties also have been contracted to deliver programs such as Self-Employment Assistance (SEA) or Targeted Wage Subsidy (TWS). There was insufficient information available to the evaluation on which to base an objective opinion on the effectiveness of third party in achieving client outcomes compared to internal (HRDC) delivery. The perceived effectiveness of EAS and third party delivery is mixed. Some HRDC key informants believe that clients now have greater access to self-serve options funded under EAS and also may have greater access to case management/counselling because third parties are more generously resourced (or more efficient) compared to HRDC-delivered approaches. Third parties themselves believe they are able to deliver services in a way that is more efficient, innovative and flexible. Some key informants, however, expressed concern about the level of experience and expertise among third parties; the ability of HRCCs to monitor results of contracted deliverers; and the lack of service standards. Some of the data collected in this evaluation



on client satisfaction suggest that client service may have been negatively affected, particularly during the early period of the transition to third party delivery. There was no consensus on the part of key informants on whether third party delivery is more or less expensive compared to the traditional approach.

### **b) Partnership**

Key informants believed that the level of partnership and interaction with the community had increased with EBSMs. This increase has occurred primarily through third party delivery relationships or collocation for some offices. Others have also incorporated consultation with community partners into the development of their business plan, though with varying levels of success. Local boards had played a partnership role, albeit usually a minor one, for some offices.

The primary benefits of partnership are increased communication and information sharing, accurate identification of needs and community-based solutions. The comfort level of individual managers with the partnership/consultation model was identified as one factor of successful partnerships. Adequate financial resources for the partnership are another success factor. Partnerships have been most successful in offices where prior experience and relationships with community organizations existed. For those with a historical relationship with partners, investments in terms of time and commitment have already been made and therefore approaches under EBSMs represent a continuation or reinforcement of existing efforts.

### **c) Collocation**

Collocation with other organizations is reported to be occurring in about one-third of offices in Ontario. The perceived advantages of collocation are improved service delivery for clients and economies for offices. Disadvantages are usually associated with the blending of office cultures and organizational issues.

The transition in delivery to greater use of third parties and involvement in community development has led to cultural changes in the way HRCCs do business and to shifts in the roles and responsibilities of HRCC staff. Whereas staff were formerly involved in providing assistance directly to clients, their current roles focus on contract negotiation, administration and monitoring, and development of partnerships and capacity building at the community level. The rapidity of this transition and the absence of structured guidance (e.g., information, training, guidelines and materials) led to poor morale in some offices and have challenged the skills of some officers.

## **3.4 Client Targeting and Eligibility**

As noted above, within EBSM, EI claimants and reachback clients are the targeted clientele. Across HRCC offices, key informants saw the variation in the proportion of these two clients groups served as indicating the differing priorities defined by local conditions. Other groups

targeted (also dependent on local conditions and priorities) included, for example, those permanently laid off, older workers, single mothers and aboriginals.

An area of weakness identified by HRDC staff in the current application of EBSMs was the eligibility criteria. As a result of tightening of the EI legislation, fewer individuals who are unemployed are now eligible for EI and consequently for EBSMs. The extension of eligibility to the reachback group was intended to moderate this effect. However, there is a disincentive for offices to dedicate a large portion of their resources to clientele who do not accrue unpaid benefits (as opposed to current EI claimants who contribute to savings to the EI account if employment is found prior to the end of the eligibility period). As a result, reachback clients, whose need for employment assistance may often be greater, are under-served. The administrative data bears this fact out with the proportion of reachback clients falling short of the regional target of 25 percent.

Many HRDC and external key informants were concerned about those individuals with neither EI (claimants or reachback) nor social assistance eligibility. This issue was seen as broader than EBSM. Key informants interviewed for the evaluation felt there was an absence of clear federal, provincial or municipal responsibility or co-ordination of programming. They also identified other potential gaps in services to client groups such as those with long-term employment needs, the underemployed or those seeking a career change, individuals willing to re-locate for work, and immigrants. Clients' ability to participate in programs requiring investments of (often scant) personal resources (e.g., loans-based training programs) was a problematic issue raised by some key informants. Client focus group participants had strong reservations about contributing their own money or taking on debt to pay for training. (Note that the Skills Development Employment Benefit, the new program design for Skills, Loans and Grants no longer includes a loan component, although clients may still be expected to make a financial contribution.)

### **3.5 Monitoring and Accountability**

There are weaknesses in the implementation of EBSMs in the area of monitoring and accountability. HRDC personnel involved in implementing EBSMs were in agreement with the philosophical change toward greater focus on results and accountability. However, many respondents felt that the systems are not currently sufficient to support the monitoring and accountability requirements of the region and local offices. Managers perceived data systems to be of poor quality (integrity and comprehensiveness of the data) and lack timeliness in reporting. Offices have difficulty, as a result, in reporting against targets. At least part of this issue, however, may concern vagaries in the way data are entered at the office level.

The monitoring of third parties is a second aspect of accountability. While third party contracts typically include negotiated targets related to client volumes and results, the extent to which these contracts are tracked and results are incorporated into future planning and contract management is unclear. Both these issues were linked to availability of resources by key informants — limited staffing resources in offices means that monitoring often becomes a lower priority.

A final issue related to accountability is the type of measures that are available to assess both implementation and results. Employment and unpaid benefits are the two primary results indicators used now. Employment and unpaid benefits targets for HRCCs are established at the regional level. Some offices have also set other targets such as client volumes and service standards. Other suggestions for results measures included longer-term employment outcomes measures and qualitative results such as satisfaction.

Questions were raised in this study around the extent to which the appropriate program and results information is available. For example, this evaluation has encountered difficulties in obtaining a clear definition of financial costs of interventions or information on the types of programs and activities that comprise EAS and the delivery activities of ERCs. This lack of information was paralleled by experiences of HRDC key informants who indicated variability in collection and reporting of participant and cost data. This problem and the aforementioned perceptions of systems reporting point to limitations in providing reliable management information, such as cost efficiency estimates, for local decision-making.

There are also data quality and integrity issues around tracking of employment and unpaid benefits by the Human Resources Investment Branch (HRIB). On the one hand, the evaluation results presented here clearly indicated that HRIB tends to underestimate many forms of employment. On the other hand, there are questions about whether some employment and unpaid benefits results can realistically be attributed to HRDC interventions, particularly for those clients receiving relatively low intensity interventions such as the Short-Term Group Sessions. The survey data gathered in this evaluation suggest that even for some higher level interventions such as training, some clients do not attribute their employment to the intervention in which they participated.

### **3.6 Relevance**

Key informants generally agreed that the implementation of EBSMs in Ontario has adhered to the tenets and principles of the *Employment Insurance (EI) Act*. Those who manage and deliver EBSMs were very positive about the menu of program and service options available for clients which was perceived to lead to interventions that were more appropriate for individuals. Job-ready or self-sufficient clients have access to self-serve products in the employment resource centres. Clients requiring more intensive interventions such as skills upgrading can access training. The importance of work experience programs was raised in a number of contexts. HRCC staff felt Targeted Wage Subsidy (TWS) had been particularly successful because it was able to link participants directly to a job. To enhance this program, it was suggested that interventions linking training with a job placement such as TWS would be very useful for those requiring additional assistance to overcome employment barriers.

Staff and clients noted that the use of action plans and emphasis on individual responsibility had resulted in relevant interventions by ensuring that decisions were thoughtful and justifiable in terms of local conditions. The transition from group purchase of training to individual training purchases was expected to further increase relevance for some. Some staff had reservations about individual purchases, suggesting that this approach may reduce the relevance of EBSMs for employers by limiting HRCCs ability to respond to employers' needs for particular types of skilled workers in particular areas.

In terms of duplication, there is a potential overlap between EBSMs and Ontario Works where there are shared clients (i.e., the reachback group), though this group represents a relatively small portion of EBSM participants at this time. The area of economic development also deserves attention because HRDC (through LLMP funds), Industry Canada, the provincial government and sometimes local economic development organizations are often similarly involved in community development efforts and labour market research. HRDC respondents noted that collocation, partnerships and community consultation help mitigate against duplication.

