

# Learning What Works

Evidence from SRDC's Social Experiments and Research

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## Helping Persons With Disabilities Gain Employment

### *Potential Experimental Demonstration Projects*

Persons with disabilities would be more likely to work if they could retain their medical benefits when they start working and regain their income benefits when they stop working — this was the opinion of several speakers at a workshop held by SRDC on March 21, 2001. The one-day workshop also heard about other methods to encourage employment among persons with disabilities including additional financial incentives, vouchers for disability supports, and comprehensive training programs in co-operation with employers.

Forty participants, including members of disability organizations as well as policy-makers and academics, helped generate ideas for encouraging labour force participation among persons with disabilities. Human Resources Development Canada and provincial governments may use these ideas for future experimental demonstration projects.

The proposals for demonstration projects presented at the workshop evolved from ideas put forward at a roundtable session with representatives from disability organizations, held at Carleton University in November 2000. The proposals were

designed to overcome the difficulties faced by persons with disabilities when they seek employment. These difficulties include discrimination, shortage of supports for work, lack

*This "poverty trap," common to many social programs, is particularly severe for people with disabilities because they face high medical costs and uncertain employment.*

of job skills and appropriate work experience, and poor financial incentives, explaining in part why persons with disabilities are half as likely to participate in the labour force as persons without disabilities.

Workshop presenter Arthur Sweetman of Queen's University said that persons with disabilities are often reluctant to perform paid work because additional earnings would result in nearly equal reductions in disability benefits. This "poverty trap," common to many social programs, is particularly severe for people with disabilities

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because they face high medical costs and uncertain employment.

Sweetman suggested that persons with disabilities would be more likely to work if they were allowed to keep a large portion of their disability benefits while working. One of several potential projects outlined by Sweetman would allow recipients of disability benefits to earn up to \$1,000 per month without any reduction in disability benefits. Every \$100 of additional earnings would result in a \$25 reduction in disability payments. Participants would retain their medical benefits while working and would regain their disability income benefits if they left the labour force. Sweetman said his proposals could form a "baseline" experimental project to be compared with alternative program ideas providing additional assistance for people with disabilities.

One such alternative program idea involved vouchers to pay for the supports people with disabilities need to live and work. Roy Hanes of Carleton University described a voucher that could be used to purchase supports such as prosthetics, wheelchairs, medication, workplace redesign, and on-site personal care.

Hanes emphasized that the vouchers would leave persons with disabilities in control of determining what supports they need. There would be no outside needs assessments of the supports desired by a person with a disability. The current system often involves a medical professional determining need for a support even when the support is not directly medical in nature. This can lead to long delays waiting for medical appointments as well as disputes over what supports are necessary. The current system can also restrict job mobility by tying persons with disabilities to service providers at

a specific location. "People with disabilities know their needs best and it is they who should be controlling support services," Hanes said.

Hanes compared his voucher proposal to the "Ticket to Work" program implemented by the US Social Security Administration. Ticket to Work gives vouchers to persons with disabilities so that they can make their own choices about where to get job-related training and placement assistance. As well, employers and employee trainers are paid according to how long the participants remain employed.

## *Vouchers would leave persons with disabilities in control of determining what supports they need.*

Program participants receive medical benefits while working and can receive disability income benefits if they leave work.

Hanes praised the Ticket to Work program because its vouchers gave a large amount of control over services to the people the services were intended to help.

In contrast to the voucher system, Joan Westland of the Canadian Council on Rehabilitation and Work proposed that employers in high growth industries should play a significant role in deciding who receives training and the types of skills that are taught. In exchange, the employers would give a binding commitment to hiring graduates of training programs. The basic premise is that training programs are most effective when there is a committed employer.

Westland ventured that training tailored to the specific needs of committed employers allows 90 per cent of graduates to be retained successfully. She stressed that to be successful the program would rely on hard-working participants, strong management, and a comprehensive program to deal with all barriers to employment for persons with disabilities. These barriers included discrimination, lack of access to work, and lack of affordable supports for work and living.

"Programs that have not included complex strategies and multiple partners (especially employers) are expensive and without employment results," Westland said.

In subsequent discussions, some workshop participants questioned whether such an intensive program could be successfully scaled up to the provincial or national level.

Henry Enns and Deborah Stienstra of the Canadian Centre on Disability Studies proposed a comprehensive approach for students with disabilities somewhat similar to Westland's plan. Employers would be closely consulted on training issues in return for their guarantee of jobs for graduates of training programs. In addition, students and their families would receive a wide range of counselling services to prepare them for the job market.

