

## MHR Exit Survey—Winter 2003

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## Introduction

This is the fourth in a series of reports that presents information on the employment and earnings of former BC income assistance (IA) clients. The reports are based on quarterly surveys conducted during 2002/2003 with people who left IA and had not returned in the six months preceding the survey. This report presents the fourth quarter results, as well as a comparison of findings from all four quarters. An appendix to the report contains detailed data by quarter for the first year of surveying.

### Summary of Findings from the Four Quarters:

- Approximately two-thirds of former clients from quarters 2, 3, and 4 left IA for work.
- Quarter 1 respondents left IA in September 2001 and were much more likely than respondents from other quarters to say they left for school.
- Across the four quarters, survey respondents who left IA for work and who were not in school earned 2.4 to 2.9 times what they would have received on income assistance.
- The Quarter 3 overall average income was the highest of all quarters at \$1,914; Quarter 4 was the lowest at \$1,685.
- A substantial majority of employed former IA clients surveyed each quarter worked in the service sector. Quarter 3 respondents were the most likely to have worked in the goods sector.
- Within the service sector, the top three occupational areas—sales and service; trades, transport, and related; and business, finance, and administrative—were the same, quarter to quarter.

# Summary Quarter 4

There were 1,541 former income assistance clients surveyed between January and March 2003. This fourth quarter group of survey respondents left IA in June 2002 and had not returned from that time to the end of December of that year. The majority of these former clients left IA for work (64 percent). Others left for school or experienced a change in their financial need or family status.

## Reasons for Leaving IA

Work	64%
School	7%
Other income	5%
Change in family status	5%
Change in financial need	6%
<b>Sub-Total</b>	<b>87%</b>
Closed by MHR	8%
Dissatisfaction with IA reqs	6%

At the time of the survey, 60 percent of the former recipients were employed; half of those who were unemployed had worked at some time since leaving IA. The average income for those who left for work and who were not in school at the time of the interview was 2.4 times the maximum assistance available. Earned income for single men was 3.8 times their IA amount; for single women, the ratio was 2.7.

## Income Ratios

Single Men	3.8
Single Women	2.7
Couples	2.2
Two-Parent Families	1.7
Single-Parent Families	1.7
<b>Overall</b>	<b>2.4</b>

Of the survey respondents who worked at any time since leaving IA, 76 percent were employed in service sector industries; 24 percent were in the goods sector. The most commonly reported jobs were in the oc-

cupational areas of sales and service; trades, transport, and related occupations; and business, finance, and administration.

## 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 sustained 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 - March
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.

The Ministry interviews approximately one-third of the people who left income assistance in each quarter. Surveyors find they are unable to contact some former IA clients at the phone numbers they used when they were on income assistance. Former IA recipients are not required to inform the ministry of new addresses or phone numbers when they move.

## Quarter 4 Respondents

**O**n January 6, 2003, the Ministry prepared a file of the 4,952 former income assistance recipients who left IA in June 2002 and who had not returned by the end of December that year. This fourth group of former IA recipients was surveyed between January 13 and March 10, 2003. Of the original number, 48 percent could not be contacted at the phone number they used when they were on income assistance, and 12 percent were unavailable for other reasons.

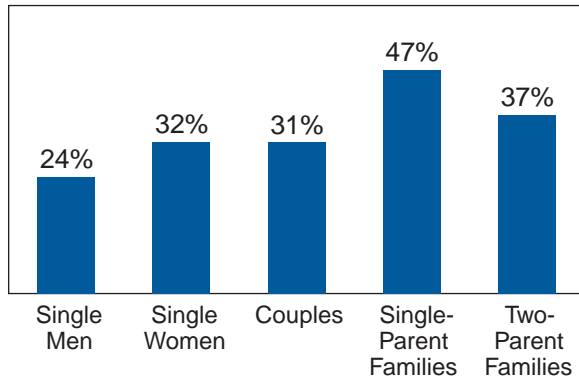
Of the remaining individuals who were contacted (1,998), 6 percent declined the interview. A further 0.3 percent were ineligible for surveying, making the overall response rate 34 percent. Of those who were surveyed, 3 percent had returned to IA during the survey period, and consequently, they were excluded from the analysis. The findings that follow in this report were based on 1,541 completed interviews.