## ***4. Client Intervention and Service Activity***

- Clients participating in more intensive Employment Benefits and Support Measures (EBSM) initiatives also use self-serve services to a high degree. Client feedback points to the integrated nature of EBSM and other Human Resources Development Canada (HRDC) employment services and these various activities cannot be viewed in isolation.
- There is a high level of satisfaction with both staff assistance received and programs. This is highest for those in training and Self-Employment Assistance (SEA).
- There is high client awareness and acceptance of personal responsibility for job search and planning.
- Clients, however, feel that insufficient information was provided prior to selecting intervention. On a similar note, staff are concerned that some clients, particularly older and less experienced clients are not familiar with or can effectively use the self-serve resources.
- A vast majority of clients are aware of the federal role in funding their intervention and service.
- Approximately 92 percent of francophones are able to access services in their language of preference in designated areas.

This chapter presents a description of the EBSM interventions and other services used by EBSM participants. Participants' use of self-serve and assisted services (e.g., counselling and action plans) is examined, as well as participation in each EBSM. Related issues include satisfaction, attrition rate, availability of bilingual service and awareness of HRDC.

### **4.1 Self-Serve and Assisted Measures**

#### **a) Employment Resource Centres (ERCs)**

To complement their intervention, the vast majority of EBSM participants (80 percent) made use of self-serve products at the Human Resources Centre of Canada (HRCC) — job bank kiosks being the most-used service. Employment Assistance Services (EAS) participants, women and visible minorities were most likely to have used the ERC services. Participation in Job Finding Clubs (JFC) and counselling was also positively related to use of ERCs. Utilization of ERCs was also high among short-term group session participants (81 percent).

Use of the ERC by non-EBSM participants (those surveyed in the comparison group) was also high at 72 percent. Specifically, 70 percent of Employment Insurance

(EI) claimants who did not use EBSM, indicated they used the ERC. This, taken with EI claimants' participation in EBSM (including short-term group session), suggests that in 1997/98 (and likely beyond), that approximately 74 percent of the active EI claimants used some form of HRDC employment related intervention or service.<sup>7</sup> There was not adequate information on the size of the underlying Reachback population to estimate reach into this important client population.

Perceived benefits of ERCs cited in other client research include: improved job search skills and understanding of the labour market, assistance in moving into employment and a "psychological boost" to overcome isolation and discouragement.<sup>8</sup>

## **b) Counselling and Job Finding Club**

Half of the participants reported seeing a counsellor or facilitator during their participation in EBSMs. Most likely to have received counselling were older participants, women, and those who were unemployed for a longer period prior to their intervention. Access appears to have declined somewhat over time, with participants who started their intervention early in the study period being more likely to have seen a counsellor. This is likely a reflection of the evolution toward group information sessions used as counselling versus one-on-one interactions earlier in the period. Of those who received counselling, the majority were satisfied with the services they received in terms of courteousness and knowledge of the counsellor. University-educated participants provided lower ratings. Focus group participants indicated a preference for more personalized, one-on-one attention and greater follow-up. The three-week Job Finding Club is well-used, with one in five reporting that they had participated.

## **c) Action Plans**

One of the principles of the EI legislation is to encourage participants to assume more responsibility in their interventions. Action plans, which are designed to encourage greater individual responsibility on the part of clients and commitment to their program, were used in only one-quarter of cases, according to participants. However, clients who had used an action plan reported a very high rate of completion. Individual responsibility may also be generated when participants contribute to the cost of their intervention. This was relatively little-used, however only one in ten training participants reported being asked to contribute to the cost of their training.

The relatively low apparent usage of action plans may, to some extent, reflect a lack of understanding on the part of clients about what an action plan entails. However, even the administrative data indicated that less than one-third of EBSM participants had committed

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<sup>7</sup> This estimate of reach into the EI population is based on an average 1997/98 EI population of approximately 500,000 regular claimants and take-up rates identified in the evaluation. During the period about 390,000 EI claimants participated in some form of HRDC employment intervention or service (160,000 in EBSM initiatives, including short-term employment group sessions and 230,000 in ERC like services.

<sup>8</sup> Sigma-3 Policy Research Inc., *Employment Resource Centre Evaluation, Final Report*, Submitted to Human Resources Development Canada, 1998.

to an action plan. Nevertheless, the qualitative research suggested that the message of individual responsibility had been clearly communicated to many of these participants.

## **4.2 Program Participation**

In addition to a common core of questions related to issues such as attrition and incrementality of assistance, a separate module of program-specific questions was also designed for each EBSM. These items are intended to profile the delivery of the different programs and are presented for each EBSM below.

### **a) Targeted Wage Subsidy**

According to surveyed TWS participants, 73 percent were aware that some of the wages for their job were paid for under the EI program. The majority of TWS participants were employed by private employers; one in ten was employed in the public sector; and six percent worked for a community/non-profit organization. An overwhelming majority of TWS participants (90 percent) worked full-time at their job (30 hours or more per week). In terms of wages, 60 percent of TWS participants were earning from \$250 to \$499 per week. The average weekly earnings among TWS participants were about \$415.

Fifty-eight percent of TWS participants reported that they had been hired by their TWS employer after their subsidy ended, including 48 percent full-time, five percent part-time and four percent seasonal. Of those who had been hired, however, only 56 percent were working at this job at the time of the survey. Of those currently working, the majority (76 percent) were in the same job as when they were funded.

### **b) Self-Employment Assistance**

For clients who completed SEA, the majority of new businesses started were in the following sectors:

- the personal service sector, including services industry (22 percent);
- business services (18 percent);
- percent of businesses were started in education/health/social services sector;
- 10 percent in retail trade.

The above is consistent with the vigorous growth in Ontario's Service Sector.

At the time of the survey, 81 percent of SEA participants reported that their business was still in operation (averaging 13 months operation as of the survey date). Compared to the life expectancy of small businesses, this survival rate is encouraging. Among those whose businesses had stopped operating, the most frequently mentioned reasons were: took another job (25 percent); financial problems such as not being able to raise capital (23 percent); and business not being profitable (19 percent).

A plurality of entrepreneurs noted that their weekly earnings exceeded \$500 (41 percent), while 20 percent indicated a range of \$250 to \$500, and another 28 percent earned less than \$250 per week. Average weekly earnings were \$670. Nearly 29 percent of SEA operators augmented their self employment income with income from another paid job. For those working at another paid job, the SEA business represented about 23 percent of their total personal earnings.

A majority of clients (63 percent) invested \$5,000 or more into their new businesses (including loans and their own equity). The average investment was about \$14,000. The majority of SEA clients (84 percent) operate their business all year round. Slightly more than one-fifth of SEA clients (21 percent) reported hiring employees. Those who hired employees, reported having five employees on average.

### **c) Job Creation Partnership**

Compared to TWS, JCP participants were more likely to work for public sector or third sector organizations for their work project. Almost half (47 percent) reported that their work project employer was a community or non-profit organization and 31 percent worked for the public sector. One in five worked for a private sector employers. The vast majority of JCP participants (96 percent) worked full-time at their work projects. While JCP participants receive EI benefits during their work project, employers may “top-up” these benefits with additional wages. According to surveyed participants, 14 percent received a wage in addition to their EI benefits at their job.

### **d) Training**

The majority of training participants (72 percent) decided to take training without the suggestion of an employment counsellor or facilitator. The most common types of training programs in which respondents participated were computer related or information technology courses (34 percent); skilled trade occupations (14 percent); and secretarial/ clerical/administrative positions (16 percent). The majority of clients attended training either at a community college (33 percent) or from a private training institution (38 percent). Six percent of respondents mentioned a non-profit or community organization and another nine percent took training through a local board of education. Most participants were in programs between one and six months in duration. Just over one-third of training participants (35 percent) indicated that their training program included an on-the-job training component. This work placement was, on average, nine weeks in duration.

Under the principles of negotiated financial support, HRCCs decide the amount of financial support a client should receive based on the cost to implement the action plan and the expenses that clients are able to meet on their own. The evaluation results indicate that, for the time period covered in the study, only a minority of clients (10 percent) were asked or required by their employment counsellor to contribute to the cost of their training. This may be an underestimate to the extent that respondents may not have considered contributions to non-tuition related costs such as books, transportation or child care in responding to this item. Of those who had been asked to



contribute to the cost of training, the average investment was just over \$1,300. Considering both feepayers and training participants who had made a financial contribution toward the training, one in five (22 percent) reported that they had had to borrow to pay the cost of their training.

