

Evaluation of The Atlantic Groundfish Strategy

TAGS/HRDC

Formative
Evaluation Report

Evaluation and Data Development
Strategic Policy
Human Resources Development Canada

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Executive Summary

i. Background

This report presents findings from the formative evaluation of the TAGS/HRDC program. The findings are derived from the following research activities undertaken for the most part in 1995:

- Surveys:
 - TAGS/HRDC clients 10 percent sample (Surveyed 9/95);
 - TAGS/HRDC clients whose eligibility ended 12/31/94 (surveyed 5/95 & 2/96);
 - Comparison group of HRDC clients (Unemployment Insurance clients) not eligible for TAGS - the "non-participants" (10/95);
- Analysis of TAGS/HRDC client file data;

- Focus groups with TAGS/HRDC clients (5/95 & 8/95);
- Special study on influences of household and gender on adjustment;

More evaluation work will be done this fiscal year in terms of repeating the surveys to further examine program impacts and client adjustment. The findings presented here are, therefore, subject to revision as additional data are generated.

ii. Summary of Principal Findings

1. Compared to HRDC's general Unemployment Insurance client population, the TAGS client population presents particularly serious, long-term challenges for labour market adjustment due to:
 - relatively lower levels of formal education;
 - relatively older age profile;
 - strong attachment to the fishery and its way of life;
 - a high proportion of clients live in isolated, single industry fishing communities;
 - household and gender factors;
 - spouses with continuing employment in home areas;
 - ties to property, home ownership and investments in fishing enterprises;
 - responsibilities for dependents;
 - traditional gender roles which particularly limit female clients in achieving their positive adjustment goals.
2. Despite the constraints, there are significant levels of participation by TAGS/HRDC clients, in active adjustment programs and in employment outside the groundfish industry:
 - at this stage there are indications that the TAGS/HRDC program will meet the overall targets for "adjustment out". The success of other types of fisheries is a contributing factor;
 - close to two-fifths of TAGS/HRDC clients found sufficient employment to establish UI claims in 1995. Over half of these work-UI clients worked in the fishery or in short-term or seasonal jobs in their local areas;
 - TAGS/HRDC clients and HRDC staff report that significant numbers of clients are making good progress through upgrading and skills training, but will likely not complete their "adjustment out" by 1999;
 - there are some difficulties in measuring the current "adjusted out" population, given the numbers of TAGS/HRDC clients who are employed in the fishery or in other short-term, low-skill jobs in their home areas;
 - the new regulations for Employment Insurance will mean that fewer TAGS clients will qualify for E.I. in 1996 than qualified for U.I. in 1995. This issue needs further study.
3. Despite the groundfish shutdown the Atlantic fishery generated record high landed values in 1994, and continued this trend in 1995. Fishers diversified their harvesting operations, and companies processed underutilized species and imported groundfish. As a result:
 - little has changed in the annual work and income patterns of about 10 percent of TAGS clients. Despite the groundfish shutdown, 18 percent of TAGS fishers and 6 percent of plant workers had 1995 incomes from sources other than TAGS benefits that were at least 80 percent of their pre-moratorium (1988 to 1991) incomes;¹
 - some plant owners and managers are using a variety of strategies to maintain their labour forces (i.e.

discouraging adjustment out) while they seek out alternative raw material supplies for processing.

