

# Learning What Works

Evidence from SRDC's social experiments and research

## September 2011

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### Are Canadians well prepared for retirement? SRDC publishes three studies that suggest ways to improve savings



Over the next few decades, the aging of Canada's population will have important implications for the design of public policies, especially those related to the adequacy and security of retirement income. Policy-makers across the country have clearly demonstrated their growing concern for improving

Canadians' financial capabilities and financial security. In June 2010, federal, provincial, and territorial Finance ministers committed to working together to further develop policy options in three areas: innovating measures to improve the private pension system, addressing Canadians' financial literacy, and expanding the Canada Pension Plan.

A proposed framework for defined contribution Pooled Registered Pension Plans (PRPPs) was announced in December 2010, with the goal of improving the range of retirement saving options for Canadians, especially those who do not have the benefit of an employer-sponsored pension plan. In

its Budget tabled in March 2011, the Quebec government announced its intention to introduce a similar plan under the Voluntary Retirement Savings Plan (VRSP).

In February 2011, the Task Force on Financial Literacy tabled its report and provided advice and recommendations on a national strategy to strengthen the financial literacy of Canadians, including examining the relationship between financial literacy and planning for retirement. One of the recommendations of the Task Force was the need to explore Internet-based solutions to reach Canadians across the country and help them navigate the tremendous amount of information that is currently available.

Understanding the ways Canadians make savings choices is particularly needed at this point in time as the responsibility for the provision of retirement income is gradually being transferred from governments and employers to individuals. SRDC recently completed three studies that provide important lessons to inform policy-makers on options to address the challenges facing Canada's retirement income system. SRDC program of research was designed to further our understanding of how retirement saving decisions are made by Canadian men and women and identify ways to improve decision-making with regard to retirement planning.

In *Understanding Gender Differences in Retirement Saving Decisions*, Professor Frances Woolley from Carleton University and Taylor Shek-wai Hui and Carole Vincent from SRDC assess the responsiveness of savings decisions to gender dynamics within households. Using data from the 2009 Canadian Financial Capability Survey (CFCS), the study reveals that couples' financial management strategies have a significant impact on families' financial health. Compared to households with shared responsibility for financial decisions, households where financial decisions are mainly the responsibility of the man are more likely to hold assets and have higher levels of asset holdings. Those with the woman in control are more likely to have debt and to have liabilities exceeding assets. The results of this study suggest that policy-makers need to be aware of gender dynamics when planning policy interventions.

Read the [report](#).

Read [Women's economic empowerment and retirement savings decisions](#).

See [presentation of findings](#) at the Canadian Economics Association meetings in June 2011.

*Simplified Enrolment in Retirement Savings Plans* by Boris Palameta, Carole Vincent, and Jean-Pierre Voyer assesses the feasibility of testing the effectiveness of pilot schemes that involve simplified enrolment procedures for employees' participation in employer-sponsored pension plans. This study puts forward options for the design of pension plans that can enable higher participation and better decision-making by changing the ways the decision to participate in the employer-sponsored plan is presented to eligible employees, building from ample empirical evidence to suggest that low saving rates stem, at least in part, from the way choices are offered and presented. The study provides details for the implementation of a randomized field experiment to rigorously assess the effectiveness of two schemes — one that combines simplified enrolment procedures with default contribution rate and investment options, and another that requires eligible employees to make an active decision about contribution rate. The results of the proposed experiment would be extremely informative for governments and also employers and service providers who are considering offering Pooled Registered Pension Plans when they become available.

Read the [report](#).

See [presentation of findings](#) at the Canadian Economics Association meetings in June 2011.

*Using Web Tools to Help Canadians Better Prepare for Retirement* by Shawn de Raaf and Carole Vincent builds on the growing body of research on the state of financial capability in Canada and abroad to identify how Web-based tools may best be utilized to assist Canadians in making better use of information that is already available to them, with the ultimate goal of helping them make more effective financial decisions. As a rigorous evaluation of a Web-based financial education tool, the experiment proposed in the study would represent an important contribution to our understanding of the role that Web-based technologies can play in assisting Canadians in achieving their retirement savings goals. Given the significant public and private resources that are currently being devoted to developing such tools and resources, it would provide important lessons on the design and delivery of future Web-based policies and programs to enhance the financial capabilities of Canadians.