This program idea was designed to help students with disabilities overcome their lack of work experience, intense attitudinal barriers, and mental health issues. "The key to helping youth is to provide supports before they finish school, college, or university," Enns and Stienstra said.

While still in school, the students would undergo full-time training for three consecutive summers with part-

time training in the winter. In addition, Enns and Stienstra recommended close consultation between students, business, disability professionals, and family. A final aspect of the program idea was that students would continue to receive medical benefits while working and have their income benefits restored if they stopped working.

Derek Hum of the University of Manitoba described various financial incentives to encourage employment among persons with disabilities. These incentives could include an earnings supplement similar to SRDC's Self-Sufficiency Project, a wage subsidy, or a grant to cover the initial costs of going to work.

However, on the whole, Hum was pessimistic about the effectiveness of

*Training programs are most effective when there is a committed employer.*

these incentives. He argued that they could appear expensive, might cause resentment among persons without disabilities, and may, in some cases, reduce the amount of work done by some persons with disabilities.

A possible experimental project that emerged from the workshop would use Sweetman's plan for increased financial incentives as a baseline pro-

gram. This package of incentives would test whether there are indeed a substantial number of persons with disabilities who are ready, able, and willing to work, but held back from employment by the rigidities and disincentives of benefit rules. In addition, a subset of the participants in the project could be offered vouchers or training to see what additional effect they might have on employment outcomes. Another possible project might test the relative effectiveness of giving control over training to persons with disabilities (the voucher approach) versus locating control over training with the employer. Among other things, one would expect different outcomes when it comes to the probability of subsequent employment. ♦

## New Lessons From the Self-Sufficiency Project

### *Testing Options in the Delivery of Financial Incentives*

The Self-Sufficiency Project (SSP) was designed to test the effectiveness of temporary income supplements to increase employment among long-term welfare recipients both to reduce poverty and improve economic self-sufficiency. Historically, antipoverty programs that were not tied to employment sometimes reduced people's work effort and increased their reliance on public assistance. With the results reported to date, SSP has demonstrated that financial incentives can be effective in addressing problems of both poverty and dependence.

Although SSP's main "recipient study" revealed impressive results, questions remain about how an established SSP-style supplement program might work, which the main study alone could not address. The study targeted a cross-section of long-term welfare recipients, so it measures the impact of a newly implemented program on people already receiving welfare.

- ♦ What would happen if new welfare applicants were aware of an SSP-type supplement in an established program? Would they be encouraged to

apply for and remain on welfare longer in order to qualify? In other words, are there negative "entry effects" of a financial incentive offer?

- ♦ How effective is offering a supplement alone? Could additional services improve the chances of individuals finding work in order to take advantage of the supplement?

SSP's designers anticipated the above questions and launched two parallel studies as part of SSP — the "applicant study" and SSP Plus. Two recent

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reports from SRDC reveal how these alternative programs were faring after 36 months of supplement eligibility.

## The SSP applicant study

If SSP were to become a newly implemented program, targeting social assistance/income assistance recipients who had been on welfare for at least one year, the main recipient study would provide reliable estimates of the impacts of this program. However, if a program like SSP had already been established for several years, all new welfare applicants would be aware of their potential eligibility for the supplement if they remained on social assistance for a year. This raises interesting questions about the potential impact that an established SSP-type program would have on the behaviour of new applicants for social assistance, both before and after they become eligible for the supplement.

Recruitment for the applicant study included only new applicants for income assistance (IA) in the lower mainland of British Columbia. The key design difference between the recipient and applicant studies was that applicants were recruited as they began a new spell of welfare receipt, unlike recipients who were recruited after a year or more of receipt.

Applicants were randomly divided into program and control groups. The program group was advised at recruitment that they could become eligible for the supplement if they remained on IA for a year. As a result, the applicant study simulates the environment that new welfare applicants would face in an established SSP-type program.

The SSP applicant study is able to answer two important questions. The

primary goal was to determine whether new applicants for welfare would stay on IA longer in order to qualify for the earnings supplement being offered by SSP. A second purpose was to see whether the supplement would have any impact on the subsequent employment, earnings, income, and welfare receipt of the new welfare clients who were aware of their potential eligibility a year earlier. Would the program's impacts be similar to those seen for long-term clients in the recipient study who became eligible immediately?

Entry effects were minimal. Comparison of the treatment and control

group welfare records indicated that very few participants increased the length of time they stayed on welfare in order to qualify for the supplement offer (reported in *Do Work Incentives Have Unintended Consequences? Measuring "Entry Effects" in the Self-Sufficiency Project* by Gordon Berlin, Wendy Bancroft, David Card, Winston Lin, and Philip K. Robins, March 1998). SSP's one-year eligibility requirement, if implemented in an established program, would not substantially prolong stays on welfare.

