

## MHR Exit Survey—Fall 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 third in a series of reports based on quarterly surveys of people who have left income assistance. This third group of 1,512 former IA recipients was surveyed between October and December of 2002. They left income assistance the previous March and had not been back on IA from that time to the end of September 2002.

Two-thirds of these former clients left IA for work. For another 7 percent, there was a change in financial need; 6 percent received other income and 7 percent left for school or training. Most of the former recipients surveyed—83 percent—reported that they were employed or had been employed at some time since they stopped receiving income assistance.

### Reasons for Leaving IA

Work	67%
School	7%
Other income	6%
Change in family status	4%
Change in financial need	7%
<b>Sub-Total</b>	<b>91%</b>
Closed by MHR	7%
Dissatisfaction with IA reqs	2%

The average income for respondents who left IA for work and who were not in school at the time of

the survey was 2.9 times the assistance they would have received. Earned income for single men was 4.2 times their maximum income assistance amount, while single-parent families earned almost twice as much.

Income Ratios	
Single Men	4.2
Single Women	3.0
Couples	2.2
Two-Parent Families	2.1
Single-Parent Families	1.8
<b>Overall</b>	<b>2.9</b>

Of the respondents who worked at any time since leaving IA, 73 percent reported that they were employed in service sector industries; 27 percent worked in the goods sector. The highest percentages of respondents reported employment in wholesale and retail trade, accommodation and food, administration and support positions, and in construction.

## Background

The BC Ministry of Human Resources' (the Ministry or MHR) annual Service Plan, released in February 2003, outlines the strategic goals and objectives for the Ministry over the next three years. The first goal is that BC Employment and Assistance clients achieve independence through sus-

tained employment. As part of the effort to measure its performance in meeting this goal, the Ministry surveys former income assistance recipients four times each year.

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 present an overview of what former clients are doing now that they are no longer receiving income assistance.

The Centre for Education Information (CEISS) assists 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 administered four times a year. Each quarter, the Ministry's Economic Analysis Branch creates a file of people to be contacted, which ranges from 3,000 to 6,000 cases. The survey is conducted over the telephone by a data collection firm, using a Computer Assisted Telephone Information (CATI) system, to ensure effective call management and question sequencing. Survey questions are close-ended and designed to gather information

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

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, to explain why it is being conducted, and to give them the opportunity to have their names removed from the interview list.

Because income assistance recipients are mobile, in many cases the telephone numbers that the respondents had when they were receiving income assistance will be wrong or "not-in-service" by the time that the data collection firm tries to contact them, six months later. The Ministry expects to interview between 30 and 40 percent of the people who left income assistance in each quarter.

## Quarter 3 Respondents

This third group of former income assistance clients was surveyed between October 21 and December 12, 2002. They left income assistance in March 2002 and had not returned from that time to the end of September 2002.

On October 4, 2002, the Ministry prepared a file of 4,762 former income assistance recipients for the survey. Of that number, 48 percent could not be contacted because their phone numbers were no longer in service, and 10 percent were unavailable for other reasons.

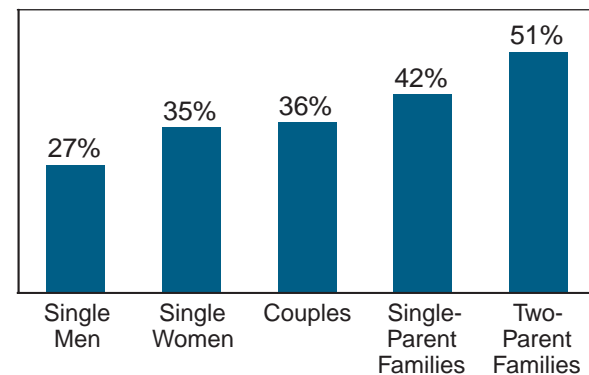
A total of 2,001 individuals were contacted for interviews, and of those, 361 declined to participate. A further 18 were found to be ineligible for surveying, making the overall survey response rate 34 percent. One hundred and ten of those questioned were back on income assistance during the survey period, and as a result, they were excluded from the analysis. The findings that follow are based on 1,512 completed interviews.