## Survey Response

Survey cohort	4,952	100%
Phone number not current	2,377	48%
Unavailable for interview	577	12%
<b>Total contacts</b>	<b>1,998</b>	<b>40%</b>
Declined interview	284	6%
Ineligible	17	0.3%
<b>Overall response</b>	<b>1,697</b>	<b>34%</b>
Back on IA	156	3%
<b>Completed interviews</b>	<b>1,541</b>	<b>31%</b>

Although single men made up the highest proportion of those who completed the survey (34 percent), the highest *response rate* for the survey was from two-parent families, at 47 percent—single men had the lowest response rate (24 percent). Over half of the single men in the original contact file did not have the same phone number they had while on assistance, indicating that, as a group, single men are the most mobile of the family types surveyed.

### Response Rates by Family Type



The response rates have remained consistent over all four quarters. The rate of completed interviews for Quarter 4 was 31 percent; for Quarter 3 and 2, it was 32 percent and for Quarter 1, it was 33 percent. The response rates by family type have also shown a similar pattern across all quarters: single men have the lowest rate, two-parent families the highest.

### Quarter 1 to Quarter 4 Response Rates by Family Type

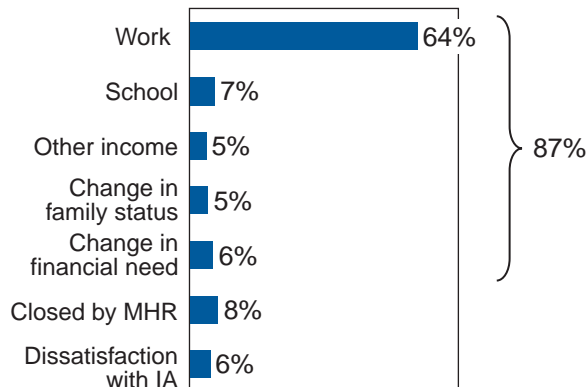
Family Type	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Single Men	24%	23%	25%	24%
Single Women	32%	32%	32%	32%
Couples	39%	36%	35%	31%
Two-Parent Families	43%	45%	49%	47%
Single-Parent Families	42%	41%	39%	37%

## Reasons for Leaving IA

Of the former income assistance clients who were contacted for the Quarter 4 survey, 64 percent had left IA for work. Other reasons for leaving included school (7 percent) and a change

in financial need (6 percent). A further 8 percent reported that their cases were closed by MHR.

### Reasons for Leaving IA



When IA cases are closed, MHR workers record in the clients' file reasons for the case closure. Examining these case closure reasons provides some further information on the 8 percent of former IA recipients who said that they left income assistance because their file was closed by MHR. Of these cases 49% were closed because the client ended contact with the Ministry, 20 percent obtained employment, 13 percent had income or assets in excess of allowable limits, 4 percent were married, common-law or reconciled, 7 percent were closed by MHR action, 3 percent had returned to school, and 4 percent were closed for other reasons.

Single men were the most likely to leave for work; single-parent families, the least likely. Respondents from single parent families, however, were the most likely to leave for school. The percentages of Quarter 4 respondents who left IA for school are not high overall, but this is not surprising, since these former clients left in June—not typically a time for school intake.

With the exception of Quarter 1, approximately two-thirds of former clients from each quarter reported that they left income assistance for work. Quarter 1 respondents, who left IA in September, were much more likely to say they left IA to go to school. Please see the appendix for Quarter 1 to Quarter 4 Respondents' Reasons for Leaving IA by Family Type.

Reasons for Leaving by Family Type					
	Single Men	Single Women	Couples	2-Parent Families	1-Parent Families
Work	75%	68%	58%	63%	52%
School	4%	5%	2%	2%	14%
Other income	3%	7%	4%	4%	4%
Change in family status	2%	4%	4%	9%	7%
Change in financial need	3%	5%	18%	13%	7%
<b>Subtotal</b>	<b>86%</b>	<b>88%</b>	<b>85%</b>	<b>91%</b>	<b>84%</b>
Closed by MHR	9%	7%	9%	5%	8%
Dissatisfaction with IA requirements	5%	5%	5%	4%	8%

Quarter 1 to Quarter 4 Reasons for Leaving IA				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Work	50%	66%	67%	64%
School	35%	5%	7%	7%
Other income	5%	7%	6%	5%
Change in family status	3%	6%	4%	5%
Change in financial need	3%	7%	7%	6%
<b>Subtotal</b>	<b>97%</b>	<b>92%</b>	<b>91%</b>	<b>87%</b>
Closed by MHR	2%	5%	7%	8%
Dissatisfaction with IA requirements	1%	3%	2%	6%