Read the [report](#).

## **Nudging high school students towards post-secondary education**

SRDC has launched a new pilot project to test an innovative program called Life After High School in Ontario. Starting in October 2011, this program will provide Grade 12 students at selected Ontario secondary schools with practical support applying for post-secondary education and financial aid. In three online facilitated workshops, students will be guided through the process of selecting a post-secondary program of their choice, applying for a place in that program, and applying for financial aid. The application fee of either the Ontario College Application Service (OCAS) or the Ontario Universities Application Centre (OUAC) will be covered by the program.

This project seeks to learn whether supporting Grade 12 students in making real applications at a school for post-secondary studies and financial aid increases enrolment in further education. SRDC and Professor Phil Oreopoulos of the University of Toronto are developing and testing the Ontario program, through use of a randomized experimental design.

This new project is modeled on Life After High School in British Columbia launched in March 2010 with funding from the Canada Student Loans Program and the support of StudentAid BC. Results are expected to be available in the summer of 2012. Life After High School in Ontario is funded by the Ontario Ministry of Training, Colleges and Universities (MTCU), in collaboration with the Ontario Ministry of Education.

Read the [announcement](#) from the Honourable John Milloy, Minister of Training, Colleges and Universities.

See the [presentation of the project](#) at the Canadian Economics Association meetings in June 2011.

## Helping people with disability and intermittent work capacity integrate the labour market



People with disabilities are much more likely to be unemployed than non-disabled Canadians, for reasons directly related to their disability and beyond their control. As a result, their incomes are generally much lower and many rely on disability benefits provided through income support programs.

Yet substantial numbers of Canadians with disabilities are willing and able to work — if not full-time, then at least on an intermittent basis. Certain conditions such as multiple sclerosis, arthritis, HIV, some mental health

conditions, and others have symptoms that are considered “episodic,” in which periods of good health are interrupted — often unpredictably — by periods of illness or disability that affect one’s ability to work. In other cases, people with more stable symptoms may still be able to work some of the time if provided with appropriate supports. Helping more people with disabilities stay in the labour force can not only help Canada deal with a predicted shortage of skilled labour, but also give people with disabilities a chance to enjoy the benefits of employment, such as feeling more included in society and having improved quality of life.

Why some people with disabilities who have intermittent work capacity remain working, while others with similar disabilities become discouraged and drop out of the labour force? SRDC recently completed a study that identifies the conditions, support services, and employer practices that facilitate their attachment to the work force. The study focused on the experiences of people with episodic disabilities in Ontario who are not able to work full-time and who have some employment experience.

Evidence was gathered from three complementary components: a literature and document review; key informant interviews and focus groups with people involved in disability and employment, such as policy-makers, service providers, and community advocates and with people with disabilities in several locations across the province; and finally the engagement of disability community-based agencies.

Three major factors are found to play a key role in a person’s likelihood of being successfully employed in the long term: 1) the degree of control persons have over disclosure of their disability, 2) whether or not they still have a job to return to, and 3) whether or not they receive appropriate accommodations in the workplace.

Read the [report](#).

Read the [executive summary](#) of the report.

## Promoting physical activity and healthy eating in after-school care

How school-aged children spend their time after school is increasingly being seen by educators, policy-makers, researchers, and parents as a window of opportunity in which to encourage them to be active and to eat healthily. The Public Health Agency of Canada (PHAC) has awarded funding to SRDC to develop and pilot the Healthy After School Pilot Project as part of its Innovation Strategy.

The Healthy After School Pilot Project is a comprehensive initiative that will improve the environment and practice of after-school providers, develop guidelines for physical activity and healthy eating, and foster the involvement of children's families. Recognizing that one size will not fit all as providers differ in their access to indoor and outdoor space and facilities, the number and ages of children, resources or staff's qualifications, a guiding principle of the Healthy After School Pilot Project is "choice" so staff can choose the activities and options that suit them best. By providing ongoing support, it is hoped the Healthy After School approach will be incorporated into schools' daily routine.

A number of organizations have come together to develop this project. Dr. P.J. Naylor from the School of Exercise Science at the University of Victoria is a principal investigator. Westcoast Child Care Resource Centre will provide after-school staff with training and ongoing support.