### Survey Response

Survey cohort	4,762	100%
Phone not in service	2,271	48%
Unavailable for interview	490	10%
Total contacts	2,001	42%
Declined interview	361	8%
Ineligible	18	0.4%
Overall response	1,622	34%
Back on IA	110	2%
Completed interviews	1,512	32%

Of the former IA recipients who completed the survey, single men and single-parent families made up the largest proportions of respondents: 37 and 27 percent respectively. The highest response rates, however, 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 (53 percent), indicating that, as a group, single men are the most mobile of the family types surveyed.

### Response Rates by Family Type

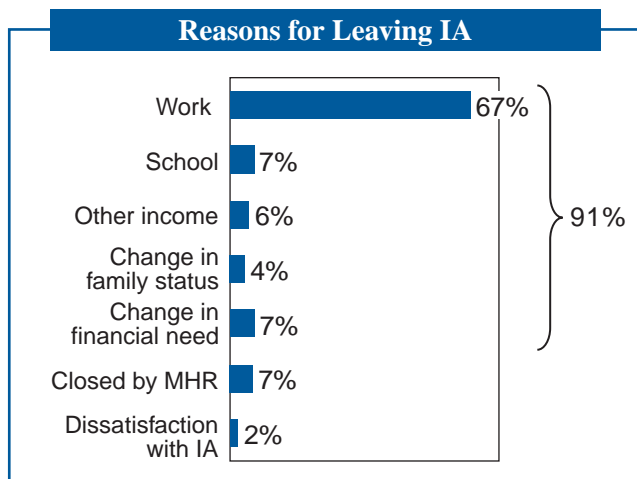


Response rates are a concern in survey research because the people that cannot be contacted (non-respondents) may differ from the people that are contacted (respondents). The possibility of bias introduced by non-response is a risk, but it is a risk common to all survey research. The Professional Marketing Research Society reported that the average response rate in 52 Omnibus surveys in 2000 was 11.3 percent.<sup>1</sup> The Quarter 3 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—67 percent overall.

Single men were the most likely to leave for work, at a rate of 80 percent, while single women left at a rate of 68 percent. These rates compare with Quarter 2 rates of leaving for work of 66 percent overall, and 77 percent for both single women and single men. The percentage of respondents who left for school changed little from Quarter 2 to Quarter 3; the rates were 5 and 7 percent respectively.

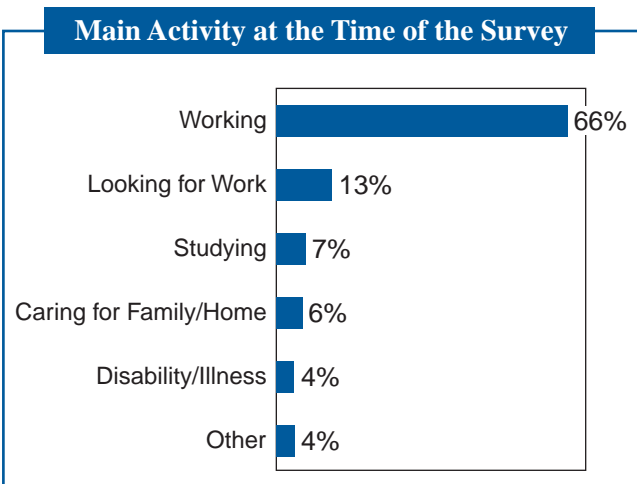


## Reasons for Leaving by Family Type

	Single Men	Single Women	Couples	2-Parent Families	1-Parent Families
Work	80%	68%	64%	64%	51%
School	3%	5%	2%	5%	15%
Other income	4%	8%	9%	6%	5%
Change in family status	1%	3%	0%	4%	11%
Change in financial need	4%	6%	10%	16%	7%
<b>Subtotal</b>	<b>93%</b>	<b>90%</b>	<b>84%</b>	<b>95%</b>	<b>89%</b>
Closed by MHR	5%	9%	10%	4%	8%
Dissatisfaction with IA requirements	2%	1%	5%	2%	4%