4. Offshore groundfish supplies are less available in 1996, and there will be less work in the plants unless other raw materials are found. Crab quotas will likely be reduced in some areas in 1996. The implications are:
 - employment for TAGS/HRDC clients may drop off in 1996, and the draw on TAGS benefits may therefore increase;
 - the proportion of "inactive" TAGS clients may increase in 1996.
5. Median incomes of TAGS/HRDC clients have changed very little from 1988 to the present. Key issues:
 - limited numbers of crab and/or lobster fishers earn substantial incomes while on TAGS²;
 - about 5 percent of clients worked steadily in 1995 in harvesting or processing and would have experienced little significant change from past income levels had there been no TAGS/HRDC program. Another 5 percent of clients either worked in other areas, or combined fishing and other work, and earned incomes equivalent to their past income levels;
 - in focus groups, some younger plant workers with lower TAGS pay rates and with dependents report serious financial stress while on TAGS.
6. 17 percent of TAGS/HRDC clients are "inactive", i.e., they are neither employed nor actively participating in adjustment programs. An additional 30 percent have done counselling only. While some are SEC fishers with a place in the fishery of the future, there are many others who should be actively preparing themselves to find employment outside the fishery by the time that TAGS ends.
7. There are significant variations in levels of adjustment among different CEC regions, and among communities within regions. These differences reflect:
 - differing labour market conditions in local areas;
 - differing levels of community organization and leadership to deal with the crisis in the fishery;
 - differences in community attitudes or culture;
 - differences in CEC adjustment approaches and priorities.
8. Some sub-groups or "clusters" of TAGS/HRDC clients are over-represented in the "inactive" category. These include:
 - fishers who expect to be in the fishery of the future;
 - older "discouraged clients" who see few options for employment inside or outside the fishery;
 - younger "discouraged clients" with low formal education and with young families, predominantly plant workers.
9. The client characteristics most positively associated with active adjustment are:
 - younger in age;
 - plant workers;
 - higher levels of formal education;
 - women;
 - expect to be employed outside the fishery after TAGS.
10. TAGS/HRDC counselling services are perceived positively by TAGS clients, and frequency of counselling contacts is positively associated with adjustment:

- TAGS/HRDC clients are three times as likely to have talked to a counsellor as members of the non-participant comparison group.
11. TAGS/HRDC training programs are perceived positively by TAGS clients, and ABE programs in particular are seen as helpful in building self-esteem, overcoming deficits in formal education, and getting clients started on adjustment.
 12. HRDC labour market information services are not perceived as significant interventions by TAGS/HRDC clients, and do not appear to have significant impacts on adjustment behaviour:
 - clients report that informal labour market information processes involving family, friends and community members are much more influential in decisions to move in search of employment.
 13. There are early indications that TAGS/HRDC clients who have not adjusted face serious income losses when they exit TAGS:
 - the median 1995 personal income for TAGS/HRDC clients who exited TAGS at the end of 1994 was \$9,000. Over 20 percent of them had household incomes of less than \$10,000 in 1995.
 14. HRDC field staff and TAGS/HRDC clients identify uncertainties about the future of TAGS, and expectations of further program cuts and rule changes, as significant sources of stress. They describe this climate of uncertainty as a significant constraint on long-term decision-making about adjustment.
 15. The total budget for TAGS is \$1.9 billion. The HRDC portion of this overall budget is approximately \$1.7 billion.



[Section 1 : The TAGS/HRDC Client Population](#)

1.1 Estimated Levels of Adjustment, 1995

The following table estimates the furthest clients had advanced in TAGS/HRDC programming by October, 1995. Clients are advanced as far as possible, i.e., if they were in both training and counselling, they are recorded at the more advanced training stage.

Table 1: Activities of TAGS Clients in 1995

Level of Adjustment³	Newfoundland	Nova Scotia	All Regions
Inactive	20%	7%	17%
Counselling	34	17	30
Training	13	11	13
Working with TAGS Support	2	7	3
Worked in 1995 in Fish Harvesting	8	13	9
Worked in 1995 in Fish Processing	9	15	10
Worked in 1995 in Construction	4	2	3
Worked in 1995 - Other Work	11	28	15
Total	100%	100%	100%
N	2028	493	2709

The table shows that just under half of all TAGS clients were either inactive (not employed and not participating in any

TAGS/HRDC adjustment program) or were not working and had received counselling and nothing else. 13 percent were active in TAGS/HRDC training programs, and 3 percent were involved in TAGS/HRDC supported employment activities. The table indicates that TAGS clients in Nova Scotia were more active in a wider range of employment activities than those in Newfoundland.