## Current Activity

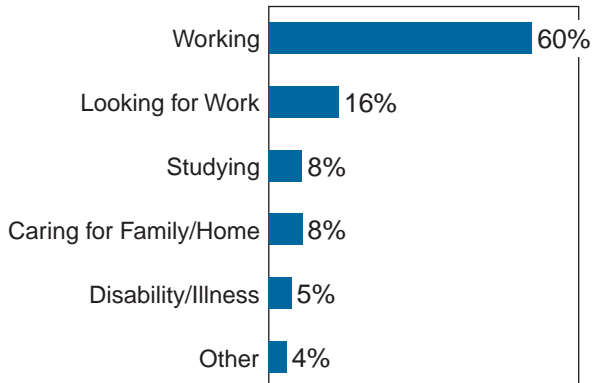
The majority of former IA clients surveyed in Quarter 4 reported that their main activity at that time was working. A relatively large proportion of the remaining respondents were looking for work.

Single women were the most likely to be employed, although they had higher rates of part-time employment than single men had: 40 versus 26 percent.

Of the 60 percent of former IA recipients who were working at the time of the survey, 16 percent said

they were self-employed. Of those respondents who were not working when surveyed, 50 percent had had a job at one time since leaving IA.

### Main Activity at the Time of the Survey

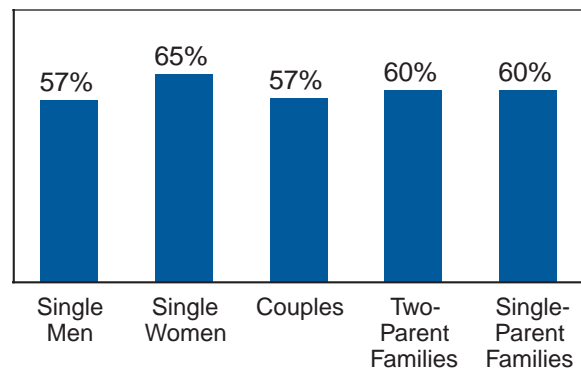


Although studying was reported as the main activity for 8 percent of former IA clients surveyed in Quarter 4, 15 percent were enrolled in an educational program. Of those who were studying, 43 percent were attending a college or institute, 12 percent were

in a trade or vocational school, 11 percent were in secondary school, 10 percent in business school, 8 percent in university, and 15 percent were in other types of institutions.

Across the four quarters, respondents' main activities at the time of surveying were similar, except for Quarter 1. Again, it is evident that assistance recipients who leave IA in September are much more likely to be attending school than those who leave at other times of the year.

### Employed at the Time of the Survey



### Quarter 1 to Quarter 4 Main Activity at the Time of the Survey

Activity	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Working	52%	66%	66%	60%
Looking for work	13%	11%	13%	16%
Studying	25%	5%	7%	8%
Caring for family/home	6%	9%	6%	8%
Disability/illness	3%	5%	4%	5%
Other	2%	4%	4%	4%

## Employment Income

Quarter 4 respondents who left IA for work and who were not in school at the time of the survey, made an average income of \$1,685. This was 2.4 times the maximum income assistance available. The earned income reported by single men

was, on average, 3.8 times what they would have received on assistance. The ratio was 1.7 for single-parent families, who had an average monthly income of \$1,507.

The average monthly income earned by the former IA recipients surveyed has fluctuated over the four quarters of the first year's surveying. The overall average income for Quarter 3 respondents is higher than the averages of the other quarters, although it is not sig-

nificantly different from the average of Quarter 2. The overall ratio of earned income to income assistance was the highest for Quarter 3, as well. Please see the appendix for Quarter 1 to Quarter 4 Average Monthly Earned Income and Maximum IA.

