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Summative Evaluation of Provincial Benefits and Provincial Measures Delivered under the Canada-Manitoba Labour Market Development Agreement

Final Report
March 2012

*Summative Evaluation of Provincial
Benefits and Provincial Measures
Delivered under the Canada-Manitoba
Labour Market Development Agreement*

Final Report

*Evaluation Directorate
Strategic Policy and Research Branch
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List of Abbreviations

EAS	Employment Assistance Services
EP	Employment Partnerships
HDO	High Demand Occupation
HRSDC	Human Resources and Skills Development Canada
LMDA	Labour Market Development Agreement
PBPMs	Provincial Benefits and Provincial Measures
SD	Skills Development
SE	Self-Employment Assistance
WS	Wage Subsidy

Executive Summary

This report presents findings from the Summative Evaluation of the Canada-Manitoba Labour Market Development Agreement (LMDA) and covers participants who completed participation in the period April 2003 to March 2005.

The LMDA came into effect on November 27, 1997 and transferred responsibility to Manitoba for the planning, design, delivery and management of Provincial Benefits and Provincial Measures (PBPMs) similar to Employment Benefits and Support Measures. These include: Skills Development (SD – classroom training including the classroom component of apprenticeship training); Wage Subsidy (WS – subsidized employment); Self-Employment Assistance (SE – assistance to start a business); Employment Partnerships (EP – work experience); and Employment Assistance Services (EAS – employment services including counseling). These are funded through Part II of the *Employment Insurance Act* (discretionary funds). Part I of the *Act* covers entitlements to income support (Employment Insurance benefits).

The general objectives of this summative evaluation were to assess the relevance and performance of the PBPMs. The evaluation examined the effectiveness of the programs in relation to their impacts on employment, earnings, self-reliance and cost-benefit. More specifically the evaluation addressed the following issues: needs; satisfaction; access; adequacy with support levels; completion; objectives achievement; other changes; employment; impacts; and costs.

The evaluation used multiple lines of evidence. Both qualitative and quantitative data collection methods were applied including surveys of participants and non-participants. The survey did not achieve the required completions needed for impact analysis. As a result, the evaluation utilized administrative data for this purpose, which provided robust estimates of program impacts.

The analysis focused on impacts for two groups of insured participants: active claimants (those with an Employment Insurance claim at or near the start of their participation) and former claimants (those eligible by virtue of an earlier claim). Other groups of particular interest in Manitoba were defined as employment equity groups (persons with disabilities, visible minorities, Aboriginal persons, and women) and populations of sub-provincial geographic regions (Winnipeg, Northern Manitoba, and Rest of Manitoba – defined as areas of Manitoba other than Winnipeg and the North). There were few statistically significant differences in respect to these groups of interest.

Summary of findings

Findings may be shaped by Labour Market Development Agreement context

Compared to other provinces Manitoba has the lowest proportion of working aged individuals. Manitoba's population 25 to 64 years of age also has lower educational attainment than most other Canadians in this age group. In the period after participants in this

study had finished their PBPMs, Manitoba experienced low to very low unemployment, low but consistent employment growth, and skill shortages in many areas.

The typical participant was male, born in Canada and was: 35 years of age or older; married or living common-law; with no children and with two or fewer people in their household. The typical participant had high school education or less and an annual household income of less than \$30,000. Similar to the Manitoba population 14% were Aboriginal, 11% a visible minority and 9% had a disability.

Participants while similar to a selected group of non-participants in other characteristics tended to have more multiple needs and more individual needs to: upgrade basic skills; obtain industry or occupation-specific job skills; look for or find a job; prepare for next employment or maintain current employment; start or run a business through self-employment; and pay for the cost of education or training needed for employment.

Participant satisfaction was high

More than one-half of participants were highly satisfied, reporting the top two ratings on a 7-point satisfaction scale, where “7” was “very satisfied” with the following aspects of their participation: access to assistance provided from someone in a government or an employment office or by a community organization; access to PBPMs taken; PBPM taken; and level of support provided to participate in a PBPM.

Concerns expressed related to access for those in rural/remote areas

Manitoba offered services delivered either by; staff who travelled to clients, telephone, or Internet (where available) to help improve access. Despite these services, access to PBPMs was said to vary from easy to very easy by the majority in Winnipeg participant discussion groups, to difficult or very difficult by one-half from the North Region and by a majority from the Rest of Manitoba. Almost all in staff and service provider groups indicated participants from smaller and/or northern or remote communities had less access to PBPMs. Those in community partner groups also identified that remoteness would decrease access.

Concerns expressed related to adequacy of support

Despite general satisfaction with the level of support by those who had participated, many key informants thought financial support was inadequate. Their particular concern was the maximum level of support, which did not vary by participant or participation characteristics. As a result a differential impact might result depending on the particular characteristics of the participant (such as not being eligible for Employment Insurance Part I benefits (former claimants)) or the characteristics of participation (such as long duration or high costs for travel or tuition). Supporting this view financial need was identified as the reason for working by 30% of those who worked while participating and by 49% of former claimants who worked while participating.

Almost all served in language of choice

French language services were offered in Manitoba in a number of areas. These include in areas required by the Federal *Official Languages Act* in keeping with provisions of the LMDA. The language of service for participants assisted by someone at a government or employment office or by a community organization or for those who received a Provincial Benefit (PB) was almost always English or English and French. More than 99% of those who were assisted in English and 99% of those who took their PB in English preferred this language choice.

Most achieved goals and completed participation

Seventy per cent (70%) of participants who set goals for their participation said they had achieved all of them.

Staff and service providers suggest that about 90% complete their PBPMs.

Ninety per cent (90%) of surveyed participants whose main PBPM was SD or SE identified completing their programs. Of the few who had not completed, the main reason for non-completion was starting employment. This was mentioned by 44%. Only 20% identified program-related problems as the reason for non-completion.

At least 65% of WS and EP participants in the survey completed their programs. Thirty-one per cent (31%) of participants in these programs were still working for the WS/EP employer at the time of the survey – a minimum of five years after the intervention would have ended.

Provincial Benefits and Provincial Measures achieved program-specific objectives

Key informant interviews and discussion groups of staff and service providers, and participants identified PBPMs achieve program-specific objectives: new skills, new credentials, employment gains related to the skills and credentials, and a better understanding of the labour market.

The survey offered an opportunity to assess differences between participants and the 43% of comparison group members who participated, at about the same time, in government programs or took classroom training not funded by the LMDA. It found more participants:

- **Obtained a certificate or diploma.** Participants were more likely to obtain a certificate or diploma (66%) than were the sub-group of comparison group members (52%).
- **Got a main job through their certificate/diploma.** More participants (81%) than comparison individuals (72%) who identified receiving a certificate or diploma through “participating” felt that their subsequent employment was attributable to their certificate/diploma.

- **Obtained new skills.** Participants were more likely to obtain new skills (85%) than were the sub-group of comparison group members (75%).
- **Got a main job through the new skills.** More participants (77%) than comparison individuals (71%) who identified getting new skills through “participating” felt that their employment was as a result of their new skills.

Positive changes occur in attitudes and employability skills

A minority of key informants identified other impacts for participants including: improved self-esteem and self-confidence, increased employability, and increased essential skills.

Participants relative to comparison group members were more likely to agree they were better able to find a job, more willing to move to find work, and more interested in improving their job skills through further training.

Labour force shortages were reduced

Key informant interviews and discussion groups indicated a heavy emphasis was placed on promoting work in areas of labour force shortages. This emphasis was said to have resulted in large numbers of participants finding work in occupations targeted as high demand occupations (HDOs). Survey results indicate a shift toward more participants working in HDOs relative to comparison group members following participation. More participants (39%) and particularly participants of SD (41%) found work in HDOs after participation relative to comparison group members (35%).

Employment increased for most

The telephone survey found more participants than comparison group members worked (89% versus 82%) and they worked more of the time (83% versus 78%) after participation or a similar period for the comparison group.

A significant minority (43%) of participants felt participation was highly important to them getting their main job after their PBPMs ended.

Net impacts for most active claimant groups were positive. Few former claimant groups experienced positive net impacts

The econometric analysis estimated incremental impacts of participation or changes that occurred as a result of participation in a PBPM for active and former claimant groups. It also estimated incremental impacts by region of Manitoba, main PBPM taken, and various time periods.

Estimates of the incremental impacts of participation indicated almost all active claimant groups: work more (average increase in the incidence of employment between 2.4 and 2.8 percentage points in the three years after participation); earn more (average gains \$2,880 to \$3,886 annually); use Employment Insurance less (average change of \$-486 to \$-788 annually and -1.6 to -2.8 weeks on Employment Insurance annually); and increase their self-sufficiency (average change in dependence on government support of from -

3.3% to -5.8%) as a result of participation. Additionally about one-half of active claimant groups see a reduction in their use of Social Assistance. The average change was between \$-37 and \$-71 annually.

A majority of former claimant groups worked more after participation with the average increase in the incidence of employment between 2.3 and 3.2 percentage points annually. Few other significant impacts occurred for former claimant groups. After participation earnings impacts were mixed with some groups showing gains and others losses. On average earnings increased in the third year following the end of participation by \$974. Impacts were mixed in terms of Employment Insurance use. On average Employment Insurance benefits were reduced. The change was \$-216 and -0.7 weeks in the first year after participation ended. There were no significant impacts for former claimants on Social Assistance use or self-sufficiency.

Participants and government shared in the costs of participation

Both participants and government incurred costs related to participation. On average participants incurred \$1 for every \$2 incurred by government.

Where appropriate, participants shared in the costs of participation through a process called negotiated financial assistance. On average, out-of-pocket costs were \$1,959 for active claimants and \$1,383 for former claimants. Costs incurred by active claimants ranged from \$451 for those taking WS to \$3,615 for those taking SD. Costs incurred by former claimants ranged from \$484 for those taking EAS to \$2,612 for those taking SD.

Government incurred costs of \$3,776 for the participation by active claimants and \$2,655 for the participation by former claimants, on average. Costs varied depending on the main PBPM taken and by the active or former claimant status of the participant. For example, for active claimants average government costs ranged from \$744 for those taking EAS to \$10,222 for those taking SD as their main PBPM. For former claimants, average government costs ranged from \$763 for those taking EAS to \$9,995 for those taking SE as their main PBPM.

Positive net benefits resulted for 74% from a participant perspective and 64% based on a government or society perspective

Benefits exceeded costs or a positive net benefit resulted for all active claimants except those who took SE. A positive net benefit also occurred for former claimants who took WS. Overall, the benefits of participation outweighed the cost of participation of 74% of participants.

For active claimants, net benefits to participants were mostly positive, averaging \$4,582 and were found in all regions and for all interventions except for those who took SE. For former claimants net benefits to participants were mostly negative, averaging \$-2,134, being positive only in the Rest of Manitoba and for WS. The net benefits from a participant perspective for active claimants and former claimants by region and by main PBPM taken are provided in Table 1.

In addition, the study found a positive net benefit for government and for society from participation by all active claimants other than those who took SE and SD. This reflects 64% of participants for whom the benefits exceeded the costs of participation for government and for society.

Participation by active claimants resulted in net benefits to government of \$1,606 on average. The net benefits to society resulting from participation by active claimants were mostly positive, averaging \$6,188. The net benefits to government and to society from participation by former claimants were negative, averaging \$-2,581 and \$-4,715 respectively. Table 1 indicates the net benefit from the perspective of government and society for active claimant and former claimant groups by region and by main PBPM taken.

Table 1						
Net benefit to participant, government and society for active and former claimant groups						
	Main PBPM	Region	Participant	Government	Society	
Active claimant	All		4,582	1,606	6,188	
	SD		1,148	-6,730	-5,582	
	WS		9,636	1,823	11,459	
	SE		-27,862	-15,326	-43,188	
	EP		19,209	3,526	22,736	
	EAS		3,304	3,393	6,697	
			Winnipeg	4,684	1,899	6,582
			Rest	5,232	1,693	6,924
			North	3,066	195	3,261
	Former claimant	All		-2,134	-2,581	-4,715
SD			-2,208	-11,084	-13,292	
WS			1,549	-1,851	-302	
SE			-23,787	-14,956	-38,743	
EP			-1,000	-8,264	-9,264	
EAS			-3,483	-1,512	-4,995	
			Winnipeg	-3,743	-2,033	-5,766
			Rest	1,586	-2,216	-630
			North	-3,402	-5,491	-8,892

Findings identified for consideration and recommendations for improvement

Overall the study found positive findings for Manitoba. The following findings for consideration are presented with recommendations to improve these generally positive results.

