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**EVALUATION OF  
THE JOB PLACEMENT PROGRAM  
AND  
THE TRAINING FOR JOBS PROGRAM**

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## ***PREFACE***

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We have been asked by the Ministry of Human Resources (the Ministry) to review two of their employment programs targeted at British Columbia Employment and Assistance (BCEA) clients who are expected to work: the Job Placement Program (JP) and the Training for Jobs Program (TFJ). This document presents our findings for both programs. For ease of presentation, we have divided the report into four sections:

- Section One: Summary of Principal Findings
- Section Two: Background to the Evaluation
- Section: Three: Findings for the Job Placement Program
- Section Four: Findings for the Training for Jobs Program

Both employment programs are delivered by a range of external service providers. The primary focus of our evaluation has been on the success of the program not on the performance of individual contractors. Therefore, this report does not present information broken down by individual contractor.

TFJ was introduced in late 2002 and it is still relatively early to gauge the impact of the program. Therefore, some of our observations on TFJ must be considered preliminary rather than conclusive. In 2003, a special English as a Second Language component was introduced in TFJ. Our work does not include that component.

### **Acknowledgements**

We would like to acknowledge the support and assistance of Ministry staff throughout this project. We are particularly indebted to Gloria Back, Katherine Rowe, Lindsay Kislock, Shelley Forrester, Bev Verboven, and Dan Blakey from the Employment Initiatives Branch. We are also grateful for the assistance provided by Ministry staff and contractors who have helped us pull together and analyse the data in used in this report. Special thank go to Rob Gage of Learning Works who helped us throughout with analysis of Ministry MIS data. We would also like to acknowledge the help provided by Rob Malatest of R.A. Malatest and Associates who conducted the client surveys, and staff of Quartech Systems Ltd who provided us with data extracts for JP and TFJ. While we are grateful for the assistance provided, we remain responsible for any errors and omissions in the report.

***SECTION ONE: SUMMARY OF PRINCIPAL FINDINGS***

# ***SUMMARY OF PRINCIPAL FINDINGS***

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## **THE JOB PLACEMENT PROGRAM**

### **Introduction**

The initial design of the Job Placement Program (JP) was based on three central assumptions:

- Many people on the BCEA caseload have the skills necessary to start and retain work. They do not lack occupational experience but are having difficulty finding work because they have exhausted their job leads, or are not being interviewed for job openings or are not being successful at those interviews.
- Many job opportunities are not advertised. Often, BCEA clients do not have the same access to these opportunities as other job seekers because they do not have a strong network of personal contacts, or they lack recent job experience or they face significant job search barriers such as lack of transportation or suitable work clothing.
- Having found a job, BCEA clients may find it difficult to keep the job because they do not have the personal support network and financial capacity to weather difficulties that arise at the job site or in their personal life.

Therefore, JP was designed to give ‘job ready’ BCEA clients the help of external job placement specialists who could help them find and keep a job. As noted earlier, when first introduced in January 2000, JP was targeted at clients who were new to or had very little attachment to BCEA. Since 2002, the target group has been widened to include all clients on the Expected to Work caseload. Not all the persons accepted into the program under JP2/X could be described as ‘job ready’.

We have examined JP to see whether it has helped its target client group and how it has adjusted to the changing characteristics of the persons referred. However, we have focused our analysis on the principal evaluation question, “Has JP helped BCEA clients find work **faster** than they otherwise would and to achieve a **longer** period of **sustained** independence from BCEA than they otherwise would?” This Chapter summarises our principal findings and makes a number of suggestions about how the program can be improved.

### **Strengths of the Program**

JP has clearly demonstrated that many BCEA clients have the necessary skills and experience to find and keep work. To date, more than 40,000 persons have been placed in employment and achieved independence through the program. In addition,

most of the persons placed are achieving substantial months of independence. The program benefits a wide range of clients: single parents as much as single persons; and, persons located throughout the province. The majority of the clients interviewed through the study expressed satisfaction with the service provided by contractors including those who were not placed by the program.

