



REPORT TO: Co-Chairs and Members of Public Health and Social Services Committee

SUBJECT: Employment Outcomes – Social Assistance and Employment Opportunities

RECOMMENDATION

That this Committee recommends to Regional Council that:

1. this report be received for information; and
2. that the Regional Chair correspond with the Minister of Community and Social Services and with and the Minister of Children and Youth Services to share Niagara's innovative responses to the downturn in the economy and employment outcomes for Ontario Works participants.

EXECUTIVE SUMMARY

- Beginning in 2006, the Ministry of Community and Social Services (MCSS) based Employment Assistance funding to municipalities on the achievement of targets related to earnings and employment outcomes of Ontario Works (OW) participants.
- Social Assistance and Employment Opportunities (SAEO) currently earns \$6.7 million in Employment Assistance funding that supports each OW participant's path to employment including training programs, transportation costs, etc.
- Niagara's local economy showed signs of the economic downturn earlier than Ontario and Canada.
- Niagara Region began to see an increase in the number of applications for social assistance in the summer of 2008. This increase coincided with the plant closures and lay offs that occurred early in 2008.
- This trend hasn't abated and as of the end of first quarter 2009, the average monthly caseload has increased by 14.9% and the requests for assistance have increased by 24.8%.
- In response to local demands and in order to ensure the continued effectiveness and efficiency of SAEO's services, a number of initiatives were implemented.
- SAEO has responded to the downturn in the economy and to MCSS's outcome based funding by redirecting individuals who are not eligible for social assistance to

community resources, by connecting individuals to opportunities and by supporting job retention for participants who have found employment and left social assistance.

- This work has produced important knowledge and experience that is vital to share with the province in order to influence the future of social assistance.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report. All of the initiatives noted within this report have been within SAEO's approved operating budgets.

PURPOSE

The purpose of this report is to inform Committee and Regional Council regarding Niagara's innovative responses to the downturn in the economy and employment outcomes for OW participants and that Committee and Council recommend that Niagara's experience be shared with the province through correspondence from the Regional Chair to the Minister of Community and Social Services and to the Minister of Children and Youth Services.

BACKGROUND

Employment Assistance Funding

With the implementation of Ontario Works in 1998, the MCSS began funding municipalities based on completing employment activities. Although many view the shift in social policy that occurred in Ontario in the nineties as an extreme shift from Canadian political tradition, these interventions reflected a key principle within Canada's historical model of welfare; that it is the *collective* responsibility for *individual* maintenance¹. Founded on the principle of equal opportunities with maximalist full employment as the goal, Canadian policy has historically worked through government and business partnerships.² Consequently, funding was intended to support the participant's shortest route to employment with MCSS providing 80% of the investment and municipalities contributing 20%. At the launch of this arrangement, Niagara earned \$5.3 million in Employment Assistance funding.

In 2000, Employment Assistance funding was generated based on the levels of each participant's involvement in employment activities. There were three levels of service each generating increased funding corresponding to the intensity of employment supports provided to the OW participant. This model was criticized because it was activity and not outcome based.

¹ Mullaly, B. Structural Social Work. Oxford University Press, 1993. p48

² Ibid

In August 2004, COM 57-2004 detailed the Provincial announcement to change Employment Assistance Funding. As a result of the municipal, AMO and MCSS working group, it was recommended that funding should be linked to achieving outcome targets. It was also recommended that the set of outcomes and measures and their link to funding be consistent with three key themes:

- Directing the right kind of support to people to help them prepare for and find jobs
- Helping people improve the quality of their jobs
- Helping people keep jobs

The funding model was implemented in 2006 and was seen as an improvement upon MCSS's past funding formula as it allows SAEO to respond to the specific needs of the Niagara's unique labour market. A two year planning and funding cycle also allows the opportunity for staff to adjust the approach with participants should targets not be met.

Since implementation Niagara has achieved the following outcomes:

OUTCOME MEASURE	2006	2007	2008
Average amount of employment earnings for participants with earnings	\$667.95	\$699.67	\$734.81
Average amount of employment earnings at exit where earnings have taken benefit unit off assistance (i.e. termination due to excessive earnings in the preceding month).	\$1,136	\$1,035	\$1,042
Percentage of caseload with employment income	14.23%	13.57%	12.62%
Percentage of benefit units exiting to employment where earnings have taken benefit unit off assistance. (i.e. termination due to excessive earnings in the preceding month.) (Average monthly percentage)	19.68%	18.87%	19.12%
Job retention rate determined by average length of time from exit due to earnings and/or employment to re-entry into social assistance where earnings have taken benefit unit off assistance. (i.e. termination due to excessive earnings in the preceding month.) (within last 24 months)	8.59 months	8.56 months	8.82 Months
Job retention rate determined by the percentage of benefit units who exit social assistance due to earnings and/or employment and return where earnings have taken benefit unit off assistance. (i.e. termination due to excessive earnings in the preceding month.) (within last 24 months)	8.12%	8.17%	8.04%
Average length of time to employment for benefit units that did not have earnings at entry where earnings have taken benefit unit off assistance (number of months since grant date)	Not collected	11.03 months	11.58 months

Niagara's Economy and SAEO's Increased Caseload

Niagara began to experience a higher than provincial unemployment rate in the second quarter of 2008.³ Job loss has continued at a steady rate in the manufacturing and goods-producing sectors.⁴ As detailed in COM 03-2009, Niagara Region began to see an increase in the number of applications for social assistance in the summer of 2008. This increase coincided with the plant closures and lay offs that occurred early in 2008.