### Average Monthly Earned Income and Maximum Income Assistance

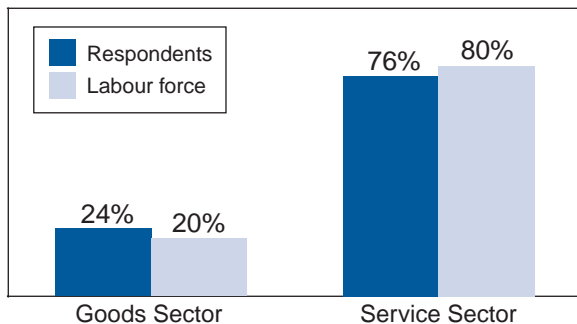
Family Type	Average Earned Income	Maximum IA Amount	Ratio
Single Men	\$1,916	\$510	3.8
Single Women	\$1,381	\$510	2.7
Couples	\$1,812	\$840	2.2
Two-Parent Families	\$1,704	\$1,028	1.7
Single-Parent Families	\$1,507	\$909	1.7
<b>Overall</b>	<b>\$1,685</b>	<b>\$691</b>	<b>2.4</b>

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.

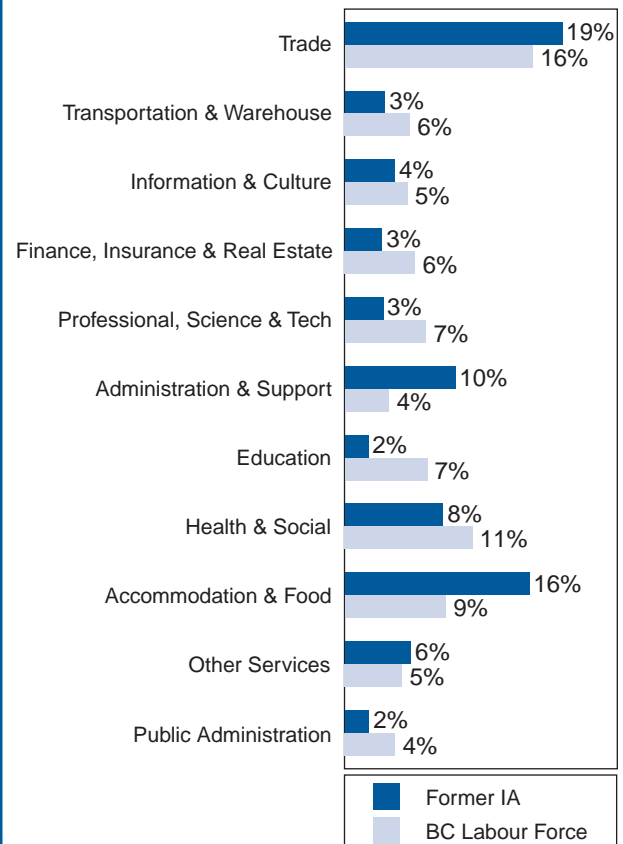
## Occupations

A majority (76 percent) of Quarter 4 respondents who worked at any time since leaving income assistance had positions in service sector industries; the remaining 24 percent were employed in the goods sector. The proportion of the BC working population employed in the service sector in 2002 was 80 percent, according to the Statistics Canada Labour Force Survey.