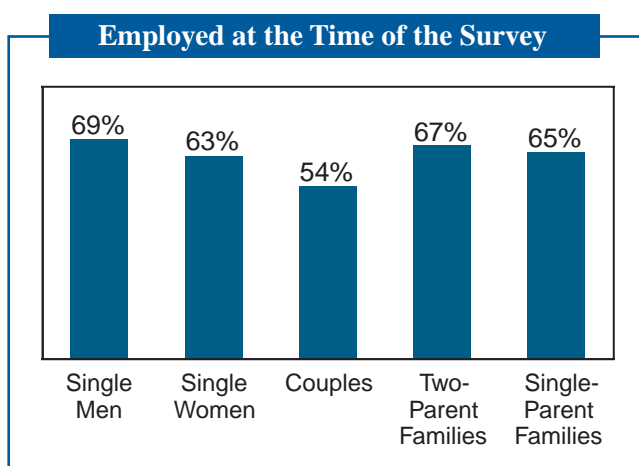
# Activity and Household Income

The main activities of respondents who were not employed at the time of the survey included looking for work, studying, and caring for a home and family. The findings for Quarter 3 are very similar to the Quarter 2 results. In Quarter 2, 66 percent of respondents were working, as their main activity, 11 percent were looking for work, and 5 percent were studying.



Some respondents were engaged in more than one activity. At the time of the Quarter 3 survey, 7% of respondents said studying was their *main* activity, but 14 percent reported attending school or taking some training. Of the respondents who were studying or training, 35 percent were in a college or institute, 14 percent in a trade or vocational school, and 13 percent in business or commercial school.

Of the respondents who said they were working at the time of the survey, 56 percent were employed as paid workers, and 10 percent were self-employed.



Fifty percent of those unemployed when surveyed had been employed at some time since they stopped receiving income assistance; the comparable figure for Quarter 2 respondents was 45 percent.

The Quarter 2 survey focussed on the individual's income, which did not include income earned by other family members. Former IA recipients surveyed in Quarter 3 were asked to estimate their total monthly income from all sources, including income from spouses. The average or mean household income for all respondents (not just those who left income assistance for work) was \$1,766. The average for single-parent families was \$1,756, while two-parent families, on average, had a significantly higher household income at \$2,372.

## Employment Income

The average income for Quarter 3 respondents who left IA for work and who were not in school at the time of the survey was \$1,914; this was 2.9 times the assistance they would have received. Single men earned 4.2 times more than their maximum IA amount, while single women made three times as much.

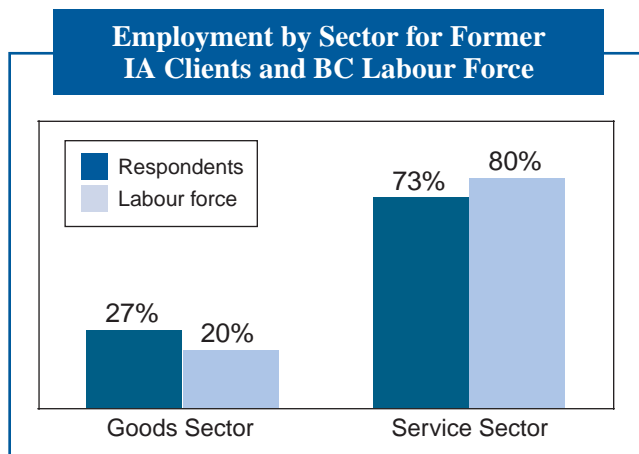
Single men who were surveyed in Quarter 3 had earned incomes that were, on average, 9 percent higher than the incomes of single men surveyed in Quarter 2. The average earned income for two-parent families was 7 percent higher in Quarter 3, compared with Quarter 2. Single women also had incomes 7 percent higher in Quarter 3, while the average income for single parent families was 11 percent lower.