Visit the [PHAC Innovation Strategy Web site](#).

## From e-government to citizen-centric information systems

On May 6, 2011, SRDC convened a workshop entitled "Towards a New Citizen-centric Information System." Sponsored by Human Resources and Skills Development Canada, the workshop brought together experts from the public, para-public, and private sectors to explore how the department's social data system can be improved to reflect changing Canadian realities and needs and provide better support to individual Canadians, businesses, and institutions.

The workshop was designed to address a series of important issues with developing a new citizen-centric information system. First off, workshop attendees learned about the key characteristics of such a system and how it can be differentiated from prevailing e-government approaches. They also learned about best practices from Canada and abroad, from other governments as well as from the private sector.

There was much agreement among participants to the workshop that most existing government information services, including existing Web site and data dissemination initiatives, can still be characterized as "government-centric." As such, much government programming still does not conform to the definition of citizen-centric approaches which "seek to engage the citizens as owners of and participants in the creation of public services, not as passive recipients of services." Under this model, service delivery is being changed from something that is done by government to citizens to an approach where citizens are active co-creators of services, or even where services are delivered from citizen to citizen with no government involvement.

Read the [report](#).

## SRDC well represented at the CEA annual conference

SRDC researchers took part in great numbers to the Canadian Economic Association conference in Ottawa last June. Jean-Pierre Voyer, SRDC president, was part of a panel session organized by the Institute for Research on Public Policy (IRPP) on the role of wage insurance as an effective policy option to enable laid-off older workers, who might otherwise leave the labour force, to access new jobs and gain acceptable wages. In their study prepared for the IRPP, Ross Finnie and David Gray argued that such policy would contribute to partly offsetting the negative effect of population aging on Canada's prospects for long-term economic growth. Mr. Voyer argued in his presentation that, based on the rigorous evidence from the Earnings Supplementation experiment conducted by SRDC in the 1990s, wage insurance may not lead to the expected improvement in labour market outcomes for laid-off workers and presented other types of policies that would deserve equal consideration.

Carole Vincent and Boris Palameta presented two of SRDC research initiatives that address the challenges to Canada's retirement income system. Reuben Ford presented *Life After High School in Ontario* project, SRDC most recent demonstration project which seeks to learn whether supporting Grade 12 students at a school in making real applications for post-secondary studies and financial aid can increase enrolment in further education. David Gyarmati presented *Workplace Literacy and Essential Skills Initiatives*, a large-scale demonstration project aiming to develop and apply a comprehensive evaluation model to measure the long-term outcomes of workplace literacy and essential skills initiatives.

Shawn de Raaf presented the interim impact results from *CareerMotion*, Taylor Shek-wai Hui presented the results of his study on the *Relationship Between Funding, Learning Objectives, and Choice of Programs and Courses for Adult Learning*, and Marc Frenette presented his study done in collaboration with Jennifer Robson on *Financial Literacy of Low-income Students*.

See [presentation by Jean-Pierre Voyer](#).

See [presentation by Carole Vincent](#).

See [presentation by Boris Palameta](#).

See [presentation by Reuben Ford](#).

See [presentation by David Gyarmati](#).

See [presentation by Shawn de Raaf](#).

See [presentation by Taylor Shek-wai Hui](#).

See [presentation on FTD by Marc Frenette](#).

See [presentation on AVID by Marc Frenette](#).

## Economists and the impact of government programs

In a time of budgetary restrictions, maintaining or establishing effective and efficient economic and social programs should be at the core of government priorities. At the last annual conference of the Association des économistes québécois, on May 18, 2011, conference organizers offered the conference participants an advanced-level training workshop on research methods for measuring the effectiveness of government programs.

The workshop had two goals. It reminded economists of the limitations of the econometric approach, showing how it fails to eliminate the problem of selectivity and discussing other more rigorous ways to measure the real impacts of policies and programs. It also demonstrated to government program managers that Canada unfortunately lags behind the United States and certain European countries in the adoption of these methods.

