

## MHR Exit Survey—Summer 2002

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## Summary

This report presents information on the employment and earnings of former BC income assistance (IA) clients. It is the second in a series of reports based on quarterly surveys of IA leavers. This second group of 994 former IA recipients was surveyed between July and September of 2002. They left income assistance the previous December and had not been back on IA from that time to the end of June 2002.

The majority (66 percent) of these former clients left IA for work; 14 percent had a change in financial need or another source of income; 6 percent experienced a change in family status, and 5 percent left for school or training. Former clients who left income assistance in September—the previous quarter—were considerably more likely to have left for school. Eighty-one percent of the former clients interviewed were employed or had been employed at some time since they stopped receiving income assistance.

### Reasons for Leaving IA

Work	66%
School	5%
Other income	7%
Change in family status	6%
Change in financial need	7%
Other reasons	6%
<b>Sub-Total</b>	<b>92%</b>
Closed by MHR	5%
Dissatisfaction with IA reqs	3%

Those who left IA for employment and who were not in school earned, on average, 2.6 times the assistance they would have received. Earned income for single men was 3.9 times higher than their maximum IA entitlement, while single-parent families earned almost twice as much.

Income Ratios	
Single Men	3.9
Single Women	2.8
Couples	2.5
Two-Parent Families	2.0
Single-Parent Families	2.0
<b>Overall</b>	<b>2.6</b>

Nineteen percent of employed IA leavers had occupations in the goods sector, while 81 percent found work in service industries. This goods and services breakdown for former IA clients parallels the sector employment of the BC labour force, which was 20 percent for goods and 80 percent for services in 2001.

## Background

In February 2002, the BC Ministry of Human Resources (the Ministry or MHR) released its annual Service Plan outlining the strategic goals and objectives for the Ministry over the next three years. The first goal was that BC Employment and Assistance clients achieve independence through sustained employment. As part of the effort to measure its per-

formance in meeting this goal, the Ministry decided to interview income assistance leavers four times each year over the next three years.

The surveys provide information on the employment and earnings of people who left income assistance and who did not return in the following six months. The reports of survey findings will present an overview of what former clients are doing now that they are no longer receiving income assistance.

The Ministry engaged the Centre for Education Information (CEISS) to assist in designing and managing the project. CEISS is a research organization that provides outcomes research, reporting, and data warehousing services. CEISS is responsible for project management and implementation, procurement of professional data collection services, and data management for the MHR Exit Survey.

## The Surveys

The survey is being administered four times a year. Each quarter, the Ministry's Economic Analysis Branch creates a file of people to be contacted for surveying. The files range from 3,000 to 6,000 cases.

The survey is conducted over the telephone by a survey research firm, using a Computer Assisted Telephone Information (CATI) system to ensure effective call management and question sequencing.

Survey Schedule				
	Q1 Spring 2002	Q2 Summer 2002	Q3 Fall 2002	Q4 Winter 2003
Draw cohort	April 5	July 2	October 8	January 6
Data collection	April - June	July - September	October - November	January - February
Analysis	June - July	September - October	November - December	March - April
Reporting	October	December	February	May

Survey questions are close-ended and designed to gather information on respondents' activities since leaving income assistance. There are no opinion or attitude measurements in the survey, though comments about leaving IA are recorded.

Participation in the survey is completely voluntary. Notification letters are sent to everyone in the contact file to let them know about the survey project, why it is being conducted, and to give them the opportunity to have their names removed from the interview list.

Despite extensive efforts made to trace everyone on the contact file, survey research firms often have difficulty reaching former IA recipients, as many telephone numbers will be either "not-in-service" or a wrong number. The Ministry expects to interview between 30 and 40 percent of the people who left income assistance in each quarter.

## Summary of Quarter 1 Survey Findings

In April 2002, MHR's Economic Analysis Branch provided a file of 5,582 cases—people who received benefits in September 2001 but not between October 2001 and March 2002—for the first quarter of the survey. The interviews were conducted between April 23 and June 3, 2002. The survey research firm obtained 1,833 completed surveys for a response rate of 33 percent.

Nearly 97 percent of the former income assistance clients surveyed left income assistance to work, attend school, or because of a change in family or financial status—about 2.4 percent of cases were closed by the Ministry. More than 50 percent left income assistance for work, while 35 percent left to attend school.

