

Learning What Works

Evidence from SRDC's Social Experiments and Research

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Leaving Welfare for a Job

New research on the kinds of jobs

SSP participants take after they leave welfare

Welfare-to-work policies can be very effective in encouraging welfare recipients to move into employment. But what happens to participants after they leave welfare? The willingness of former welfare recipients to stay in employment and the longer-term consequences for families can depend on the quality of the jobs they obtain. A new working paper from SRDC, *Leaving Welfare for a Job: How Did SSP Affect the Kinds of Jobs Welfare Recipients Were Willing to Accept?*, uses data from SRDC's Self-Sufficiency Project (SSP) to shed light on an important but often overlooked factor in trying to understand the effectiveness of welfare-to-work policy — the quality of the post-welfare job.

SSP made available a generous but time-limited earnings supplement to long-term welfare recipients who moved into full-time work. To qualify, they had to take up work of 30 hours or more per week within a year of the offer being made. Even though SSP was successful in achieving significant increases in employment over the first three years of the study, the project could conceivably have led participants to take lower-quality jobs in order to qualify for the supplement. In other

words, encouraging self-sufficiency with an earnings supplement could have reduced participants' chances of finding a good job.

Aspects of job quality may have had a strong influence on whether participants remained employed and thus also on the long-term success of the program.

The supplement made sure that participants who took full-time jobs were better off in terms of their total income than if they had stayed on welfare, for up to three years. However, aspects of job quality may have had a strong influence on whether participants remained employed and thus also on the long-term success of the program. The newly obtained jobs could have had poor prospects for advancement, or been short-lived or unstable. The

TABLE OF CONTENTS

Leaving Welfare for a Job	1
Helping Government-Assisted Refugees Find and Keep Jobs	4
Getting Your Foot in the Door — Not the Key to Self-Sufficiency	7
Happy With the Job, Unhappy With the Pay	9
Bulletin Board	10

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Tel.: (613) 237-4311
Fax: (613) 237-5045
E-mail: info@srdc.org

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paper's authors, Kelly Foley and Saul Schwartz, assess a number of such characteristics in the first jobs that SSP participants found after they left welfare. They conclude that the SSP approach appears to increase employment in jobs that are in many respects no worse, and in some respects better, than the jobs welfare recipients normally find.

Job quality matters

Earlier research has used different indicators of "job quality" to demonstrate how it can influence job satisfaction, the likelihood of welfare leavers remaining employed, and their chances of holding better-quality jobs in the future. Welfare leavers have poor prospects of finding high-quality jobs and this may damage their chances of success in the labour market.

This early research has also suggested that job quality is not easy to measure. In defining quality, researchers are often constrained by what is readily available from surveys. This has included some subjective aspects of the nature of the work environment; more objective measures of future job prospects such as wage and career progression, and industrial and occupational classification; and indicators of different aspects of compensation.

Similar indicators of job quality were collected in surveys as part of the evaluation of SSP. However, SSP has an advantage over earlier analyses in that it was designed as a random-assignment experiment. This approach ensured that any changes in outcomes would be attributable to the program under test and not to differences in who got to be part of the program. Thus data from the SSP experiment provide reliable evidence of differences in the work experiences of those — in the program

group — who were offered the SSP welfare-to-work incentives and those — in the control group — who were not.

The paper makes use of this design feature of the study to estimate the impact of the program on the characteristics of the first jobs participants held after leaving welfare. In each case, the impact is the difference between the proportion of the program group whose first post-welfare jobs had a particular characteristic and the proportion of the control group whose jobs had that characteristic.

The results indicate that the jobs obtained by people offered the SSP supplement were no worse, and in some cases were better, than those long-term welfare recipients could normally expect to obtain.

SSP's impacts on job quality

The results indicate that, on a variety of dimensions of job quality, the jobs obtained by people offered the SSP supplement were no worse, and in some cases were better, than those long-term welfare recipients could normally expect to obtain:

Occupation and industry. Offering an earnings supplement increased overall employment but did little to increase the range of occupations and industries in which welfare leavers first worked. SSP had its largest impacts on work in the same relatively narrow range of service occupations and industries (accommodation, food and beverage services,

and other service industries and wholesale and retail trade industries) that non-supplemented welfare leavers chose. Low levels of education and limited experience in the labour market typically restrict the range of occupations available to long-term welfare recipients. High levels of employee turnover in sales and services occupations create frequent openings that may have appeared relatively attractive to welfare recipients who needed to find jobs quickly to secure the SSP earnings supplement.