Determine if outcomes can be improved for former claimants

The evaluation found positive results for most active claimant groups. It found fewer positive results for former claimant groups, particularly related to earnings, self-sufficiency and cost-benefit.

The study identified some differences between former and active claimant participants in terms of their characteristics and needs at the time participation began.

These factors were potential contributors of the poorer outcomes of participation for former claimants. However, other program factors may have contributed to the lack of success for former claimants. One suggestion put forward by key informants was the disproportionate effect Employment Insurance Part II maximum funding limitation might have had on former claimants, as the latter group was not eligible for Employment Insurance Part I support during their participation.

Recommendation 1: Explore reasons why former claimants may be less successful in their labour market outcomes and make changes where appropriate.

Determine if outcomes can be improved for Self-Employment Assistance participants

The evaluation found few positive results for participants of SE, particularly related to employment, earnings, self-sufficiency and cost-benefit. This was particularly clear for active claimants taking SE who did not achieve the same level of results compared to active claimants taking other PBPMs.

There were too few SE respondents to the telephone survey to identify possible reasons for the poorer results for SE participants. Also, the evaluation could not conclude with certainty that those who choose to participate in SE were not different in some unmeasured way from the comparison group used by the analyses. This may have affected the comparison and hence the results from the econometric and cost-benefit analyses.

Furthermore, the cost per participant of SE training appears high, contributing to the poor cost-benefit results. Potentially the delivery model used for SE is cost prohibitive at smaller participant volumes.

Recommendation 2: Explore reasons for the poor results for SE and make changes where appropriate. Suggested areas for investigation include inefficiencies delivering SE at low volumes (high costs per participant) and whether SE provides the best option for employment/success during periods of low unemployment (when jobs with existing employers are more plentiful).

Determine if maximum levels for Employment Insurance Part II support warrant changes

Key informants indicated that Employment Insurance Part II support was subject to a maximum amount and during the period under study, this amount had remained constant since 1997. Further, they suggested this maximum support could have a differential impact depending on the circumstances of the participant, particularly if participation costs were higher in their region, or they needed to leave their home community to participate, or if the individual was not eligible for Employment Insurance Part I support.

Although participants in the survey suggested support levels were adequate, the survey covered only respondents that had been successful accessing PBPMs at these support levels.

Recommendation 3: Review the maximum levels for Employment Insurance Part II support, and consider variable maximums based on objective criteria such as location or need for travel and make changes where appropriate.

Determine if access can be improved for those in rural/remote areas

Manitoba offered services delivered either by; staff who travelled to clients, telephone, or Internet (where available) to help improve access. This was particularly beneficial to those located in rural and remote areas. Notwithstanding, evidence from discussion groups of participants, staff and service providers and community partners suggested access to PBPMs was more difficult in rural and remote areas. As discussed earlier, this may have been related to the issue of the differential impact of maximum Employment Insurance Part II support levels affecting participants from rural and remote areas due to their higher transportation costs. However there may be other access issues particular to those in rural and remote areas that warrant attention.

Recommendation 4: Review measures to improve access to PBPMs by those in rural and remote areas and make changes where appropriate.

Management Response

Background

The purpose of the Summative Evaluation of the Canada-Manitoba Labour Market Development Agreement (LMDA) was to examine the incremental impacts on participants of Manitoba's Provincial Benefits and Provincial Measures (PBPMs). The evaluation focused on medium term measures of the effectiveness of programs, and the assessment of their impacts on employment, earnings, self-reliance, and cost-benefit.

The evaluation was undertaken with the guidance of the Canada-Manitoba Joint Evaluation Committee, which oversaw the design and conduct of the evaluation. The Joint Evaluation Committee consists of representatives from the provincial and federal government, including Manitoba Entrepreneurship, Training and Trade, Service Canada's Western Canada and Territories Region, and Human Resources and Skills Development Canada (HRSDC). The Joint Evaluation Committee would like to thank all those involved in this evaluation and particularly those involved in delivering programs and services under the LMDA.

Canada and Manitoba's joint management committee – the Labour Market Management Committee – has reviewed and accepted the evaluation findings and is pleased to present this Management Response on behalf of both orders of government.

Introduction

This Summative Evaluation provides strong evidence of the effectiveness of PBPMs on participants and Manitoba's labour market. The evaluation contains analyses for individuals who participated in a PBPM during the reference period (2003-05) as well as a comparison group of similar individuals who did not participate. The field work was conducted in 2010, which allowed for an assessment of program impacts for up to three years (2006-09) after program participation had ended. Recognizing that Manitoba's labour market and population have changed considerably since the reference period, the findings provide valuable information to support ongoing improvements to the design and delivery of the PBPMs in support of Manitoba's labour force development.

Key Findings

Overall, the Summative Evaluation found many robust and very positive program impacts. The Summary Report highlights a number of these findings:

- There was a high level of in-program satisfaction among PBPM participants, staff and service providers that helped participants achieve program-specific objectives.
- The majority of participants surveyed reported achieving their goals and completing their program related participation.
- Most participants who obtained a certificate, diploma or new skills reported that it was attributable to their subsequent employment.

- Participation resulted in increases to employment, earnings and self-sufficiency for most active claimant groups and some former claimant groups.
- From a cost-benefit perspective, all programs for the active claimant group yielded a positive net benefit to participants, with the exception of self-employment. Overall, the benefits of participation outweighed the cost of participation for 74% of participants.
- More participants worked in high demand occupations following participation than comparison group members, which contributed to the reduction of labour shortages in priority sectors.

The evaluation also identified areas of improvement for further investigation and follow up action. Specific observations on the areas for improvement are addressed below.

Discussion group participants, staff, service providers, and community partners expressed concerns relating to access for those that reside in rural and remote areas

Management recognizes that access to programs and services remains a challenge for individuals in rural and more remote communities. These challenges result from the limited availability of training opportunities in these communities as well as the need to re-locate or travel to attend training.

Manitoba continues to offer itinerant services to improve access in rural and remote communities and is exploring new service delivery options, including on-line delivery channels. Manitoba will continue to work in close partnership with its rural and northern service providers, employers, industry partners, and training institutions to develop successful labour force development projects, including work experience and training to help improve access to services.

Findings suggest that the maximum amount of Employment Insurance Part II benefits may be inadequate

During the reference period, the maximum level of Employment Insurance Part II funding supports provided by Manitoba to an individual's employment/training plan for Skills Development was \$15,000. Under Part II of the Employment Insurance, individuals are encouraged to make a financial contribution to the cost of their employment/training plan. The amount contributed and the total level of funding provided by Manitoba is based on the process of negotiated financial assistance. The negotiated financial assistance process provides the necessary flexibility to tailor financial supports to the unique needs of clients within the overall maximum funding threshold.

Manitoba has made a number of improvements to assist with the costs of training, including recommending discretionary student loans for individuals either not eligible for or to increase their award from Student Aid as part of their contribution to the employment plan. In addition, Manitoba continues to monitor and adjust its funding maximums in response to increases in the cost of living, tuition, and training supplies,

particularly for those in smaller and more remote communities where the cost of training is often higher.

Those that participated in Self-Employment experienced poorer results than comparison group members

The evaluation found that participation in Self-Employment (SE) did not result in a higher incidence of employment, earnings or net present value of benefits in relation to the comparison group overall.

Given the unique nature of SE in relation to the other PBPMs the participants may have differed from the comparison group in some unmeasured way. For example, SE participants may have placed a greater value on non-financial benefits such as work flexibility and “being one’s own boss,” in contrast to comparison group members. These differences were not measured in the impact estimates and may have resulted in a lower estimate of earnings for the SE participants.

The success of SE is also linked to the survival rate of small businesses in general. On average, surveys undertaken as part of the PBPM evaluations in various jurisdictions across Canada indicate that between 50% and 60% of SE participants continue their self-employment during the post program period. The remaining proportion of clients tends to re-enter paid employment. This is consistent with a study conducted by Manitoba in 2006, which found that 49% of past SE participants described themselves as self-employed, 32% as full time employees, and 18% as both self-employed and a full-time employee. Published research provides evidence that self-employed individuals who re-enter paid employment tend to have lower wages.

In addition, the evaluation observed that the poor cost benefit results could have resulted from the high cost per participant for SE training. Changes to maximum Part II funding amounts and intervention duration for SE participants were implemented following the reference period, which have likely lowered the overall costs of the program.

Management acknowledges that further investigation is needed to identify potential reasons for the poorer results observed for SE participants. Management will explore future opportunities for additional research and/or evaluation activities. One important element of future evaluation/study would be assessing the longer-term impacts of SE.

Impacts were mixed for former claimants and there were fewer positive impacts in comparison to active claimants

As identified in the Summary Report, former claimants were more likely than active claimants to have less than a high school education, have greater need for help upgrading their basic skills, and be from a lower income household. These are characteristics commonly associated with poorer employment and earnings outcomes and may also suggest that former claimants had more challenges re-integrating into employment compared with active claimants.

The evaluation also points to the effect the Employment Insurance Part II funding maximum (set at \$15,000 during the reference period) may have had on former claimants. Due to their status, former claimants are not eligible for Employment Insurance Part I income benefits and would rely more extensively on Employment Insurance Part II and other sources of financial assistance during participation. The funding maximum may have made it more prohibitive for former claimants to participate in longer term and intensive training interventions compared with active claimants (despite evidence of greater need), which could impact their future employment options and earnings potential. The increase to the funding maximum since the evaluation reference period may have at least partially removed the greater financial constraint faced by former claimants.

Management recognizes the need for further analysis and will seek to gain a better understanding of the factors that contributed to the poorer results for former claimants, in relation to the comparison group members, as well as in relation to active claimants.

Conclusion

Management welcomes the generally positive findings of this summative evaluation and is pleased with the quality of the research. These findings demonstrate the positive effects of PBPMs on participants and on Manitoba's labour market overall. The evaluation provides valuable insight into areas for improvements to PBPM policy, program and service delivery. Steps have already been taken to address these areas and Manitoba will continue to work in partnership with its labour market stakeholders, as well as Service Canada and HRSDC through the Labour Market Management Committee, to identify opportunities for further improvements.

1. Introduction

On July 1, 1996 the *Employment Insurance Act*¹ was passed. Part I of the *Employment Insurance Act* provides for Employment Insurance income support for people temporarily out of work, and Part II involves programs and services to help the unemployed return to work.

The Government of Canada, through Human Resources and Skills Development Canada (HRSDC), continues to be responsible for providing Employment Insurance income support for Employment Insurance claimants under Part I of the Act. Part II of the Act provides for a range of programs and services that assist people in returning to work as quickly and efficiently as possible. The Labour Market Development Agreements (LMDAs) transferred responsibility for the design and delivery of Part II Employment Benefits and Support Measures to participating provinces and territories.²

1.1 Canada-Manitoba Labour Market Development Agreement

The Canada-Manitoba LMDA was signed on April 17, 1997 and came into effect on November 27, 1997. Under the LMDA, Manitoba assumed responsibility for the planning, design, delivery, and management of its Provincial Benefits and Provincial Measures (PBPMs), similar to the Employment Benefits and Support Measures established under the Act, with support provided by the Employment Insurance Account.

Provincial Benefits (PBs) in Manitoba (similar to Employment Benefits) include:

- **Skills Development** (SD): participants get skills for employment, ranging from basic to advanced skills.
- **Wage Subsidy** (WS): participants obtain employment through support to employers to hire them.
- **Self-Employment Assistance** (SE): participants get help to start a business or become self-employed.
- **Employment Partnerships** (EP): participants obtain employment through which they can gain work experience to improve their long-term employment prospects.

Provincial Measures (similar to Support Measures) are:

- **Employment Assistance Services** (EAS): supports to organizations that provide employment assistance services (for example, employment counselling or job finding clubs) to unemployed individuals.

¹ This is the version of the Act in effect during the period participants in this study participated.

² The terms “employment benefit” and “support measure” are used in the *Employment Insurance Act* in reference to specific types of employment programs established under sections 59 and 60(4) respectively.