On average, respondents who left income assistance for work received more than two and half times the income they would have received on assistance. Their average monthly income was \$1,715. These

respondents also found jobs in the goods and service sectors in virtually the same proportion as the overall labour force: 81 percent worked in the service sector, 19 percent in the goods sector.

Compared with the rest of the province, a higher proportion of respondents from Vancouver, the Lower Mainland, and Fraser South left income assistance for work. Respondents from outside those regions were more likely to have left for school, although work was still the primary reason for leaving.

## Quarter 2 Respondents

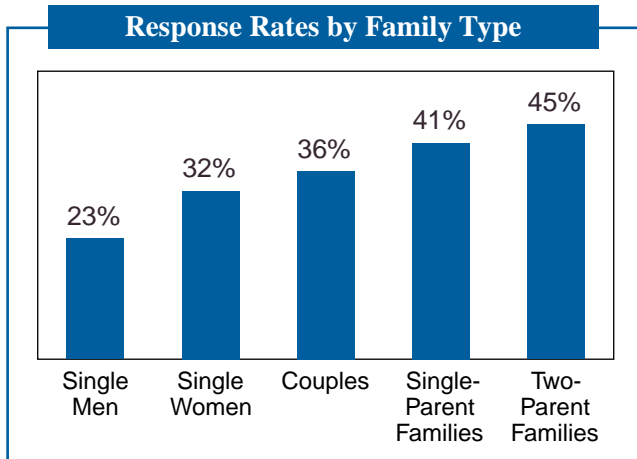
This second group of former income assistance clients was surveyed between July 19 and September 9, 2002. They left income assistance the previous December and had not returned from that time to the end of June 2002.

On July 2, 2002, the Ministry prepared a file of 3,110 former income assistance recipients for the survey. Of that number, 46 percent could not be contacted because their phone numbers were not in service, and 10 percent were unavailable for other reasons.

A total of 1,342 individuals were contacted for interviews, and of those, 270 declined to participate. A further 10 were found to be ineligible for surveying, making the overall survey response rate 34 percent. Sixty-eight of those questioned were back on income assistance during the survey period, and as a result, they were excluded from the analysis. The findings that follow are based on 994 completed interviews.

Survey Response		
Survey cohort	3,110	100%
Phone not in service	1,442	46%
Unavailable for interview	326	10%
Total contacts	1,342	43%
Declined interview	270	9%
Ineligible	10	0.3%
Overall response	1,062	34%
Back on IA	68	2%
Completed interviews	994	32%

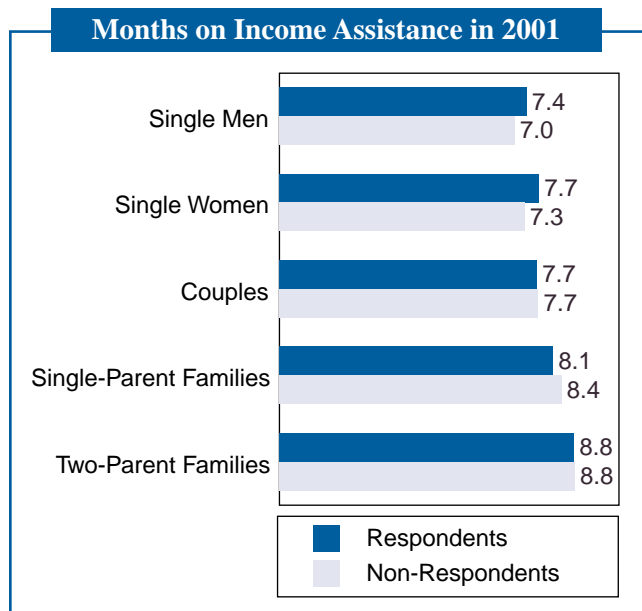
Of the 994 former IA recipients who completed the survey, single-parent families and single men made up the largest proportions of respondents: 31 and 29 percent respectively. The highest response rates are from two-parent and single-parent families, while the lowest is from single men. Contact numbers for single men were the most likely to be not-in-service, indicating that, as a group, single men are the most mobile of the family types surveyed.