Wages. SSP encouraged people who would not have worked otherwise to take low-wage jobs. The proportion of the program group working in jobs that paid less than or equal to \$0.99 above minimum wage was 9.2 percentage points higher than for the control group. However, SSP did not discourage participants from taking higher-paying jobs. A large proportion of the program group, nearly 10 per cent, earned wages that were \$3.00 or more above the minimum wage, and this was the same as in the control group.

Hours. SSP increased the proportion working 30 hours or more each week by 12.7 percentage points. This result is expected because SSP supplement receipt was conditional on full-time work. Together with wages, longer hours help determine whether earnings will be sufficient to make work pay better than welfare. Longer hours may also generate more opportunities to develop on-the-job experience and to advance to better jobs.

Job duration. The impact of SSP on job durations of longer than 12 months was 4.7 percentage points. SSP accelerated the process of leaving welfare and finding work, so some of this increase

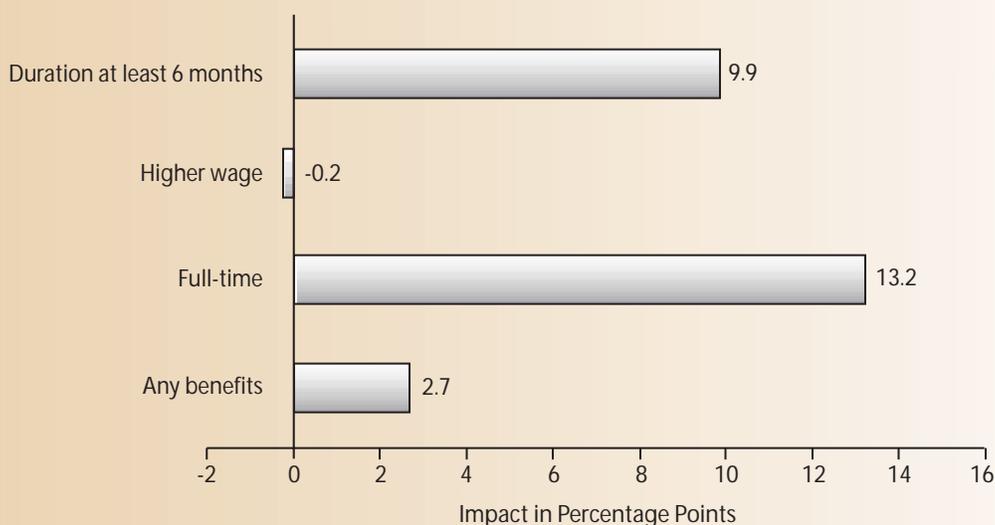
was likely due to jobs starting earlier as well as jobs lasting longer. When jobs last longer, individuals are able to develop skills that improve their productivity and might therefore lead to wage progression or promotion.

Job stability. SSP increased employment by increasing the amount of continuous work without any unpaid interruptions, held with the same employer. The majority of the increase in work associated with SSP was in single spells of employment of this type. Given that job durations also increased, SSP participants thus had more continuous and stable employment.

Employer-sponsored benefits. Most of the additional post-income-assistance employment generated by SSP occurred in jobs that did not offer benefits like pension plans, health or dental plans, or child-care arrangements. SSP increased employment in jobs without benefits by over 11 percentage points, compared with an impact of 3 percentage points in jobs with at least one employer-sponsored benefit. Welfare programs often include drug and dental benefits and other supplemental health services, so many would lose such benefits in their first post-welfare job under SSP. SSP increased employment in jobs offering health or dental benefits by just two percentage points.

Unionized employment. SSP had no impact on the proportion of welfare leavers taking unionized positions. The proportion of those in both the program and control groups who entered unionized employment on leaving welfare was just over two per cent.

SSP's Impacts on Positive Job Characteristics



To summarize the effects of SSP on “job quality,” the authors examined impacts on the following four positive job characteristics: job duration of at least six months; an hourly wage high enough for a full-time, full-year worker to earn an amount equivalent to Statistics Canada’s low income cut-off for his or her family; full-time work; and at least one employer-sponsored benefit. The results are shown in the figure above. SSP increased the proportion working in jobs that had these positive characteristics, with the exception of a higher wage.

Nearly 19 per cent of the program group went to work in jobs with two or more of these positive characteristics after leaving welfare, compared with only 10 per cent in the control group. SSP also increased employment in post-welfare jobs with one positive characteristic by four percentage points, and on jobs with three or four positive characteristics by 1.7 percentage points.

