Developing evidence on the impact of Labour Market Information

Presentation by Jean-Pierre Voyer (SRDC) and Cathleen Johnson (University of Arizona) to the FLLM Conference on LMI Winnipeg, February 14, 2007



What's LMI?

FLMM LMI definition:

"All useful information for people looking for employment, whether they have a career decision to make, or want to improve their employment status. LMI is also intended for employers interested in the labour market situation or who are looking for skilled workers for their business."



Why LMI?

Primary objectives:

- To assist the job-search process for:
 - Those who are currently unemployed
 - Those looking for better career possibilities, better salaries, better benefits
 - New entrants to the labour market
- To assist students in career choice or workers interested in skills enhancement
- To provide employers with insights about labour force requirements, training needs, and the movement of workers

Other cited objectives:

- To support equal opportunity through a better redistribution of information
- The improve the efficiency of the education and training systems



Objective	Early outcomes	Intermediate outcomes	Long-range outcomes
Assisting job search for unemployed	Better knowledge of labour market conditions Increased confidence, self-esteem, and motivation	•LMI users finding jobs faster than through other means	■Shorter duration of EI benefits ■Increased job stability
Assisting job search for already employed	Better knowledge of labour market conditions Increased confidence, self-esteem, and motivation	LMI users changing jobs faster	 LMI users finding more rewarding jobs relative to previous jobs and relative to non- LMI users LMI users finding better-paying jobs
Assisting job search for new entrants	Better knowledge of labour market conditions Increased confidence, self-esteem, and motivation	•LMI users finding jobs faster than through other means	Increased job retentionLarger number of employed people among LMI users
Assisting career choices for youth or adults	Increased decisiveness and motivation	Increased PSE enrolment Increased take-up of education	 More stable educational paths Reduced drop-outs Increased earnings Increased job satisfaction
Assisting training decisions for adults	More positive attitude towards education and training	Increased take-up of training and adult education	Reduced unemployment Higher earnings and greater employability
Providing employers with useful insights	■Facilitate HR decision-making ■Mitigate business risks	Identification of training requirements	Development of training programs Reduced skill shortages
Providing information to low- skilled individuals	More take-up of LMI products	Better labour market choices	More equitable distribution of jobs and wages
Increasing efficiency of education and training system	More stable educational path; lower administrative burden	■Higher completion rates	■Positive impact on institutions' budgets

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Underused Evidence-Based Methodology — Experimentation

Social Experiments/Demonstrations

Random assignment, detailed qualitative and quantitative observations on implementation and impact

Field Experiments

Real payoffs to participants, shorter time frame

Laboratory Experiments

 Real payoffs to participants, homogeneous subject pool (university campuses)



Two examples from SRDC work

1. Future to Discover

- A social experiment testing the combined impact of LMI and career information on access to PSE
- 2. Fostering Adult Education: A Laboratory Experiment on the Efficient Use of Loans, Grants, and Saving Incentives (Cathleen Johnson, Claude Montmarquette, and Catherine Eckel, SRDC Working Paper 03-09, http://www.srdc.org/uploads/johnson_et_al.pdf)
 - Testing the impact of LMI on adults' decision to invest in education and training



Future to Discover

- A joint project between the Canada Millennium Scholarship Foundation and the governments of Manitoba and New Brunswick to find out what works to increase post-secondary education.
- Testing two strategies to increase access to PSE :
 - Explore Your Horizons: a bundle of post-secondary education and career exploration information and support services designed to increase high school students' early awareness of their post-secondary education options.
 - Learning Accounts: an early guarantee of non-repayable financial aid to high school students from lower-income families
- New Brunswick is testing site for Explore Your Horizons, Learning Accounts, and a combination of both interventions. Manitoba is testing site for Explore Your Horizons only.
- A six-year demonstration project following roughly 4,400 anglophone and francophone high school students in New Brunswick and 1,050 student participants in Manitoba.
- SRDC is evaluating the experiment in three ways: an impact study, implementation research, and cost-benefit analysis