The program has proven to be very adaptable:

- Contractors are paid on the basis of outcomes. How they achieve those outcomes is largely up to them. Each contractor has their own approach to service delivery. Moreover, contractors can and do tailor services to the needs of individual clients.
- Contractors provide supports (e.g for transportation and work clothes) that reflect the specific needs of individuals and, because they are funded by the contractor, the contractor's own assessment of the value of making the payment.
- Contractors have demonstrated an ability to modify their programming to match the changing profile of persons referred to the program. Even though contractors have been accepting a larger proportion of persons with a history of attachment to BCEA, the program has continued to place an average of 810 clients per month since mid 2002.
- Contractors have demonstrated that they can provide a 'virtual' service from a remote location in towns where it would not be efficient to have a service provider.

Overall, clients accepted into the program are achieving more months of independence than they otherwise would, had they not been in the program. The difference is not large: the average increment is less than half of one month of independence for each accepted person when measured 21 months after referral to the program. However, the increment is being sustained and is growing over time.

### **Weaknesses of the Program**

A large numbers of people referred to JP do **not** benefit from the program. Approximately 25-30% people referred to the program either do not show up for interview or are not accepted by the contractors. More than 40% of people accepted by contractors do not achieve independence within the program timelines. Clearly, therefore, some ETW clients need more assistance than has been provided through this program.

While clients are satisfied overall with the service provided, less than half the clients interviewed agreed that the job leads provided were helpful in getting a job. This was true of persons placed by the program as well as those not placed. This finding reflects the fact that many of the people placed could have found work even

without any help from the contractors. The contractors have a financial incentive to accept the most employable people even if they need very little assistance.

The process of referring persons to JP has been heavily influenced by the desire to meet the referral targets that are part of the contracts with service providers. As a result, some persons are being referred simply to ensure that referral targets are met, not because they are suitable for the program. This may be inefficient because clients could find work by themselves or it may be counter-productive because JP providers do not provide the full range of services needed by more challenged clients.

The program involves a number of time limits (e.g. how long a contractor can assist a client to become independent or earn months of independence) that are sensible from the point of view of overall program design but may not always serve the best interest of individual clients. While the Ministry can provide some limited flexibility in individual circumstances, the competition among contractors for clients requires the Ministry to be consistent and even-handed in its application of the program's business rules.

There is duplication in the process of interviewing and assessing clients. Ministry staff interview and assess BCEA clients when they establish and update employment plans. A client may be interviewed and assessed by more than one JP contractor and if unsuccessful with JP may be interviewed and assessed by other program providers (e.g. TFJ). This duplication of effort stems, in part, from a lack of continuity in case management. When a client is accepted by a JP service provider, that contractor becomes the case manager but only for the period of time dictated by the program. They do not have any ongoing responsibility or obligation to the client. The Ministry has a continuing high level responsibility for case management but depends on the contractors to ensure that clients are fulfilling their job search obligations and are receiving the supports required to assist them with job search. It is not clear that having a multiplicity of case-managers serves the best interest of the Ministry or the client.

While there are clear benefits in having the program operated by external contractors who have close links with the employer community, the Ministry has to invest considerable staff time and resources in the management of JP contracts and responding to the concerns of contractors.

It is unlikely that the Ministry's savings in BCEA payments will exceed the cost of the program for some time. In this respect, actual performance falls well below some of the more optimistic expectations for the program. However, actual performance of JP reflects the inherent difficulty in designing an employment program that would pay for itself. The difficulty is one of designing a process for identifying, **in advance**, the individuals who would benefit from the program and, thereby, not investing resources in persons who are unlikely to benefit.

## **The Design of the Performance-Based Contract**

From the beginning, JP has been implemented through ‘performance-based’ contracts with external service providers. Contractors are paid for results not for service. In principle, this is a good idea and an improvement over paying contractors simply for providing a service, whether or not that service makes a difference. However, the current design of the ‘performance-based’ contracts does not guarantee that the program will generate benefits for the clients or the Ministry.