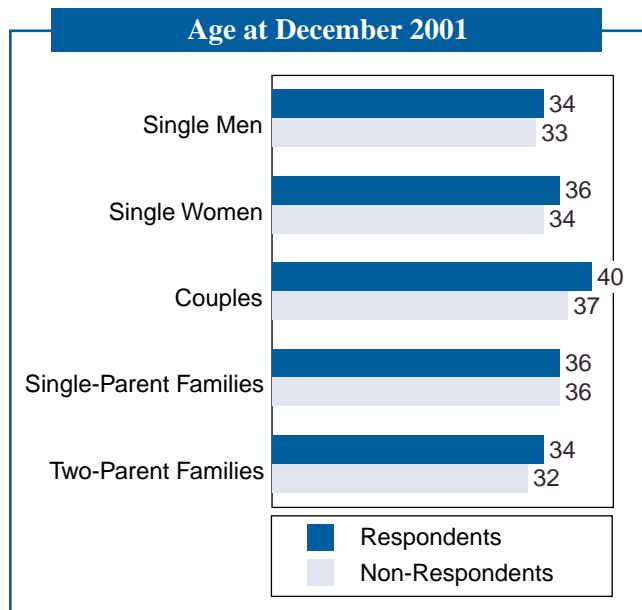
## Quarter 2 Non-Respondents

Response rates are a concern in survey research because the people that cannot be contacted (non-respondents) may differ from the people that are contacted (respondents). This risk can be assessed by comparing respondents with non-respondents using characteristics that are known for both groups. If their results for known characteristics are similar, then it is possible they would make similar responses to the survey questions. For Quarter 2 data, non-respondents and respondents were compared on the basis of their income assistance histories and their ages.

Quarter 2 respondents and non-respondents have similar IA histories. In the 12 months prior to leaving IA in December 2001, respondents spent an average of 8.0 months on income assistance; for non-respondents, it was 7.6 months.



The ages of both groups were similar as well. The overall average age for respondents was 35; for non-respondents, it was 33.

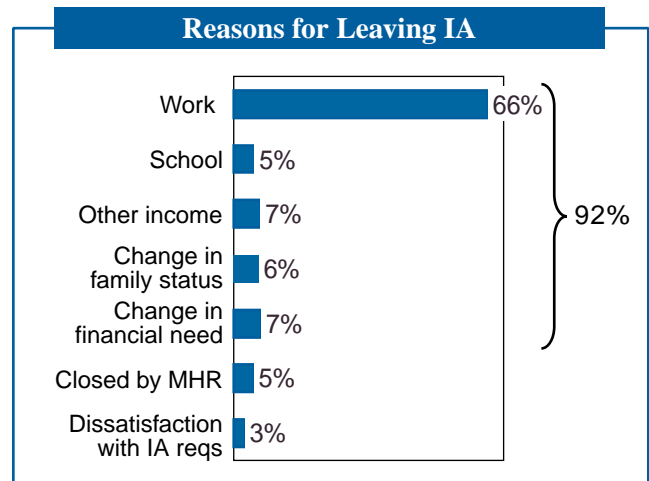


The possibility of bias introduced by non-response is a risk, but it is a risk common to all survey research. The Professional Marketing Research Society reported that the average response rate in 52 Omnibus surveys in 2000 was 11.3 percent.<sup>1</sup> The Quarter 2 overall response rate of 34 percent is comparable to response rates obtained in similar surveys in Alberta and Saskatchewan.<sup>2</sup>

# Reasons for Leaving IA

The former clients who responded to the survey were asked if they had left income assistance for work, and if not, what other reasons they had for leaving. The majority left for work—66 percent overall. Single women and single men were the most likely to leave for work, both at a rate of 77 percent. These rates compare with Quarter 1 rates of leaving for work of 50 percent overall, 61 percent for single women, and 66 percent for single men.

The Quarter 2 rates of leaving for work are higher partly because a much lower percentage of Quarter 2 respondents left to attend school. This is not surprising given the time of year—few educational programs begin in December.