Future to Discover is about:

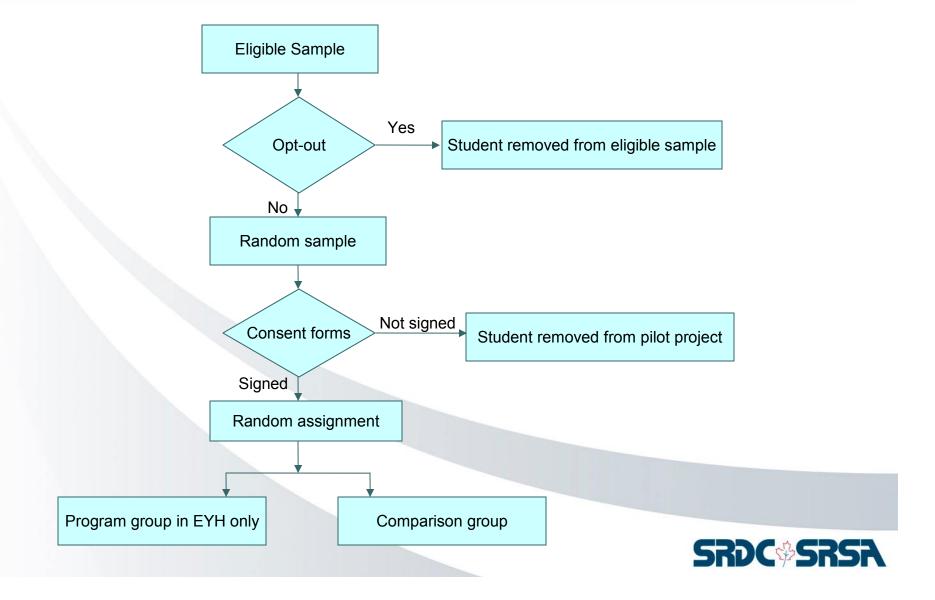
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			SRDC SRSP

The components of Explore Your Horizons

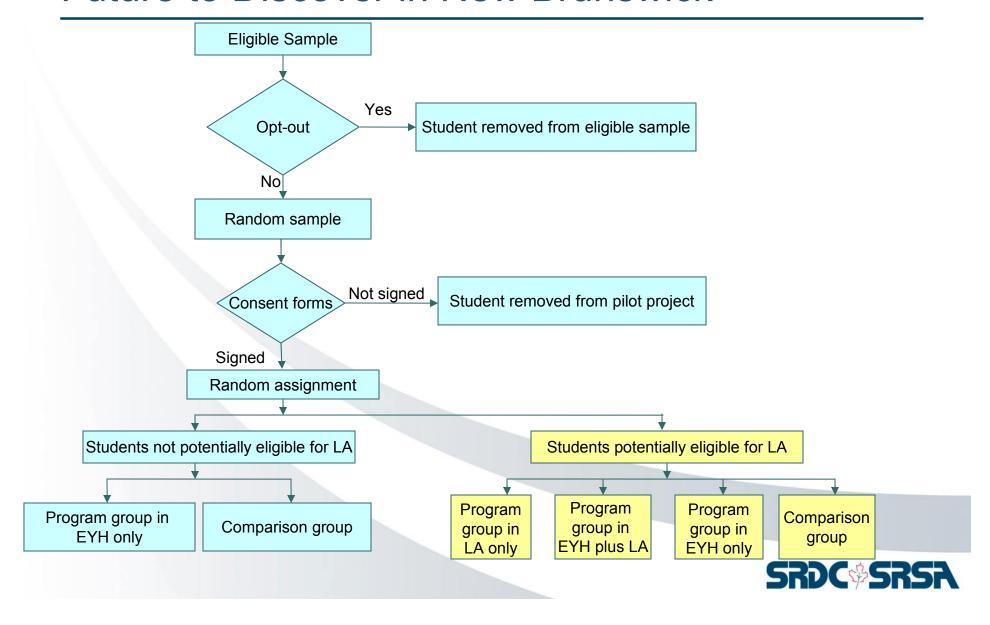
	Grade 10	Grade 11	Grade 12
Career Focusing workshops to help students explore career options and develop suitable educational and career plans	6 workshops		
Lasting Gifts workshops to inform parents about how to research LMI and to better understand education and career development		4 workshops	
Future in Focus workshops for students to learn how to develop support networks, explore the value of community engagement, and learn how to work through unexpected challenges			4 workshops
Post-secondary Ambassadors introduces participants to students currently enrolled in a PSE program to share their experiences	2 workshops	2 workshops	2 workshops
FTD Web site easy-to-read information on post-secondary education and career decision-making	Accessible three	oughout	
F2D magazine easy-to-read information on post-secondary education and career decision-making	2 issues 2	2 issues 2	2 issues