## 48-month results

The latest SRDC report on the applicant study, *When Financial Incentives Pay*

## Key Features of the Earnings Supplement for Applicants

- ♦ **Full-time work requirement.** Supplement payments were made only to eligible single parents who worked an average of at least 30 hours per week and who were not receiving income assistance (IA).
- ♦ **Substantial financial incentive.** The supplement was calculated as half the difference between a participant's earnings from employment and an "earnings benchmark" initially set at \$37,000 in British Columbia. The supplement was roughly equal to the earnings of many low-wage workers (before taxes and work-related expenses).
- ♦ **Targeted at long-term recipients.** Eligibility for the supplement was limited to long-term welfare recipients (with at least one year of IA receipt). As a result, members of the applicant experiment had to stay on IA for the first year after entering the study to establish eligibility for the supplement.
- ♦ **One year to take advantage of the offer.** IA recipients who became eligible to receive the supplement at the end of the first year were informed that they could sign up for the supplement if they found full-time work within the next 12 months (in other words, in the second year). If they did not sign up within 12 months, they could never receive the supplement.
- ♦ **Three-year time limit on supplement receipt.** Participants could collect the supplement for up to three calendar years from the time they began receiving it, as long as they were working full time and not receiving IA.
- ♦ **A voluntary alternative to welfare.** Participation in the project was voluntary. However, to receive the SSP supplement, participants had to leave IA. After beginning supplement receipt, participants could decide at any time to return to IA, as long as they gave up supplement receipt and met the eligibility requirements for IA. They could also renew their supplement receipt by going back to work full time at any point during the three-year period in which they were eligible to receive the supplement.

*for Themselves: Interim Findings From the Self-Sufficiency Project's Applicant Study* by Charles Michalopoulos and Tracey Hoy, analyzes impacts on the subsequent employment, earnings, income, and welfare receipt of program group members, based on surveys administered to sample members 48 months after they entered the study. For program group members, who by definition had to spend 12 months on IA to become eligible for the supplement, the survey was administered 36 months after their supplement eligibility began.

Significant impacts on full-time employment, earnings, and poverty reduction were observed. During the fourth year after entering the study, nearly 45 per cent of program group members worked full time compared with 36 per cent of the control group: an impact of nearly nine percentage points. Earnings of program group members were also larger, by about 16 percentage points. This large impact on earnings reduced the proportion of program group families with income below Statistics Canada's low income cut-off by more than six percentage points.

Importantly, these employment and earnings gains of program group members have been achieved with no net increase in overall transfer payments. The supplement offer has essentially paid for itself through reductions in IA payments and higher taxes on earnings generated by the program. During the last six months of the follow-up period, program group members received on average \$129 per month in supplement payments. As a result of the full-time work requirement, program group members received \$69 less in monthly

IA payments than control group members and paid an estimated \$56 per month more in taxes. The combination of increased tax revenues and reduced IA payments fully offset the cost of the SSP supplement payments.

Net transfer payments increased in the recipient study while they decreased in the applicant study. An earlier SRDC report offered the explanation that SSP had a greater effect on the earnings of applicants than on the earnings of recipients. This means that the program's impact on income taxes is also higher in the applicant sample. The larger earnings response may reflect the more recent labour market experience and education of the applicant sample. This finding holds out the prospect that a program like SSP can achieve positive impacts on employment and poverty and, once implemented, could pay for itself.

### SSP Plus

SSP Plus was implemented to determine if the addition of job-search and

employment support services could help a larger portion of individuals take advantage of the supplement offer by finding employment. This study is important because SSP's impressive impacts to date — demonstrating that financial incentives alone can be effective in encouraging economic self-sufficiency — were achieved largely because of the one third of welfare recipients who took up the supplement. A large portion of program group members — approximately two thirds — never took up the supplement. Many of these individuals simply could not find work within the 12-month period in order to qualify for the supplement.

SSP Plus services were intended to help program group members overcome two sets of difficulties: finding a job within 12 months in order to qualify for the supplement, and finding new employment in the event that they lost the job that initially qualified them for the supplement. The

## Services Available to SSP Plus Program Group Members

**Employment Plan.** A blueprint for self-sufficiency was drawn up for each group member. It included information on employment barriers, goals, and anticipated use of SSP Plus services.

**Resumé Service.** SSP Plus program staff was available to draft, type, format, proofread, and print resumé.

**Job Club.** Enrolment in job clubs, led by SSP Plus job coaches, was encouraged. Emphasis was on early contact with employers, consistent follow-up, and the importance of maintaining a positive attitude.