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



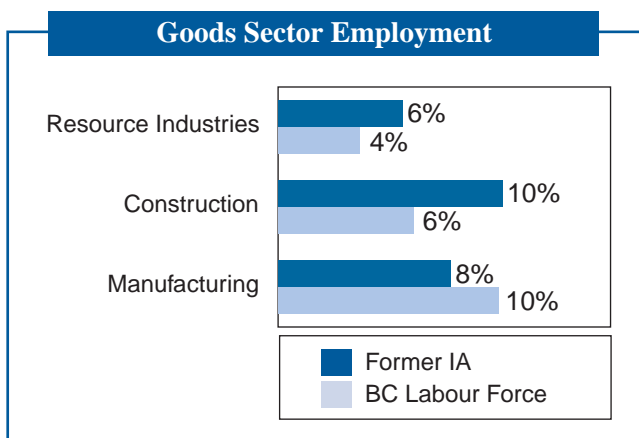
### Service Sector Employment



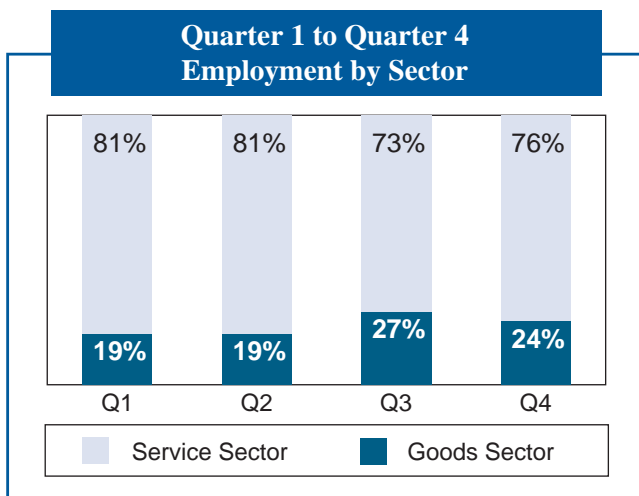
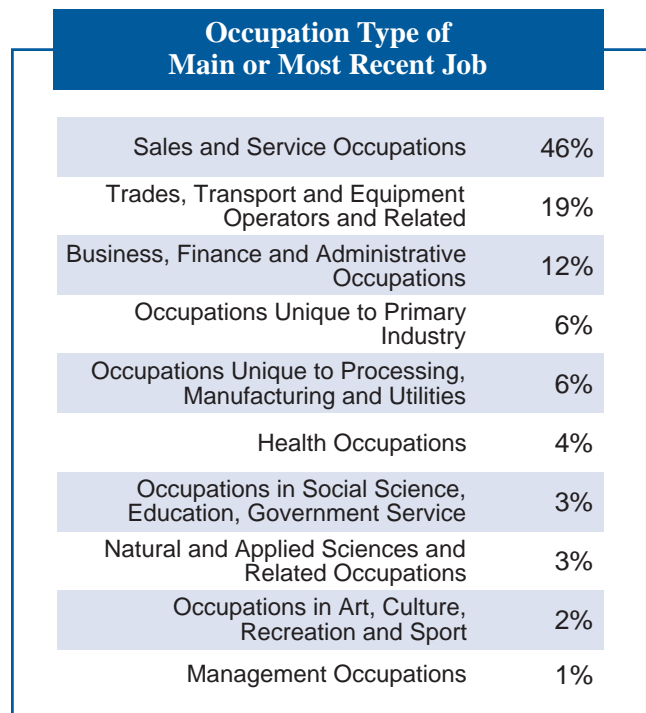
The industries that employed the highest proportions of Quarter 4 respondents were wholesale and retail trade, accommodation and food, and administration and support. The BC population was also most likely to be employed in wholesale and retail trade in 2002, although the next largest industry employer was the area of health care and social assistance.

The goods sector includes the resource industries, which are agriculture, fishing, forestry, mining, oil and gas, and utilities. Former IA recipients participated in the resource industries and manufacturing at about the same rates as the BC population, but were somewhat more likely to be employed in construction.

Interviewed in the late fall of 2002 (Quarter 3) were the most likely to have worked in the goods sector. In particular, their employment in the construction industry was high. Please see the appendix for Quarter 1 to Quarter 4 Service and Goods Sector Employment. Almost half (46 percent) of Quarter 4 respondents who worked at any time since leaving IA were employed in sales and service occupations. A further 19 percent were in trades, transport, and related occupations. The top three occupational areas—sales and service; trades, transport, and related; and business, finance, and administrative—are the same quarter to quarter. Please see the appendix for Quarter 1 to Quarter 4 Occupational Types.



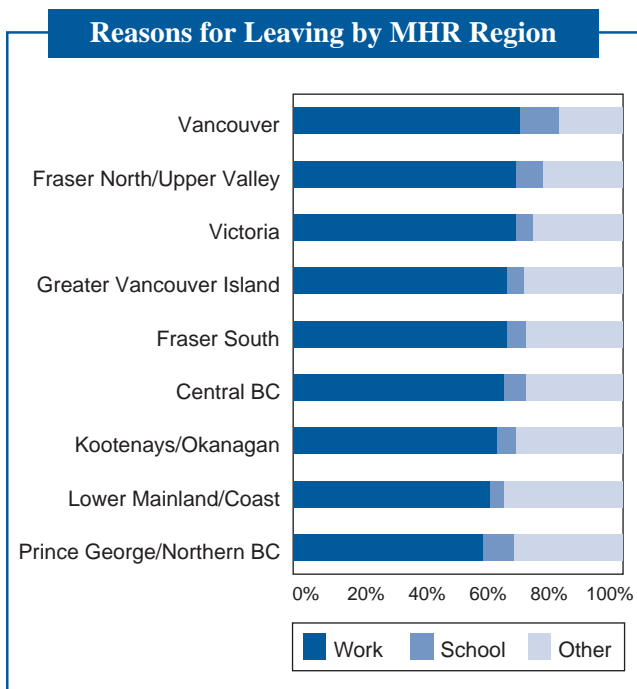
For the former IA clients surveyed over the past four quarters, the balance of employment in the service sector versus the goods sector has varied a little. The respondents who left IA in March and were in-