Since contractors can select which clients to accept and can decide how best to help those clients, they have every incentive to target their efforts to the most employable client group. As a result:

- Contractors are not obliged to provide all the help needed to place everybody they accept.
- Contractors are paid even where clients need little or no assistance in finding and keeping work.
- The size of the performance payment is not linked to the difficulty of the task of placing a person and helping them stay employed.
- Contractors would still be paid even if the program showed no incremental benefit, on average, for persons accepted into the program.

Therefore, the ‘performance-based’ concept implemented through JP has not overcome the difficulty of designing a ‘self-financing’ employment program.

In addition, because the contractual arrangements focus on performance as measured by independence, they do not ensure that the Ministry receives information on other aspects of the work of contractors that would be useful to them in assessing the value of the program and the suitability of program design. For example, the Ministry is not regularly informed on: which types of service intervention work and which do not; the costs actually incurred by contractors in delivering service; and, the barriers to employment faced by clients who are accepted by contractors but not placed by them.<sup>1</sup>

## **Suggested Modifications**

Overall, the program has shown that it can provide a benefit to some ETW clients and only the Ministry can decide whether those benefits are worth the financial cost. However, if the program is continued, we suggest that the following modifications be considered:

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<sup>1</sup> The Ministry has also not been receiving timely information on whether clients are meeting their employment obligations under BCEA (e.g. actively seeking work). However, changes are being made that will improve the flow of information.

- The structure of the program should be redesigned to allow JP contractors to help a wider range of clients.<sup>2</sup> Under today's program, contractors have the discretion to invest modest amounts in training JP clients (e.g. introductory hospitality first aid programs). Contractors do not make significant training investments because they cannot recover large training costs from the current schedule of payments. Contractors should be able to access additional training funds where it can be demonstrated that clients would benefit from significant occupational or life-skill training. In this way, contractors would be more able to help persons facing significant barriers to employment and would be more adaptable to any changes in the characteristics of the caseload.
- If, as seems likely, the number of persons on the Expected to Work caseload continues to decline, it may be useful to reduce the number of contractors competing for referrals in some areas of the province and to have contractors accept and work with a wider range of clients. In the less populated areas, it may not be possible for contractors to sustain a viable service based on Job Placement alone.
- In keeping with the previous two suggestions, the Ministry should consider combining different types of assistance that are currently offered under different programs and by different contractors (see the later section on TFJ). Contractors would be expected to tailor the services provided to the needs of individual clients. They would be expected to work with those clients until they achieved independence or, in the case of more barriered clients, suitable employment goals.
- Since a number of BCEA clients can find work quickly on their own, the Ministry may wish to expect a longer period of independent job search before a person is referred to JP. This would allow the Ministry's limited employment dollars to be focused on those who need assistance.
- The referral process should be changed to ensure that referrals are determined by the best interest of clients not the need to meet contractual referral obligations. Contractual referral targets could be replaced with a range of expected referrals. However, in locations where more than one contractor operates, the Ministry should continue to ensure that referrals are fairly allocated among the contractors.
- The concept of a performance based contract should be retained. However, the structure of the performance incentives in the contract should be fundamentally redesigned. Contractors are currently paid on the basis of independence achieved by **some individuals**. However, success of the program can only be measured by the incremental performance of **all persons** accepted into the program. The performance targets in the contract should

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<sup>2</sup> In saying this we are not suggesting that the opportunity to provide service be limited to existing contractors.

match the performance objectives of the program. If this suggestion was adopted, a number of the time limits in the program could also be adjusted.