1.2 Principal Characteristics of TAGS/HRDC Clients

The following table provides a profile of TAGS/HRDC clients at the end of 1995.

Table 2: Profile of TAGS/HRDC Clients 1995

	Newfoundland	Nova Scotia	All Provinces
Number of Clients	27,798	7,777	39,805
Median Age	39	37	39
Percent Without High School	72	75	73
Percent Male	64	72	65
Percent Worked in Processing	60	59	61 ⁴
Percent Targeted	42	30	39

1.2.1 Benefit Profile Of TAGS/HRDC Clients

Table 3: Expiration of Benefits

TAGS Eligibility Expires	
May 1996	2,275
June 1996 to May 1997	3,845
June 1997 to May 1998	8,134
June 1998 to May 1999	25,543

- Median Eligible Weekly Benefit Rate for all TAGS/HRDC clients is \$276;
- Median duration of benefit period is 245 weeks (4.7 years);
- 39,805 clients are eligible for TAGS benefits (December 1995):
 - eligibility for 3,518 clients expired December 31, 1994 (the "Northern Cod Adjustment and Recovery Program rollovers");
 - as Table 3 shows, some clients lose their eligibility each year, but the majority of clients will be eligible until the last year of the program.

1.2.2 Clients with Lower TAGS Benefit Rates

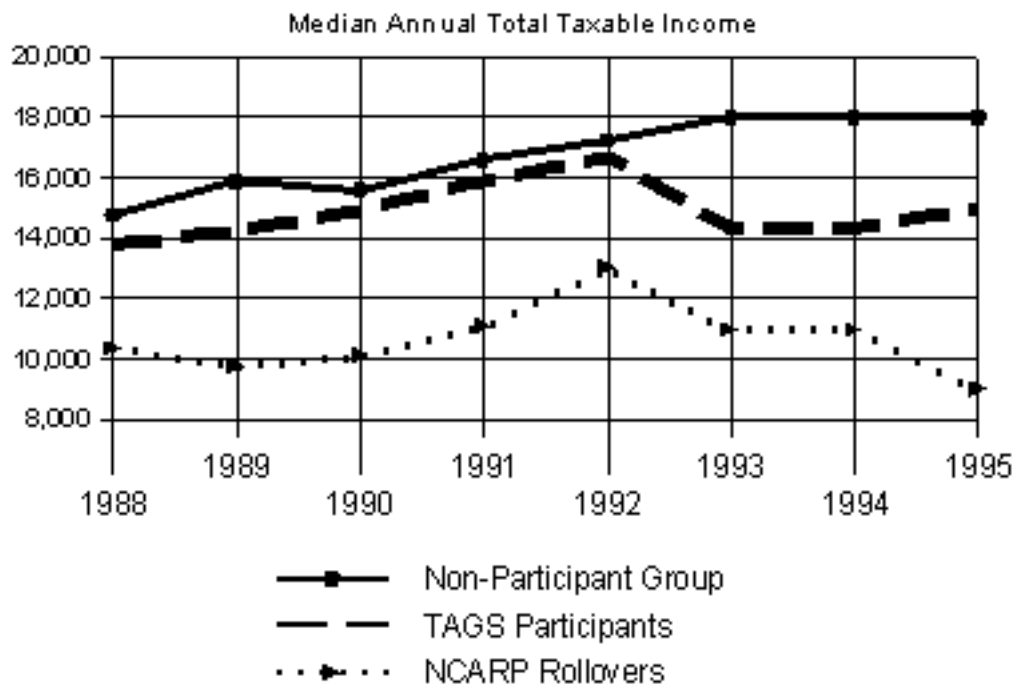
- 30 percent of TAGS clients have eligible benefit rates lower than \$225;
- 90 percent of those with lower eligible benefit rates are plant workers;
- while 70 percent of TAGS clients are in Newfoundland, only 62 percent with lower benefit rates are from Newfoundland;
- Quebec and New Brunswick clients are more likely to have lower benefit rates.
- Plant workers have a lower eligible benefit rate:

- plant workers median is \$238, SEC fishers \$372, non-SEC fishers \$361.