- **Labour Market Partnerships:** support to employers, employee or employer associations, community groups and communities in developing and implementing strategies for dealing with labour market issues.
- **Research and Innovation:**³ supports research and innovative projects to identify better ways of helping persons prepare for, return to, or keep employment and be productive participants in the labour force.

According to the 1996 *Act*, in order to be eligible for support for return-to-work activities under the PBPMs, individuals must be “unemployed” defined as being without employment⁴ and actively seeking employment. To be eligible for PBs, individuals must meet the definition of “insured participants” as defined in section 58 of the *Act*, requiring they must be either:

- **Active Employment Insurance claimants** with an Employment Insurance claim at the start or within four weeks after the start of their participation.
- **Former Employment Insurance claimants:**⁵
 - Whose Employment Insurance benefit period has ended within the past three years (3-year former).
 - Who have established a claim for maternity or parental benefits within the past 5 years and are returning to the labour force for the first time after having left work to care for new born or newly adopted children (5-year former).

Individuals who are not insured participants may be eligible to participate in Provincial Measures, which are open to all unemployed individuals.⁶

1.2 Summative evaluation

Section 8.0 of the LMDA specifies that Canada and Manitoba jointly develop an evaluation framework and subsequently carry out evaluations of the PBPMs to determine their impacts and outcomes. The formative evaluation was completed in March 2000. This summative evaluation was completed in 2012 and covered participants who completed participation during the study reference period between April 1, 2003 and March 31, 2005.

A Joint Evaluation Committee oversaw the evaluation, as stipulated under the LMDA. The Committee comprised representatives from the provincial government, Service Canada’s regional offices in Winnipeg and Vancouver, and HRSDC’s national headquarters in Ottawa/Gatineau. HRSDC served as the project authority, worked cooperatively with the Committee and its co-chairs, and also served as the main contact for this requirement.

³ Labour Market Partnerships, and Research and Innovation do not directly serve clients and are not addressed by this evaluation.

⁴ The definition of “without employment” varies by jurisdiction.

⁵ Referred to as “Reachback” in Manitoba.

⁶ A less stringent definition of unemployment often applies to those who take Support Measures. In many jurisdictions a maximum of 20 hours of work per week is allowed for Support Measures while close to zero hours of work per week is allowed for Employment Benefits, reflecting their full-time attendance requirement.

The general objectives of this summative evaluation were to assess the relevance and performance of the PBPMs. The evaluation examined the effectiveness of the programs in relation to their impacts on employment, earnings, self-reliance and cost-benefit. More specifically, the evaluation addressed the following issues: needs; satisfaction; access; adequacy with support levels; completion; objectives achievement; other changes; employment; impacts; and costs.

Multiple lines of evidence, both quantitative and qualitative, were used which provide corroborative evidence leading to robust conclusions.

Quantitative methods

Quantitative methods included:

- **Econometric analyses** were conducted of a stratified random sample of 9,500 individuals who finished participation in the reference period and were matched to a statistically similar group of 19,000 individuals (comparison group) who did not participate in PBPMs at around the start dates of interventions for participants. Administrative data were used to produce 1,080 separate estimates of impact. In the discussion of impacts the focus is on those from the first three years following the end of participation. For the discussion of cost-benefit the focus is on estimates from the first four years following the start of participation.
- **Cost-benefit analyses** were performed for active and former claimant groups in total and by PBPM and region. Estimates on earnings, Employment Insurance and Social Assistance benefits from the econometric analysis and calculated taxes based on them are used in the assessment of the benefits. Direct program expenditure data and out-of-pocket costs borne by participants during interventions are used in the assessment of costs. A third element of costs is the possible reductions in earnings (opportunity costs) while participating. This element is captured in the earnings estimates from the econometric analyses.
- **Telephone survey** of 930 participants and 1,474 comparison group individuals was conducted. Participants were selected based on finishing (a last) participation in the reference period. A comparison group was selected of non-participants who were similar to participants around the latter's start dates. The survey provided evidence to compare participants and non-participants characteristics and outcomes. Because of limitations noted later survey data were not used for econometric analyses as originally intended.
- **Secondary data** (Census and Labour Force Survey) on the Manitoba labour market were reviewed to provide context for the evaluation.
- **Administrative data** (HRSDC and Canada Revenue Agency) related to participants and their participation were used to create a profile of participants. Data on participants and comparison group members provided information for the econometric analyses.

Qualitative methods

Qualitative methods included:

- **Key informant interviews** were conducted with staff members of Manitoba Entrepreneurship, Training and Trade; HRSDC and Service Canada. These individuals were interviewed about their knowledge of the LMDA, PBPMs, and/or the Manitoba labour market. Interviews were either conducted in-person or by telephone and provided views on a number of evaluation issues.
- **Discussion groups** were held in Winnipeg, Brandon and Thompson with separate groups of: participants, staff and EAS service providers, employers, and community representatives. In Thompson, the employer and community representatives groups were combined while in other locations, a single group of each type was held for a total of eleven discussion groups. Sessions covered 25 participants, 18 staff and service providers, 7 employers and 7 community representatives.

Coverage and precision

The study defined participation as one or more PBPMs separated by less than six months. The last participation ending in the reference period was selected for the quantitative analyses.

Analyses focused on groups of participants based on their active or former claimant status, the longest duration or main PBPM taken, and participant characteristics. For purposes of this study, client groups of particular interest in Manitoba were defined as employment equity groups (persons with disabilities, visible minorities, Aboriginal persons, and women) and participants from sub-provincial geographic regions (Winnipeg, Northern Manitoba, and Rest of Manitoba – defined as areas of Manitoba other than Winnipeg and the North).

The study assessed impacts of participation and net present value of participation for non-apprentice participants. This group reflected 95% of the LMDA participants in the reference period investigated. Apprentices were not covered due to the unique nature of apprenticeship. (Apprentices receive Employment Insurance Part I while on leave from their employer to participate in classroom training. No similar situation exists among other unemployed workers to use to compare to apprentices.)⁷

As a general note, any impact estimates reported from the incremental analysis or differences observed in the survey analysis are statistically significant at the 95% confidence level. While all statistically significant results are reported, generally speaking there were few statistically significant differences found for participants across the groups of interest identified above.

⁷ As a result apprentices are excluded from these analyses in Chapters 4 and 5 but are included in other analyses in the report.

To illustrate the strength of key informant and discussion group findings, responses are described as all (100%), almost all (90% or more), most (75% to 90%), the majority (51% to 74%), one-half⁸ (50%), or some (less than 50%) of the relevant sources.

1.3 Key study strengths and limitations

The study had a number of strengths and some limitations.

The original study design intended to use participants' and comparison group members' telephone survey data to conduct the econometric analysis which required the survey to cover participants with considerable post-participant experience.

The telephone survey was conducted in February and March of 2010. The survey obtained a lower number of completions than desired possibly due to the age of the samples. Participants covered by the survey ended their participation between 5 and 7 years earlier. Comparison group members were selected to be like participants around the start dates of participants' interventions that began even earlier. A non-response analysis reduced the effects related to the age of the samples such as not being able to reach candidates due to inaccurate contact information or disqualifying candidates because of a lack of recall.

Although there were sufficient completions for most of the planned analyses, the fewer than expected number of completions made it difficult to estimate effects with precision in analyses involving low-incidence sub-populations. As a result, the decision was made to not use the survey completions for the econometric analysis and instead use administrative data based on the original matched samples selected for the survey. This provided a larger number of observations to better detect potential impacts.

Inspection of those who completed the participant and comparison group surveys also revealed that comparison group members expressed far fewer individual and multiple needs for programs and services than did participants. In other words, comparison group members were less likely to need to participate than participants and as a result may represent too tough a test to assess statistically significant impacts. Put another way, the findings based on survey results were extremely solid.

By design, the comparison group did not take PBPMs around the time participants in the study started their participation. A sub-set of the comparison group had participated in an employment program or taken classroom training not supported by the LMDA at about the same time as study participants. This sub-group had experiences and needs very similar to participants and were therefore used in some relevant analyses.

A cost-benefit analysis focused on the major costs and benefits of participation in the first four years after the start of participation. Not all program costs could be measured directly and benefits may extend beyond four years. If all costs and benefits were considered or if data from a longer time frame were available, the analysis might produce

⁸ Further precision is sometimes added using words like "slightly more" or "slightly less" related to this important descriptor of the strength of findings.

different results. However the analysis covered the major costs and benefits. Other minor impacts are unlikely to change conclusions reached by the analysis. A longer time frame would have improved (larger positive net present value) the already positive cost-benefit result in many cases (all active claimants, and active claimants taking EP, WS, EAS and SD and WS for former claimants) if the resulting incremental impacts had continued. In the same vein, a longer time frame would lead to a more negative cost-benefit result in cases that were already negative (SE for active claimants and for other former claimants) if impacts continued. Put another way, if data for a longer time frame had been available, the same conclusions would likely be reached by the cost-benefit analysis.

Fewer than expected numbers ultimately attended discussion groups than initially agreed to attend. A contributing factor to lower participation in the discussion groups in Brandon and Thompson was the long distances that individuals had to travel. This was compounded by unfavourable weather and road conditions in northern Manitoba in late June 2010 when the sessions were held. When reviewing discussion group or key informant findings it should be remembered that these are based on relatively small numbers. However there was no evidence to suggest that different results would have been reached if larger numbers participated in key informant interviews and discussion groups.

1.4 Overview of report

This report presents findings from the Summative Evaluation of PBPMs delivered under the Canada-Manitoba LMDA. It draws on technical reports prepared by the evaluator and consists of the following sections:

- Chapter 1 – provides context to the evaluation and presents the methods and limitations of the summative evaluation.
- Chapter 2 – presents details on the participation context and experience.
- Chapter 3 – presents evidence on PBPM achievements.
- Chapter 4 – presents impacts of participation on employment, earnings, and self-sufficiency.
- Chapter 5 – provides cost-benefit results.
- Chapter 6 – presents conclusions.

2. Participation Context and Experience

This chapter explores the labour market conditions during and after participation, the characteristics of participants, their needs, satisfaction related to participation, and the language of the program or service taken.

Overall participants were satisfied with their participation experience in terms of access to assistance, access to PBPMs, the PBMSs taken, the level of support provided, and service in their preferred official language. However there were some issues with access and maximum support levels.

2.1 Labour market conditions

In the discussion which follows it is important to note that the same labour market conditions apply to both participants and comparison group members.

Fewer workers with lower educational attainment in Manitoba compared to other provinces

According to the 2006 Census, Manitoba had the lowest proportion of working aged (15-64 years of age) individuals (66.3% compared to Canada's 68.6%) and the highest proportion under the age of 15 (19.6% compared to Canada's 17.7%) of any province. Also according to the Census, Manitoba's population 25 to 64 years of age had lower educational attainment than most Canadians. In Manitoba, 20% had not completed high school or equivalent, compared to 15% nationally. Manitoba also fell below the national average in terms of the percentage with an apprenticeship or trades certificate/diploma, a college or other non-university diploma and in terms of the proportion with a university certificate, diploma or degree.

Post-participation period one of low to very low unemployment and low but consistent growth

The average rate of unemployment in Manitoba in 2003/04 and 2004/05, the period during which study participants ended their participation, was 5.2%. In the next four years unemployment declined to 4.4% and then rose to 5.3% in the final year of the study period. Employment grew little (0.5% or less) in the reference period and grew by an average of slightly less than 1% in subsequent years.

A majority of key informants were able to speak to the overall conditions found in Manitoba during and after participation. They confirmed that the 2003 to 2005 period was the start of a period of low to very low unemployment rates for Manitoba generally. Discussion groups with staff and service providers, employers and community representatives had similar comments.

High demand and skill shortages occurred in some areas while the nature of work changed

According to key informants there was increased demand for workers in the skilled trades and in specific sectors such as health care, construction, aerospace and for skilled and unskilled workers in the food processing industries and tourism related industries. Discussion groups with staff and service providers, employers and community representatives identified there were skill shortages in many areas in the period after participation would have ended.