- The amount paid to contractors should reflect the difficulty of the task faced by contractors. For example, contractors should not be paid the same amount for persons with very different degrees of attachment to BCEA.
- Since it is difficult to design a performance-based payment system where clients have very different training needs, any training component added to JP would have to be a combination of a fee for service and a performance payment.
- The Ministry should consider paying contractors a fee for client assessment and case management services. This would provide some compensation to contractors for the time and effort invested even if a client is not successful in achieving independence. In return for this payment, contractors would be expected to consistently track the employment plan, the services provided and the progress of clients toward employment and independence. This information would be made available to the Ministry should the client prove not to be successful with the contractor.
- The Ministry should require contractors to provide regular monitoring reports on services provided and routine financial statements that clearly identify the costs associated with providing the service.

Since JP cannot be considered in isolation from other employment programs, the Ministry will have to decide which of these suggestions are most appropriate in the context of expected changes in the caseload and the role of other programs.

## **THE TRAINING FOR JOBS PROGRAM**

### **Introduction**

The Training for Jobs Program (TFJ) was based on the three principal assumptions:

- Some BCEA clients are not immediately job ready. However, relatively short periods of occupational training will substantially improve their prospects of job placement if the training provided is clearly associated with job openings in their community.
- To ensure a strong connection between training services and the job market, the contractors responsible for providing the training should also be responsible for helping clients find work.
- To minimise expenditure of training funds on persons who are not suitable for that training or are not likely to be successful in finding work using the skills

learned, the contracts with service providers should have performance-based components.

As implemented, the program targets clients who have not been successful with JP or who are clearly not ready for JP. The service is provided by a wide range of external service providers offering a variety of training options. The job placement component of the program is very similar to JP, although the business rules are different. Compensation for the training component is a combination of a fee-for-service and a performance payment for successful completion. Compensation for the placement component is all performance-based.

Like our approach to JP, we have focused on the impact of the program on the client group and, in particular, on its success in helping those clients to achieve sustained independence more quickly than they otherwise would. Because TFJ was introduced more recently than JP and because it takes some time for clients to complete their training and find work, there is less information about the impact of the program on independence than there is for JP. Therefore, the results of the evaluation cannot be considered definitive. Also, the program uses a number of different training models (e.g. block, continuous, personalised). However, based on the information available to date, it is not possible to conclude that one approach is more successful than the others.

## **Strengths**

TFJ has demonstrated that selective short-term training can help clients with significantly greater attachment to BCEA than JP clients to achieve independence:

- In its first year TFJ, has achieved its training target despite lower than expected referrals. A total of 4,759 clients were accepted into training - and seventy five per cent of these people have completed their training.
- More than 50% of persons accepted into training have been placed into jobs.
- More than 40% of people accepted have achieved one or more months of independence in the time allowed under the program. While this success rate falls below the original program target, that target was very ambitious and the time allowed for contractors to assist clients become independent was short given the background of the clientele.
- On average, clients accepted into TFJ are beginning to achieve more months of independence than they otherwise would. In this respect, the program is starting to have a positive incremental impact.

A wide range of contractors have demonstrated that they can provide placement services as well as training services. Clients report a high level of satisfaction with the services received, including the placement services. Clients do not find the

training too difficult and 54% of persons placed report that they are using the skills learned.

## **Weaknesses**

One of the objectives of TFJ was to avoid some of the weaknesses of earlier training programs where people were trained but did not use that training to find work and become independent. By combining the responsibility for training and placement, and by having performance-related payments in both, TFJ was designed to minimise the amount of training provided for training sake. This has only been partially achieved:

- Given the lower than expected referrals and a client group with more barriers than anticipated when the program was designed, contractors have accepted clients who may not be very suitable for the training provided. Without these persons to help ‘make up the numbers’, some contractors would not have been able to offer training to the most suitable clients. However, it is clearly not in the interest of the Ministry or the client to spend money on training that is not beneficial.
- A significant number of people are being trained but are not being placed or are not becoming independent in the limited time available to contractors.