Implications for welfare-to-work policy

The earnings supplement offered to SSP program group members encouraged participants to choose work as an alternative to welfare. However, SSP had comparatively little effect on the kind of work that participants found. There was little evidence that SSP encouraged individuals who would have worked in the absence of the program to select lower-quality jobs. Instead, SSP encouraged employment in the jobs that were most common among welfare leavers. SSP generated employment in jobs that offered low wages and few if any benefits. On the other hand, participants who left welfare and found work due to SSP did tend to work in full-time jobs and experience longer observed job durations.

The findings in this paper suggest that there are some aspects of job quality that can be improved by interventions that directly target employment in jobs

with particular characteristics. SSP increased employment in full-time jobs because the financial incentive was structured to reward only that kind of work. If other job characteristics were identified as positive, interventions may find success by targeting those types of jobs.

Such a strategy would, however, do nothing to broaden the array of opportunities for welfare recipients. On the

whole, the jobs that are realistic alternatives to welfare are worse than the jobs that most Canadians hold. Even some of the best jobs among those that welfare leavers obtained generated earnings well below the national average.

To combat the poor job prospects available to most welfare recipients, a good policy strategy might be to offer welfare recipients incentives to build work-

related skills that may broaden the array of occupations and industries in which they can obtain jobs. Further experimental research might also reveal how other employment services might help welfare recipients compete for better jobs or seek advancement within their jobs. ♦

Helping Government-Assisted Refugees Find and Keep Jobs

A potential research demonstration project

A substantial proportion of government-assisted refugees is unable to find or maintain stable employment. SRDC recently completed a report for Citizenship and Immigration Canada, entitled *A Statistical Profile of Government-Assisted Refugees*, that demonstrates that this population is a very diverse and disadvantaged group.

Government-assisted refugees (GARs) make up a small proportion of the total number of immigrants who settle in Canada, but they often have reception and settlement needs beyond those of other immigrant groups. Unlike most immigrants who plan and choose to leave their home countries in search of better living conditions, GARs flee their countries to escape persecution or danger and seek protection in a foreign country.

The countries from which GARs come have varied greatly over the years, reflecting the location of wars and crises

around the world. Many GARs reside initially in urban centres across Canada. They tend to be younger than the Canadian population — more specifically, they are over-represented relative to the Canadian population in the youth and prime working age groups.

Many GARs have relatively low levels of education compared with other immigrants and Canadians as a whole. Moreover, in most years more than 2 out of 3 GARs could not speak one of Canada's official languages upon arrival; in some years the number was as high as 9 out of 10. GARs speak a wide variety of first languages, and the main language spoken by them may change from year to year, depending on the top source country in that year.

Many GARs experience initial, and often ongoing, difficulties finding work in their new country. The SRDC report shows that GARs typically have low employment earnings and a high rate of

welfare dependence in the initial years following their arrival in Canada. The report also suggests that securing a job has become even more difficult for recent GARs compared with previous GARs and other immigrants. Finding a job is one of the most important steps to successful settlement, and a priority for many GARs. Employment provides them with new networks and self-sufficiency.

Service providers who work with GARs suggest that GARs are motivated to work, but face a wide range of barriers — such as lack of proficiency in one of Canada's official languages, lack of Canadian work experience and social networks, difficulties getting foreign credentials recognized, low occupational skills or low educational attainment, and mental health problems — that may curtail their efforts to find and successfully maintain employment. Moreover, many of these barriers to employment often co-exist.

This situation poses a real challenge to policy-makers: What are the means and tools that could facilitate early and sustained economic integration among new refugees?

Two approaches to improving language skills

The growing literature on the economic integration of immigrants emphasizes the importance of “language capital” (speaking, reading, and writing in the official language of the host country). The idea is that the ability to communicate in one of Canada’s official languages promotes economic and social integration, and is an important determinant of employment success; but many new refugees arrive with little or no English or French. Many enrol in language classes, but language acquisition is a slow process and the classroom may not always be the best place to learn the culture, attitudes, and social codes of a country’s workplace. Some would argue that new immigrants would achieve economic self-sufficiency more quickly and would integrate into the labour market faster if they started to work earlier and learned the language in the workplace. In addition, they would gain Canadian work experience, and could even continue taking language training while working.