**Job Coaching.** Program group members formed one-on-one relationships with SSP Plus program staff who offered practical advice and emotional support.

**Job Leads.** SSP Plus program staff collected and distributed news of job openings.

**Self-Esteem Workshop.** Program group members participated in exercises designed to build self-esteem.

**Other Workshops.** Workshops targeted program group members confronting job loss or looking for higher-paying positions.

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study of SSP Plus should help answer two related research questions:

- ♦ Does the addition of employment services help more individuals find employment and take advantage of the supplement offer?
- ♦ Will they also be better able to retain these full-time jobs?

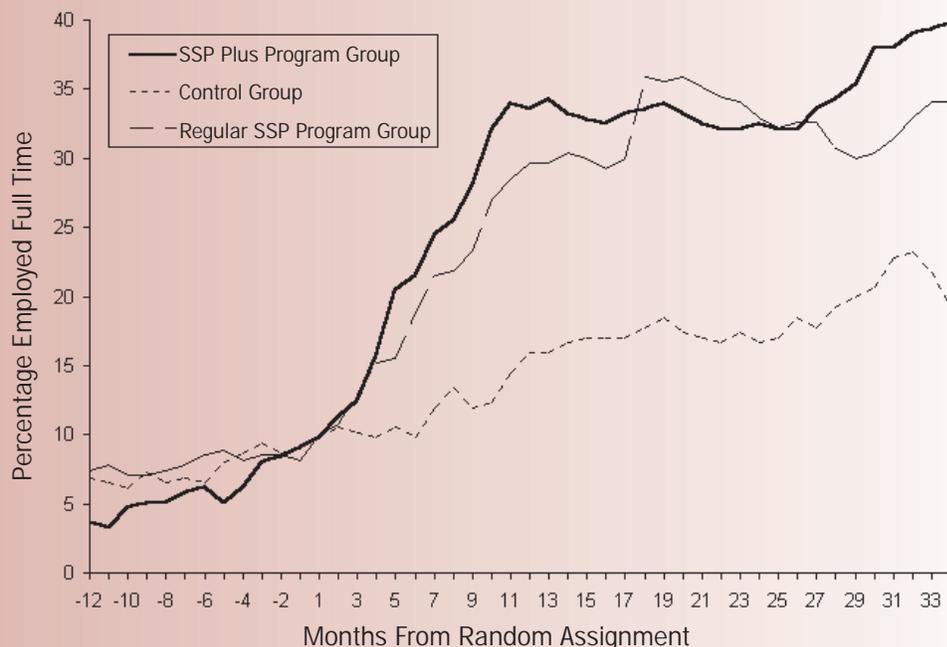
In other words, will SSP Plus lead to incremental impacts on employment, earnings, income, and welfare receipt over and above the effect of the supplement offer alone?

The nature of these questions led to a unique research design for SSP Plus. The program was targeted at a similar group of long-term IA recipients, located in New Brunswick, as in the main recipient study. But, this time sample members were allocated randomly to one of three research groups rather than simply to a program or control group. One group received the supplement offer and SSP Plus employment services (the SSP Plus program group). A second group received only the supplement offer (the regular SSP program group). In each program group, the supplement offer had the same key features as the offer in the main recipient study. A third control group received neither the supplement offer nor the SSP Plus employment services. This design allowed for multiple comparisons to reveal not only the joint effect of SSP Plus services and the supplement but also the incremental impact of adding SSP Plus services to the supplement offer.

## 36-month results

The recent SRDC report, *SSP Plus at 36 Months: Effects of Adding Employment*

Monthly Full-Time Employment Rates Among SSP Plus, Regular SSP, and Control Group Members



Sources: Calculations from baseline survey data, and 18-month and 36-month follow-up survey data.

*Services to Financial Work Incentives* by Ying Lei and Charles Michalopoulos, describes the effect that adding employment services to the supplement offer had on supplement use and subsequent employment and earnings. These findings are based on the analysis of surveys administered to sample members 36 months after they entered the study.

The addition of employment services had a significant impact on the number of individuals who found full-time work, and helped a larger proportion take advantage of the supplement offer. Approximately half of those in the SSP Plus program group managed to find a full-time job in the year after entering the study and qualified to receive the supplement. In contrast, only about a third of the group that

was offered the supplement alone managed to secure full-time employment.

The combination of employment services and an earnings supplement generated very large impacts on employment, earnings, income, and welfare receipt when compared with the control group who received neither services nor the supplement. More than twice as many people in the SSP Plus program group worked full time relative to the control group, and far fewer were in receipt of welfare. The earnings of those receiving employment services along with the supplement were \$100 higher per month and total income nearly \$200 higher per month compared with the control group who received neither services nor the supplement.