### **e) Employment Assistance Services**

EAS is perhaps the most difficult of all the EBSMs to specify the types of services clients use as it is more of a funding source than a discreetly defined program. Further, EAS funds support various employment support related activities previously mentioned such as counselling, assessment, Job Search Workshops, short-term employment group sessions and ERCs, not all of which are documented .

This evaluation has focused on case-managed EAS services, which largely comprise assessment and counselling services, job finding clubs and attendance at short-term group sessions. Two-thirds of EAS participants reported that they had spoken to an employment counsellor or facilitator to help plan a back-to-work strategy (significantly higher than EBSM participants overall at 52 percent). EAS participants met with a counsellor/facilitator 5.6 times on average. The setting for the counselling session varied, with 31 percent indicating a one-on-one session, 27 percent a group session and 41 percent reporting both formats. Just over one-third (35 percent) of EAS participants participated in a Job Finding Club (higher than the one in five among EBSM participants overall). The same proportion also reported attending other job search workshops. Four in ten EAS participants developed a return-to-work action plan with their employment counsellor (higher than the 25 percent reported for EBSM participants overall).

For participants attending only short-term group sessions, the survey examined the kinds of topics covered in these sessions and their duration.<sup>9</sup> Forty-three percent of participants indicated that their session had been three hours or less, while 48 percent reported that their session had lasted between four and eight hours. Seven percent of participants received a short-term group session that was longer than eight hours.

By far the most common kind of information covered in the sessions involved practical job search skills, including interview tips and job lead development. About two-thirds of participants also received information on resumé/cover letter preparation and labour market information. Fewer participants were exposed to issues such as the job loss cycle and transferable skill assessment.

As noted earlier, HRDC's coding of EAS does not identify the specific services received under EAS. Drawing from the survey feedback from EAS clients, these participants receive a broad variety of services. The vast majority of EAS participants (91 percent) reported using at least one service from the ERC. The reported participation in the various types of services offered at ERCs was substantially higher compared to other EBSM participants (with the exception of the job bank kiosks, which had a uniformly high level of use across most groups). For example, participation rates among EAS participants in ERC services included: job bank kiosk (79 percent); information on

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<sup>9</sup> Note that to reduce recall biases, these questions were only asked of participants in sessions since April 1, 1998.

training and education programs (55 percent); labour market information (49 percent); computers (45 percent); Internet (44 percent); and office equipment (43 percent).

### 4.3 Completion/Attrition

The majority of clients completed the full period of their programs: 88 percent of training/fee-payer clients completed training programs with attrition at seven percent. Attrition from TWS was higher at 23 percent and 27 percent for JCP. Participants who indicated that they were not in the labour force prior to commencing their intervention had a lower completion rate for training (78 percent), but a slightly higher rate of completion for the work placement programs (TWS and JCP combined) (83 percent).

Among those who did not complete their program, the most frequently mentioned reason was to accept another job (mentioned by 60 percent of training participants who did not complete their program and 72 percent JCP participants). Among TWS participants, reasons for attrition were more likely to do with the job ending prematurely or the participants being asked to leave (32 percent).

### 4.4 Satisfaction

Overall, EBSM participants expressed a high degree of satisfaction with the service they received and with the specific intervention taken. Training and SEA participants were most satisfied, with about two-thirds of clients being at least very satisfied<sup>10</sup> with their program. TWS and JCP participants were somewhat less satisfied, though the lowest ratings were with the wages or income they received while at their work placement.

Weaknesses in the delivery were evident from both the qualitative and quantitative data in terms of the initial information available to participants to help them to choose their program. These data also indicated that from the perspective of clients, the current delivery of EBSMs is not as responsive to participants with higher education and perhaps to older workers. (In terms of the latter, focus group participants believed that older workers required more personalized attention, and the survey data indicate that older workers are, in fact, more likely to receive counselling than younger participants.) Focus group participants indicated not feeling fully informed about the options available to them and stressed the importance of “connecting” with the system as quickly as possible after the start of an EI claim.

Higher satisfaction ratings on selected elements tended to increase with exposure to counselling and successful program completion. Participants who started their intervention earlier during the period under study (before April 1997) were more satisfied with the speed of services and the availability of services in one place than those who started their program later.

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<sup>10</sup> Findings reported on satisfaction ratings pertain to percentage of responses within the top two rating categories on a seven-point scale unless otherwise stated.

Short-term group session participants were asked to rate their level of satisfaction with various elements of their session. Ratings were high generally, with highest ratings being provided with resumé preparation and lower for discussions on labour market information, the job loss cycle and assessment of personal employment barriers.

## **4.5 Client Access to Related Services**

The socio-economic profile of EBSM participants presented in section two suggests that those who took up the interventions were a reasonable cross section of the intended client population and points to effective client selection. An associated measure is the degree to which the selected clients view the offering of the various EBSM initiatives as being critical to their employment goals.

To this end, the survey examined the extent to which the support provided by HRDC was viewed as incremental — that is, to what extent would the selected participants have been able to obtain a similar service without the assistance or support of HRDC. Overall, HRDC assistance was perceived to be important or incremental by the majority of EBSM participants. This was particularly true for training and JCP participants. For training participants, 88 percent believed they could not have entered training without financial assistance, while 83 percent of JCP participants said they could not have obtained their job had JCP not been available. For fee-payers, TWS and SEA participants, incrementality of support is somewhat lower (between 60 and 70 percent).

The above is a function of a variety of factors awareness of and access to other services, personal resources available to clients, etc. These findings are consistent with EBSM clients' predominant use of HRDC employment related services noted in subsection 4.8 below.

## **4.6 Awareness of HRDC**

The use of third parties to deliver employment services raises issues around the visibility of HRDC as the funder of EBSM. In response, efforts in HRCC offices had been undertaken to increase awareness the HRDC is delivering services. The survey measured the degree of participants' awareness of the role of HRCC in funding employment services. An overwhelming majority of participants (92 percent) were aware that HRDC had funded their program. Given the large proportion of EI claimants on EBSM interventions, this result is not surprising. Awareness was less for reachback clients.

## 4.7 Bilingual Service

HRDC policy on language of service follows the requirements of the *Official Languages Act*. Services are provided in designated areas, based on estimated demand. At the time of the evaluation HRDC had designated 16 areas to receive bilingual services.<sup>11</sup> The designation as a bilingual area carries with it the requirement to make all services available in both official languages. Beyond the requirement of the designated areas, HRDC's Ontario Region attempts to provide language access in other non-designated areas in order to proactively promote French services.

The evaluation measured the take-up of EBSM by clients who indicated French as their home language. This portion of clients were asked if they received service in the language they preferred. The demographic profile presented earlier suggests that 5 percent of clients using EBSMs had French as their first language spoken at home. For those francophone clients served in designated areas, 92 percent indicated they were able to receive service in the language they preferred. The service received was pre-intervention activities such as initial staff inquiries and information. The language clients preferred to use in an actual intervention was not measured.

## 4.8 Use of Other Services

EBSM participants were asked whether they used any other employment services available from other organizations. About 13 percent of participants reported that they had used other services. This was confirmed in the focus groups where most participants indicated that HRDC had been their primary source of assistance in finding work. The types of other services that respondents were most likely to have accessed were: information on the local job market; listings of job postings; and job search advice. A private company was the most commonly mentioned source of services followed by community college/university and municipal social services. Use of other services by those attending the short-term group session was comparable at 14 percent as was the percentage of EI claimants who did not use EBSMs.

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<sup>11</sup> See Appendix D for the list of designated HRCC office areas.

## 5. *Client Outcomes*

- Initial results indicate employment impact in both gross and incremental terms. The type of employment measure (full-time or three consecutive months) and client characteristics need to be taken into account to interpret either gross or incremental results. Incremental results pertain to Employment Insurance (EI) claimants only, not reachback clients.
- All Employment Benefits and Support Measures (EBSMs) but Employment Assistance Services (EAS) have a positive impact on incidence of incremental employment for the three types of employment (current, full-time and three consecutive months of employment); EAS has a positive effect on just the last two employment measures. Impact varies across client groups, specifically, EBSMs have less impact for older clients and those with less recent employment attachment. Evaluation's incrementality analysis and client feedback points to lower impact of short-term group sessions compared to other initiatives.
- Evaluation confirmed employment status reported by Human Resources Development Canada (HRDC's) accountability found work performance indicator. Absence of operational data on client and employment characteristics limits the interpretation and utility of these indicators and comparability across areas.
- The positive impact of EBSM on client employment did not translate into an incremental reduction in EI use of a similar magnitude. There was, however, a slight reduction in claim duration (3 percent for both Self-Employment Assistance (SEA) and Training). More time needs to lapse post-intervention before reduction in Employment Insurance (EI) and Social Assistance (SA) use can be measured.