All qualitative sources contributed to the identification of the following differences across regions within Manitoba. There was increased demand for both specialized and entry level jobs in almost all fields in Winnipeg, particularly healthcare, trades, and construction, and in industries providing services to these growth areas. At the same time, there were large scale lay-offs in some sectors, such as the garment industry that put many low-skilled workers, many with low English literacy skills, out of work. In the North, new nickel mines and construction of the Wuskwatim dam resulted in a high demand for trades such as welders, pipefitters, and millwrights. At the same time there was a general exodus of skilled workers from the North to other parts of Manitoba and Alberta resulting in shortages in some skill areas. There was growth in the hospitality and tourism sectors in Thompson, resulting in increased demand for serving personnel and hotel attendants. In the Rest of Manitoba, conditions varied with essentially all regions noting a critical shortage of health care workers (registered nurses, licensed practical nurses, and health care aides), long distance drivers, and workers in industrial trades.

Additionally, community partners identified a trend towards more part-time and temporary jobs, with many individuals working two or three jobs to make the equivalent of a full-time wage.

2.2 Participant characteristics

Participants tend to be male, less than 45 years of age, with high school education or less

The telephone survey of participants provided evidence of the characteristics of participants. The typical participant was: male (60%); born in Canada (88%); and speaks English most often in the home (82%). (French was reported by only 2%.)

At the time they started participation, the majority of participants were between 25 and 44 years of age (59%); had high school education or less (52%); were married or living common-law (51%), in households with a child under the age of 18 (56%); and in households with annual household income of \$30,000 or less (50%).

Fourteen per cent (14%) of participants identified themselves as being of Aboriginal descent, 11% said they were a visible minority and 9% said they had a disability. This was

consistent with the overall proportions of these groups in the Manitoba population at 14%, 10%, and 9%, respectively.⁹

The telephone survey identified some statistically significant differences in characteristics between former and active claimant participants. Former claimants were more likely to have been born in Canada and to be of Aboriginal descent. At the start of participation, former claimants were also more likely not to have completed high school, to be from a household with less than \$20,000 in total household income, and to have more children less than 18 years of age living in their household. They were more likely to say they needed help selecting a suitable career path and developing a plan to achieve it, and to need to upgrade their basic skills, compared to active claimants at the time participation began.

Participants and comparison individuals who completed the surveys were similar with respect to gender, being Canadian-born, language spoken in the home, and distribution across other characteristics. These two groups were also similar in terms of age, most educational attainment levels, most household income categories, number of children living in the home, and number of dependents supported by the household income.

Despite these overall similarities, there were a few statistically significant differences between the two groups. Relative to comparison group members, participants were: less likely to be married; more likely to have a post-graduate university degree; more likely to have total household income under \$20,000; and less likely to have household income more than \$70,000.

2.3 Needs

Participants tend to need help more than the comparison group, but a sub-set of the comparison group had similar needs

Participants and comparison group members who completed the survey differed in terms of their reported needs for employment programs and services at about the time participants started their participation. The proportion of participants and comparison group individuals who identified needing specified kinds of help, at the time participants started their interventions, is presented in Table 2. The findings showed that participants were more likely to report the need for help in a number of areas including: upgrading basic skills that could be used in a number of jobs; obtaining industry or occupation-specific job skills; looking for or finding a job; preparing for next employment or maintaining current employment; starting and running a business through self-employment; and financial help with cost of education or training needed for employment. Participants were also more likely to have multiple needs and less likely to have no reported needs.

⁹ Statistics Canada, *2006 Census and 2006 Participation and Activity Limitations Survey*.

Table 2					
Per cent indicating they needed help at the start of participation or at an equivalent date					
Help needed:	n =	Participant 930 % (1)	Comparison 1,474 % (2)	Difference (1) - (2)	
Selecting a suitable career path and developing plan to achieve it		30	27	3	
Upgrading basic skills that could be used in a number of jobs		56	33	23	*
Obtaining industry or occupation-specific job skills		56	32	24	*
Looking for or finding a job		43	34	9	*
Preparing for next employment or maintaining current employment		54	37	17	*
Starting and running a business through self-employment		21	10	11	*
Financial help with cost of education or training needed for employment		57	33	24	*
Multiple needs		77	44	33	*
None		11	41	-30	*
Source: Telephone survey.					
Asterisk indicates statistically significant difference at 95% level.					

Twenty per cent (20%) of comparison individuals said they had participated in some employment program or activity not supported by the LMDA at about the same time as participants started their participation. As expected, more comparison group members with multiple needs participated in these programs than those with no needs or a single need only.¹⁰

2.4 Participant satisfaction

Participants were asked to comment on their degree of satisfaction related to a number of aspects of their participation: access to assistance provided; access to PBPM taken; PBPMs themselves; and level of support provided. The percentages highly satisfied with particular aspects of their participation – indicating one of the two top ratings on the 7-point satisfaction scale used by the questions – are noted in Table 3.¹¹ These are discussed in more detail in the paragraphs that follow.

¹⁰ Later in the report participants are compared with the sub-group of comparison group members who participated in an employment program or classroom training not supported by the LMDA due to their similarities including needs.

¹¹ Throughout the report the percentage indicating the top two ratings on a 7-point scale is used to indicate the strength of view related to the assessment.

Table 3	
Per cent highly satisfied with participation aspects	
Satisfaction with:	Highly satisfied
Access to assistance provided by someone in a government or employment office or by a community organization	55%
Access to PBPMs taken	62%
PBPMs taken	60%
Level of support provided to participate in PBPMs taken	58%
Source: Telephone survey.	

2.4.1 Satisfaction with access

Majority highly satisfied with access to assistance

About two-thirds (66%) of participants recalled being assisted by someone at a government or employment office or by a community organization as part of their government program and services related to training and employment. This group was asked to rate their degree of satisfaction with the access to this assistance.

Table 3 shows that of participants who recalled assistance, 55% rated satisfaction with access to that assistance highly. No statistically significant difference in the level of satisfaction was found across participants with different characteristics.

Majority highly satisfied with access to Provincial Benefits and Provincial Measures

Most staff in discussion groups indicated that PBPMs were easy to access. In the survey, participants in a Provincial Benefits (PB) were asked to rate their satisfaction with access to the program. Access was not defined further were readers are reminded that those asked the question were successful in obtaining access. Table 3 shows that 62% rated their satisfaction with access to their PBPMs highly. A greater proportion of apprentices rated access highly compared to active claimants.

Qualitative evidence below provided details related to factors that may have influenced participants' satisfaction with access to PBPMs.

Awareness affects access

Both staff and service providers indicated that lack of awareness of the programs and services were barriers to accessibility for some. About one-half of service providers felt PBPMs were not easy to access, especially for clients accessing the programs or services for a first time. Participants in discussion groups who had less difficulty with access indicated that they either knew about the PBPMs in advance, knew where the Employment Centre was located, or knew someone who advised them about the process they should use. Active claimants identified being informed about PBPMs through their dealings with Service Canada and did not mention any barriers to program access.

Access differs by Provincial Benefits and Provincial Measures

About one-half of all staff and service providers spoke to differences in the degree of access by PBPM. For those taking EAS, access was generally felt to be easy. All EAS programming was provided by service providers under contract to Manitoba Entrepreneurship, Training and Trade. There was continuous intake of new participants.

Almost all community partners indicated they felt it was very easy for participants to access the PBPMs, except in those situations where a participant needed a referral from another agency or service provider. Participants in discussion groups confirmed this. Those who had the most difficulty accessing PBPMs indicated that getting an appointment and/or meeting with the appropriate employment counselor was often the biggest hurdle to accessing PBPMs.

A few participants in discussion groups who wanted to access SD programs indicated they could not because of their level of education, which included advanced degrees. Potentially such individuals were not approved because they already had marketable skills. A few participants mentioned that waiting for programs to begin created a barrier to access. Staff and service providers confirmed that some SD participants had to wait for the training program to begin because of the strong demand for SD. All SD apprenticeship clients noted that they needed perseverance to overcome hurdles to participation, such as passing qualifying tests, getting the required documentation ready in time, and dealing with multiple organizations.

Both Employment Insurance Part I and Part II support affects access

All staff suggested active claimants (while receiving Employment Insurance Part I benefits) would have had greater access as more of their Part II support could be used for training or participation expenses instead of income support. Former claimants do not receive Employment Insurance Part I benefits and therefore might need to divert more of their Part II support to income support purposes.

Special arrangements existed for access by groups of interest

A majority of the key informants indicated that PBPMs were accessible to all groups of interest because large EP projects had been designed to be responsive to the specific needs of each of these groups. Discussion groups of staff and service providers noted EAS was also targeted to the needs of specific groups, such as persons with disabilities. Community partners who indicated that it was easy or very easy for participants to access their services and programs noted that they worked in partnership with other organizations serving immigrants,¹² youth, and/or persons with disabilities; and also used community newspapers to promote their programs.

¹² New immigrants and others who were not insured participants (because they had not established eligibility to an Employment Insurance claim and therefore not covered by this evaluation) could still access EAS to improve their employability and improve their job search skills according to key informants.

Access may be more difficult for those in more remote sites

Manitoba offered services delivered either by; staff who travelled to clients, telephone, or Internet (where available) to help improve access.

There were no statistically significant differences in the level of satisfaction with access across regions by those who completed the survey. However, a number of qualitative sources suggested that access would be more difficult the greater the distance between the participant's residence and the location where the PBPM was offered.

In participant discussion groups, the majority of Winnipeg participants indicated that it was easy or very easy to access PBPMs. In contrast one-half of participants from the Northern Region and a majority from the Rest of Manitoba indicated they found accessing programs to be difficult or very difficult. Almost all in staff and service provider groups indicated participants from smaller and/or northern or remote communities had less access to PBPMs. Those in community partner groups also identified that remoteness would decrease access. This could be especially problematic for persons with disabilities living in rural areas due to their lack of public transportation. About one-half of key informants noted clients from remote communities in Northern Manitoba as having more access difficulties as they needed to travel long distances or needed to relocate to participate. In the survey 14% of those who confirmed participation in a PB said they needed to move to participate. Apprentices were more likely than active claimants or former claimants to say they needed to move. Those with characteristics likely to be correlated with being an apprentice (males, less than 25 years of age, single, taking SD, with at least some community college) were more likely to have moved.

Access for employers is less direct and there are some challenges

Employers in discussion groups with WS experiences reported that they became involved because they were approached either by an individual participant or by a sector council representative. In the Northern Region and the Rest of Manitoba, most employers with WS experience indicated they became involved with the program because they were approached by an SD apprenticeship participant or by a service provider seeking to place an EAS client. Employers participating in EP were generally approached by a sector council. All employers stated that the funding application process, particularly the proposal writing requirement (EP), or application form (WS), was a barrier to accessing EP and WS programs. Some employers involved with the SD Apprentice program indicated that they initially encountered some hurdles to find someone who dealt with the SD Apprentice stream within Manitoba Entrepreneurship, Training and Trade.

2.4.2 Satisfaction with Provincial Benefits and Provincial Measures taken

Majority of participants are highly satisfied with Provincial Benefits and Provincial Measures taken

Survey participants who confirmed participation in a Provincial Benefits (PB) were asked to rate their satisfaction with the PB they had taken. Satisfaction was rated highly by 60%. More former claimants were highly satisfied compared with active claimants. Those taking SD were more satisfied than those taking WS. Those of Aboriginal descent had higher satisfaction than those who were visible minorities.

2.4.3 Satisfaction with level of support provided

Majority of participants are highly satisfied with level of support provided but there were concerns with adequacy

Survey participants who confirmed participation in a PB, were asked to rate their satisfaction with respect to the support provided to them to participate. “Support” was not defined further in the question and readers are reminded that support was sufficient to at least begin participation by those who responded to the question. Satisfaction was rated highly by 58%. Those whose main PBPM was SE and SD were more satisfied than those taking WS. Those from the Rest of Manitoba were more satisfied with support than those from Winnipeg.

About three-quarters of key informants spoke to the issue of the adequacy of support. For key informants, the question identified both financial and personal supports although key informants almost exclusively commented on financial supports. The majority of key informants indicated that financial support on the whole was not sufficient.

The \$15,000 maximum support level available in the reference period for Employment Insurance Part II had existed since 1997, even though costs of tuition, books, and living expenses had increased. Staff and service providers suggested that maximum support levels should be increased.

Funding maximums were the same in all regions, for all clients, no matter the duration of their employment plans and their personal/family situations. All financial support is based on the negotiated financial assistance process, which is used to determine the level of Employment Insurance Part II support and consequently the participant’s share of the costs of participation. Levels of financial assistance within the funding maximums did vary depending on client need and sensitivity to region/location conditions. Staff and service providers suggested that differential maximum support levels should be available based on region or remoteness when travel was involved.