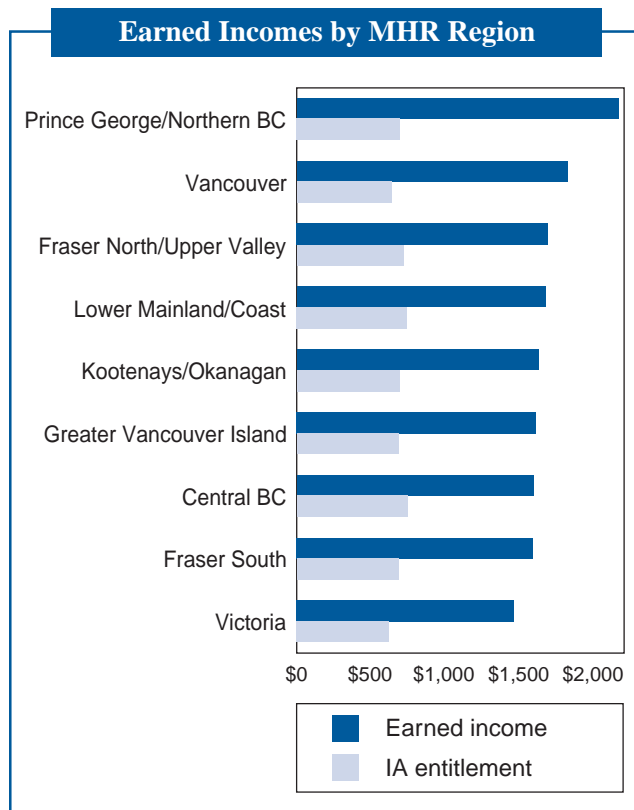
# Regional Variations

The percentage of Quarter 4 income assistance recipients who left IA for work did not vary substantially by region. Respondents from Vancouver, however, were more likely than respondents from other areas to have left IA for school.

Other survey quarters showed a little more variation region to region. In particular, Quarter 1 showed more variation in the percentages of former IA clients leaving for school by region—the highest was from the region of Greater Vancouver Island, where 45 percent of respondents left for school, and the lowest was from Fraser South, with 17 percent of respondents saying they left for school. Please see the appendix for Quarter 1 to Quarter 4 Reasons for Leaving by MHR Region.



For employed respondents who left income assistance for work and who were not in school at the time of the Quarter 4 survey, average earned income varied across regions. On a region-by-region basis, average income was 2.1 to 3.1 times higher than the maximum income assistance available to the former IA clients surveyed.



# Appendix

## Quarter 1 to Quarter 4 Respondents' Reasons for Leaving IA by Family Type

	Single Men	Single Women	Couples	2-Parent Families	1-Parent Families
<b>Quarter 1</b>					
Work	66%	61%	66%	56%	32%
School	20%	25%	9%	22%	55%
Other income	6%	6%	6%	7%	4%
Change in family status	1%	3%	4%	5%	4%
Change in financial need	2%	3%	9%	9%	2%
<b>Sub-Total</b>	<b>95%</b>	<b>98%</b>	<b>94%</b>	<b>99%</b>	<b>97%</b>
Closed by MHR	4%	2%	6%	1%	2%
Dissatisfaction with IA requirements	1%	1%	0%	0%	1%
<b>Quarter 2</b>					
Work	77%	77%	53%	59%	52%
School	4%	3%	0%	6%	9%
Other income	6%	6%	13%	7%	8%
Change in family status	1%	3%	0%	6%	15%
Change in financial need	4%	4%	18%	19%	6%
<b>Sub-Total</b>	<b>91%</b>	<b>94%</b>	<b>83%</b>	<b>95%</b>	<b>91%</b>
Closed by MHR	5%	4%	10%	4%	6%
Dissatisfaction with IA requirements	3%	2%	8%	1%	3%
<b>Quarter 3</b>					
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>Sub-Total</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%
<b>Quarter 4</b>					
Work	75%	68%	58%	63%	52%
School	4%	5%	2%	2%	14%
Other income	3%	7%	4%	4%	4%
Change in family status	2%	4%	4%	9%	7%
Change in financial need	3%	5%	18%	13%	7%
<b>Sub-Total</b>	<b>86%</b>	<b>88%</b>	<b>85%</b>	<b>91%</b>	<b>84%</b>
Closed by MHR	9%	7%	9%	5%	8%
Dissatisfaction with IA requirements	5%	5%	5%	4%	8%