This chapter presents initial evidence of the impact of EBSM on client-oriented outcomes. Outcomes are measured by changes in labour market activity (employment and unemployment), earnings, post use of EI/Social Assistance and client attitudes. Some of these outcomes are compared to the experiences of non-participants to gauge early indications of net change due to program participation and test methodologies for use in the summative evaluation stage. Finally, given the importance of HRDC's primary employment performance indicator, this indicator was compared to evaluation findings to assess comparability and similarity of results. It should be pointed out that these incremental outcomes require sufficient post-intervention experience to fully emerge. For this evaluation, this lapsed time ranged between 6 to 18 months. This time period is not sufficient to capture the full incremental impact of all outcome measures presented in this report. These will be more fully explored in the summative evaluation.

## **5.1 Labour Market and Related Outcomes**

The intent of EBSM interventions is to improve client's employment. The evaluation's findings for this key outcome and other associated labour market and earnings impacts are presented below.

### **a) Labour Market**

The post intervention labour market activity of EBSM clients points to positive impacts from participation. For the key employment outcome, the evaluation survey indicated that 85 percent of EBSM participants found a job sometime within the 18 months after completing their intervention, with about half finding a job within one week of completion. The duration of unemployment experienced by EBSM participants averaged 13 weeks during the year following completion. Both of these percentages did not vary between EI or Reachback clients.

In terms of job characteristics, the majority of clients (84 percent) were working full-time in the current job (at the time of the evaluation survey) and two-thirds were in year round jobs. The vast majority had worked with only one employer and one in ten returned to their former employer.

Across programs, SEA participants registered the highest proportion that obtained post-intervention employment results, while EAS participants had the lowest. Targeted Wage Subsidy (TWS) participants were most likely to be working full time in the post-program period.

Post intervention employment varied across client types. Older clients and those self-identifying as being in a visible minority had a relatively lower share in employment or obtaining full-time employment post intervention.

### **b) Earnings**

Results indicated that EBSM participants earned about \$530 weekly in their current job (held at the time of the evaluation survey). SEA participants reported the highest earnings (\$645) and TWS the lowest (\$466). On average, there was little change in weekly earnings compared to those earnings in the longest job held in the year prior to the intervention. The exception was clients on SEA who experienced an increase in average earnings compared to their previous job.

### **c) Use of EI and Social Assistance**

One of the goals of labour market interventions is to reduce participants' dependence on public income supports such as employment insurance and social assistance (SA). Note that a negative result is really the sought-after outcome, though when assessing shorter-term impacts, reliance on income support, particularly EI, is often difficult to interpret, indicating on the one hand a return to dependence (negative result) and, on the other, sufficient employment to re-qualify for benefits (positive result).

Analysis of the early results indicates that less than 10 percent of EBSM participants had collected employment insurance or social assistance in the post-program period (post program period averaged 15 months.) This measure is presented for descriptive purposes only. A greater lapse in time is necessary post-intervention before clearer measures of post EI use are possible. (See page 41 for further discussion of EI use.)

#### **d) Behavioural and Attitudinal Impacts**

Participation in EBSM initiatives has other impacts in addition to those directly reflected in economic terms. Client feedback pointed to several measurable and anecdotal effects of participation.

In the focus groups, participants described a number of impacts of participating in EBSMs. While some noted that their program had led to a job, others indicated other less tangible benefits of participation. These included, for example, establishing personal networks, development of skills, achievement of a license/certification, and building confidence and self-esteem.

Client attitudes on willingness to borrow in order to take training and confidence in skills. These results indicate that EBSM participants, particularly the reachback group are more willing to borrow money to invest in upgrading their skills (53 percent of the reachback group and 46 percent of EI claimants agreed they would be willing). This is significantly higher than the comparison group — only one in three indicated they would be willing to borrow in order to take training.

In terms of confidence in skills, EBSM participants — both EI claimants and reachback — demonstrate greater confidence in their skills than the comparison group. Whereas 78 percent of claimants and 80 percent of reachbacks agree that they “have the skills to move easily in today’s labour market,” 67 percent of the comparison group agreed with this statement.

## **5.2 Incremental Gains - Did EBSMs Make a Difference?**

A key interest is whether EBSM (and other employment related) initiatives make a difference toward client’s obtaining employment. Results presented above are “gross results”; that is, their occurrence or magnitude reflect in part, what would have taken place in any case without participating in an EBSM. Abilities of clients changes in the economy and labour markets are some of the factors that can contribute to achieving results independent of program participation.

Questions of service or program incrementality are usually, although not necessarily, examined in summative evaluations. Incrementality was examined in this formative evaluation to discover if there were early indications of incremental effects while at the same time exploring the methodology and adequacy of available data to undertake this measurement. The results presented therefore should be considered as preliminary,

specifically for employment attained, earnings differences and subsequent use of income assistance. The summative evaluation will permit a more definitive statement on these measures.

In this evaluation the question of incrementality is considered through two means: client opinion and measured differences between the experience of participants and non-participants. It is important to note that results from the comparison (non-participant) group analysis pertain only to EI claimants, not reachback clients. Resource and information limitations did not permit the construction of a comparison group that included reachback. While it may be tempting to infer results based on similar client characteristics shared by EI and reachback clients, measurement of incremental impacts for reachback clients should wait for appropriate reachback comparison group analysis, either as supplementary analysis from this evaluation or a summative evaluation phase.

### **a) Client's opinion**

EBSM participants who had found employment following the end of their program were asked to rate the extent to which the help they received from HRDC was important in obtaining employment.<sup>12</sup> Overall, 37 percent of EBSM clients rated HRDC's assistance as being very important.

Ratings varied (not surprisingly) by the factors that relate to programs with clear links between the initiative and employment outcome and also those with higher service intensity experienced by clients. The rating was highest for TWS participants who were hired by their employer after their subsidy ended (55 percent). Those rating between 37 percent and 55 percent were training participants, EAS clients rated the importance below 37 percent. Those participants with post-secondary education and those who found a job within 12 weeks of the end of their intervention provided higher ratings. While these ratings may be perceived as modest, they are higher than the parallel rating of 11 percent provided by clients who only participated in short-term employment group information sessions.

The responses by clients in EAS and clients solely attending an employment group service suggest clients perceive a less obvious link with employment and greater contribution played by other factors such as help from others, etc. This perception suggests that employment may be too far removed to be linked to some interventions and therefore is not the most appropriated indicator for all EAS interventions. A more intermediate result measure, focussing on pre-employment achievements (for example increased understanding of programs or the labour market) would seem more appropriate. The alternative measures could apply to some EAS activities, in particular to group sessions.

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<sup>12</sup> Rating is based on a seven-point scale. The findings reported are for the top two ratings — “very” and “extremely important”.



## **b) Incremental Measurement Using the Comparison Group**

As noted in the report's methodology discussion, a comparison group was used to parallel the experiences of EBSM participants (EI clients only) with those of non-participants. Analysis of differences between these two groups included adjustments to control for pre-existing differences between these groups (referred to as multivariate analysis) as well as a control for local job availability – the local unemployment rate, a measure of local labour market conditions traditionally used in analyses of this kind. The following presents the findings from this multivariate analysis on the effects for the key labour market activity outcome variables as well as earnings and use of EI/Social Assistance.

As noted earlier, the comparison group reflects only EI claimants. Therefore, incremental results shown below only pertain to EBSM participants who were on EI at the start of their intervention. Further, the evaluation does not address the question of whether the degree of incremental result measured is adequate. No prior targets or expectations for incremental impacts were available for comparison at the time of the evaluation. It is understood that work is underway in HRDC to explore in more detail incremental results. This work and findings from a summative evaluation will help answer this question.

## **Incremental Change in Labour Market Activity**

As previously noted, the evaluation analysis examined the question of labour market impact from four perspectives: incidence of employment, worked full-time, worked for three consecutive months and percent of weeks working post-intervention. Exhibit 5.1 summarizes the employment effect for three of the measured employment categories (incidence of employment, worked full time and worked for three consecutive months), in terms of increased probability of being employed (compared to individuals who did not participate in an EBSM). The results suggest that, taken together, participation on an EBSM intervention increases the probability of a client attaining a particular post-intervention employment outcome by between 15 to 20 percent.