The addition of employment services helped a larger portion of people qualify for the supplement by finding full-time employment during the first year of the study. But this difference in the ability to find work between the SSP Plus program group and those eligible only for the supplement did not translate into incremental impacts on monthly employment rates or other outcomes. This means that while those offered SSP Plus were better able to get jobs, they lost jobs more quickly too. A comparison of other outcomes for the two groups revealed few signifi-

cant differences. Nonetheless, the proportion of SSP Plus program group members who were in receipt of IA was lower and their total individual income was higher by nearly \$100 per month.

### Summary

The applicant study and SSP Plus have both made significant contributions toward understanding delivery options for programs based on financial incentives. Future analysis and reports will continue to contribute to this understanding. It will be important to see

whether the employment and earnings impacts in the applicant study, achieved at no net cost to the government, persist when supplement eligibility ends for all program group members. In SSP Plus, use of employment services appeared to be growing at the end of the 36-month analysis period and it remains to be seen if the trend continues and what longer-term impact it has. ♦

# The Jobs Partnership Program

## *Rewarding Performance in the Delivery of Services*

An idea that has gained acceptance is that finding and getting a job depends on whom you know (networks) and what you know (skills). Lack of connections can make the search for work more difficult, even for highly motivated individuals. By the time individuals apply for welfare they are desperate, having usually run out of funds and confidence. Individuals who are out of the job market may need help connecting with employers and may require more personalized attention than they can get in other generally available programs such as job clubs.

In January 2000 the Ministry of Human Resources (MHR) in British Columbia launched a two-year pilot project called the Jobs Partnership Program (JPP). JPP represents a profound shift in the makeup and delivery of labour market programs and services for welfare recipients. First, it focuses on a "work-first" strategy

*Both the literature and field research suggest that the JPP design represents a first in many areas of welfare reform.*

designed to help job-ready clients into jobs as quickly as possible instead of focussing on training programs. In addition, it introduces the concept of performance-based contracts for agencies responsible for the delivery of the program. Under such contracts, delivery agencies get paid according to results achieved as opposed to simply being paid for services provided.

Commissioned by MHR, SRDC conducted process research to describe JPP and its implementation. This work

was undertaken by Wendy Bancroft, Susanna Gurr, and David Gyarmati, and their report, *The Jobs Partnership Program: Pathways, Pitfalls, and Progress*, was recently presented to the BC government.

### An innovative concept

The JPP pilot is based on a partnership between the government and two private sector agencies that were contracted to deliver the program: Destinations Job Link (a consortium of tourism and hospitality organizations), COTA (the Council of Tourism Associations of British Columbia), and Job Wave BC (headed by the West Coast Group International Consultants Ltd., an IT consulting firm for small business).

An employment-focused program, JPP provides time-limited employment services and supports to program participants to help them find jobs quickly and keep them. The major benefits

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and services JPP offers to its participants are job placements, pre-employment financial supports, and post-placement support services and incentives. Agencies receive payments from the government only when JPP participants become employed and independent of welfare. The program is expected to save the government money and to be self-financing.

The primary goal of JPP is to increase the number of welfare clients who find work. Many informants said the goal was to “link participants with jobs and keep them in jobs.” It is expected that doing so would help reduce the number of cases on welfare and save welfare expenditures. JPP was designed to serve job-ready new welfare applicants. In targeting this group, the program works with individuals who typically have higher skill levels and more recent work experience. JPP is intended to intervene before these individuals become “trapped” on welfare.

Both the literature and field research suggest that the JPP design represents a first in many areas of welfare reform. The most notable areas include the following:

- ♦ **A step toward more active programs.** JPP breaks from the passive approach by proactively connecting people to the labour market. People involved in delivering JPP present the message that “a job is better than welfare” and provide services to achieve that goal.
- ♦ **Contracting arrangements that reward performance.** This is the first performance-based contract that the Ministry has entered. Agencies are paid when JPP participants are placed

into employment and stop receiving welfare payments. It is believed that performance-driven incentives will encourage more creativity and entrepreneurship in the development and delivery of programs.

- ♦ **Creating linkages with the business community by forming a public-private partnership.** The use of private agencies, instead of governments, with connections to industries to run employment-focused programs is rare and generally small in scale. The JPP agencies are in a unique position to facilitate the involvement of business, especially small businesses and tourism.

## SRDC analysis

The SRDC study targeted four MHR administrative regions and two district offices within each region for a collective case study approach. The study used a number of information-gathering techniques and sources, including in-depth interviews with key informants at all levels of JPP implementation and operations, participation and job placement statistics, and observation of worker-client interactions. While the study was not intended to measure the net impact of JPP on its participants, nor to provide a fiscal impact analysis for the government, the findings nonetheless should help policy-makers and program staff gain insights into some of the factors that seem to contribute to program success.