Additional observations by key informants related to specific PBPMs. For SD apprenticeship clients, financial supports were not sufficient for longer programs such as the four-year program for millwrights. For SD clients, financial supports were not sufficient for longer programs such as the Registered Nurse program. For EAS clients, no financial supports were available.

Key informants also noted that the Employment Insurance Part II maximum support can have a differential impact because training was more expensive in regions other than Winnipeg, and even more expensive when delivered in rural areas. They also noted that clients needing to leave their community for training would have had additional expenses for rent or room and board, transportation, and incidental expenses. Active Employment Insurance claimants were able to have longer or more costly employment plans as living expenses were subsidized through their Employment Insurance Part I benefits.

The maximum support also had a differential impact on clients depending on a number of socio-economic factors including the amount of Employment Insurance Part I the client received, household income, existing financial obligations, and number of dependents. Multi-barriered clients generally needed more and longer interventions and were more likely to have issues with adequacy of support.

Attendees at participant discussion groups had mixed views about the adequacy of support. About one-half of participants in the Winnipeg group felt that support was adequate. Most from the North and slightly more than one-half from the Rest of Manitoba felt support was inadequate mainly due to the high cost of relocating, transportation and housing. The high cost of childcare was another specific reason mentioned by those who identified support as being inadequate. Those who felt support was adequate either still lived with parents or were from households with another income earner.

Thirty-nine per cent (39%) of participants excluding apprentices or those taking a main PBPM involving work (WS or EP) worked while participating. The main reason identified for working during the participation period was financial need. This was mentioned by 30% of all participants and 49% of former claimants who worked during the participation period.

2.5 Language of program or service

French language services are widely available

In Manitoba, areas with significant demand for services as defined by the *Official Languages Act*, and therefore requiring services in the French language were: Winnipeg, Brandon, Morden, Portage La Prairie, Steinbach, Notre-Dame-de-Lourdes, and St-Pierre-Jolys. The evaluation found French language services were delivered by bilingual staff in seven locations. Four of these were in bilingual Service Centres in Winnipeg, Brandon, Morden, and Steinbach. Itinerant staff, co-located in three Service Canada Centres, served Notre Dame de Lourdes, St. Pierre Jolys, and La Verendrye (Winnipeg). A third party service provider was hired to provide bilingual services to clients in St. Laurent (Eastern Manitoba).

Almost all are served in their language of choice

Key informants who were knowledgeable about the delivery of employment services indicated that clients were generally satisfied with the bilingual services provided and that no negative feedback had been received with regard to services in French provided at any of the locations. Community partners suggested that to the best of their knowledge, no dissatisfaction had been expressed by those who had been served in French, or who had wanted to, but had not been served in French.

The language of assistance for survey respondents who recalled being assisted by someone at a government or an employment office or by a community organization was identified as English by 94%, both English and French by 4%, French by 1% and in some other language by less than 1%. Those from the North were more likely to identify assistance in both English and French versus those from Winnipeg. Those who received assistance in English were asked if they would have preferred receiving assistance in French. Ninety-nine per cent (99%) did not prefer French.

3. Provincial Benefits and Provincial Measures Achievements

This chapter identifies the extent to which the PBPMs have been successful in achieving their objectives. Topics include: goals achievement; completion; certificates/diplomas; skills; employment related to certificates/diplomas and skills; other changes; and affect on labour force shortages.

Provincial Benefits and Provincial Measures achieve program-specific objectives. Overall participants complete their participation and through participation achieve goals they set, gain certificates/diplomas and/or skills and subsequent related employment, experience other positive changes in their lives, and are more likely to work in occupations in high demand.

3.1 Achieving goals

The majority who recalled setting goals had achieved them

As part of their participation participants typically create a plan for their return to work activities. However, relatively few (26%) of the participants recalled this plan at the time of the survey. This reflected the fact that the survey date was 5 to 7 years after the end of participation and the plan would have been developed early in the participation period. Of those who could recall, 88% said they had set goals as part of their plan. Of those who had set goals, 70% said they had achieved all of them. Those more likely to have completed all of their goals were those who were married/living common-law compared to those who were single at the start of participation and those who had higher household income at the start of participation.

Dissatisfaction with the program was not a major reason for goals not being achieved. Of those who set goals but did not achieve all of them, 14% mentioned program dissatisfaction as a reason for not achieving goals. Finding employment (19%) and changing goals/goals not appropriate (12%) were the other main reasons why goals were not achieved.

3.2 Completion of interventions

Most complete participation

Discussion groups of staff and service providers indicated that almost all participants completed their employment plans or individual interventions. Estimates by PBPM varied but most suggested 90% would complete. Former claimants, those who took their intervention in smaller communities or those that had to leave their communities to participate, were less likely to complete their interventions/employment plans in the view of staff and service providers.

Ninety per cent (90%) of survey participants and almost all in participant discussion groups who participated in SD or SE had completed their interventions. Among the few who had not completed, 44% ended to start a job or work for someone else. A small minority indicated dissatisfaction as a reason for non-completion: insufficient financial support by 13%; training (or other) program not suitable by 4%; and did not like training (or other) program by 3%.

At least 65% completed WS or EP including 31% who were still working for the employer/sponsor at the time of the survey. Completion by those participating in WS or EP was addressed more indirectly through the survey as participation in these PBs resembles employment and not all participants may recall that the work was supported through the WS or EP program. As a result, only a minimum estimate of completion was possible. Supporting this estimate, employers in focus groups indicated that the majority of WS participants were kept on after funding ended with an average retention period of two years or longer.

3.3 Obtaining a certificate or diploma

Participants more likely to gain certificates or diplomas

Participants were more likely to obtain a certificate or diploma than were comparison group members who participated in programs or took classroom training not funded by the LMMA at about the same time.¹³ The difference between participants (66%) and comparison group members (52%) receiving a certificate or diploma is statistically significant.

Participants in PBPMs were more likely to get a certificate or diploma if: they participated as an apprentice than an active claimant or former claimant; participated in SD compared to SE or WS; were younger; or had a high school diploma compared to those with less than a high school diploma when they started participation. Only 14% of participants felt it was highly likely that they would have obtained the certificate/diploma without their participation.

Qualitative sources indicated that SD participants and SD apprentices gained certificates or diplomas through participation. Almost all participants in discussion groups indicated that it was very unlikely they would have gained their certificate/diploma had they not participated. Others suggested the financial support allowed them to achieve the certificate/diploma sooner than they would have otherwise.

¹³ Twenty per cent (20%) had participated in an employment program or activity and 31% had taken classroom training not related to the LMMA close to the start date of participants. In total 43% of comparison individuals had participated in either or both.

3.4 Obtaining new skills

Participants more likely to obtain new skills

Participants were more likely to obtain new skills than were comparison group members who participated in another program or took classroom training at about the same time. The difference between participants (85%) and comparison individuals (75%) is statistically significant.

Participants more likely to identify the acquisition of new skills took SD compared to WS and SE and were younger at the start of participation. Only 15% of participants felt it was highly likely (identifying the top two rankings on a 7-point scale used to measure likeliness) that they would have obtained the new skills without their participation.

Almost three-quarters of key informants indicated that the majority of participants have acquired skills, particularly through participation in SD, SD apprenticeship, and WS. The majority of participants in discussion groups felt they had gained skills that they would not have without participation.

3.5 Obtaining employment related to certificate/diploma or new skills

Participants' certificates/diplomas or new skills more likely to lead to employment

More participants than comparison individuals who identified receiving a certificate or diploma through “participating” felt that their employment was attributable to their certificate/diploma. The difference between participants (81%) and comparison individuals (72%) is statistically significant.

Participants who were apprentices identified subsequent employment related to their acquired certificate/diploma more often than did former claimants. Those with at least some college education when they began participation were more likely to identify employment through their certificate/diploma compared to those with a high school or at least some university education. Also those in higher (above \$20,000) household income groups were more likely to identify employment related to their identified certificate/diploma.

More participants (77%) than comparison individuals (71%) who identified getting new skills through “participating” felt that their employment was the result of their new skills. The difference was statistically significant.

Participants who were more likely to believe that their employment was a result of acquiring new skills had a number of specific characteristics: they took SD compared to WS, completed at least some community college education before participation compared to all other education groups, or were from higher household income groups.

Qualitative sources supported the evidence that participants gained employment related to obtained certificates/diplomas and new skills. The majority of participants in discussion groups who had gained skills and/or a certificate/diploma felt it lead them to subsequent employment. Key informants felt many participants had gained employment related to their acquired skills, certificates or diplomas.

3.6 Other changes

Participation leads to positive changes in attitudes and employability skills

About one-third of key informants provided evidence on other changes related to participation. They indicated that in addition to certificates/diplomas, skills and related employment, participation in the PBPMs had many positive impacts on clients, including: improved self-esteem and self-confidence, increased employability, increased essential skills, and the opportunity for the client to get credit for past education or non-work experience through prior learning assessment. A few key informants also noted that participants' attitudes to work improved, particularly among those who began participation with lower skill levels.

The survey asked questions related to changes in participants' lives between the date they started participation and the date of the survey. A comparable period was used for comparison group members. Participants relative to the comparison group were significantly more likely to agree: I am better able to find a job if I needed to now (54% versus 43%); I am more willing to move to another community to find work (23% versus 15%); I am more interested in improving my job skills through further training (59% versus 47%). This suggests an improvement due to participation.

3.7 Labour force shortages

Considerable effort devoted to address skill shortages resulting in participants targeting high demand occupations

The post-participation period was one of low unemployment and skill shortages in many occupations as discussed in Chapter 2. The evaluation found evidence indicating a high level of activities devoted to addressing skill shortages.

Manitoba established annual lists of high demand occupations (HDOs) for which employers were likely to have difficulties in filling vacancies.¹⁴ All key informants able to comment indicated that a high percentage of services and training was related to HDOs (percentages quoted fell in the range of 95% to 99%). The majority of staff in all locations indicated that all services and training they provided were aligned to skills shortages in Manitoba. All community partners indicated that the services they provided addressed labour skills shortages in many industries including: hospitality/tourism, meat processing, health care, and other areas, such as warehouse workers, drivers, and

¹⁴ See for example, *Report on High Demand Occupations in Manitoba*, January 2005.

labourers. All service providers indicated their services were directed to labour shortages in general and that participants were required to do research specific to their current location or where they would be willing to relocate. Service providers indicated that their focus was to provide employability skills and then to refer the participant on for further interventions, training, and employment. In this way, they felt they addressed Manitoba's labour and skills needs indirectly.

Almost all staff indicated that as a result of their participation, participants were more likely to become interested in HDOs and to look for or find employment in HDOs when these jobs were available in or within commuting distance to their communities. Three-quarters of program participants in discussion groups stated that they decided on a new career/occupational goal as a result of participation. The majority of all participants in groups indicated that they chose a new career in a designated HDO. The rest indicated they were self-employed or had previous experience in their chosen field.

Labour force shortages reduced

The study found more participants work in HDOs following participation than comparison group members. The analysis assessed the per cent with jobs in HDOs in the year prior to the start of participation and in the period after participation. It also assessed percentages for comparison individuals with jobs during comparable periods.

In the year before dates comparable to participants' start dates, 36% of comparison individuals with a job worked in HDO occupations. In the year after the comparable end dates of participants, the per cent of comparison individuals with a job who worked in HDO occupations went down to 35%. For participants with a job the percentages increased between the pre-participation and post-participation periods from 38% to 39% for all participants and from 34% to 41% for participants who took SD. Differences in working in HDO jobs are statistically significant between all participants and the comparison group as well as SD participants and the comparison group in both the pre- and post-periods. This indicates there has been a shift toward more participants working in HDOs after participation, particularly for SD.

Key informants confirmed a high percentage of participants found work in HDOs, particularly participants with high levels of expertise and job search skills. About one-third of key informants noted that in rural areas it is a challenge to deliver training that addresses skill shortages and still be cost-effective. As a result, they thought that the percentage of clients finding work in HDOs was lower in rural and smaller communities.

Staff and service providers noted that, in most locations, a large proportion of participants found employment related to their training, particularly if training was in the trades, health care, or some of the specialized fields, such as accounting, or engineering technology. The six-month training program developed for health care aides was singled out as being highly successful, with 100% of graduates finding work a short time after graduating.