The role played by EBSM in the participant's post-employment experience varied in degree between the four EBSM categories (see the technical report for full discussion of incremental impacts for each category). Across all client types, the strongest incremental effect was in SEA and the weakest in EAS. In terms of the probability of being employed at the time of the evaluation survey, SEA had a 20 percent impact, Job Creation Partnerships (JCP) 18 percent, TWS 14 percent and Training, 8 percent. EAS did not have a statistically significant effect. On average, EBSM had less of an employment impact for older participants (over 45), members of visible minority groups and participants with family dependents.

<b>Exhibit 5.1</b>	
<b>Employment Outcomes: Proportional Impact Based on Multivariate Analysis</b>	
<b>Currently Employed (at time of survey - November 1998)</b>	
SEA	20*
JCP	18*
TWS	14*
Training	8*
EAS	-5
All EBSMs <sup>13</sup>	15*
<b>Currently Employed Full time (at time of survey – November 1998)</b>	
SEA	17*
JCP	18*
TWS	13*
Training	7*
EAS	8*
All EBSMs	20*
<b>Employed 3 Consecutive Months</b>	
SEA	22*
JCP	4*
TWS	13*
Training	9*
EAS	9*
All EBSMs	18*
* Statistically significant (p.<0.05)	

Analysis within sub-categories — that is, selected client groups and types of employment — showed considerable variation. TWS, Job Creation Partnership (JCP) and Training had a significant and positive impact on the incidence of employment for younger participants (under 45). Training also had a positive impact for younger and female participants in terms of probability of full time employment and three months consecutive employment. JCP, in addition, had a positive effect on the latter employment indicator for females only.

Having close attachment to the labour market prior to the intervention (not surprisingly) was a factor in post intervention employment - clients with a more recent job prior to the start of the intervention had a higher probability of being employed for 3 consecutive months. This would underline the importance of EI claimants taking up EBSMs early into their claim. It also points to the need for having sufficient information on client characteristics and details on employment outcomes in order to analyze results – aggregate, cursory analysis could very well mask underlying impacts.

<sup>13</sup> Probabilities for the “All EBSMs” category were calculated using a separate regression equation than the individual EBSM component interventions. Therefore, the probabilities for all EBSMs may fall outside the range of probabilities reported for the five component interventions.

In terms of HRDC service or delivery characteristics that may influence incremental employment, clients were more likely to be employed for three consecutive months (at the time of the evaluation survey) in Human Resource Centres of Canada (HRCCs) that had a positive assessment of business planning capacities.<sup>14</sup> Use of group sessions versus one-on-one counselling prior to participation in the specific employment benefit did not appear to have an effect on incremental employment. There was insufficient information to gauge whether the move toward third party service delivery had an effect on incremental employment. Not surprisingly, employment results were lower in areas with higher unemployment rates. Although it was not possible to analyse this last relationship in detail, it points to the importance of considering labour market conditions when interpreting results, setting targets and comparing employment results among HRDC offices.

In addition to the three employment measures examined, the evaluation looked at the duration of employment in the post-intervention period. Exhibit 5.2 presents the comparison group analysis results on weeks working since intervention as a percentage of weeks since the intervention. For this outcome measure, JCP participants had statistically significant positive results: an increase of 13 percent. Training and EAS had a positive impact when considering younger participants only.

Factors improving the proportion of weeks worked for both participants and the comparison group were: having a job close to the start of the intervention, length of time since intervention, being male, having greater prior earnings, and having a strong interest in entering the labour market. Older participants, visible minorities, those engaged in extended job search and from areas of higher unemployment rates had a poorer result.

<b>Exhibit 5.2</b>	
<b>Percent of Weeks Working: Multivariate Results (OLS) Coefficient</b>	
SEA	31.3%
JCP	12.9% *
TWS	6.4%
Training	2.5%
EAS	-4.0%
* Statistically significant at 5 percent level	

## **Incremental Change in Earnings**

Three earnings outcome measures were examined: 1. weekly income from employment or self-employment (earnings) in the current or most recent job at the time of the survey; 2. absolute change in weekly earnings from employment or self-employment from the longest job in the year prior to the intervention; and 3. percentage change in weekly earnings.

<sup>14</sup> Assessment through review of published business plans.

In sum, EBSM appear to have had little incremental impact on earnings. SEA is the only program that had a statistically significant impact for the three variables tested, while EAS had a negative effect on percentage change in weekly earnings. Older participants experienced a lower percentage change in earnings, while those having a job within a month prior to the intervention experienced a more positive impact.

## **Incremental Reduction of EI Use**

The above comparison group analysis indicates that there are early indications of incremental employment (and unemployment) effects from participation in EBSM. The question is whether this has translated into measurable change in use of EI and SA.

The analysis suggests participation in the EBSMs did reduce the percentage of weeks on EI. Both SEA and participation in Training were found to exert a statistically significant 3 percent reduction in the proportion of weeks on EI in the post-intervention period. TWS participants, on the other hand, were found to have had an increase in the percentage of weeks on a post-intervention EI claim. This finding for TWS participants is likely due to their ability to accumulate insurable weeks during their work placement which was more likely than other participants to be in full-time employment (not self-employment). As for SA use, SEA again appeared to increase the likelihood of using SA after the intervention, while other EBSMs had no statistically significant impact.

These results are intended to provide early indications of EBSMs impact on EI and SA. They do not measure the total effect of EBSMs on EI or SA. The results are influenced by the relatively short time (average of 15 months) that elapsed between program completion and the telephone follow-up survey with clients. The follow-up period was too brief to span an employment/unemployment cycle (that is, find employment, lose employment and file for EI). Subsequent analysis after two or more years, therefore, is required, either in a summative evaluation or supplementary analysis, to this effect. It is our understanding that at the time of this writing, an HRDC project is underway to determine the methodology for and produce estimates of the impacts of EBSM and LMDA intervention on EI and SA.

## **5.3 Assessment of Found-Work Accountability Measure**

One of the accountability result measures for EBSM is obtaining employment after the intervention. The evaluation sought to assess the estimated employment as measured by HRDC's accountability system. The evaluation did this assessment by comparing the differences between the employment result reported by the accountability system and similar information collected during the evaluation process. The evaluation did not examine the detail process of deriving the accountability employment estimates nor did it look at the second accountability indicator — calculation of the unpaid benefit. A detailed review of the accountability process of both these indicators can be found in the evaluation of the British Columbia Labour Market Development Agreement.

HRDC compiles the employment statistic using a number of sources. EBSM participants are considered to be employed when:

- a claimant receives 25 percent or less of their maximum EI entitlement within their benefit period for 12 consecutive weeks; or
- follow-up with participants indicates that they are employed; or
- for TWS, the participant continues to work after the end of their intervention.

Exhibit 5.3 presents a comparison of HRDC administrative data and survey results for the 1,443 EBSM participants included in the formative evaluation. The indicator of three consecutive months employment is the most conservative employment measure available from the survey and the one that is closest to the definition of employment used for HRDC administrative data.

<b>Exhibit 5.3</b>		
<b>Employment Indicators: Evaluation Survey and HRIB Comparison</b>		
	<b>Proportion Employed for 3 Consecutive Months</b>	<b>Proportion Employed 1997/99</b>
Total EBSM Participants (n=1,443)	75	56
TWS (n=292)	75	71
SEA (n=317)	92	59
JCP (n=270)	76	44
Training (n=376)	75	52
EAS (n=383)	68	56
Short-term Group Session (n=310)	81	44
Claimant (n=1,045)	79	58
Client (n=396)	72	46

The second set of figures from Human Resources Investment Branch (HRIB) administrative data shows the proportion of survey respondents with an employment indicator on the 1997/8 or 1998/9 files (to December 1998).

The table indicates that, compared to the survey results, the HRIB file consistently underestimates the proportion of participants employed — even using the most conservative indicator of employment on the survey (employment for three consecutive months). The extent of the difference is about 20 percentage points for EBSM participants overall. Employment indicators are most consistent between the HRIB file and the survey data for TWS participants (a difference of only four percentage points) and least consistent for SEA, JCP and short-term group session participants (a difference of over 30 percentage points). Not surprisingly, the estimation of employment is closer to the survey results for EI claimants than for the reachback group, given that employment for EI claimants is tracked both through follow-up and through amount of claim.