Informants gave JPP excellent grades for having implemented the program so quickly, and for the effort that had gone into making the program “work.” Several informants thought JPP represented one of their greatest learning experiences. The following lists prac-

tices in several areas that had been mentioned as making JPP better than other programs:

- ♦ There were substantive efforts from both Ministry and agency staff to proactively track and monitor participant involvement, which many informants believed has led to achieving higher program attendance and participation rates.
- ♦ With JPP there is a lot of flexibility. It allows both Ministry and agency staff to change the structure in order to accommodate the program delivery in a way that respects regional realities and needs.
- ♦ Most informants thought JPP would not operate well without a good working relationship among all partners. This relationship evolved and improved over time and as procedures became better cemented.
- ♦ Informants thought it was very important to the program’s success to have dedicated JPP workers.
- ♦ Informants emphasized the importance of having a good information system to track and monitor participants throughout their involvement with JPP.

The Jobs Partnership Program is a program with a clear goal. JPP’s designers have implemented a “made-in-BC” concept of “work first,” which is operating in all Ministry regions and in most parts of the province.

As discussed in the SRDC study, the Ministry and agencies experienced various implementation challenges and issues during their first year of operation, but none that prevented the pro-

gram from achieving its placement targets for the first year.

Experience gained through JPP offers lessons in the following areas:

- ♦ Establishing and preserving an employment focus in a program by using performance-based incentives;
- ♦ Building positive relationships between private and public agencies;
- ♦ Assessing and getting feedback on the program continuously and making policy, contract, and program adjust-

ments along the way, which improves service delivery; and

- ♦ Putting a performance contract into practice.

Based on JPP's experiences to date the program shows promise. Overall, agencies are meeting their targeted placement numbers and getting people back to work. JPP placed over 6,000 participants in jobs in its first year of operation. Success in JPP has largely been discussed in terms of meeting targets and numbers of placements. However, some participants would have found

jobs even without the program; therefore, this measure can overestimate the true difference the program made.

The literature indicates that programs with a focus on getting people into jobs quickly can generate a large or more lasting increase in employment rates, earnings, and income than pure job-search programs. According to informants in the study, JPP appears to be achieving these outcomes; but without a proper impact evaluation, the question of how successful JPP is remains unanswered. ♦

## SRDC Workshop on the Frequent Use of EI

On July 5, 2001, in Ottawa, SRDC hosted a "Workshop on the Frequent Use of Employment Insurance in Canada." A roundtable of both academics and policy practitioners, the workshop was an opportunity for SRDC to discuss with experts from across the country the findings and new insights coming out of its research initiatives in this area. This research is featured in two reports published earlier this year.

*The Frequent Use of Unemployment Insurance in Canada: The Earnings Supplement Project* presents an analysis of the characteristics, behaviour, and attitudes of Employment Insurance (EI) beneficiaries who responded to the Survey on Repeat Use of Employment Insurance. A companion report, *Essays on the Repeat Use of Unemployment Insurance: The Earnings Supplement Project*,

is a compilation of essays by Canadian academics that further explore the Survey on Repeat Use of Employment Insurance data.

The workshop also provided SRDC with an excellent opportunity to undertake a forward-looking examination of the circumstances of those who have a strong dependence on EI benefits, and identify research topics that could contribute to broadening our understanding of the complex phenomenon of frequent reliance on EI.

There are many possible causes of the frequent use of EI benefits: some individuals are facing a rationed labour market because of depressed local demand conditions or seasonal demand; others are unable to fill jobs

that are available because they lack the required skills; a significant number of workers and firms are engaged in implicit contracts whereby firms lay off workers temporarily as an adjustment to demand fluctuations, and workers accept this arrangement with the understanding that they will be hired again by the same employer; or other individuals, acting independently of their employer, adopt employment patterns that incorporate frequent recourse to the EI program for various reasons. The causes are multiple, complex, and somewhat interrelated, and reflect the heterogeneous pattern of interactions between claimants' work experience and their use of the EI system. This heterogeneity makes the task of designing alternative policy approaches even more complex.