1.2.3 Income History of Clients

- TAGS benefits have approximated pre-closure incomes of clients:
 - for the four years prior to closure (1988-91) median income of TAGS clients was \$14,668;
 - for the first year of NCARP/AGAP (Atlantic Groundfish Adjustment Program) (1992) median income of TAGS clients was \$16,609;
 - for the first full year of TAGS (1995) the estimated median income of TAGS clients is \$14,721.
- Plant workers wages were about double net fishing income of fishers for the four years prior to closure (1988-1991)
 - median earnings from wages for plant workers was \$7,236, while for fishers the median net fishing income revenues minus expenditures were \$3,223.
- The first group of clients exiting TAGS at the end of 1994 (the "NCARP rollovers") have experienced a drop in income, as illustrated in the following figure.

Figure 1:



Source: 1968 to 1994 - T1 Income tax data; 1995 - survey data

Income Trends for TAGS/HRDC Clients, Non-Participant Comparison Group and NCARP Rollovers

1.2.4 History of Clients with Social Assistance

- TAGS clients had a very low incidence of social assistance claims prior to closure of groundfish fishery: 3 percent of clients had a claim in 1992.⁵
- Of the 3,518 TAGS/HRDC clients who exited TAGS at the end of 1994, 12 percent drew social assistance during 1995.

1.2.5 UI History of TAGS/HRDC Clients

- 98 percent of all TAGS/HRDC clients have had at least one claim between 1988 and 1994. The median number of

claims over that period was 7:

- the median number of claims is similar for both Newfoundland and Nova Scotia.
- fishers' median UI benefits were about 50 percent higher than plant workers for the four years prior to closure (1988-1991):
 - median UI benefits for plant workers was \$5,532, fishers \$8,126;
 - median UI benefits collected by Newfoundland plant workers was \$5,963, and by fishers \$8,455;
 - median UI benefits collected by Nova Scotia plant workers was \$3,081, and by fishers \$6,552.

1.2.6 Factors That Constrain Adjustment

- 96 percent of TAGS/HRDC clients live in households with others:
 - 40 percent of TAGS/HRDC clients who live with others indicated that during counselling sessions counsellors focused on the client's individual needs alone and did not mention family concerns;
 - 74 percent of clients live with at least one other person who contributes financially to the household;
 - women clients are 20 percent more likely to live with someone else who contributes financially to the household.
- 84 percent own their own homes:
 - 47 percent pay less than \$400 a month in mortgage/rent and utilities.
- 54 percent of TAGS/HRDC clients live with children under 18 :
 - 35 percent live with children under 12;
 - 13 percent live with children under 5.

1.2.7 Attitudes Towards Mobility

Table 4: Client Attitudes on Willingness to Move to Find Jobs

	Characteristic	Willing to Move
By Gender:	Men	51%
	Women	40%
By Age	In 20s	61%
	In 30s	49%
	In 40s	42%
	In 50s	33%
By Education	Less than High School	43%
	Completed High School	51%
	Some Post-secondary	64%

1.2.8 TAGS and Non-Participant Comparisons

- The Non-participant group are Unemployment Insurance claimants who closely resemble TAGS/HRDC clients.⁶
- Non-participants are a very close match to TAGS/HRDC clients except that the non-participants are better

educated (42 percent have not graduated from high school compared with 73 percent of TAGS clients). They are a closer match than the whole U.I. claimant population, in which about 30 percent have not graduated from high school.