The divergence in the employment results between the two sources is likely the combined result of differences in the definition of “employed” used in the administrative and survey data and in the follow-up of participants, as well as vagaries in the capture of the data at the HRCC office level.

## 6. Conclusion

The previous sections have provided a broad overview of the methodology and findings for the formative evaluation of Employment Benefits and Support Measures (EBSMs) in Ontario. Below are summary observations and conclusions.

In the main, the formative evaluation results are encouraging, particularly feedback from EBSM clients. The findings pointed to areas of possible weakness related to both administrative/implementation and client-based issues. As the evaluation looked at the early implementation period of EBSM, the findings need to be few from both this perspective and as one element in the process of ongoing improvement in delivering EBSM initiatives to clients in Ontario.

### 6.1 Consistency

Human Resources Development Canada (HRDC) Key informants were in general agreement that the implementation of EBSMs was *consistent with the tenets and principles of the Employment Insurance (EI) Act*. Moreover, the array of programs and services available was believed to broadly meet the needs of various client groups. In terms of duplication or overlap among services, this was viewed as occurring only occasionally. Some key informants suggested potential duplication with community development and labour market research activities.

The program activity data indicate that the full range of EBSM programs is being offered in Ontario, with significant variations across Human Resource Centres of Canada (HRCCs). Training and Employment Assistance Services (EAS) are the most common interventions. It is less clear the extent to which asymmetrical delivery, as a by-product of local level flexibility, has resulted in more effective programming for clients. Many key informants believed program implementation is more strategic now than the period prior to EBSM (e.g., due to the use of action plans, local level flexibility). However, apparent inconsistency in *business planning* processes among areas, may limit the extent of its contribution to strategic planning. Initial analysis indicates that more positive employment results are obtained in those offices with well structured business plans. Given the limited time for review in this evaluation, this relationship requires further investigation.

*Partnerships/contracted services* were viewed as being an important improvement in delivery of EBSMs, ranging from collocation (typically with municipal social services), partnership around project delivery and community consultation. Third party delivery is widely used by offices to deliver services such as case management and employment programs. Perceived effectiveness of this approach is mixed. The evaluation results suggest that during the period of transition to third party delivery, client satisfaction may have suffered. On the positive side, many HRDC key informants believe third party delivery can be more efficient, increase access and feature greater innovation and flexibility.

*Monitoring and accountability* were viewed as weaknesses in the current implementation of EBSMs. There is a lack of confidence in systems available to track employment and unpaid benefits. A comparison between the survey and administrative data suggest that HRDC systems may underestimate employment for some groups, particularly reachback clients and Self-Employment Assistance (SEA) and Job Creation Partnerships (JCP) participants. Second, monitoring of third parties with respect to results is not perceived to be conducted rigorously (nor are delivery decisions able to be made on this basis). Lack of resources was named as a significant barrier to adequate data collection and monitoring. Finally, concerns were raised around the types of measures used to examine results and whether these data accurately reflect the activity and outcomes of the introduction of EBSMs.

## **6.2 Client Targeting and Eligibility**

The *profile of EBSM participants* indicates that the programs attract different client groups, with older, more established and more highly educated clients being more likely to participate in Self-Employment Assistance (SEA) and the work experience programs drawing a younger client group with a weaker labour market attachment. The proportion of reachback clients is lower than the regional target (by about five percentage points). There is a challenge for offices to meet employment and unpaid benefits targets, while at the same time having a balanced caseload that includes reachback clients. A number of HRDC key informants also expressed concern about other groups such as those without EI and Social Assistance support who currently have access to few services. While the observation is beyond the intended scope of EBSM, it points to a perception that there is an absence of clear federal, provincial or municipal responsibility in this area and adequacy of current services and interventions directed toward these groups.

## **6.3 Outcomes**

As mentioned earlier, the majority of EBSM clients participated in a training or EAS intervention. The majority of clients (and non-clients) uses Employment Resource Centres (ERCs). Counselling and action plans, however, appear to be less available (or clients participating in these services do not recognize them as such). *Awareness of the HRDC* role in the delivery of EBSMs is high, and the vast majority of clients have access to services in the official language of their choice. Clients tend to rely exclusively on HRDC services, with relatively few participating in programs from other sources.

*Client satisfaction* with EBSMs is generally high, with SEA and training participants providing somewhat higher satisfaction ratings. Higher satisfaction ratings are also associated with exposure to counselling and program completion. Where there is a weakness in delivery, this appears to be in the information provided to clients about the program options that are available to them.



The outcomes with respect to *employment* are encouraging. In gross terms, over 85 percent of EBSM participants obtained employment within 18 months after their intervention completed. Although no benchmarks exist for comparison, the evaluation analysis would suggest that employment results achieved were reasonable given the relatively early stage of implementation and underlying context of staff reductions and service delivery changes underway in HRDC.

Beyond the gross employment measure, the evaluation analysis found positive indications of incremental employment (measured from both participant responses and comparison group analysis.). Participants' self-assessment of the importance of services in helping them to get a job give a moderate rating to Targeted Wage Subsidy (TWS) and the lowest to EAS. Based on comparison group analysis, all EBSM initiatives, with the exception of EAS, had a positive impact on the probability of achieving employment following the intervention (based on the three measures of employment used). EAS had a positive impact on the probability of obtaining full-time and three consecutive months of employment. The positive findings for SEA need to be viewed in terms of SEA's program cost, appropriateness for all clients, short-term employment advantage and participants' employment in other paid work.

The effects of EBSM participation in terms of *use of government income support* was limited, though these measures are better used at the summative evaluation stage when the post-program period is longer and these results may be more evident. Only SEA reduced the use of Social Assistance (SA). For EI use, there was slight reduction in number of weeks on claim for SEA and Training participants.

In terms of *non-labour market outcomes*, the results indicate a positive advantage for EBSM participants in terms of confidence in their skills. In the qualitative research, participants noted other less tangible benefits of participation including establishing personal networks, development of skills, achievement of a license/certification, and building confidence and self-esteem.

The evaluation analysis supported the findings from *HRDC's accountability measure* of return to work. The measure in fact was found to under-estimate employment. The supporting Management Information System (MIS) limitations in terms of reporting frequency and lack of detail on characteristics of clients and outcomes is viewed as a weakness for its use by HRCC and Regional management.



## 7. *Lessons Learned*

This section presents lessons learned based on results from the formative evaluation conducted of the Ontario Region Employment Benefits and Support Measures (EBSM). The lessons learned are intended to support refinements of EBSM and to share knowledge gained both within and outside Human Resources Development Canada (HRDC).

**Program Environment.** Duplication or overlap among services was viewed as occurring only occasionally in Ontario. While there is potential for duplication with Ontario Works clients (i.e., reachback clients who are on social assistance), this is relevant for only a minority of clients according to the evaluation data. Community development and labour market research activities, however, were identified as potential areas of duplication. Developing more coherent and cohesive delivery and dissemination strategies for information and services has been facilitated in sites featuring:

- collocation arrangements with Ontario Works and other organizations, the physical proximity of deliverers often leads to greater opportunities for formal and informal communication and collaboration;
- communication, either formal or informal, among government departments and community partners which emphasizes information exchange and, to the extent possible, economies of scale in developing and delivering employment programs and services; and
- consultation with community partners through the business planning process or through on-going contact throughout the year.

**Planning.** Business plans vary significantly across Human Resource Centres of Canada (HRCCs), as do approaches to developing them. Planning decisions are strongest when they are based on a combination of factors. Typical factors that have been used include information on past expenditure patterns, client volumes, and availability of HRCC resources and expertise. Additional approaches that have proved useful include:

- assessment of local needs developed through local labour market information (economic and demographic information) or custom research; and
- consultation with community partners. Informal approaches are often feasible in smaller communities where the number of stakeholders is small and there is a prior history of collaboration and exchange. More formal approaches may be necessary in larger centres. In undertaking this kind of consultation, however, there must be a recognition of the time, skills and senior level commitment necessary to be successful.