4. Employment, Earnings, and Self-Sufficiency

This section presents the impacts of participation on participants’ employment, earnings and self-sufficiency. A comparison group was created, composed of people with characteristics similar to those of participants but including only those who did not take PBPMs. This enabled econometric analyses comparing the post-participation experiences of the participants with a modeled set of experiences for the comparison group. This model showed what might have happened if participants had not participated. Stated another way, the differences in the outcomes between the two groups were attributed to the effects of participation, which are the "impacts" of participation discussed in this section.

Active claimants worked more, earned more, used Employment Insurance less, and increased their self-sufficiency as a result of participation. While former claimants worked more following participation; other impacts were few and mixed. Participants taking SE did not do as well as other participants.

4.1 Employment

Participation increases incidence of employment for almost all active claimant and one-half of former claimant groups

The econometric analysis provided information on employment for participants which is incremental or in addition to what they would have experienced in the absence of participation.

Results for each of the first three years following the end of participation are shown for all active claimants and for groups based on different regions of Manitoba and the main PBPM taken in Table 4.¹⁵

Table 4										
Incremental employment impact for active claimant groups										
Outcome	Years post-participation	All	Winnipeg	Rest	North	SD	WS	SE	EP	EAS
Employment (0,1)	1	.026	.028	.020	.023	.040	.059	-.093	.048	.017
	2	.028	.019	.032	.024	.041	.064	-.060	.052	.017
	3	.024	.026	.030	.017	.047	.063	-.066	.044	.018

Note – bolded estimates are significant at 95% level.

¹⁵ To assess an employment impact a simple indicator was used. This indicator had a value of 0 if annualized earnings were zero and a value of 1 if annualized earnings were greater than zero. A positive estimated employment effect indicates an increase in the incidence of employment through participation.

For active claimants, participation resulted in a higher incidence of employment for almost all groups other than those for whom SE was the main PBPM. For all active claimants, the likelihood of employment increased by between 2.4 and 2.8 percentage points in the three years following participation. Results were larger for participants who took WS and SD. Note that in the North, the results were smaller and not statistically significant in the third year.

For about one-half of former claimant groups, participation resulted in a higher incidence of employment. For all former claimants, participation increased the incidence of employment by between 2.3 and 3.2 percentage points in the three years. Note that while two estimates for SE are negative they were not statistically significant implying they cannot be distinguished from a zero impact. Results for former claimants are shown Table 5.

Table 5										
Incremental employment impact for former claimant groups										
Outcome	Years post-participation	All	Winnipeg	Rest	North	SD	WS	SE	EP	EAS
Employment (0,1)	1	.023	.031	.044	.011	.042	.066	-.091	.054	.005
	2	.025	.021	.054	.013	.044	.038	-.008	.040	.004
	3	.032	.031	.043	.012	.050	.021	.018	.024	.009

Note – bolded estimates are significant at 95% level.

More participants work and work more of the time following participation

Results from the survey provided supporting evidence of a positive employment impact. More participants (89%) reported working in the post-participation period than comparison individuals (82%) over a similar period. Participant characteristics that appear to be associated with work in the post-participation period were: living in the Rest of Manitoba (92%) compared to the North (82%); having a high school education prior to the start of participation (94%) compared to less than a high school education (82%) or completed some or all of a community college diploma (86%); and having annual household income at the start of participation of \$40,000 to \$60,000 (94%) compared to those with \$20,000 to \$30,000 (86%).

In addition, participants who worked reported working more of the time than members of the comparison group who worked. Participants, who worked, reported working 83% per cent of the time after participation ended, a period of between 5 and 7 years in length. Comparison individuals, at 78%, reported working less of the time in a comparable period. These differences were statistically significant.

Job security improves for participants

Participants who worked reported a significant improvement in job security after participation. In the pre-program period the participants rated their job as significantly less secure than did the comparison group, while in the post-program period the two groups rated their job security as comparable. The improvement in job security was thus significantly greater

for the program participants than for members of the comparison group. On two other measures, for those who worked, the average hours worked and job interruptions per year from work were comparable for both groups in the pre- and post-participation periods.

More participants return to work

During the participation period only 39% of active claimants and 41% of former claimants worked during their participation period compared to 51% of comparison individuals who worked in a comparable period. In the participant data this excludes apprentices and those who took PBPMs involving work (EP, WS).

In each three-month interval for the two years after participation ended, a higher proportion of active and former claimant participants had returned to work compared to the comparison group. Despite temporary set-backs during participation, a higher proportion of participants (from 13 to 15 percentage points for active claimants and from 2 to 7 percentage points for former claimants) had returned to work at each three-month interval investigated in the post-participation period.

Survey respondents gave reasons for obtaining a main job¹⁶ in the period after participation ended. Participants were more likely to identify skills gained through their program or activity (14%) or the employment program or activity itself (4%) as the reason for obtaining a main job. Fewer comparison individuals cited these reasons (5% and 1% respectively).¹⁷ When asked directly in a subsequent question, 43% of participants identified program participation as being either important or very important to obtaining employment in this main job. In contrast, comparison group members were more likely to attribute previous work experience with getting this job at 29% compared to 19% for participants.

Key informant interviews and discussion groups of staff and service providers provided additional insight related to the reasons why participants might obtain a main job following participation. According to a majority of all key informants, participants who obtained employment did so because the: participant received the kind of counselling that led to an employment plan that was a good match with their interests and abilities; was well matched with the employer; or had previous successes in work/education and was motivated to learn. Additionally the service provider may have done a good job preparing participants for the work and/or workplace or the employer provided appropriate coaching and training opportunities.

Almost all staff and service providers agreed that the following factors contributed to participants obtaining employment through participation: strong family supports; enough money to live on (while participating); contribution towards their program costs; adequate English language skills; motivation to learn; and good decision-making abilities.

¹⁶ The main job was defined as the one providing the most earnings.

¹⁷ As previously mentioned, while comparison group members did not participate in PBPMs around the start dates of the participants they were matched to, 20% had participated in some other employment program or activity.

Almost all staff and service providers also agreed that some participants remained unemployed and/or on income assistance (initially) after participation ended. Reasons mentioned why this might happen were that the participant: lacked hope and self-confidence; lacked basic life skills such as budgeting; did not have positive role models and/or family situations; existed in a cycle of poverty and/or their family had been on Social Assistance for three or four generations; or dealt with mental or physical disabilities and/or addictions.

Participants were as likely to be working at time of survey

Of those who had worked since the start date of participation or its equivalent, no statistically significant differences were found in terms of the current employment status at the time of the telephone survey between participants and comparison group members. Percentages by current employment status were for participants: working (69%); not working and looking for a job (20%); not working but not looking for a job (9%); retired (1%); and did not know or refused (1%).

Characteristics of participants that appeared more likely to be associated with working at the time of the survey were:¹⁸ participated in SE or SD compared to WS (SE participants were also more likely to be working at the time of the survey compared to EAS participants.); from the North compared to from Winnipeg; younger at the start of participation; married/living common-law compared to those who were single/never married or who were neither married/living common law nor single/never married at the start of participation; and from households with higher annual incomes at the start of participation.

In contrast, the characteristics of participants who were more likely to be out of the labour force at the time of survey (unemployed and not looking for work) were: from the Rest of Manitoba (excluding Winnipeg) compared to the North; single/never married compared to those married/living common-law when they started participation; and having less than a high school education at the start of participation compared to those with some or completed community college.

The main reason for not working by those either looking or not looking for work was similar between participants and comparison individuals. The most frequent reason mentioned by participants was no jobs (40%).

A more detailed analysis of the reasons for not working by the relatively few survey respondents (59 participants and 109 comparison group members) who identified themselves as not working and not looking for work was conducted. This assessed whether such individuals were voluntarily or involuntarily out of the labour force based on the reason cited. No differences were found that were statistically significant between participants and the comparison group.

¹⁸ Note that these findings pertain to participants only, at the time of the survey and not compared to the comparison group. As a consequence, they differ from the econometric analyses and from other survey analyses involving the comparison group.

4.2 Earnings

Earnings increase for most active claimant groups through participation

Evidence on the impact of participation on earnings comes from the econometric analysis and is presented in Table 6 below for active claimants. Participation resulted in an increase in earnings for almost all programs except SE, which is associated with lower earnings. The earnings gains tended to increase over time for all groups. Earnings increases did not vary substantially across the regions except for smaller gains in the North in the first year following participation. The earnings gains varied substantially across programs, in descending order in the third year being: \$7,759 for EP; \$5,837 for SD; \$4,328 for WS; \$1,837 for EAS; and -\$6,829 for SE.¹⁹

Table 6										
Incremental earnings impact for active claimant groups										
Outcome	Years post-participation	All	Winnipeg	Rest	North	SD	WS	SE	EP	EAS
Annualized earnings (\$)	1	2,880	3,354	3,045	1,562	3,950	3,540	-7,539	7,072	778
	2	3,336	3,428	3,788	3,024	5,244	3,586	-7,348	7,421	1,322
	3	3,886	3,652	4,283	3,504	5,837	4,328	-6,829	7,759	1,837

Note – bolded estimates are significant at 95% level.

Former claimant groups see fewer and smaller earnings gains through participation

Table 7 shows that former claimant participants saw earnings gains less often and by smaller amounts. Increases in earnings occurred for former claimants from the Rest of Manitoba of \$1,466 in the first year rising to \$1,609 in the third year after participation and, for those who take SD, of \$2,090 in the first year rising to \$2,774 in the third year after participation.

Table 7										
Incremental earnings impact for former claimant groups										
Outcome	Years post-participation	All	Winnipeg	Rest	North	SD	WS	SE	EP	EAS
Annualized earnings (\$)	1	-286	-692	1,466	-1,811	2,090	916	-7,200	-166	-2,041
	2	377	168	1,473	-985	2,533	878	-5,433	-434	-1,619
	3	974	794	1,609	421	2,774	480	-4,561	-48	-660

Note – bolded estimates are significant at 95% level.

¹⁹ These earnings gains do not adjust for the costs of participation by the participant or government. The net benefit to the participant would be this earnings gain minus their cost to participate. This adjustment is done later in the cost-benefit analysis.

Earnings decreased for former claimants who took SE, but by progressively smaller amounts through the first three years after participation (results in the third year not being statistically significant). For all former claimants earnings increased by almost \$1,000 in the third year after participation ends.

4.3 Self-sufficiency

The effect of participation on self-sufficiency was measured through four indicators in the econometric analysis. Participants' reliance on Employment Insurance²⁰ was measured through two indicators – annualized Employment Insurance benefits and annualized weeks on Employment Insurance. The sign of estimates is negative if participation is associated with receiving less in Employment Insurance benefits or being on Employment Insurance for less time. The third indicator is participants' reliance on Social Assistance which was measured in terms of annualized Social Assistance benefits received. Again a negative sign indicates less dependence or more self-sufficiency. The fourth indicator is an overall measure of the dependence on government income support. This was calculated as changes to the proportion of income derived from government sources.²¹ A negative sign on the estimate of this measure indicates lower dependence on income support from government sources or consequently higher self-sufficiency.

Participation leads to a reduction in annual Employment Insurance benefits and weeks on Employment Insurance for active claimants

Results on the four indicators of self-sufficiency for active claimants are presented in Table 8. Active claimant participants saw a reduction in their annual Employment Insurance benefits in all groups noted. For the all-active-claimants group, for example, the change in annualized Employment Insurance benefits was from \$-788 to \$-457 annually. Similarly annualized weeks on Employment Insurance were reduced for active claimant participants in almost all groups. For example, the all-active-claimants group saw a change in annualized weeks on Employment Insurance of from -1.6 to -2.8 weeks.

²⁰ This includes both income support (Employment Insurance Part I) and support while engaged in PBPMs (Employment Insurance Part II).

²¹ This is defined as $(\text{Employment Insurance [EI]} + \text{Social Assistance [SA]}) / (\text{earnings} + \text{Employment Insurance [EI]} + \text{Social Assistance [SA]})$.