- TAGS clients indicate that they have more barriers to working than do non-participants
- TAGS/HRDC clients attribute much higher importance than non-participants to the following constraints on adjustment:
 - lack of jobs in local area (60 percent vs. 8 percent);
 - having to move to find work (41 percent vs. 2 percent);
 - personal debt (22 percent vs. 8 percent);
 - difficulties in getting needed training (31 percent vs. 5 percent);
 - inadequate education levels (27 percent vs. 6 percent).



[Section 2 : Predictors of Adjustment](#)

2.1 Differences Between CECs in Level of Adjustment Activity

Table 5: Differences in Adjustment Among Newfoundland CECs⁷

Adjustment Level	% for all Clients	Above Avg. CECs	%	Below Avg. CECs	%
Inactive	20	• Port aux Basques	46	• St. Anthony	14
		• Rocky Harbour	36	• Gander	12
		• Stephenville	31		
Counselling	34	• St. Anthony	51	• Grand Falls	19
		• Harbour Grace	47	• Port aux Basques	15
				• Marystown	10
Training	13	• Happy Valley	22	• Marystown	8
		• St. John's	19	• Gander	5
Working while eligible for TAGS	34	• Marystown	68	• Stephenville	14
		• Gander	47		

- Table 5 gives adjustment levels for all TAGS/HRDC clients in Newfoundland, and then shows the particular CEC regions with the highest and lowest percentages of clients at each level of adjustment.

2.2 Counselling and Adjustment

- Influence of counselling interventions:
 - the more often clients have met with their counsellors the more likely they are to be in training while on TAGS/HRDC;
 - the duration of individual counselling sessions does not influence the level of adjustment activity.

- There are modest differences among TAGS/HRDC client groups:
 - plant workers and women are more likely to have met with a counsellor;
 - plant workers also met with counsellors more often than fishers, a difference that is not found between men and women;
 - clients in their twenties met counsellors most often and were most likely to find counselling sessions useful.

2.3 Individual Characteristics and Adjustment Activity

- Targeted clients are more likely to be in counselling and training.
- Non-targeted clients are more likely to be inactive or working in fishery.
- Individual characteristics (Newfoundland only):
 - women, plant workers, better educated and younger tend to be in training or employment supported by TAGS/HRDC programs;
 - men, fishers, those with less than high school education and those over 30 tend to be inactive or employed in the fishery;
 - clients with children are more likely to be in training or employment supported by TAGS/HRDC programs;
 - for men, fishery sector (fishers or plant worker) is associated with the level of adjustment activity, while for women fishery sector is not related to their level of activity.

2.4 Program Influences on Adjustment Activities

- Action plans:
 - the level of adjustment activity is not influenced by the existence of an action plan;
 - 82 percent of all clients do not have an action plan (80 percent in counselling).
- None of the employment programs have been deployed extensively in Newfoundland (data are subject to revisions for Newfoundland and not yet available for other regions):
 - the Community Opportunities Pool (COP) provides 12 or more weeks employment to 0.7 percent of clients;
 - Green projects provide 12 or more weeks employment to 0.4 percent of clients;
 - wage subsidies, SEA (Self-Employment Assistance) and other Employment-related programs provide more than 12 weeks employment to only 0.1 percent of clients.

2.5 Client Attitudes and Adjustment Activities

- Client attitudes are consistent with the level of activity in Newfoundland:
 - if clients expect to be in the fishery in 5 years, they are far less likely to be active in adjustment programs;
 - if clients expect to be employed outside the fishery, self-employed or in training in 5 years, they are more likely to be involved in training or counselling;
 - clients who feel that recipients are likely to be on Social Assistance or on their own when TAGS finishes are more likely to be in training;
 - clients who feel that recipients are likely to be fishing when TAGS finishes are more likely to be inactive or employed while on TAGS/HRDC.