An alternative view is that such an approach is rather risky and can lead to more damage than benefits. If refugees lose their jobs without having acquired sufficient language skills, they may face no other alternative than social assistance. In addition, refugees who accept low-level entry jobs may become mired in these low-paying positions if they do not continue to advance their language skills. As one former refugee indicated, it is very difficult to work and learn language at the same time — “you go

crazy trying to keep up.” The idea of encouraging refugees to find immediate employment may work for some individuals; for many others, however, immediate employment may not lead to sustained and successful labour market integration. Proponents of this viewpoint would argue that language instruction and even vocational training are prerequisites to finding a first job.

While there are patterns in practice that support theoretical perspectives on how to foster and improve the economic integration of refugees, there is clearly a lack of evidence on which are the most effective pathways to improve the

The main idea behind these intervention options is that language acquisition is key to helping government-assisted refugees improve their labour market integration.

labour market integration for refugees. Citizenship and Immigration Canada (CIC) commissioned SRDC to identify promising new program ideas that are designed to help refugees achieve a successful integration into the Canadian labour market, and that could be evaluated independently and rigorously via demonstration projects. SRDC produced an options paper suggesting four potential program ideas.

The four options emerged from synthesizing what is known from the literature and selected observations of interventions elsewhere. The main idea behind these intervention options is that language acquisition is key to

helping government-assisted refugees improve their labour market integration. Language acquisition, however, is not the only help refugees need; therefore, some of the proposed interventions address language training in combination with other types of assistance. On the other hand, programs cannot and need not address all of an individual’s problems in order to enhance employment outcomes.

Overview of proposed interventions

Language internships. This intervention would provide GARs the opportunity to learn language skills that are relevant to the workplace through a combination of classroom instruction and workplace assignments. This is not a new idea, but is one that has not been rigorously evaluated. The intervention assumes that language acquisition is an important first step before GARs enter the labour market. It is also believed by some that language training that is relevant to the work environment will be more effective in creating employment opportunities for GARs than the traditional classroom training.

Work first, language second. This program idea assumes that the best way to succeed in the labour market is to join it quickly and to develop language skills while working rather than in the classroom. It also, however, recognizes that without ongoing language training, this approach may not be effective in helping participants achieve economic self-sufficiency in the long run. Initially, the program would provide job-search and job-placement services to help refugees find jobs quickly. The language-training component in the model kicks in once refugees are working; they would be offered incentives to encourage them to continue to

Learning What Works

advance their language proficiency as a strategy for job retention and advancement.

Incentives to continue language training. This intervention would offer financial incentives to employed GARs to encourage them to continue their language training while working and to acquire a higher level of language proficiency as a strategy for job retention and advancement. This intervention is strictly a financial incentive that can easily be implemented across the board to complement various existing programs and services in the provinces; however, the treatment may not be as effective in a rich program environment.

Community-initiated programs. This intervention would attempt to capture the creativity and entrepreneurship of community-based agencies. It would do this by directing government funds to agencies to develop and implement the interventions that they think would be effective in providing language training and helping refugees find and keep jobs. This would be an alternative to the government contracting out to various organizations to deliver a specific set of language-training and job-assistance services. The contracting agreements would offer performance-based incentives if agencies achieve specific performance milestones.

Consulting with experts

SRDC organized 2 one-day policy research workshops sponsored by CIC on February 18, 2002 in Calgary and February 20, 2002 in Toronto with representatives from various stakeholder groups to assess the feasibility of the proposed models as research demonstration projects. The discussion was based

on the four models just described.

Workshop participants provided many valuable insights about whether to take the proposed interventions forward as research demonstration projects. Overall there was strong support for the idea of testing innovative program ideas, even though participants could not agree on the best way to help improve the labour market integration of government-assisted refugees. There was somewhat greater consensus concerning how to help GARs succeed in employment.

Incentives should be a central part of any project design.

It was generally agreed that a “one-size-fits-all” program will not work. For some GARs, language instruction before entering the labour market is a better approach. For others, who may be more distracted by financial concerns, finding a job should be an immediate priority. Many participants argued that several models of interventions should be tested.

Incentives should be a central part of any project design. Some features of the current system act as barriers to attending language classes. For example, the current provisions governing the repayment of transportation loans may cause financial difficulties for some refugees, leading them away from the classroom.

Employer involvement was seen as critical to the successful implementation of the demonstration.

The psychosocial situation of the refugee and his or her entire family must be evaluated at the outset and counselling must be ongoing to ensure obstacles to language training and employment are overcome. All participants stressed the need for these support services when dealing with GARs who face a high level of adjustment once in Canada. Without complete family involvement culturally defined gender roles, trauma, and other issues can impede participation in language learning and labour market participation.

Many promising programs are available already and workshop participants recommended that, as a starting point, those programs should be reviewed with the objective of extracting lessons about what works and what does not.