Niagara's local economy showed signs of the economic downturn earlier than Ontario and Canada. The Canadian Economic and Fiscal Statement confirmed that the "Canadian economy entered a recession in the fourth quarter of 2008. Private sector forecasters expect the recession to last three quarters."⁵ SAEO is working with stakeholders to track service demands across social service agencies in an effort to understand better community pressures related to the continued downturn in the economy. This process is in development and staff will report the results of this information gathering to Committee and Council when completed.

Until the summer of 2008, SAEO caseload and intake trends remained relatively consistent. Since 2005, Niagara's Ontario Works caseload has grown by 6.6%. This growth has been steady and has mirrored local economic trends. Niagara's local economy has shifted away from manufacturing toward the service sector. Since 2005, Niagara lost approximately 7,000 jobs or experienced a 23% employment decline in this sector. Furthermore, the caseload pattern began to differ from previous years showing an increase where historically there had been a decline in the number of cases. As anticipated, this trend has not abated and so far in 2009 the average monthly caseload has grown from 7,491 in 2008 to 8,620 representing a 13% increase⁶. COM 15-2009 Increased Demand for Social Assistance approved the increase to SAEO's full-time compliment by four full time front line staff. The additional staff was needed not only to respond to the increased demand for social assistance as a result of the downturn in the local economy but also to continue to ensure that social assistance recipients receive quality employment and family supports

A number of plant closures and layoffs were announced in Niagara in 2008 resulting in an unemployment rate second highest in Canada.⁷ SAEO saw an increase in the number of applicants who had been laid off but a decrease in the number of applicants who were either waiting for or exhausted their EI benefits.⁸ When compared to the same period in 2007, in 2008 the number of Employment Insurance (EI) claims increased by 14.5% with the largest portion of claimants being male, 45-64 years of age and never before needing Employment Insurance benefits.⁹

³ April-June 2008 Unemployment in Niagara 7.1% compared to Ontario's rate of 6.5%

⁴ Niagara Workforce Planning Board – Change in Employment by Industry Cluster. January 2009

⁵ Flaherty, J. Canada's Economic Action Plan: Budget 2009. January 2009, p 14.

⁶ Average monthly caseload jan-dec 2008 was 7,491. average monthly caseload jan-april 2009 was 8,620.

⁷ Statistics Canada Labour Market Bulletin Dec 2008 – rate of 8.8%

⁸ SAEO Intake analysis Nov 07 to Nov 08 comparison

⁹ SAEO labour market analysis – Action Centre report April-June 2008

REPORT

SAEO has monitored these trends and has put in place a number of responses to ensure continued effective and efficient service delivery. The responses are intended to:

- Redirect individuals who are not eligible for social assistance to community resources
- Connect individuals to opportunities
- Support job retention for participants who have found employment and left social assistance

Redirect individuals

When compared to the first quarter 2008, applications for social assistance have increased by 24.8% in 2009. Approximately 89% of applicants are eligible for benefits. In order to be eligible, an applicant's assets must not exceed the maximum monthly OW entitlement. However, "having low exemptions on liquid assets [...] means that households have no cushion against unforeseen emergencies and [...] it [is] more difficult for them to cover additional costs as they try to move into the labour force."¹⁰ SAEO recognizes that the depletion of assets necessary to qualify for social assistance can make the exit "from welfare that much more difficult."¹¹ Consequently, the Outreach Initiative was established to support the remaining 11% of applicants who are ineligible for assistance.

As previously noted, SAEO has seen a growing number of individuals applying for assistance for the first time. Because of their recent and often lengthy attachment to the workforce, these applicants have assets that exceed the OW allowable levels and are withdrawing from the application process left with few options except to reapply for assistance once their resources are depleted. Launched on June 1st, 2009 and dedicating .20% of one case manager's time, the Outreach Initiative provides individuals with detailed, personalized information on services in the community that may support the ineligible applicant's entry or re-entry to the work force.

At the point of intake, applicants who choose to discontinue from the intake process because their asset levels exceed the allowable amounts, are offered the opportunity to speak with a case manager who provides information on relevant programs and services that can assist in returning to the workforce. Contact occurs within one business day. This initiative will be monitored and evaluated to understand if the anticipated high return on investment is realized and individuals who are assisted with this response are able to delay or avoid the need for social assistance.