2.6 Plans for the Future

- The majority of clients do not expect to be working in the fishery 5 years from now (year 2000).
 - 59 percent of non-SEC (Special Eligibility Criteria) fishers expect to be working in the fishery and 27 percent of plant workers expect to be working in a plant. An additional 6 percent of plant workers expect to be fishing;
 - fishers and those aged 35-54 and with less than high school education are most likely to expect to be in the fishery.
- About three quarters of Newfoundland clients expect to be living in Newfoundland in five years.
- Clients indicate willingness to move for employment, but less willing to move than the comparison group of non-TAGS HRDC clients:
 - willing to move outside community -TAGS/HRDC clients = 38 percent, non-participants = 51 percent;
 - willing to move outside province - TAGS/HRDC clients =27 percent, non-participants = 38 percent.

2.7 Summary: Factors Associated with Adjustment

Table 6: Client Characteristics, Attitudes & Program Factors Positively Associated with Adjustment

Client Characteristics	Attitudes	Program Factors
<ul style="list-style-type: none"> ● Targeted clients ● Women ● Plant workers ● Better educated ● Younger ● Clients with children 	<ul style="list-style-type: none"> ● When TAGS finishes expect to be employed outside the fishery ● Feel that when TAGS ends recipients will be on their own or on Social Assistance 	<ul style="list-style-type: none"> ● Adjustment is positively associated with number of meetings with counsellors ● Noticeable difference among CECs

2.8 Potential Consequences of Unsuccessful Adjustment

- The TAGS/HRDC clients who exited TAGS at the end of 1994 (the "NCARP roll-overs") resemble those still on TAGS with the exception that their attachment to the groundfish industry was not as strong:
 - this suggests that the NCARP population will have weaker ties to groundfish industry and therefore be more open to adjusting away from reliance on the industry.
- 1995 incomes for the first group to exit TAGS are relatively low:
 - the median income for the expirees was \$9,000 in 1995;
 - the 1995 median household income for these expirees was \$19,000 compared to approximately \$24,000 for eligible TAGS/HRDC clients;
 - one fifth of the expirees had household incomes of less than \$10,000 in 1995.



[Section 3 : Client Views Of TAGS/HRDC Program](#)

3.1 Client Attitudes Towards the TAGS/HRDC Program

- Most clients feel that the main purpose of TAGS/HRDC is to provide income support. In response to the question "What is the main purpose of TAGS?", clients responded:
 - income support - 41 percent;
 - train for work outside fishery - 23 percent.
- Male clients, Newfoundland clients and fishers are more likely to see the purpose of TAGS/HRDC as income support.
- Younger clients, targeted clients and clients with higher education are more likely to support goals of training and jobs outside fishery.

3.2 Attitudes Towards the Future After TAGS

- Attitudes of TAGS/HRDC clients towards the future are not associated with duration of their eligibility.
- Clients are uncertain about their future after TAGS. In response to the question "What will happen when TAGS finishes in 1999?":
 - 35 percent don't know or are not sure what will happen;
 - 36 percent say they will be on their own or on welfare;
 - 26 percent say fishery will reopen;
 - only 4 percent say TAGS will be replaced or extended.
- Attitudes become more realistic once eligibility has expired:
 - fishery will reopen (TAGS/HRDC Clients = 26 percent, NCARP roll-over clients = 11 percent);
 - recipients will be on their own (TAGS/HRDC Clients = 17 percent, NCARP roll-over clients = 39 percent);
 - recipients will be on Social Assistance (TAGS/HRDC Clients = 19 percent, NCARP roll-over clients = 22 percent);
- Newfoundland clients slightly more likely than clients in Nova Scotia to expect the fishery to reopen.

3.3 Attitudes Towards Changes in TAGS/HRDC

- Nearly three-quarters of TAGS/HRDC clients are aware of past program changes and expect future changes.
- The same proportion expects reductions in payment levels and cuts in eligibility.
- After cuts in administration, training and adjustment services, clients prefer cuts in benefit levels rather than duration.
- In surveys and focus groups clients describe uncertainty about TAGS/HRDC programs as a source of stress and as a constraint on their adjustment decision-making.