**Information and Referral.** The client qualitative and quantitative research indicated the importance of maximizing client information on the program options available to them and ensuring connection with the appropriate resources as rapidly as possible. Many clients also wished for greater personalized attention. Sites have responded to this in a variety of ways, for example:

- having a “meet and greeter” at the front-end operation to direct clients to appropriate services;
- providing structured information and referral through the Employment Resource Centre (ERC);
- referral to and contact with an employment counsellor/facilitator;
- strong encouragement and follow-up for attendance at general information sessions; and
- use of action planning.

**Delivery.** One of the key shifts in the delivery of EBSMs has been the move toward third party delivery (with third parties taking responsibility for services ranging from case management to Employment Resource Centres (ERCs) to program delivery). In terms of dealing effectively with third parties, factors of success include:

- open and transparent communication;
- ensuring a high level of expertise and sufficient attention and commitment to ongoing to upgrading of third party deliverers; and
- ensuring sufficient knowledge of HRDC for contractors who are communicating information about the Department to the public, in particular, third party deliverers who are located off site.

**Employment Resource Centres (ERCs).** ERCs (offering electronic and self-serve products) are important complements to HRDCs employment benefits as well as valuable information sources in their own right. The use of the ERCs is greatest when it is accessible in a location that is highly visible and convenient for clients. While having the resource centre within the HRCC office is ideal, situations where this is not feasible should be dealt with through an effective communications strategy for clients to ensure their awareness of and access to the ERC. Accessibility of resources (e.g., computers, workshops) and accessibility to the office itself (e.g., hours of operation) are a vital component of ERC services. They need to reflect client and community needs, which may change over time.

**Developing Partnerships.** There was a broad range of “partnership-style” relationships in the delivery of EBSMs, ranging from contractual relationships with third parties, to partnerships for information exchange, to collaborative efforts in program delivery. Successful partnerships were generally associated with a prior history of working collaboratively, commitment of the individuals directly involved and investments of time and resources. The importance of developing employer “partners” was identified as a key element of successful delivery and a recommended future focus. Having clients approach employers themselves for the Targeted Wage Subsidy (TWS) program can also be an effective way of increasing the visibility of this program among employers.

**Employment Outcomes.** The preliminary results of the formative evaluation point to relatively more positive results where interventions are closely linked to jobs. HRCC staff identified TWS and Self-Employment Assistance (SEA) as particularly successful programs for selected clients, given their close link to jobs and, for SEA, the potential to create new jobs. These programs tend to require greater investments of resources, however. EBSM participants themselves suggested incorporating work experience elements into all interventions to enhance workplace skills and experience and to expand personal work networks.



# *Appendix A:*

## *Evaluation Research Issues and Questions*

### **Implementation and Planning Issues**

Under implementation and planning, five issues are addressed in this evaluation. The first is the extent to which the Ontario Region Employment Benefits and Support Measures (EBSMs), as implemented, reflect the *basic principles* of the *Employment Insurance (EI) Act*, including elimination of waste, reduced dependence on income support and increased self-sufficiency, integration of plans at the community level, local flexibility and partnership. The second planning and implementation issue is the extent to which the mix of locally provided EBSMs addresses the *needs* of individuals, employers, and communities. The third issue the evaluation examines is the extent to which EBSMs were designed and implemented in *partnership* with others in the community. The fourth issue is *flexibility*, i.e., the extent to which EBSMs permit local decision-making and reflect the needs of different communities. Whether locally delivered Employment Assistance Services (EAS) agreements were used to support active employment benefits is also considered. The final planning and implementation issue is *annual targets*, including how targets were set, what criteria are appropriate, and the feasibility of reporting against targets at the local (regional/Human Resource Centres of Canada [HRCC]) level.

### **Service Delivery Issues**

The second set of issues concerns service delivery. The first delivery issue is the extent to which *specific client groups* received benefits and measures, including whether EBSMs were targeted towards specific clients (e.g., job-ready clients or diverse client groups) and the criteria used to select different clients. The second delivery issue concerns the extent to which clients were served in the *language* of their choice (in areas of the province that are designated bilingual) and how service may have differed according to language. The final issue addresses how the EBSMs affected the *way of doing business*. This includes the evolution of service delivery to service/case management; differences between the case management and traditional approaches of delivering services; the delivery of employment benefits through the EAS vehicle; and the impact of the altered policy on office staff and their understanding of their roles and responsibilities.

## Impacts Issues

Under the category of impacts, six issues are addressed by this formative evaluation. The first five: *client satisfaction*, *employment*, *attitudinal*, *client responsibility* and *community impact* lend themselves to be addressed in the short-term. The latter issue: *income dependence* is best assessed in the longer-term. Notwithstanding the difficulty of measuring this last impact issue, this evaluation has included its assessment in order to test methodologies and data availability in preparation for the summative evaluation.

*Client satisfaction* is measured in terms of the extent to which clients are satisfied with the EBSMs, and the extent of and the reasons for discontinuance. The second impact issue is *employment*, including whether clients found employment or became self-employed, unemployment duration, the differential employment effects of individual EBSMs and the characteristics of successful clients. The third impact issue concerns attitudinal impacts, i.e., the extent to which the EBSMs enable clients to develop a *positive attitude* to employment. The fourth impact issue addressed is the extent to which the EBSM encouraged clients to *take responsibility* in the development and implementation of their action plan, including contributing to the cost of the intervention and following up on the action plan. The fifth issue is community impact and serves to re-focus results reported elsewhere in the report but within a community perspective. The sixth impact issue is reduced *income-support dependence*, i.e., the extent to which participants were able to reduce reliance on EI benefits and social assistance by obtaining employment or becoming self-employed and possibly increasing their earnings. Included under this issue are the ratio of employment income to income from EI, the extent to which the primary targets of EI unpaid benefits were met, and how program and delivery factors contributed to the meeting of targets.

## Evaluation Research Questions

### 1. Implementation and Planning

- 1.1 Does the implementation of the EBSM reflect the basic tenets/principles underpinning the EI legislation:
- elimination of duplication and waste?
  - reduce dependency on EI benefits and help clients to obtain employment?
  - integration of community labour market and economic development plans?
  - commitment to partnership approach?
  - flexibility at local level to make decisions?
  - clients assuming more responsibilities?



- 1.2a Was the mix of EBSM provided locally consistent with the employment needs of client groups, employer skill needs, and community labour market and economic development plans?
- 1.2b In particular, to what degree did TWS and training purchases meet employer needs?
- 1.3a To what extent have the EBSM been designed and implemented in partnerships with others in the community? Have the EBSM led to the development of partnerships or enhancement of existing partnerships among the various levels of government, employers, and community groups?
- 1.3b What factors have facilitated/hindered partnership development for EBSM planning and delivery?
- 1.3c How have Labour-Management Partnership Program (LMPP) and local boards influenced EBSM planning and delivery?
- 1.4a To what extent were there flexibility to allow significant decision-making about implementation at the local level?
- 1.4b To what degree were EAS used to support delivery of employment benefits?
- 1.4c To what extent do the use of Part II initiatives reflect the needs of the community?
- 1.5a How did the Region/HRCCs set their annual targets?
- 1.5b Were the criteria appropriate?
- 1.5c To what degree was it possible to report against the targets the needs of the community?

## **2. Impact**

- 2.1a How satisfied are participants with delivery of EBSM and with programs and services provided under Part II initiatives?
- 2.1b To what extent did participants discontinue before their anticipated completion date?
- 2.1c What were the main reasons for discontinuation?
- 2.2a How many clients have become employed or self-employed?
- 2.2b What is the duration of employment and unemployment for clients?
- 2.2c Are there differences based on the type of intervention?
- 2.2d To what extent did the employment accountability measure capture the impact of EBSM on actual client employment?

- 2.2e What is the profile of clients gaining employment?
- 2.3a To what extent have the Part II initiatives helped participants to reduce their dependency on EI benefits and/or Social Assistance? obtain or keep employment? increase their earnings?
- 2.3b How much did clients earn from employment, employment and EI benefits combined, and from other sources?
- 2.3c Have the primary targets in terms of employment and unpaid benefits been met?
- 2.3d What factors (system, delivery, other) affected meeting the targets?
- 2.6a To what extent does the EBSM encourage participants to assume more responsibility in the development and implementation of their action plan?
- 2.6b Have clients who have received assisted services prepared action plans?
- 2.6c Are they taking responsibility for their action plans?
- 2.6d Did participants become involved in decisions related to their interventions?
- 2.6e Are they following through on action plans?
- 2.6f Did participants contribute to the cost of the intervention? Was the contribution appropriate to their circumstances?
- 2.6g Is HRDC following-up?
- 2.7 Did the EBSM assist clients to develop a positive attitude to finding and maintaining employment?