Université Laval professor Guy Lacroix took charge of presenting the general context of each method. He particularly focused on demonstrating the importance of constructing a proper counterfactual, i.e., a representation of what would have happened in the absence of the program being evaluated, to obtain more reliable measures of the impact of that program. Jean-Pierre Voyer, SRDC president and CEO, outlined the basics of the experimental approach along with the benefits it provides and a number of examples from the field of social policy in Canada. Dany Brouillette of Industry Canada presented a natural experiment to assess the impact of the research and development tax credit. His colleague Julio Miguel Rosa presented a study using a matching method to assess the impacts of this same tax credit. Lastly, Professor Thomas Lemieux of the University of British Columbia talked about the regression discontinuity approach, which shares many of the benefits of the experimental approach but can be much less costly.

View presentations (in French only) from the training workshop of the ASDEQ annual conference at <http://www.economistesquebecois.com/congres-2011>.

## Sip Smart! BC on the Web

SRDC was invited to discuss Sip Smart! BC, an educational program that helps teach students Grades 4 to 6 about the health risks associated with sugar-sweetened beverage consumption and healthy beverage choices. Along with other experts, SRDC researchers took part in the third webinar in the Chronic Disease Prevention Alliance of Canada and the Public Health Agency of Canada's Childhood Obesity Prevention Series broadcasted March 15, 2011. This "fireside chat" provided the history and overview of the Sip Smart! BC project. Participants also heard about the evaluation of Sip Smart! and the process involved for transferring and adapting it from British Columbia to Quebec.

Hear the [webinar](#).

## Career Development Services and skills training: gaps, innovations, and opportunities

The past two decades have presented significant economic challenges for Canadians without a post-secondary credential. Adults with low education or skills often have less work experience and longer periods of unemployment than their more educated counterparts. Many face multiple barriers that give rise to unique challenges in navigating a job search and obtaining re-employment.

Canadian governments make significant investments each year in a range of career development services and skills development programs for these individuals. While some of these programs have been reviewed as part of program evaluations of Labour Market Development Agreements, research has been quite limited to date. In particular, there is little information on how service delivery varies across provinces and how this may affect client outcomes.

SRDC was engaged in a multi-stage research program to investigate the delivery of employment services and training programs in order to identify the needs of lower-skilled unemployed adults, understand the gaps and innovations in existing services, and develop options for testing innovative approaches that could be implemented in Canada.

In the first phase of the study, SRDC undertook a review of existing research and developed a conceptual framework for understanding participant outcomes of training. This review illustrates a range of structural factors, individual characteristics, and program design and delivery factors that influence client outcomes. This first report also highlighted a series of specific knowledge gaps and suggested a number of areas for further research.

In the second phase of the study, a series of promising approaches to training were explored in several of these areas, focusing on innovations in international settings. SRDC conducted consultations with a number of experts and providers of employment services and training programs in the United States and United Kingdom where these approaches are prominent. Several innovative training models including sectoral and bridging programs and career pathways initiatives are summarized in SRDC second report.

In the final phase of the research (supported by the Federal Labour Market Ministers Career Development Services Working Group), SRDC conducted a series of consultations with provincial representatives and providers of career development services and skills development programs in Canada. The final report identifies several common challenges in service delivery and promising approaches to address them and make recommendations for the delivery of career development services and skills development training for further study.

Read the [first report](#).

Read the [second report](#).

Read the [third report](#).

## Why don't small and medium-size enterprises invest more in training?

Investments in skills development can have a positive impact on various indicators of firms' performance. Why then don't small and medium-size enterprises (SMEs) invest more if the available evidence points to positive outcomes? The costs associated with training, including the opportunity cost of releasing staff from their regular work duties, can be quite high for smaller firms. Also, the lack of devoted and specialized resources on site to plan and structure training seems to be a major hurdle for smaller firms. There also remains some incredulity on the returns on investment: some SMEs owners' reluctance to actively promote training may result from beliefs that such investment will not pay off in their particular case and situation.

These are the conclusions of SRDC research on effective policies for supporting skills training in SMEs. Earlier this year, Human Resources and Skills Development Canada, the Manitoba Advisory Council on Workforce Development, and the Commission des partenaires du marché du travail du Québec have tasked SRDC to conduct a review of successful policies, programs, and effective practices in encouraging SMEs to undertake training and skills development among their employees. SRDC critically reviewed programs and practices in British Columbia, Manitoba, Quebec, and Nova Scotia and conducted consultations with experts.