## Quarter 1 to Quarter 4 Average Monthly Earned Income and Maximum IA

	Average Earned Income	Maximum IA Amount	Ratio
<b>Quarter 1</b>			
Single Men	\$1,875	\$510	3.7
Single Women	\$1,333	\$510	2.6
Couples	\$1,940	\$840	2.3
Two-Parent Families	\$2,163	\$1,028	2.1
Single-Parent Families	\$1,648	\$909	1.8
<b>Overall</b>	<b>\$1,731</b>	<b>\$670</b>	<b>2.6</b>
<b>Quarter 2</b>			
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>
<b>Quarter 3</b>			
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>
<b>Quarter 4</b>			
Single Men	\$1,916	\$510	3.8
Single Women	\$1,381	\$510	2.7
Couples	\$1,812	\$840	2.2
Two-Parent Families	\$1,704	\$1,028	1.7
Single-Parent Families	\$1,507	\$909	1.7
<b>Overall</b>	<b>\$1,685</b>	<b>\$691</b>	<b>2.4</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.

# Appendix

## Quarter 1 to Quarter 4 Service and Goods Sector Employment

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Service Sector Industries</b>				
Wholesale & Retail Trade	19%	20%	15%	19%
Transportation & Warehouse	4%	5%	5%	3%
Information & Culture	6%	4%	3%	4%
Finance, Insurance & Real Estate	3%	3%	2%	3%
Professional, Science & Tech	3%	4%	3%	3%
Administration & Support	7%	9%	11%	10%
Education	6%	2%	2%	2%
Health Care & Social Assistance	9%	8%	8%	8%
Accommodation & Food	16%	16%	15%	16%
Other Services	6%	7%	8%	6%
Public Administration	2%	3%	1%	2%
<b>Goods Sector Industries</b>				
Resource Industries	5%	4%	5%	6%
Construction	7%	8%	12%	10%
Manufacturing	7%	7%	10%	8%

## Quarter 1 to Quarter 4 Occupational Types

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Management Occupations	0%	0%	0%	1%
Business, Finance, and Administrative Occupations	12%	14%	10%	12%
Natural and Applied Sciences and Related Occupations	3%	2%	3%	3%
Health Occupations	2%	2%	1%	4%
Occupations in Social Science, Education, Government Service	6%	5%	2%	3%
Occupations in Art, Culture, Recreation and Sport	4%	2%	2%	2%
Sales and Service Occupations	47%	49%	45%	46%
Trades, Transport, and Equipment Operators and Related Occupations	15%	17%	23%	19%
Occupations Unique to Primary Industry	4%	5%	6%	6%
Occupations Unique to Processing, Manufacturing, and Utilities	7%	4%	7%	6%

# Appendix

## Quarter 1 to Quarter 4 Reasons for Leaving by MHR Region

		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Vancouver	work	57%	60%	73%	69%
	school	32%	9%	7%	12%
	other	11%	31%	20%	19%
Lower Mainland/Coast	work	61%	65%	58%	60%
	school	24%	9%	9%	4%
	other	16%	26%	33%	36%
Fraser North/Upper Valley	work	55%	71%	65%	68%
	school	33%	6%	9%	8%
	other	13%	24%	26%	24%
Fraser South	work	63%	68%	65%	65%
	school	17%	5%	7%	6%
	other	20%	27%	28%	29%
Kootenays/Okanagan	work	46%	66%	69%	62%
	school	38%	3%	7%	6%
	other	17%	31%	24%	32%
Central BC	work	45%	68%	64%	64%
	school	37%	4%	7%	7%
	other	18%	28%	29%	29%
Prince George/Northern BC	work	48%	59%	65%	58%
	school	41%	4%	2%	9%
	other	12%	37%	32%	33%
Greater Vancouver Island	work	41%	63%	69%	65%
	school	45%	3%	6%	5%
	other	14%	35%	25%	30%
Victoria	work	50%	76%	78%	68%
	school	38%	5%	5%	5%
	other	12%	20%	17%	27%