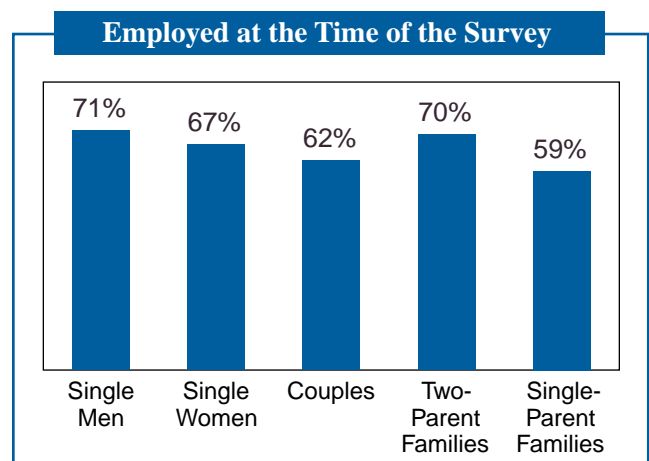


	Single Men	Single Women	Couples	2-Parent Families	1-Parent Families
Work	77%	77%	53%	59%	52%
School	4%	3%		6%	9%
Other income	6%	6%	13%	7%	8%
Change in family status	1%	3%		6%	15%
Change in financial need	4%	4%	18%	19%	6%
Closed by MHR	5%	4%	10%	4%	6%
Dissatisfaction with IA reqs	3%	2%	8%	1%	3%

# Current Activity

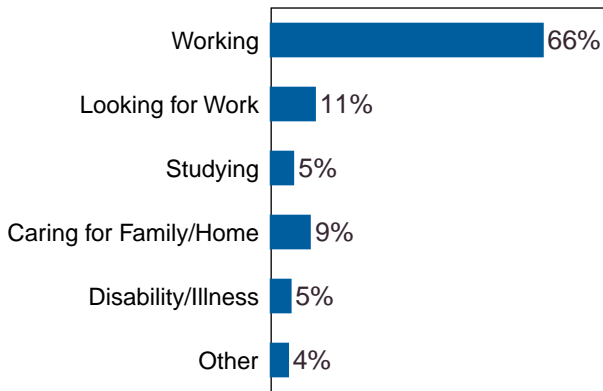
At the time of the survey, 66 percent of respondents were employed. Although single women were as likely as single men to have left income assistance for employment, they were less likely to be employed when they were surveyed six months after leaving.

The activities of respondents who were not employed at the time of the survey included looking for work, caring for a home and family, and studying. Forty-five



percent of those unemployed when surveyed had been employed at some time since they stopped receiving income assistance.

### Main Activity at the Time of the Survey



## Employment Income

Respondents who left IA for employment and who were not in school earned, on average, 2.6 times the assistance they would have received. Earned income for single men was 3.9 times higher than their maximum IA entitlement, while single-parent families earned twice as much.

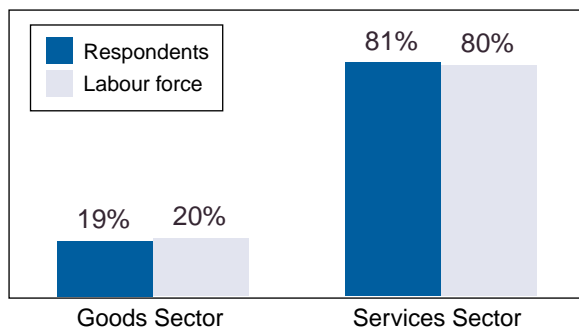
The average incomes for single men and single women were about 7 percent higher than the incomes reported by Quarter 1 respondents. Single-parent families who left income assistance in December 2001 reported incomes that were, on average, 10 percent higher than the average incomes of those who left in September. The average incomes of two-parent families from Quarter 2 were about 5 percent lower than the average incomes of two-parent families that left in September.

### Earned Income and Maximum Income Assistance

Family Type	Average Monthly Income	Maximum IA Entitlement	Ratio
Single Men	\$1,968	\$510	3.9
Single Women	\$1,427	\$510	2.8
Couples	\$2,063	\$840	2.5
Two-Parent Families	\$2,012	\$1,028	2.0
Single-Parent Families	\$1,813	\$909	2.0
<b>Overall</b>	<b>\$1,800</b>	<b>\$683</b>	<b>2.6</b>

Note: Earned income is the mean of income amounts <\$10,000 and > \$99 reported by respondents who left for work and who were not in school.