Jean-Pierre Voyer, SRDC president and CEO, was invited to take part in two roundtables, one in Winnipeg and one in Montreal to present SRDC's lessons from its research and be part of a panel of experts. The Canada-Manitoba Roundtable on SMEs and Skills Development brought together over 75 participants representing the industry, labour groups, sector councils and representatives from the federal government and government of Manitoba. In Montreal, the roundtable was chaired by Alain Dubuc from La Presse. Jean-Luc Trahan, president of the Commission des partenaires du marché du travail, small business representatives, and academics took part in the discussions.

See [presentation in Winnipeg](#) (in English only).

See [presentation in Montreal](#) (in French only).

Visit conferences Web site at <http://www.cpmt.gouv.qc.ca/quoi-de-neuf.asp?idDoc=137748> (in French only) and <http://www.amsc.mb.ca/wp/>.

## Group-based initiatives: A promising approach to providing support to job seekers

Group activities are a common facet of every-day life. From an early age, we join groups at school, in the workplace, in the community, or in our leisure to help us learn, work, and play and to fulfill a basic human need to socialize and interact with other people. As a natural extension to other work-related activities, group-based programs have also played an important role in providing employment supports to people who are looking to upgrade their skills and find better employment.

While group-based initiatives appear to be gaining popularity as a method for providing employment supports to job seekers, particularly job-ready clientele, there is limited rigorous

evidence to demonstrate conclusively the relative effectiveness of this approach over more traditional, individually-based programs. In many cases, group-based approaches may be equally — or more — effective when compared to individual approaches, with potential for cost-savings over individual programming.

Given the popularity of group-based approaches in new policy initiatives, SRDC undertook research in this area with a view to inform governments on whether they should explore expanding the eligibility criteria for its funding requirements to include group-based approaches. The report prepared by SRDC provides an assessment of the state of the literature on the subject and identifies studies that can demonstrate the relative merits of this approach. In addition to highlighting insights from the literature, the report profiles promising domestic and international experiences with group-based initiatives to provide a better understanding of the nature of group-based initiatives as well as the populations they serve.

Read the [report](#).

## Recent publications

### ***The Relationship Between Funding, Learning Objectives, and Choice of Programs and Courses for Adult Learning***, by Taylor Shek-wai Hui

This study makes use of data from the 1998 and 2003 Adult Education and Training Surveys (AETS) and the new 2008 Access and Support to Education and Training Survey (ASETS) to examine funding sources for adult learning, specifically the relationship between the sources of financial support, learning objectives, and choice of instructional programs and courses. The results show that the sources of financial support are closely related to the specific types and objectives of learning acquired. The results also suggest important gender differences in how funding sources related to learning choices. As for the support of employers to education and trainings, the study reveals that employers are willing to fund learning, particularly less expensive, non-formal types of learning activities, for a select group of more educated workers in better jobs, for whom they can presumably recoup their investment.

Read the [report](#).

### ***Financial Literacy of Low-income Students***, by Marc Frenette and Jennifer Robson

This study summarizes the literature and existing programs related to financial literacy as a barrier to post-secondary attendance for low-income youth. The study highlights that there are currently no identifiable initiatives designed to address the financial literacy gaps of low-income youth with the objective of increasing post-secondary attendance. Several initiatives provide financial literacy education to youth, but these mostly focus on general topics such as budgeting, credit, and consumer rights and are not usually tailored to low-income youth. Youth face many financial barriers, including: misinformation about the costs and benefits of post-secondary education, poor knowledge of financial aid, and some degree of loan aversion. Helping students complete their financial aid and post-secondary application forms can have a large impact on application and

admission rates. However, offering information alone (without application assistance) is generally not sufficient to affect behaviour. The authors conclude that new initiatives are needed to address the identified barriers facing students and recommend changes to the delivery of existing programs of financial literacy offered to high-school students.

Read the [report](#).

## **New staff**

SRDC welcomes a new researcher in its Ottawa office. Mr. Douwre Grekou, a doctoral candidate in economics from the University of Western Ontario, is joining SRDC's team of researchers that looks into labour market issues, including the integration of immigrants into the labour market and other issues of economic policies. His research interests include labour economics and economic development.