### **3. Service Delivery**

- 3.1a To what extent have specific client groups received the benefits and measures?
- 3.1b Did the new policy result in preference for job ready clients and/or diverse client groups served by HRCCs?
- 3.1c If the former holds, how can this situation be improved?
- 3.1d What was the criterion used to select clients?
- 3.1e How did the selection criterion influence delivery noted in 3.1a?
- 3.1f To what extent has the profile of EI/reachback clients changed? Is this change reflected in clients receiving EBSM?
- 3.2a Are the Part II initiatives accessible in the official language of choice where there is significant demand?

- 3.2b Were those who received Part II initiatives in a minority official language, satisfied with the service?
- 3.3a To what extent have EBSM resulted in “cultural” change in the HRCCs way of doing business? Specifically, to what extent has service delivery evolved to service management?
- 3.3b To what extent is the case management approach a departure from the traditional approach? To what extent have the changes in case management been an improvement?
- 3.3c How has delivery of employment benefits been affected by use of EAS? Has EAS increased access? Has EAS resulted in contributions from other organizations?
- 3.3d Has client awareness of HRDC role/responsibility for EBSM been affected by EAS (and alternate service delivery)?
- 3.3e To what extent have HRCCs/RHQ staff responded to changes in service delivery? Do staff understand their new roles and responsibilities? What factors have influenced the transition to service management?



# *Appendix B:*

## *Evaluation Methodology*

The following are the five principle lines of evidenced used in the Employment Benefits and Support Measures (EBSM) evaluation:

### **a) Documentation and Administrative Data Review**

A review of program documentation was conducted early in the study to understand the program rationale, design, delivery and intended impacts of EBSMs. In addition, program and administrative data were analyzed to develop a profile of EBSM clients and program activity.

### **b) Key Informant Interviews**

A series of forty key informant interviews were conducted as part of the formative evaluation. Interviews were conducted with regional program officials, Human Resources Centre of Canada (HRCC) managers, project officers, and local delivery partners.

### **c) Case Studies**

Case studies were conducted at three HRCCs in Ontario (metro Toronto, Owen Sound and North Bay). The studies were undertaken to illustrate the different service delivery approaches and activities which have developed in response to local needs. Each case study included eight to ten key informant interviews, direct observation of delivery operations (during an on-site visit) and review of site documentation and administrative data (e.g., management and operations, client data, financial information and local labour market information). In addition, two focus groups with EBSM participants were conducted at each site to obtain more detailed feedback from clients on their experience with EBSMs.

### **d) Surveys of EBSM Participants, Short-Term Group Session Participants and Non-Participants**

In total, 1,444 telephone interviews were conducted with EBSM program participants. The sample was defined to include EBSM participants who completed an EBSM intervention between April 1, 1997 and March 31, 1998. On average, interviews occurred between 46 and 54 weeks following the end of the intervention. Survey sampling was based on a random selection, stratified by program type and by language.

In order to measure the incremental impacts of EBSMs on employment and other outcomes, a comparison group of non-participants was identified. The non-participant cases were selected to serve as a comparison group for participants in all EBSMs (excluding those attending a short-term group session) who were Employment Insurance (EI) claimants or “near” reachback clients (i.e., having completed an EI claim within six months of their intervention). In total, 607 interviews were conducted with non-participants.

The comparison group was selected from National Employment Services System (NESS) files linked to Status Vector and Record of Employment (ROE) data. Non-participants were selected based on a similar EI usage profile as participants (i.e., in terms of the length of time between the start of the EI claim and the beginning of the post-program period and in terms of a minimum period on EI defined as the number of weeks into the claim at which participants started their intervention).

In addition to surveys of case-managed EBSM participants and non-participants, a separate survey was conducted of EI claimants who participated in a short-term group session between April 1997 and March 1999. In total, 659 interviews were completed with this group (310 of whom attended a group information session between April 1, 1997 and March 31, 1998 and 349 of whom attended after April 1, 1998). These data were weighted by gender. (Note: the formative evaluation did not include a comparison group for short-term group sessions; as such, the report does not discuss the incrementality of these group sessions.)

## *Appendix C:*

# *Description of Employment Benefits and Support Measures*

- *Targeted Wage Subsidy (TWS)*. TWS aims to help individuals, including those facing particular disadvantages, to find a job that will provide them with work experience. Towards this end, employers are offered a wage subsidy to encourage them to hire a targeted client. The wage subsidy, which should not exceed 60 percent of the individual's wages is to be used over a period not exceeding 78 days. It is hoped that employers will ultimately hire TWS participants on an ongoing basis.
- *Self-Employment Assistance (SEA)*. This program seeks to assist unemployed persons with good business ideas to start their own business. Assistance comes in the form of a SEB similar to Employment Insurance (EI) which is available for up to 52 weeks. Persons with disabilities can receive benefits for an extra 26 weeks if their disability prevents them from making their business sustainable in 52 weeks. Delivery of SEA (including assessing business plans and client suitability) is often contracted to a third party.
- *Job Creation Partnerships (JCP)*. This program encourages Human Resource Centres of Canada (HRCCs), employers and third-party organizations to create incremental and meaningful work opportunities for clients. These job opportunities are to benefit the community and the local economy. Under this intervention, participants receive an EI benefit or non-insurable remuneration which can also include support for child care, transportation or expenses resulting from a disability.
- *Training Purchases*. While the federal government phased out its practice of purchasing training in June 1999, at the time of the evaluation, HRCCs and partner agencies continue to purchase training courses for unemployed clients. The emphasis is on skills training for occupations where there is employment demand. Under the principles of negotiated financial assistance, clients may be asked to contribute to the cost of their training, depending on their ability to pay.

- *Employment Assistance Service (EAS)*. EAS provides funds, often to third-party organizations through service delivery agreements, to help unemployed individuals obtain and maintain employment. Examples of the types of activities covered under EAS agreements are individualized counselling, Job Finding Clubs and job search workshops, employment resource centres, and case-management of clients. As in other EBSMs, both EI claimants and reachback clients are eligible for activities funded under EAS. However, some EAS services are also often extended to individuals without income supports — that is, those who are not on EI or reachback or Ontario Works. Employment resource centres, for example, can be open to all individuals in the community. For EI claimants, EAS can provide access through referrals to other more intensive employment benefits provided by HRDC or another organization. Finally, EAS funds are also used by offices to offer short-term group sessions for EI claimants. These sessions range in duration, but are typically one day or less. The sessions provide participants with an understanding of the employment programs and services available to them. The sessions also cover topics such as job search and job interview tips, job lead development, resumé preparation and local labour market information.
- *Local Labour Market Partnerships (LLMP)*. LLMP provides resources to enhance community capacity in the labour market area. Projects funded under LLMP include, for example, labour market/economic research, community planning and conferences.



## *Appendix D: Human Resource Centres of Canada (HRCCs) Designated as Bilingual Office Areas in 1998*

### **Bilingual HRDC Delivery Sites - 1997/98**

The following table indicates the HRCC service point location obligated to communicate with the public in both official languages in accordance with the relevant provision of the *Act* or Regulations.

This list is provided for reference purposes only. It has been compiled from the information supplied to the Treasury Board Secretariat by each organization.

HRCC	HRCC
Barrie	Mississauga
Belleville	New Liskeard
Blind River	North Bay
Brantford	Oshawa
Brockville	Ottawa East
Cambridge	Ottawa West
Chapleau under Timmins	Ottawa Centre
Chatham	Ottawa Programs Unit
Cochrane under Timmins	Pembroke
Cornwall	Peterborough
Elliot Lake	Sarnia
Espanola	Sault Ste. Marie
Geraldton	Sturgeon Falls
Guelph	Sudbury
Hamilton (Downtown)	Thunder Bay
Hawkesbury	Timmins
Hearst (under Timmins)	Toronto Programs Unit
Kapuskasing (under Timmins)	Metro Training Centre
Kingston	Toronto Centre
Kirkland Lake (under Timmins)	Trenton
London	Welland
Marathon	Windsor
Midland	

SOURCE: Treasury Board website... <http://www.tbs-sct.gc.ca/ollo/english/frame.htm>.