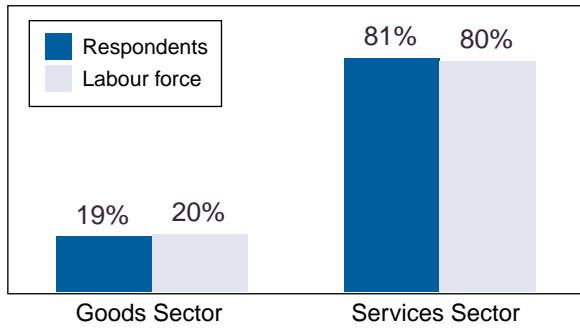
### Employment by Sector for Former IA Clients and BC Labour Force



## Occupations

Eighty-one percent of employed respondents found work in service sector industries. As in Quarter 1, the goods and service breakdown for Quarter 2 respondents parallels the sector employment of the BC labour force. Information from the Statistics Canada 2001 Labour Force Survey shows 80 percent of employed British Columbians worked in the service sector.

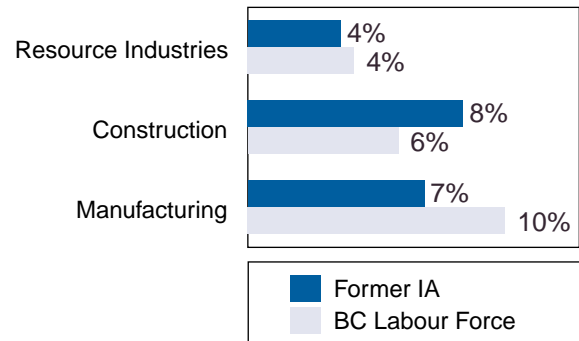
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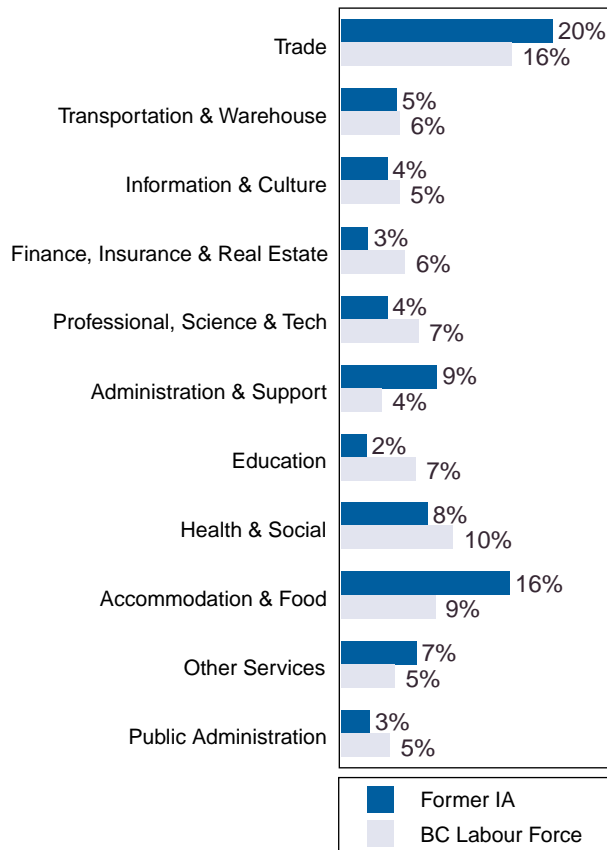
Again as in Quarter 1, there were somewhat larger percentages of former IA recipients working in the accommodation and food industry and in wholesale and retail trade.

Former IA recipients are somewhat more likely than people in the BC labour force to work in construction, but less likely to work in manufacturing. Resource industries include agriculture, fishing, forestry, mining, oil and gas, and utilities.