Participants at the workshops heard that the emphasis of the new *Immigration and Refugee Protection Act* on “protection” for refugees means that Canada may accept more GARs with low levels of education and literacy, large families, agrarian backgrounds, and little or no ability to speak in one of the official languages. This would likely make the already difficult labour market integration for GARs even more challenging. An experimental project testing one or more of the above ideas would provide governments with more conclusive evidence on which interventions are successful in improving refugee integration and promoting self-sufficiency, and would help governments develop new programs based on evidence of what works. ♦

Getting Your Foot in the Door – Not the Key to Self-Sufficiency

In 1996 the *Unemployment Insurance Act* was given a significant overhaul and reincarnated as the *Employment Insurance Act*. Among the many reforms was a slight change to the so-called “allowable earnings provision,” a feature of the program that allows claimants to retain a portion of any income they earn while in receipt of Employment Insurance (EI) benefits. Before 1996 claimants were allowed to keep earnings of up to 25 per cent of their weekly EI benefits. With the EI reform, the provision was made more generous by allowing claimants to keep a flat amount of \$50 of earnings, even when they are entitled to weekly EI benefits of less than \$200. The allowable earnings provision is aimed at helping unemployed individuals make a successful, permanent transition back into the workforce. It encourages EI recipients to work part time, with the view that this will help them “get their foot in the door,” keep some attachment to the workforce, and maximize their opportunity to return to full-time work and attain greater self-sufficiency.

Very little is known regarding the extent to which EI claimants make use of this provision and its impact on claimants’ future labour market experience. In a soon-to-be-published SRDC working paper, *The Impact of the Allowable Earnings Provision on EI Dependency*, David Gray and Shawn de Raaf provide the first in-depth analysis of the way in which EI claimants combine the receipt of EI benefits with

work. They find that the use of the allowable earnings provision is quite widespread, as three quarters of claimants reported earnings in at least one week during their 1996 EI claim. What is more, they find that working while on claim is associated with greater EI dependency over the long term, suggesting that the provision is not effective in encouraging workers to gain skills and work experience that would lead to full-time, full-year re-employment.

*Working while
on an EI claim is
associated with greater
EI dependency over
the long term.*

In their study, Gray and de Raaf make use of the Survey on the Repeat Use of Employment Insurance (SRUEI), conducted by Statistics Canada in 1998 in collaboration with SRDC. The SRUEI was designed to shed light on the circumstances and employment experiences of claimants who made frequent recourse to the EI program. Added to survey data is information from respondents’ administrative records documenting their EI claim activity from 1992 to 1998. Based on this unique dataset, the authors undertake a two-

fold analysis: an examination of the characteristics of claimants who make use of the allowable earnings provision and an estimation of the impact of using this provision on claimants’ short- and long-term EI dependency.

Gray and de Raaf find that the use of the allowable earnings provision was widespread among claimants. Among those who worked while on claim (75 per cent of all claimants), over half did so immediately following the initiation of their 1996 claim. A substantial proportion of claimants continue to report earnings throughout the course of their claim. These findings indicate that most claimants are able to maintain a link with the job market while collecting EI benefits, despite having lost their full-time jobs.

If claimants do not appear to have much trouble in securing employment, is their work while on claim leading to full-time re-employment and long-term self-sufficiency? When the authors examine the impact of the use of the allowable earnings provision on the length of a given claim, they find that claimants who work while on claim tend to have shorter claim spells. This suggests that claimants who accept temporary work opportunities become less reliant on EI in the short term. In this way, the provision appears to encourage claimants to increase their work activity and most certainly their incomes, improving their financial situation while reducing the amount of EI benefits paid out to them.

Impact of Working While on Claim on the Probability of EI Receipt in the Future

Gray and de Raaf find that working while on claim has a mixed effect on claimants' EI use. Although claimants who work while on claim tend to spend fewer consecutive weeks on claim, they also tend to exhibit a higher long-term dependency on EI. The authors evaluated the impact of the intensity of temporary work while receiving EI in 1996 on the probability that the claimant will claim benefits again in 1997 or 1998. The authors find that with an increase in the level of weeks with reported earnings in 1996, claimants are more likely to rely on EI in the next two years. The table below illustrates this finding by showing the relative probabilities that 1996 claimants will claim again in 1997 or 1998. Claimants are categorized by gender and by number of weeks worked during their 1996 claim. The figures shown are the ratio of the probability that claimants in a given category will claim in 1997 or 1998 to the probability that claimants who did not report part-time earnings during their 1996 claim will make a claim in 1997 or 1998.