Table 8
Incremental self-sufficiency impacts for active claimant groups

Outcome	Years post-participation	All	Winnipeg	Rest	North	SD	WS	SE	EP	EAS
Annualized Employment Insurance benefits (\$)	1	-788	-930	-827	-631	-847	-921	-1,714	-963	-328
	2	-457	-460	-469	-691	-314	-518	-943	-470	-427
	3	-486	-438	-360	-526	-193	-460	-931	-491	-418
Annualized weeks on Employment Insurance	1	-2.80	-2.96	-3.03	-2.10	-3.47	-2.80	-5.18	-3.19	-1.12
	2	-1.59	-1.44	-1.61	-2.38	-1.37	-1.39	-2.88	-1.62	-1.43
	3	-1.59	-1.32	-1.22	-1.70	-0.96	-1.31	-2.78	-1.62	-1.26
Annualized Social Assistance benefits (\$)	1	-37	-81	-26	-4	-59	-144	-40	-68	-14
	2	-71	-101	-76	23	-98	-105	-58	-68	-51
	3	-53	-91	-35	-14	-64	-127	-66	-69	-30
Dependence on income support	1	-.058	-.062	-.064	-.043	-.075	-.070	-.093	-.079	-.020
	2	-.034	-.031	-.039	-.040	-.041	-.033	-.048	-.040	-.030
	3	-.033	-.028	-.026	-.040	-.031	-.037	-.040	-.039	-.027

Note – bolded estimates are significant at 95% level.

Participation leads to reduction in dependence on income support for active claimants

With respect to the effects of participation on annualized Social Assistance benefits, more than one-half of the estimates for active claimants were statistically significant and negative. For all active claimants Social Assistance benefits were changed by \$-37 to \$-71 annually. Participation reduced dependence on income support from government sources (increases self-sufficiency) in almost all groups for active-claimants. For the all-active-claimants-groups the change in dependence on government support ranged from -3.3% to -5.8% for the three years after participation.

Self-sufficiency results for former claimant are mixed

Results for former claimants related to self-sufficiency impacts are noted in Table 9 below. The effects of participation on annual Employment Insurance benefits were mixed. For all former claimants, Employment Insurance benefits changed in the first year after participation by \$-216. Employment Insurance benefits declined in single years for former claimants from Winnipeg and the North, and for those taking WS and SE. Increases in Employment Insurance benefits occurred for a single year for those taking SD and in two years for those from the Rest of Manitoba. An almost identical pattern was observed in terms of annualized weeks on Employment Insurance. A few significant impacts were observed for annualized Social Assistance benefits among groups and intervention types, but no significant impact was found for the all-former-claimant-group. Dependence on income support declined more often than it increased (self-sufficiency increased more often). Again no significant impact was observed for the all-former-claimant-group.

Table 9
Incremental self-sufficiency impacts for former claimant groups

Outcome	Years post-participation	All	Winnipeg	Rest	North	SD	WS	SE	EP	EAS
Annualized Employment Insurance benefits (\$)	1	-216	-458	121	-54	19	-308	-999	-198	-166
	2	-31	-148	396	-54	526	-144	-621	42	-147
	3	-86	-157	246	-255	188	-104	-319	-14	-49
Annualized weeks on Employment Insurance	1	-0.73	-1.34	0.32	-0.34	-0.34	-0.56	-3.42	-0.76	-0.49
	2	0.04	-0.32	1.47	-0.11	1.38	0.01	-1.98	0.25	-0.17
	3	-0.20	-0.47	0.89	-0.71	0.52	-0.31	-0.85	-0.10	0.08
Annualized Social Assistance benefits (\$)	1	32	52	-83	196	-74	-92	-202	-71	211
	2	-28	-18	-93	95	-103	-105	-166	-112	94
	3	19	17	-41	120	-17	-49	-221	-87	104
Dependence on income support	1	-0.010	-0.019	-0.012	.012	-0.027	-0.022	-0.078	-0.036	.019
	2	-0.004	-0.006	.010	.009	.001	-0.003	-0.064	-0.005	.008
	3	.003	-0.004	.020	.001	.006	-0.003	-0.052	-0.006	.020

Note – bolded estimates are significant at 95% level.

5. Cost-Benefit

This chapter compares the costs and benefits of participation from three perspectives – participant, government, and society. Costs were estimated at the start of participation. Benefits in the first four years were converted to a value corresponding to the start of participation. These costs and benefits were then compared to determine if benefits had exceeded costs of participation. Calculations are conducted separately for participants, government, and society. The calculated values for society were equal to the sum of the relevant values for participants and government.

The benefits of participation exceed its costs for most active claimant groups and few former claimant groups.

5.1 Costs

Participants incur some costs through participation

As stated in the 1996 *Act*, participants share in the costs of participation if it is appropriate. On average, out-of-pocket costs; beyond those covered by Employment Insurance Part II such as tuition, child care, and/or travel costs; were \$1,959 for active claimants and \$1,383 for former claimants.

Costs incurred by active claimants ranged from \$451 for those taking WS to \$3,615 for those taking SD. Costs incurred by former claimants ranged from \$484 for those taking EAS to \$2,612 for those taking SD. Average out-of-pocket costs incurred by active and former claimant participants are presented in Table 10 by main PBPM and region of participation.

Table 10		
Average out-of-pocket costs by group		
	Active	Former
All	\$1,959	\$1,383
By Main PBPM:		
SD	\$3,615	\$2,612
WS	\$451	\$1,244
SE	\$1,836	\$590
EP	\$1,352	\$520
EAS	\$712	\$484
By Region:		
Winnipeg	\$1,448	\$1,721
Rest	\$2,295	\$1,571
Northern	\$2,309	\$432
Source: Participant survey.		

Costs of participation to government are substantial when Provincial Benefits are taken

Government costs include both direct program expenditures and administrative costs. Average program expenditures per PBPM were derived by dividing the total government expenditure²² on each PBPM by the number of PBPMs taken in the period 2003-04 to 2004-05 as reported for Manitoba in the annual *Employment Insurance Monitoring and Assessment Reports*. Administrative costs including direct overhead costs incurred by Manitoba were supplied by the Government of Manitoba for the same years. These administrative costs were allocated on a proportionate cost basis to these average program expenditures. This produced a total average government cost per PBPM, covering both direct program expenditure and administrative costs that ranged from \$561 for an EAS intervention to \$8,862 for a SE.

Government costs of participation were then estimated for each of the groups reported in Table 11 based on the characteristics of participation for each group. For example, active claimants taking SD as their main PBPM took on average 1.17 SD interventions, 1.97 EAS interventions and a small amount of other PBPMs. Former claimants taking SD as their main PBPM took 1.16 SD interventions on average, 1.68 EAS interventions and a small amount of other PBPMs on average. Participation costs incurred by government covered all PBPMs taken. The calculation was based on the average number of PBPMs and average total government costs per PBPM of each type. Based on this approach, the average government cost for an active claimant taking SD as their main PBPM was \$10,222, while the average government cost for a former claimant taking SD as their main PBPM was \$9,984.

On average, government incurred a cost of \$3,776 for participation for an active claimant and \$2,655 for participation for a former claimant. Costs varied depending on the main PBPM taken and by the active or former claimant status of the participant. For example, government cost for active claimants ranged from \$744 for those taking EAS to \$10,222 for those taking SD as their main PBPM. For former claimants, average government costs ranged from \$763 for those taking EAS to \$9,995 for those taking SE as their main PBPM.

²² This includes Employment Insurance Part II program costs only. It does not include any potential costs related to Employment Insurance Part I income benefits. If such costs occur, they are treated as a negative benefit (i.e. cost) in Section 5.2 (present value of benefits).

Table 11		
Average government cost by group		
	Active	Former
All	\$3,776	\$2,655
By Main PBPM:		
SD	\$10,222	\$9,984
WS	\$5,755	\$4,866
SE	\$9,962	\$9,995
EP	\$8,355	\$8,416
EAS	\$744	\$763
By Region:		
Winnipeg	\$3,663	\$2,513
Rest	\$3,893	\$2,685
Northern	\$4,251	\$3,775
Source: 2003-04 and 2004-05 Monitoring and Assessment Reports.		
Note – Region could not be determined in all cases.		

Society's costs reflect those of participants and government

The costs to society were equal to the sum of the costs to participants and to government. As a result, the average cost to society for active claimants was \$5,736 (\$1,959 to participants and \$3,776 to government) and for former claimants was \$4,038 (\$1,383 to participants and \$2,655 to government). This suggests that for every \$3 in participation costs incurred by society, individuals contribute \$1 and government contributes \$2 on average for both active and former claimants. The relative share by individual and government vary depending on the PBPM taken. For each \$1 incurred by active claimants the government share ranges from \$1.09 for those taking EAS to \$12.75 for those taking WS. In the case of former claimants, for each \$1 incurred by individuals the government contributes \$1.58 for those taking EAS and \$16.94 for those taking SE.

5.2 Present value of benefits through participation

Benefits of participation can occur over a number of years, although this evaluation considers only those benefits identified in the four years after the beginning of participation. To compare benefits with costs incurred at the start of participation, the cost-benefit method calculates the present value of the stream of benefits resulting from participation at the start of participation.

Estimates from the econometric analysis, including those that were not found to be statistically significant are used since these represent the best point estimates of benefit impacts. The benefit calculation was based on earnings, Employment Insurance benefits, and Social Assistance benefits in the four years after the start of participation as well as the calculated taxes paid on these amounts. A 5% discount rate was used to bring these annual benefit numbers to equivalent values at the start of participation. These adjusted values were then summed to yield the present value of benefits.

The calculated present value of benefits is shown for participants, government, and society in Table 12 (active claimants) and Table 13 (former claimants).

5.3 Net present value (benefits minus costs) through participation

The relevant costs at the start of participation for participants, government, and society are also shown in Table 12 (active claimants) and Table 13 (former claimants). The net present value is the difference between the present value of benefits and the costs of participation. For example the net present value to all active claimants is \$4,582 (\$6,541 present value of benefits minus \$1,959 cost) and to former claimants is \$-2,134 (\$-751 present value of benefits minus \$1,383 cost).

The data on the returns to society were the most inclusive since they included all calculated costs and benefits. In other words the return to society equals the sum of the returns to participants and to government. For example, society's net present value of participation by all active claimants is \$6,188 (\$4,582 for participants plus \$1,606 for government.) Society's net present value for all former claimants is \$-4,715 (\$-2,134 for participants plus \$-2,581 for government).

In the case of a transfer payment, such as Employment Insurance benefits, less Employment Insurance paid is a benefit from the perspective of the government, while less Employment Insurance received is a negative benefit (cost) from the perspective of the individual. From the perspective of society, therefore, these are off-setting effects or a zero effect occurs with respect to Employment Insurance.

Net present value is positive for most active claimant groups

For all active claimants across all programs, the net present value was positive for both the individual (\$4,582) and government (\$1,606) and hence to society (\$6,188). Results for society by all active claimants were less positive for the North (\$3,261) and about equal for Winnipeg (\$6,582) and the Rest of Manitoba (\$6,924). In the North benefits tend to be smaller and costs larger from the perspective of society. Results tend to vary considerably by program, with the net present value to society in descending order being: \$22,735 for EP, \$11,459 for WS; \$6,697 for EAS; \$-5,582 for SD; and \$-43,186 for SE. In the case of SD, the negative net present value to society reflects the fact that the net present value to government is negative (\$-6,730) and more than offsets the positive net present value to participants (\$1,148). In the case of SE, the large negative net present value to society is a result of negative net present values to both the individual (\$-27,862) and government (\$-15,326).