### Goods Sector Employment



### Service Sector Employment



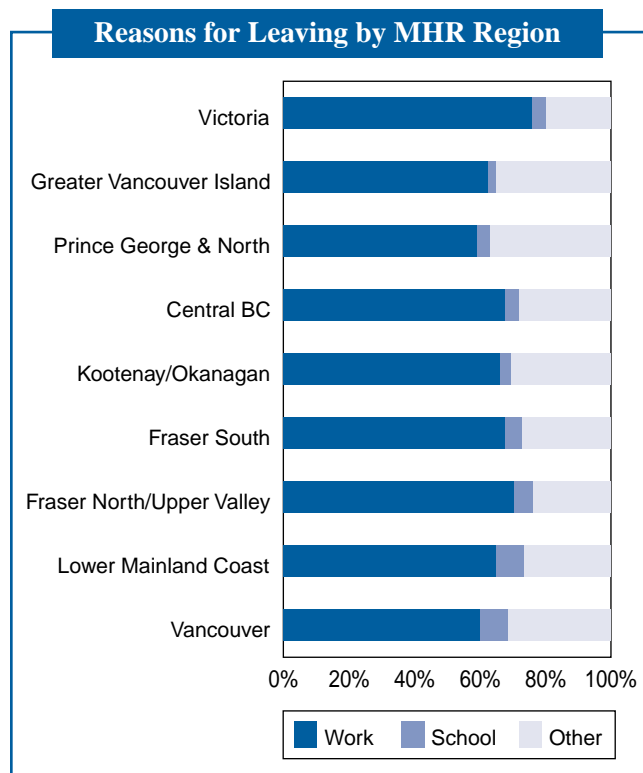
Survey respondents who worked at any time since leaving IA had a variety of occupations, though almost half worked in sales and service jobs. The next most-often chosen occupations were in trades, transport, and related fields, followed by business and administrative positions.

### Occupation Type of Main or Most Recent Job

Sales and Service Occupations	49%
Trades, Transport and Equipment Operators and Related	17%
Business, Finance and Administrative Occupations	14%
Occupations in Social Science, Education, Government Service	5%
Occupations Unique to Primary Industry	5%
Occupations Unique to Processing, Manufacturing and Utilities	4%
Occupations in Art, Culture, Recreation and Sport	2%
Health Occupations	2%
Natural and Applied Sciences and Related Occupations	2%

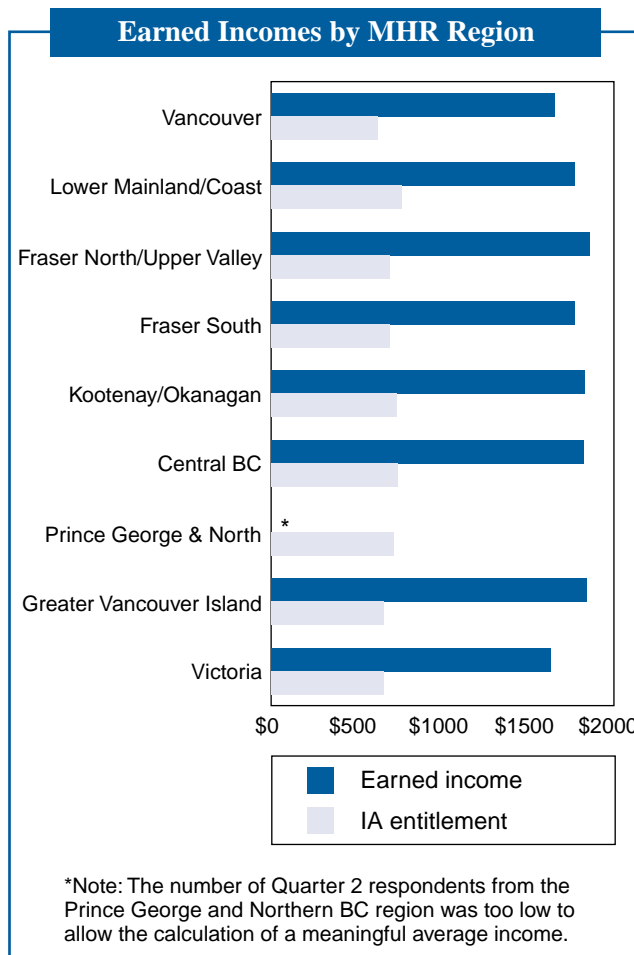
# Regional Variations

Respondents' reasons for leaving income assistance varied somewhat by region. Victoria had the highest percentage of respondents leave for work. Throughout BC, respondents surveyed in Quarter 2 (who left IA in December) were far less likely to leave for school than those surveyed in Quarter 1 (who left IA in September).



Average earned income varied somewhat across regions, for employed respondents who left income assistance for work and who were not in school at the

time of the survey. On a region-by-region basis, average income was 2.3 to 2.9 times higher than the average IA entitlement for respondents.



## Endnotes

<sup>1</sup> [www.pmr-s-aprm.com/SpecialResponse/](http://www.pmr-s-aprm.com/SpecialResponse/)

<sup>2</sup> R.A Malatest & Associates Ltd