Intensity of Work While on Claim in 1996	Relative Probabilities of EI Receipt in 1997 or 1998	
	Men	Women
0 weeks	1.00	1.00
1 week	0.86 ***	1.08
2 to 10 weeks	1.06 *	1.13 ***
11 to 20 weeks	1.19 ***	1.12 **
More than 20 weeks	1.24 ***	1.23 ***

Note: Statistical significance levels are indicated as follows: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

However, when the authors measure the impact of the use of the provision over the long term, they find that it is associated with a higher number of claims and more years of EI receipt. In other words, working while in receipt of EI benefits tends to be associated with greater dependency over the long term, suggesting that the provision is not necessarily resulting in workers gaining skills and work experience that lead to full-time re-employment. Instead, the incentive to work appears to be encouraging them to pursue further non-standard (i.e. part-time or part-year) work

opportunities. Since temporary work not only tops up the income received from current EI benefits, but can also be used to gain further EI eligibility and entitlement, the provision may therefore represent an incentive towards unstable, non-standard work mixed with short, intermittent spells of EI receipt.

Understanding the efficacy of the allowable earnings provision is important, especially since other social security programs, such as provincial social assistance, incorporate allowable earnings or "earnings exemption" provisions. These

provisions are often justified on the assumption that part-time work not only improves the financial circumstances of recipients of transfer payments, but it also has the potential to help them "get their foot in the door" and, in doing so, move towards economic self-sufficiency. This study by Gray and de Raaf provides evidence that encouraging unemployed individuals to work while on claim might not in fact be the key ingredient for improving their long-term employment outcomes. ♦

Happy With the Job, Unhappy With the Pay

For several years governments have been implementing social policy initiatives to assist the most disadvantaged. An important aspect of recent reforms to the social security net is the value placed on participation in the labour market. Although participation in the labour market is an effective tool for increasing the income of individuals in precarious situations, it is not a guarantee against poverty; everywhere in Canada large numbers of workers experience periods of poverty, even though these episodes may be temporary. Developing government policies and programs to meet the needs of low-income workers requires clear identification of the characteristics of the groups that these policies are designed to assist. In an SRDC report prepared for Quebec's Ministère de l'Emploi et de la Solidarité sociale, Anne Motte and Carole Vincent examine the diversity of experiences of Quebec workers who received Employment Insurance (EI) benefits in 1996, and note dissatisfaction among low-income users with their work situation in general and especially with their income. These findings are certainly not surprising. What is startling is that a large proportion of low-income recipients claim to be satisfied with the type of work they do, notwithstanding the level of income and the number of paid work hours associated with these jobs.

These findings are taken from the Survey on the Repeat Use of Employment Insurance (SRUEI) conducted in 1998 and designed by the Social Research and Demonstration Corporation (SRDC) in partnership with Statistics Canada. The purpose of this survey was to learn more about the circumstances of workers who are frequent EI claimants, in order to develop innovative policy options to assist them. The SRUEI focused primarily on claimants' labour market experiences in

1997 and sources of household income. The survey revealed that 16 per cent of Quebec workers aged 25 years and older who received EI benefits in 1996 lived in a low-income household in 1997; that is they were living in a household where the income was less than half of the median Quebec before-tax income, adjusted according to the size of the household. By contrast, in the rest of Canada 19 per cent of EI recipients aged 25 years and older lived in households where the income was half the median before-tax income. The impact of the level of education on the incidence of living in a low-income household is striking: the proportion of Quebec EI recipients living in low-income households was 20 per cent among those who had a level of education equivalent to or below the primary-school level, whereas this proportion dropped to 15 per cent among those who had completed college, and to 10 per cent among those who had completed university.

A series of SRUEI questions focused on the behaviour and attitudes of individuals regarding various aspects of their work experience, as well as their predisposition to change. The SRUEI is unique in this way since no other Canadian survey on labour market experiences deals with these issues. The SRUEI therefore helps determine whether the characteristics, attitudes, and behaviour of Quebec EI claimants vary according to their level of income and, more specifically, to whether they live in low-income households.

The SRUEI reveals a somewhat ambiguous picture of the attitudes that low-income EI claimants in Quebec have concerning their work situation. When their attitudes are compared with those of claimants who did not live in low-income households, they appear less optimistic, whereas in absolute terms they did not

appear particularly insecure about their future prospects. For example, approximately 60 per cent of low-income claimants believed there would always be work for people with their skills, whereas this is true for 70 per cent of those who were not living in a low-income household; and 71 per cent of low-income Quebec claimants appeared rather confident about being able to change important aspects of their lives, whereas this proportion is 76 per cent among those who were not living in a low-income household.