For individuals who choose to continue with their application, SAEO recognizes that recent attachment to the labour market is an advantage for an applicant's search for employment. With this principle in mind, SAEO implemented the Rapid Re-employment Initiative in 2008. The Rapid Re-Employment initiative was implemented to provide

¹⁰ National Council of Welfare. Welfare and Incomes 2006 and 2007. winter 2008 volume 128 p12

¹¹ Ibid p13

qualified OW applicants immediate access to available job openings at the beginning of the application process. Two sectors were identified as part of the pilot process; Hospitality and Customer service. Individuals with 'recent' (i.e. within the last 6 months) work experience in either of these sectors were offered an opportunity to connect with employment staff while waiting for their application interview and eligibility assessment. The focus on the Hospitality sector ran from June 1-September 30, 2008 and Customer Service ran from October 1, 2008 - December 31, 2008. A detailed report is being prepared by LATIS Consulting and is still pending.

The chart below details the measureable results at Application and status with OW at 3 months.

Rapid Re-Employment Program- Statistics			
	Hospitality	Customer Service	TOTAL
Number referred to Job Developer	47	20	67
Number who followed through with project	30	13	43
Number of job offers as a result	1	3	4
3 Month Check Point			
Number exited due to employment	9	2	11

Through the contacts that SAEO staff has with employers in these sectors, 9% of the individuals were qualified and able to fill immediate vacancies and therefore did not need to apply for social assistance. Of the total referred in this initiative, 16% exited OW after 3 months.

Connect individuals to opportunities

It is often the connections with other people that result in finding jobs or opportunities for employment.¹² For long tenured workers who have lost their jobs, have exhausted or are ineligible for EI, the transition to social assistance can be devastating on self esteem and social networks that are vital to support re-attachment to the labour force. For individuals having difficulty finding employment, SAEO offers opportunities to utilize existing skills and to build new social networks through the Community Placement program. This program matches volunteer opportunities within the non profit sector with an OW participant's skills, knowledge and training. SAEO has active partnerships with 92 agencies and is supporting 251 individuals in active Community Participation Placements from West Niagara to Fort Erie. Their volunteer responsibilities include duties such as clerical office help; fundraising; friendly visiting / meal assistance to seniors and the disabled; environmental protection; janitorial and maintenance; assisting with the facilitation of art workshops and camps and retail and merchandising help.

¹² Niagara Workforce Planning Board. Niagara's Labour Market in Transition. March 2009 p71

As an employer, Niagara Region also demonstrated a commitment to support the transition for long tenured workers into meaningful opportunities. Initiated by the Director, Transportation Services, SAEO, Human Resources, CUPE 1287 and the YMCA worked together to hire 8 people who had been laid off in 2008 and whose EI benefits were nearly exhausted to fill summer vacancies historically awarded to students. This initiative will be replicated and Niagara Region's labour pool will now be replenished through this partnership. As a result, these workers will now have access to new networks, develop new skills and possibly avoid altogether the need to apply for social assistance.

Support Job Retention

When the province shifted to outcome based funding, a number of legislative changes were made to eliminate the barriers to employment and increase attachment to the labour force for OW participants. One of these legislative changes included the provision of health benefits for six months to participants who exit social assistance to a job and who need drug coverage for themselves or a member of their family. This change signified MCSS's recognition that supports need to be in place to help people keep jobs after leaving social assistance. Job retention is an OW outcome that is not very well understood. Consequently, SAEO has worked with a Niagara based researcher to better understand which supports, if any, can be offered by SAEO to help individuals who leave social assistance to employment to maintain their employment¹³.

The intent of the Job Retention Pilot was to understand the impact that policy and practice can have on the outcomes that are intended. Therefore, SAEO established a pilot project that offered 405 randomly selected individuals a combination of practical support (financial assistance for six months after exiting assistance) and/or soft skills support (providing job retention coaching). Over a twelve month period, data was collected and analyzed using qualitative and quantitative methods. The pilot was evaluated utilizing impact, outcome and process evaluation methods. Approximately 63.5% of individuals declined support packages including additional financial assistance. Of the 36.5% of people who accepted the packages, the support most valued was the job coaching provided by SAEO staff. These findings are profound as they help to dispel a common myth that people in receipt of social assistance will remain on social assistance as long as financial benefits are available.

Further, 28.4% of the individuals who declined support packages returned to social assistance compared to 24.3% of those who accepted the support packages. Although 4.1% fewer individuals returned to social assistance after receiving supports, one cannot determine from this research alone what factors contributed to greater job retention. Further inquiry is needed specifically with a focus on the role that individual and community assets play in successful exits from social assistance.

¹³ Latis Research. Job Retention Initiative. 2008

In the report, *Breaking the Cycle*¹⁴, Minister Deb Matthews commits to reviewing social assistance and establishing a social policy institute that links practice with evidence. SAEO has responded to the downturn in the economy and to MCSS's outcome based funding by redirecting individuals who are not eligible for social assistance to community resources, by connecting individuals to opportunities and by supporting job retention for participants who have found employment and left social assistance. This work has produced important knowledge and experience that is vital to share in order to influence the future of social assistance.

Submitted by:

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¹⁴ Matthews, D. *Breaking the Cycle*.