3.4 Attitudes Towards Counselling

- Clients rated highly the attitudes, ability of counsellors and the utility of the information they provided about TAGS/HRDC:
 - there are no significant differences in the ratings when gender, education level or fishing sector is considered. There are modest differences among CECs.
- TAGS/HRDC clients are three times as likely to have talked to a counsellor as members of the non-participant

comparison group.

- Clients have a positive view of counsellors' attitudes and abilities, but this is not associated with level of adjustment.



[Section 4 : Household Study](#)

- The following points summarize the findings of a special study on the influence of household and gender in adjustment.

4.1 Family and Household Profile of Clients

- Most clients live in nuclear families -- 84 percent live with a spouse and 54 percent have dependent children at home:
 - 29 percent of male clients and 10 percent of females were sole supporters in households;
 - 51 percent of women and 37 percent of men lived in "multiple TAG" households;
 - male clients tend to provide a much higher proportion of their household's income than female clients. In 1995, male clients were responsible for an average of 91 percent of their households' income whereas female clients were responsible for an average of 44 percent of their households' incomes;
- In focus groups clients report deep concerns to get children out of fishery.
- 96 percent of TAGS/HRDC clients are members of households, and two-fifths live in households with other TAGS/HRDC clients.

4.2 Gender Differences in Adjustment Interests

- Female TAGS/HRDC clients generally express greater interest in training and in adjustment out of the groundfish industry:
 - they are relatively more constrained by family ties and spouses who have jobs or are unwilling to move.
- Female TAGS/HRDC clients express stronger interest in community economic development and job creation projects (including COP and Green Projects), and are disappointed in their limited availability.
- Many fishing communities maintain traditional gender roles and relationships:
 - women often do not tend to have an equal say in household decisions;
 - adjustment requires "empowerment" - improved self-esteem and assertiveness.
- There is a need for greater recognition of women's contributions to the fishery and to their families and communities.

4.3 Program Responses to Households and Gender

- 23 percent of clients report that work or plans of other family members are barriers to mobility, and 33 percent say child care or elder care are barriers.
- Clients look for more flexibility in TAGS/HRDC programs to meet their needs for adequate financial support for relocating households for training and adjustment.



Footnotes

- [1](#) 1995 incomes from regular employment, fishing and Unemployment Insurance benefits are calculated from the TAGS pay file. If clients do not send in cards in a given week, it is assumed that they earned 25 percent more that week than their weekly TAGS benefit rate. This is compared with the mean 1988 to 1991 income for each client based on T1 income tax data.
- [2](#) 1995 incomes from regular employment, fishing and Unemployment Insurance benefits are calculated from the TAGS pay file. If clients do not send in cards in a given week, it is assumed that they earned 25 percent more that week than their weekly TAGS benefit rate. This is compared with the mean 1988 to 1991 income for each client based on T1 income tax data.
- [3](#) Sources:
Counselling: TAGS/HRDC Survey
Training: Newfoundland - CECs; other provinces - Phase I & II data
Working with TAGS Support: Newfoundland - CECs; other provinces - CJS Phase I & II
UI Claims: TAGS pay and UI data.
- [4](#) Note that a high percent of clients in NB, PEI and to a lesser extent Quebec, mean that the overall percentage is higher than that for NF and NS.
- [5](#) This information is only available for 1992 because this is the first year that Social Assistance benefits were included in T1 forms.
- [6](#) The sample frame chosen is that of individuals who are part of HRDC's research sample, had a U.I. claim in 1994, live in a rural area, and the National Occupation Code (NOC) classification of the occupation on which their claim was based did not require a post-secondary education. The sample was matched to TAGS clients on the basis of province, gender and age categories.
- [7](#) Smaller CECs are excluded because of the low numbers of TAGS/HRDC clients. Only Newfoundland CECs are described because of incomplete data from the other provinces at the time of writing.