Furthermore, although 85 per cent of Quebec low-income claimants claimed that they were prepared to take risks concerning their career, less than half (47 per cent) said they wanted to change the type of work they did. In fact, a large majority (68 per cent) said they were satisfied with the kind of work they did, even though 62 per cent claimed dissatisfaction with the associated income level. When questioned about their level of satisfaction with their work situation in general, 46 per cent of low-income EI claimants said they were satisfied, 44 per cent dissatisfied, and 10 per cent indifferent. These findings lead us to question the idea that low-income workers have "bad jobs." In actual fact, salary aside, they seem quite satisfied with their jobs, which appears to argue in favour of earnings supplementation programs as a way of helping low-income workers support themselves and their families.

The findings presented here are taken from the report entitled *Comportements et attitudes des prestataires québécois de l'assurance-emploi : résultats de l'ERAE* prepared by the SRDC for the Quebec government. An analysis of the findings will also appear this fall in *Québec 2003*, the next edition of the Quebec political, social, economic, and cultural yearbook, published by Éditions Fides. ♦

Bulletin Board

Publications

Available now:

Making Work Pay: Final Report on the Self-Sufficiency Project for Long-Term Welfare Recipients, by Charles Michalopoulos, Doug Tattrie, Cynthia Miller, Philip K. Robins, Pamela Morris, David Gyarmati, Cindy Redcross, Kelly Foley, and Reuben Ford.

The latest in a series, this 54-month report analyzes the effects of the Self-Sufficiency Project on the lives of the original group of long-term welfare recipients who participated in the program. The study is based on data collected four and a half years after participants first entered the program.

Leaving Welfare for a Job: How Did SSP Affect the Kinds of Jobs Welfare Recipients Were Willing to Accept? by Kelly Foley and Saul Schwartz.

This working paper assesses the quality of the first jobs that participants in the Self-Sufficiency Project (SSP) obtained after they left welfare. Previous reports have shown that SSP encouraged many participants to leave welfare and take up paid employment. However, aspects of job quality may have had a strong influence on whether participants remained employed and thus also on the long-term success of the program.

A Review of the Theory and Practice of Social Economy / Économie Sociale in Canada, by William A. Ninacs with assistance from Michael Toye.

In this working paper commissioned in the context of CEIP, Bill Ninacs, an independent consultant and observer of social trends, reflects on Canadian and Quebecois literature in an effort to provide an understanding of the characteristics of the social economy, in particular what is termed the "new social economy." The paper provides insight into both the Quebec model of community economic development and models in use in other parts of Canada.

Forthcoming:

The Impact of the Allowable Earnings Provision on EI Dependency, by David Gray and Shawn de Raaf

This working paper provides an in-depth analysis of the way in which Employment Insurance (EI) claimants combine the receipt of EI benefits with work. The Survey on the Repeat Use of Employment Insurance (SRUEI), as well as information from respondents' administrative records documenting their EI claim activity from 1992 to 1998, are used to examine the characteristics of claimants who make use of the allowable earnings provision and to estimate the impact of using this provision on claimants' short- and long-term EI dependency.

Events

SRDC's executive director makes presentations at two government advisory sessions

On June 7, 2002, John Greenwood presented findings from SRDC's Self-Sufficiency Project (SSP) at a meeting of the National Council of Welfare (NCW), held in Gatineau, Quebec. The Council's mandate encompasses issues related to social security, with a focus on child poverty and the working poor. The Council was interested in hearing more about SSP because the results from this project suggest that a strategy "to make work pay" can increase employment, raise incomes, reduce welfare dependence, and have positive effects on some children in low-income families — all at little or no cost (see *Learning What Works, Volume 2, Number 1*).

On June 25, Mr. Greenwood was an invited speaker at the Federal-Provincial/Territorial *Best Practices Workshop and Consultation on the Labour Market Strategy for Persons with Disabilities*, which took place in Ottawa. Participants at the session included representatives from the disability community, business, labour, and Aboriginal peoples, as well as federal, provincial, and territorial government officials. Mr. Greenwood's presentation dealt with approaches that can be used to identify promising practices, and the importance of sound evaluations to ensure that programs are achieving their objectives and that the practices embedded in them are contributing to optimal program effectiveness.