Table 12
Net Present Value of Participation from the Perspective of the Individual, Government, and Society – Active Claimants

Group	Impacts to:	Present Value Benefits	Relevant Cost	Net Present Value
All active claimants				
	Individual	6,541	1,959	4,582
	Government	5,382	3,776	1,606
	Society	11,923	5,736	6,188
Active claimants in Winnipeg				
	Individual	6,131	1,448	4,684
	Government	5,562	3,663	1,899
	Society	11,693	5,111	6,582
Active claimants in Rest of Manitoba				
	Individual	7,526	2,295	5,232
	Government	5,586	3,893	1,693
	Society	13,112	6,187	6,924
Active claimants in North Manitoba				
	Individual	5,374	2,309	3,066
	Government	4,447	4,251	195
	Society	9,821	6,560	3,261
Active claimants with WS as Main PBPM				
	Individual	4,764	3,615	1,148
	Government	3,492	10,222	-6,730
	Society	8,256	13,837	-5,582
Active claimants with WS as Main PBPM				
	Individual	10,087	451	9,636
	Government	7,578	5,755	1,823
	Society	17,666	6,206	11,459
Active claimants with SE as Main PBPM				
	Individual	-26,027	1,836	-27,862
	Government	-5,364	9,962	-15,326
	Society	-31,390	11,798	-43,188
Active claimants with EP as Main PBPM				
	Individual	20,562	1,352	19,209
	Government	11,882	8,355	3,526
	Society	32,443	9,707	22,736
Active claimants with EAS as Main PBPM				
	Individual	4,016	712	3,304
	Government	4,167	774	3,393
	Society	8,183	1,486	6,697

Table 13
Net Present Value of Participation from the Perspective of the Individual, Government, and Society – Former Claimants

Group	Impacts to:	Present Value Benefits	Relevant Cost	Net Present Value
All former claimants				
	Individual	-751	1,383	-2,134
	Government	74	2,655	-2,581
	Society	-677	4,038	-4,715
Former claimants in Winnipeg				
	Individual	-2,022	1,721	-3,743
	Government	480	2,513	-2,033
	Society	-1,542	4,234	-5,776
Former claimants in Rest of Manitoba				
	Individual	3,157	1,571	1,586
	Government	469	2,685	-2,216
	Society	3,626	4,256	-630
Former claimants in North Manitoba				
	Individual	-2,970	432	-3,402
	Government	-1,715	3,775	-5,491
	Society	-4,685	4,207	-8,892
Former claimants with WS as Main PBPM				
	Individual	404	2,612	-2,208
	Government	-1,100	9,984	-11,084
	Society	-696	12,596	-13,292
Former claimants with WS as Main PBPM				
	Individual	2,793	1,244	1,549
	Government	3,015	4,866	-1,851
	Society	5,808	6,110	-302
Former claimants with SE as Main PBPM				
	Individual	-23,197	590	-23,787
	Government	-4,961	9,995	-14,956
	Society	-28,158	10,585	-38,743
Former claimants with EP as Main PBPM				
	Individual	-480	520	-1,000
	Government	152	8,416	-8,264
	Society	-328	8,936	-9,264
Former claimants with EAS as Main PBPM				
	Individual	-2,999	484	-3,483
	Government	-749	763	-1,512
	Society	-3,748	1,247	-4,995

Net present value is positive for few former claimant groups

As shown in Table 13, for all former claimants, net present values through participation are negative from an individual (\$-2,134) and government (\$-2,581) perspective and hence to society (\$-4,715). From an individual perspective net present values are only positive for former claimants who take WS (\$1,549) or are from the Rest of Manitoba (\$1,586).

For former claimants taking PBPMs other than WS, net present values are negative in descending order as follows: EP (\$-1,000); SD (\$-2,208); EAS (\$-3,483); and SE (\$-23,787). For SE, although costs are low to the participant, participants incur a substantial negative benefit through lower earnings and less Employment Insurance.

Net present values for society are negative by PBPM and across regions. Results for society by PBPM are: WS (\$-302); EAS (\$-4,995); EP (\$-9,264); SD (\$-13,292); and SE (\$-38,743). Across all former claimants results by region are: Rest of Manitoba (\$-630); West (\$-5,776); and North (\$-8,892).

Positive net present value resulted for 74% of participants from an individual perspective and for 64% of participants from the perspective of government or society

The study assessed the net present value of participation or the benefits minus costs to participants. The study found that a positive net present value occurred through participation for all active claimants except those who took SE. A positive net present value also occurred for former claimants who took WS. As a result, 74% of the participants investigated gained more through participation than it cost them to participate.

In addition, the study found a positive net present value for government and for society from participation by all active claimants other than those who took SE and SD. This reflects 64% of participants for whom the benefits exceed the costs of participation from the perspective of government and of society.

5.4 Limitations of the cost-benefit analysis

Other benefits and costs not included in this approach are outlined below:

- Benefits are likely to extend beyond the four years included in the analysis. This would improve the net benefits for those who experience positive improvement.
- The analysis also does not include non-pecuniary benefits to the individual through employment such as self-confidence or family well-being, and other unmeasured social benefits such as reduced crime, improved health, and less use of other programs and services.
- Government invests in training by collecting taxes, which itself has a distortion effect in the economy. The analysis is not adjusted to account for this distortion.

- The program participants may take away jobs from other unemployed individuals, and hence cause a displacement effect. The displacement effect is not captured in the analysis.
- Additional costs and benefits could occur for employers (e.g. related to training), and to service providers which are not included in the analysis.

6. Conclusions

This chapter summarizes evaluation findings, identifies key findings for consideration and provides recommendations for improvements based on them.

6.1 Summary of findings

Overall, the study found positive findings for Manitoba:

Participant context and experience

- Compared to other provinces Manitoba has the lowest proportion of working aged individuals. Manitoba's population 25 to 64 years of age also has lower educational attainment than most other Canadians in this age group. In the period after participation, Manitoba experienced low to very low unemployment, low but consistent employment growth, and skill shortages in many areas.
- The typical participant was male, born in Canada and was: 35 years of age or older; married or living common-law; with no children and with two or fewer people in their household. The typical participant had high school education or less and an annual household income of less than \$30,000. Similar to the Manitoba population 14% were Aboriginal, 11% a visible minority and 9% had a disability.
- Participants, while similar to the comparison group in other characteristics, tended to have more individual needs to: upgrade basic skills; obtain industry or occupation-specific job skills; look for or find a job; prepare for next employment or maintain current employment; start or run a business through self-employment; and pay for the cost of education or training needed for employment. They also had more multiple needs.
- More than one-half of participants were highly satisfied with the following aspects of their participation: access to EAS; access to other PBPMs; and the PBBMs taken.
- Manitoba offered services delivered either by: staff who travelled to clients, telephone, or Internet (where available) to help improve access. Despite these services, qualitative sources suggest access to PBPMs was more difficult in rural and remote areas.
- Many key informants view financial support as inadequate particularly the maximum level of support. Of those participants who worked while participating, 30% of all participants and 49% of former claimants cited financial need as the reason.
- Although demand for French language services was not high, service in French was available in a number of areas including those required by the *Official Languages Act*.

Provincial Benefits and Provincial Measures achievements

- Seventy per cent (70%) of participants who set goals for their participation said they had achieved all of them.
- The study found most participants completed their participation. Estimates ranged from at least 65% for those taking WS and EP to 90% for those taking SD or SE.
- Sixty-six per cent (66%) of participants received a certificate/diploma and 85% acquired new skills through participation. This compared to 55% and 75% respectively for a group of non-participants who participated in a non-LMDA-supported employment program or classroom training at about the same time as participants.
- Of those who obtained a certificate/diploma, more participants (81%) than comparison individuals (72%) felt that their subsequent employment was attributable to their certificate/diploma. Of those who obtained new skills, more participants (77%) than comparison individuals (71%) felt that their employment was as a result of their new skills.
- Participants relative to comparison group members were more likely to agree they were better able to find a job, more willing to move to find work, and more interesting in improving their job skills through further training. A minority of key informants identified impacts for participants including: improved self-esteem and self-confidence, increased employability, and increased essential skills.
- Key informant interviews and discussion groups indicated a heavy emphasis was placed on promoting work in areas of labour force shortages. Survey results indicated a shift toward more participants working in high demand occupations relative to comparison group members following participation. More participants (39%) and particularly participants of SD (41%) found work in high demand occupations after participation relative to comparison group members (35%).

Employment, earnings, and self-sufficiency

- More participants worked (89% versus 82%) and they worked more (83% versus 78%) of the time following participation than did comparison group members in a comparable period.
- Forty-three per cent (43%) of participants felt participation was highly important to them getting their main job after participation.
- Almost all active claimant groups worked more, earned more, used Employment Insurance less, and increased their self-sufficiency as a result of participation. About one-half of active claimant groups also saw a reduction in their use of Social Assistance. Among active claimants, those who took SE saw a reduction in their hours worked and earnings.

- A majority of former claimant groups work more after participation. Few other significant impacts occurred for former claimant groups. The impact on earnings was mixed. Some former claimant groups earned more following participation while a smaller number of groups earned less. Impacts were mixed in terms of Employment Insurance use and there were few and again mixed impacts on Social Assistance use for former claimants. Few impacts were identified related to self-sufficiency with more former claimants indicating an increase in self-sufficiency.

Cost-benefit

- Both government and participants share in the costs related to participation. Participants spent about \$1 for every \$2 spent by government.
- For active claimants, benefits exceeded the costs of participation from a social, government or individual perspective in almost all cases. For former claimants, benefits exceeded costs from an individual perspective only in the case of participants under WS or in the Rest of Manitoba.

6.2 Findings for consideration

This section provides observations based on the preceding findings. The following areas for consideration are presented with the objective of improving the generally positive results noted above.

Positive results for active claimants but less so for former claimants

The evaluation found positive results for most active claimant groups. It found fewer positive results for former claimant groups. Given its design the study does not provide conclusive evidence of reasons why these results occurred. However it does provide some information to guide managers.

The study identified some differences between former and active claimant participants. More former claimants were: born in Canada and of Aboriginal descent. At the time participation began, more former claimants had not completed high school, were from a household with less than \$20,000 in total household income and had more children less than 18 years of age living in their household. In terms of needs, more former claimants said that they needed help selecting a suitable career path and developing a plan to achieve it, and upgrading their basic skills compared to active claimants at the time participation began. Potentially these factors contribute to the poorer outcomes of participation for former claimants. However, other program factors may contribute to the lack of success for former claimants. One suggestion put forward by key informants was the disproportionate adverse effect that Employment Insurance Part II funding maximums might have on former claimants who are not eligible for Employment Insurance Part I.

Poor results for Self-Employment Assistance participants

The evaluation found few positive results for participants of SE. This is particularly clear for active claimants taking SE who did not achieve the same level of results compared to active claimants taking other PBPMs.

Participants of SE tended to be older and were more likely to be married/living common-law. The average SE participant was 48 years of age compared to 37 for the average participant. Seventy-three (73%) per cent of SE participants were married/living common law compared to 51% for all participants. There are too few SE respondents to the telephone survey to identify other possible reasons for the poorer results for SE participants. Also the evaluation cannot conclude with certainty that those who choose to participate in SE are not different in some unmeasured way from the comparison group used by the analyses. For example, the study does not include the non-pecuniary benefits of SE such as work flexibility and being one's own boss. This may affect the comparison and hence produce the less favorable program impacts and cost-benefit results.

Also the cost per participant of SE training appears high contributing to the poor cost-benefit results. Potentially the delivery model used for SE is cost prohibitive at smaller participant volumes.

Maximum levels for Employment Insurance Part II support may be a problem

Key informants indicated that Employment Insurance Part II support was subject to a maximum amount and this amount had not changed between 1997 and the study's participation period. Further, they suggested this maximum support could have a differential impact depending on the circumstances of the participant, particularly if participation costs were higher in their region of Manitoba, or they needed to leave their home community to participate, or in the case of former clients, where the individual was not eligible for Employment Insurance Part I support.

In contrast, participants in the survey suggested support levels were adequate. However those surveyed were successful in accessing PBPMs at these support levels while those who were not successful accessing PBPMs were not covered by the survey. Potentially, the reason for not accessing PBPMs may be insufficient support levels.

Access in rural/remote areas may be more limited

Manitoba offered services delivered either by; staff who travelled to clients, telephone, or Internet (where available) to help improve access. These would be of particular benefit in rural and remote areas. Notwithstanding; evidence from discussion groups of participants, staff and service providers, and community partners suggest access to PBPMs is more difficult in rural and remote areas. As discussed earlier, this may be related to the issue of the differential impact of maximum Employment Insurance Part II support levels. This may affect participants from rural and remote areas more due to their higher transportation costs. However there may be other access issues particular to those in rural and remote areas that warrant attention.

6.3 Recommendations for improvement

The following are recommendations for improvement based on the study findings ordered by perceived importance:

- Explore reasons why former claimants may be less successful in their labour market outcomes and make changes where appropriate.
- Explore reasons for the poor results for SE and make changes where appropriate. Suggested areas for investigation include inefficiencies delivering SE at low volumes (high costs per participant) and whether SE provides the best option for employment/success during periods of low unemployment (when jobs with existing employers are more plentiful).
- Review the maximum levels for Employment Insurance Part II support, and consider variable maximums based on objective criteria such as location or need for travel and make changes where appropriate.
- Review measures to improve access to PBPMs by those in rural and remote areas and make changes where appropriate.