Family Type	Average Earned Income	Maximum IA Amount	Ratio
Single Men	\$2,138	\$510	4.2
Single Women	\$1,523	\$510	3.0
Couples	\$1,888	\$840	2.2
Two-Parent Families	\$2,160	\$1,028	2.1
Single-Parent Families	\$1,621	\$909	1.8
<b>Overall</b>	<b>\$1,914</b>	<b>\$666</b>	<b>2.9</b>

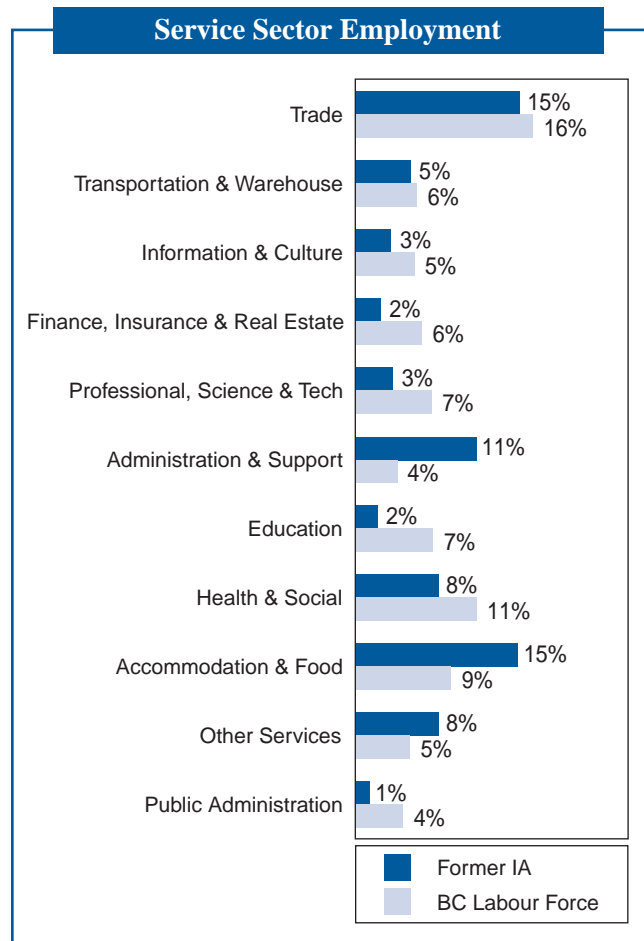
Note: The average or mean earned income amounts are for respondents who left for work and who were not in school.

# Occupations

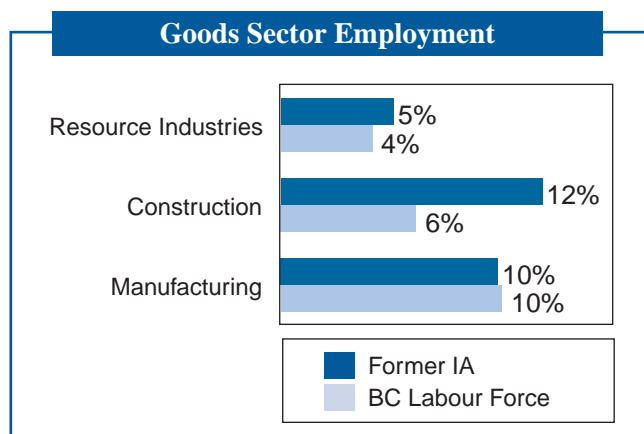
Of the Quarter 3 respondents who had worked at any time since leaving IA, 73 percent were employed in service sector industries. This finding differs from the Quarter 2 results, where 81 percent of former IA recipients surveyed were employed in the service sector. Information from the Statistics Canada 2002 Labour Force Survey shows that, over the course of the year, 80 percent of employed British Columbians worked in the service sector.



The types of employment found by the former IA recipients surveyed in Quarter 3 followed the same pattern as exhibited by Quarter 2 respondents, in that the highest percentages of respondents worked in wholesale and retail trade, the accommodation and food industry, and in administration and support positions. The distribution of employment for the BC labour force in general was similar, although Quarter 3 respondents were more likely to be employed in the accommodation and food industry and in the area of administration and support.



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



Quarter 3 respondents who worked at any time since leaving IA had a variety of occupations, although 45 percent worked in sales and services jobs. The next most-often chosen occupations were in trades, transport, and related fields, followed by business and administrative positions—this was very similar to the pattern of employment of Quarter 2 respondents. Compared with Quarter 3 respondents, a somewhat higher percentage of those from Quarter 2 had occupations in social science, education, and government service.