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Experts present at the workshop pointed out that the typology of EI claimants proposed by David Gray and Arthur Sweetman — and described in their essay “A Typology Analysis of the Users of Canada’s Unemployment Insurance System: Incidence and Seasonality Measures” — is an important contribution to this body of research (see “Repeat Users — A Complex Reality” in *Learning What Works, Volume 1, Number 2*, for a discussion of their research findings). By breaking down repeat users into six different categories based on their history of EI use, their typology leads to a better understanding of how individuals are utilizing the EI program and provides a useful distinction between different types of workers who can have very diverse employment experiences and needs. Participants suggested that this typology should be used for further analysis of worker behaviour in relation to EI. For instance, future research should explore differences between rural and urban repeat claimants, and issues of interregional mobility, comparing the situation and economic outcomes of workers who move to other localities with better employment opportunities with that of workers who stay in their region of origin.

One of the key insights stemming from recent SRDC research is the finding that many repeat users tend to make claims in a distinctly seasonal fashion, whether or not they are “seasonal workers.” This confusion surrounding the concept of seasonality was echoed in the workshop discussions. Participants agreed that there is a need for a clear distinction between

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seasonal workers and seasonal jobs. Such issues as the appropriate measurement of seasonality, the multi-dimensionality of seasonality, and its implications for policies deserve further analysis and would certainly help assessing the extent to which seasonality contributes to the frequent reliance on EI benefits.

With a significant proportion of youth repeatedly using EI — 19 per cent of young men and 12 per cent of young women — another major area of concern among participants was the need for further study of young claimants. Findings from the Survey on Repeat Use of Employment Insurance reveal that young repeat EI users are over-represented in unskilled occupations compared with young occasional EI users, even more so than older EI users. The current EI program might

not be the most suitable instrument to deal with some forms of transitions from periods of activity to periods of inactivity among young workers. There is a need for research that would provide the empirical and analytical evaluations of key issues that are essential to formulating support measures better adapted to the special needs of youth. A key policy issue is whether the EI system can compensate older workers who lose their jobs without creating adverse effects for younger workers. This matter is of particular importance since empirical evidence suggests that young people who claim EI are more likely to become dependent on the system in the future.

All in all, the workshop provided SRDC with an excellent opportunity to gain insights from academics and policy-makers with well-known expertise in the area of income security policies and labour market issues. Its success has reinforced SRDC’s plan to pursue further research in the area of repeat use of EI, an issue that has been a central topic in the history of Canada’s unemployment insurance system. SRDC’s Workshop on the Frequent Use of Employment Insurance in Canada demonstrated that there are numerous questions that remain unanswered at this time. SRDC’s forthcoming empirical and analytical work will be aimed at broadening our understanding of the phenomenon in a way that will help design new demonstration projects as possible responses to some of the identified current challenges. ♦

# Evaluating Community Learning

## *SRDC Collaborates in the Understanding the Early Years Initiative*

There is an increasing awareness of the critical importance of the cognitive, emotional, and behavioural development of a child during their first five years of life. It is during this period of time, for instance, that development of the neural network is rapid and highly specialized; branches of brain cells (dendrites) become denser and the number of synapses (the gaps between brain cells through which chemical messages pass) increases, maximizing learning abilities in children. A two-year-old's "thinking" brain has 50 per cent more synapses than the adult brain, affecting what new information they can learn and store (Huttenlocher, 1994).

The rate of brain activity is high during these early years. For example, a healthy five-year-old child's brain operates at roughly one and a half times the capacity of an adult's brain (Chugani, Phelps, & Mazziota, 1987).

Neuroscientists now know that development during the early years is like "putting the foundation in and framing up a house" (Eilers, 2, n.d.). The right "building materials" must be present for healthy child development, including good nutrition, as well as nurturing and stimulating environments in the home and in the community. Children need to feel protected and to grow up with a positive sense of self, confident in their ability to achieve their goals.

There is also increasing awareness of the ways in which communities can influence a child's development. The success of the provision of learning and skill development opportunities for low-income families, as well as of safe neighbourhoods and opportunities for social mixing has resulted in a change in the way governments are approaching program development. Many recent initiatives have been targeted toward improving child development outcomes through increasing the community's capacity to support children and their families. It is believed that, rather than top-down government-imposed programs that target specific populations, these "comprehensive community initiatives" are more likely to encourage fundamental and sustainable change.

In early 1999 Human Resources Development Canada (HRDC) launched an initiative called Understanding the Early Years (UEY). UEY is an experimental program that is intended to build community capacity for learning and action. It aims to support the development of self-reliant, sustainable community development through involving those same communities in the process of collecting and disseminating data relevant to child learning outcomes in local neighbourhoods. The UEY initiative is based on the premise that learning is not only a cognitive process but is also the result of well-being

across several dimensions including the following:

- ♦ Physical health and well-being
- ♦ Social competence or the ability to get along with other children, accept responsibility for one's own actions, and work independently
- ♦ Emotional health and maturity, including the absence of issues of aggression, restlessness, or sadness
- ♦ Language and cognitive development including basic reading and numeracy skills
- ♦ Communication skills and general knowledge

Formed in 1996, the Early Years Action Group (EYAG) in North York became the prototype site for the UEY initiative. The EYAG was interested in readiness to learn at school, and community effects (i.e. how well children were supported by their community before getting to school). Later that year five more pilot sites, in communities stretching from British Columbia to Newfoundland, were added. Each site has a local research coordinator, with the coordinators' efforts guided by multi-sectoral coalitions of community groups involved in early childhood development.