Future To Discover in Manitoba



Future to Discover in New Brunswick



Fostering Adult Education (Johnson et al.)

Exploring barriers to participation:

- Lack of time
- Loan aversion
- Fear of failure
- Time preference
- Readiness to learn
- Lack of information
 - re. probability of finding a job in field of study
 - re. availability and quality of training courses
 - re. rates on return on education (closing the gap between perceived and actual rates)



Design of LMI treatment

- Participants asked to estimate the average yearly earnings that result from different numbers of years of schooling
- Participants exhibiting low accuracy in their perceptions about the labour market are divided randomly in two groups: treatment and comparison
- Treatment group invited, five months later, to participate into a 90minute labour market information session
- One month following the LMI session, both the treatment and comparison groups were invited back to complete another set of decision questions regarding preferences for education

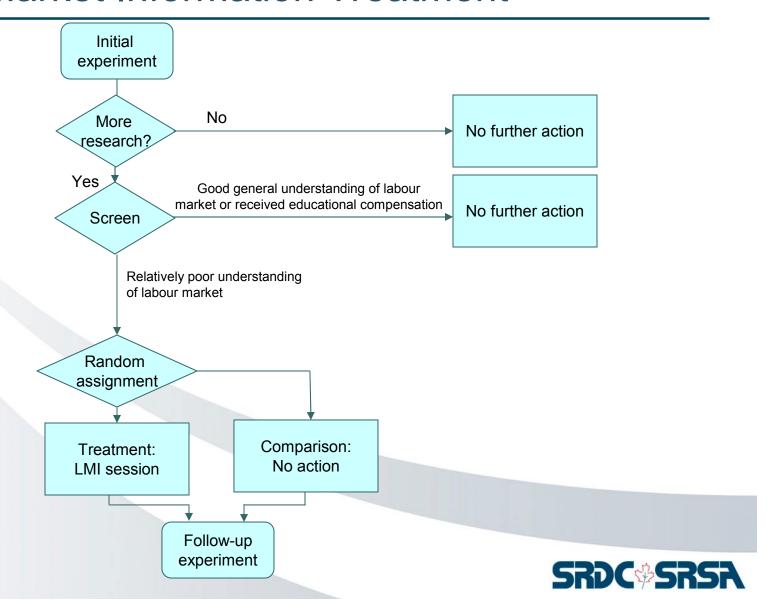


Fostering Adult Education is about:

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Labour Market Information Treatment



Findings

- Significant impact on younger adults (18–25):
 33% more likely to invest in education
 - those under 25 who did not participate in the LMI session had a probability of 42.9 per cent of taking more education;
 - those who did participate had a probability of 57.1 per cent.
- No significant impact detected for older persons (25–44, 45+)
 - Context of the educational choices in the experiment was biased towards younger participants (i.e. PSE instead of work-related training)



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