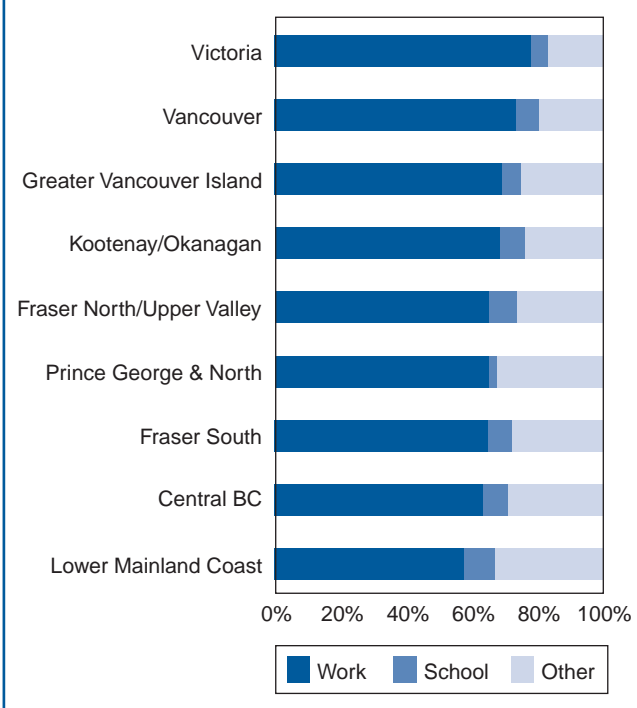
**Occupation Type of Main or Most Recent Job**

Sales and Service Occupations	45%
Trades, Transport and Equipment Operators and Related	23%
Business, Finance and Administrative Occupations	10%
Occupations Unique to Processing, Manufacturing and Utilities	7%
Occupations Unique to Primary Industry	6%
Natural and Applied Sciences and Related Occupations	3%
Occupations in Art, Culture, Recreation and Sport	2%
Occupations in Social Science, Education, Government Service	2%
Health Occupations	1%

## Regional Variations

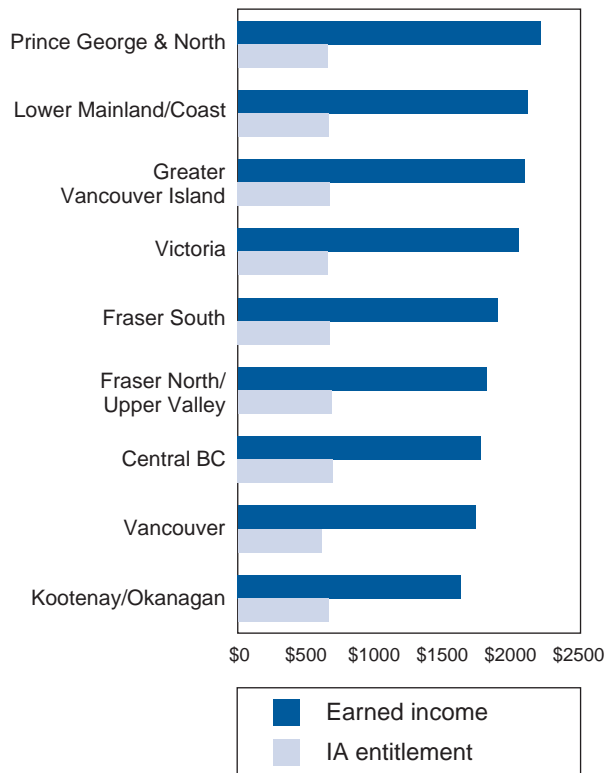
Respondents' reasons for leaving income assistance varied somewhat by region. In Quarter 3, Victoria had the highest percentage of respondents leave for work—Quarter 2 respondents from Victoria had also been the most likely to leave for work.

**Reasons for Leaving by MHR Region**



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 2.5 to 3.4 times higher than the maximum income assistance available to respondents.

## Earned Incomes by MHR Region



## Endnotes

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

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