SRDC hosts workshop on evaluating youth programs

On July 17, 2002, SRDC hosted an invitational workshop on behalf of Human Resources Development Canada (HRDC). The principal interest on the part of HRDC was to examine ways to improve the Youth Employment Strategy to make it more responsive to changing labour market conditions, better assist youth facing particular labour market barriers, and help youth develop their skills to make successful school-to-work transitions.

The workshop brought together experts in the evaluation of youth programs to discuss what constitutes success in youth programming (especially programs for out-of-school, out-of-work youth). The results found in past evaluations of these programs have often been disappointing. A key issue is the extent to which these results are due to the programs being poor or inappropriate to the task, or are due to problems in the way the evaluations are conducted. Participants in the day-long workshop included a number of Canadian academics who have done research in this field, including

Craig Riddell from the University of British Columbia, and Saul Schwartz from Carleton University, as well as a number of experts from the United States, including Donna Walker James from the American Youth Policy Forum, Bob Lerman from the American University in Washington, Mark Dynarski from Mathematica Policy Research, and Marilyn Price from the Manpower Demonstration Research Corporation.

SRDC organizes three sessions at the CEA meeting in Calgary

SRDC organized three sessions at the 36th Annual Meeting of the Canadian Economics Association, held at the University of Calgary from May 30 to June 2.

Reuben Ford, SRDC's Director of Employment Transition Studies, and SRDC research associates David Gyarmati and Kelly Foley presented results from SRDC's latest report on the Self-Sufficiency Project (SSP), *Making Work Pay: Final Report on the Self-Sufficiency Project for Long-Term Welfare Recipients*. The session, chaired by Louis Grignon from Human Resources Development Canada, began with an introduction to this experimental test of an intervention to increase the financial incentive to move from welfare to work. The findings presented included the economic impacts of the intervention over the full study period, the effect of withdrawing an earnings supplement after three years of eligibility, and the long-term effect of combining an offer of employment services with the financial incentive. Constructive feedback on the papers was provided by two discussants: Professor David Green from the University of British Columbia and Bill Warburton from BC's Ministry of Human Resources.

Carole Vincent, SRDC's Project Manager for the Earnings Supplement Project (ESP), chaired two other sessions that explored various factors that can contribute to the frequent reliance on EI benefits. The first session focused on the role of intra- and inter-provincial migration decisions, educational choices (especially the decision of whether or not to drop out of high school), as well as the role of other household members' labour supply choices in explaining individual EI use patterns. Presentations were given by Ted MacDonald from the University of New Brunswick, Ana Ferrer from the University of British Columbia, and Louise Grogan from McMaster University. The second session provided analyses of firms' behaviour and workers' activities in the labour market in relation to the use of the EI program. Miles Corak from Statistics Canada examined the extent to which the use of EI attributable to individual behaviour might in fact reflect the demand side of the market and, in particular, reflect firm-specific human resources practices. SRDC research associate Shawn de Raaf and David Gray from the University of Ottawa presented evidence that working part time while collecting EI benefits may be associated with less reliance on EI in the short run but greater

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use of EI over the long term. Jean-Pierre Voyer, SRDC deputy executive director, discussed design issues of a possible laboratory experiment that would attempt to show what types of financial assistance programs (grants, loans, or saving incentives) have the best chance of succeeding in fostering adult education among frequent EI claimants.

As all three sessions were very well attended, SRDC's participation at the CEA meeting was a great opportunity to discuss with economists from across the country the findings and new insights coming out of its research initiatives in these areas.

Research appointments

In May, Raewyn Bassett joined SRDC as a research associate. Dr. Bassett holds a PhD in Sociology from the University of British Columbia. She is an experienced qualitative researcher with several years' experience as the qualitative research manager for clinical drug trials. Dr. Bassett is also expert in, and has presented training workshops on, the use of qualitative data analysis software.

In July, SRDC was pleased to welcome Jordana Heaton, a participant in the federal government's Policy Research Development Program (PRDP). Ms. Heaton recently entered the PRDP after graduating from the University of British Columbia with a Masters degree in Library and Information Studies. She will be spending up to a year as a researcher at SRDC to gain experience in using field research to inform public policy.

After spending two years at SRDC as Deputy Executive Director on an executive interchange, Jean-Pierre Voyer has returned to the federal government. In July he was appointed to the position of Executive Director of the Policy Research Initiative. Mr. Voyer made important contributions during his time at SRDC, in particular the production of an updated strategic plan, the initiation of the SRDC newsletter *Learning What Works*, and the coordination of SRDC's move into projects employing experimental economics. ♦