Using a specially designed Early Development Instrument (EDI) developed at McMaster University, as well as

# Learning What Works

the National Longitudinal Survey of Children and Youth (NLSCY), data on child outcomes were collected from teachers, and from parents and their children. In addition, each site conducted community mapping studies providing a visual portrait of the physical and socio-economic characteristics of the neighbourhoods in which the children live, as well as the types and locations of programs and services available for the children and their families. These activities were the basis of Phase I of UEY.

In Phase II of UEY, the Community Coalitions and the research coordinators will focus on making the results of these studies available to community members. The premise of doing so is that access to information about child development will enable members of the six pilot communities to make informed decisions about the kinds of changes necessary to improve and support child development in their neighbourhoods. In other words the project will stimulate a "data driven dialogue" that results in collaborative community learning (Torjman, Leviten, Camp, & Makhoul, 2001). It is further hoped that this knowledge will stimulate action toward new or improved supports for community and family well-being that will result in improved child learning readiness outcomes.

Will this process of community learning be effective? The activities undertaken within each of the pilot project sites to promote community learning and action during Phase II of UEY will be the focus of SRDC's collaboration with HRDC and with each

of the six pilot projects. SRDC will have the task of evaluating what occurs during Phase II of the UEY project.

SRDC's evaluation will focus on two areas: (1) documenting the process of knowledge exchange, and (2) identifying what works and what does not work in achieving the desired outcomes.

SRDC's research activities to date have focused on preparation of the research design, and on formative research conducted in five of the six pilot sites: Prince Edward Island, Southwest Newfoundland, Winnipeg, Prince Albert (Saskatchewan), and the "Fraser North" area of BC's lower mainland. With the resumption of more intensive community activity after the summer holiday period, formative research will take place in the sixth site, North York Quadrant in Toronto.

During these visits, researchers were given an opportunity to meet and talk with members of the community coalitions, and were able to gain a visual sense of the communities. Information was gathered about the makeup of the coalitions, the community environment, and potential barriers and opportunities facing the coalitions as they prepare to enter Phase II of UEY. Subsequently SRDC will be returning to each site at regular intervals to interview the research coordinators, members of the community coalitions, parents, and members of the public about the UEY initiative. A full report will be submitted to HRDC in the spring of 2004.

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# Publications

SRDC's reports are available free-of-charge by visiting our Web site at [www.srdc.org](http://www.srdc.org) or by contacting the SRDC office in Ottawa at 50 O'Connor Street, Suite 1400, Ottawa, Ontario K1P 6L2; telephone (613) 237-4311; fax (613) 237-5045; e-mail [info@srdc.org](mailto:info@srdc.org)

## New Lessons From the Self-Sufficiency Project (p. 3)

### SSP Plus at 36 Months: Effects of Adding Employment Services to Financial Work Incentives, by Ying Lei and Charles Michalopoulos

This report presents new findings from the SSP Plus study, describing its impacts on participants' earnings, incomes, and welfare payments. It also examines the continuing impacts of the addition of employment services on the number of individuals finding full-time work and, therefore, qualifying for the supplement.



### When Financial Incentives Pay for Themselves: Interim Findings From the Self-Sufficiency Project's Applicant Study, by Charles Michalopoulos and Tracey Hoy

This report presents interim findings from Self-Sufficiency Project's "applicant study." It explores the ongoing effects of this supplement on the employment, earnings, income, and welfare receipt of long-term welfare recipients.

## Newly published SRDC working paper

### Measuring Wage Growth Among Former Welfare Recipients, by David Card, Charles Michalopoulos, and Philip K. Robins

This paper examines the effect of the Self-Sufficiency Project on the rate of wage growth among the long-term welfare recipients who were induced by the financial incentives of the program to enter the work force.



## Interested in Conducting Rigorous Policy Research?

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Candidates should have a graduate degree in the social sciences, an excellent knowledge of econometrics and quantitative methods, and a demonstrated ability to work in a collaborative research environment. Senior researcher positions also require excellent writing skills, supervision ability, and previous experience in applied research or program evaluation with governments, universities, non-governmental organizations, or research institutes.

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