A number of contractors have found the program financially challenging. They report that they have had to invest additional resources in order to help a clientele more barriered than expected. Also, they were given less time than JP contractors to help clients become independent and thereby earn payments to cover placement costs.<sup>3</sup>

The Ministry has found the program administratively challenging given the pilot nature of the program, the large number of contractors involved and the difficulties faced by some of those contractors in sustaining service given the lower than expected number of referrals.

Like JP, it is unlikely that the Ministry’s savings in BCEA payments associated with TFJ will exceed the cost of the program for some time. Because of the larger investment needed, the break-even point will take longer to reach than under JP.

## **Suggested Modifications**

Experience to date with TFJ suggests that it is a useful complement to JP for clients with greater attachment to BCEA. However, it also demonstrates that, even

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<sup>3</sup> In the design of the program it was assumed that the clients would be able to be placed more quickly than JP clients because of the close linkages between TFJ contractors and employers and the direct relevance of the training provided to openings in the job market.

with limited training, the investment needed in more barriered clients can be substantial in order for them to become job ready.

We suggest that some modifications be considered if the program is retained:

- As noted under JP, there may be benefit in having a smaller number of contractors responsible for delivering both programs. The principal contractors would retain overall responsibility for the success of the clients but would have the flexibility to purchase training and/or placement services from sub-contractors as dictated by the needs of clients and the relative cost of sustaining their training and placement infrastructure.
- One of the difficulties with the program is the cost associated with training persons who do not achieve independence (currently 35% of total costs) or who did not need all elements of the training in order to find work. While it is impossible to avoid these costs completely, it may be possible to reduce those costs by changing some the performance payments in the contract to reflect the independence achievement of **all** persons accepted not just the more successful clients.
- The Ministry should monitor closely the longer term success rates associated with different styles of training as this information becomes available.
- The Ministry should require contractors to provide regular monitoring reports on services provided and routine financial statements that clearly identify the costs associated with providing the service.

***SECTION TWO: BACKGROUND TO THE EVALUATION***

# ***CHAPTER ONE: THE EMPLOYMENT PROGRAMS***

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## **1.1 THE JOB PLACEMENT PROGRAM**

In January 2000, the Ministry of Human Resources introduced the Job Placement Program (JP). The objective of the program is to help place eligible income assistance clients in jobs so that they become, and remain, independent of BCEA. External private sector and non-profit contractors are engaged under the program to assist clients find employment that will lead to sustained independence. Contractors provide a variety of forms of assistance including matching clients to known employment opportunities. The contracts are ‘performance-based’: contractors are paid only when the clients accepted by them become independent of BCEA; and, the amount paid for each client depends on the number of months of independence achieved.

Under the program, BCEA clients are referred to JP contractors by local Ministry offices. Contractors interview the clients referred and may choose not to accept them if they feel that they are not suitable for the program. Following acceptance, contractors have 90 days in which to ‘place’ each person into employment. During this time contractors can assist the client in any way they consider necessary to help them find work. Typically, contractors will help clients improve their job search skills and interview skills. They will also link clients with jobs made available to the contractors by employers. Contractors may also assist clients with transportation, day-care, clothing and other job related costs. The costs involved at this stage are all borne by the contractors. Once a client becomes placed, contractors have a limited time in which the client must become independent of BCEA or the contractor receives no payment for the service provided. Contractors continue to provide support to clients after they have been placed. It is in their interest to ensure that clients remain in a job and independent of BCEA.

The program was first introduced as a two-year pilot involving two contractors, which was subsequently extended for a further six months. Effective July 2002, the program moved out of the pilot stage. After a competitive bidding process, the Ministry entered into one-year contracts with four service providers. Effective July 2003, these contracts were extended for a further service year.<sup>4</sup>

In the report, the pilot program is referred to as JP1, and the current program is called either JP2 or JPX. JP2 refers to the contract period starting July 2002 and JPX to the contract period starting July 2003. Over the life of the program, the Ministry has made a number of changes to the design of the program that are summarised in Exhibit 1.1.

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<sup>4</sup> The contracts have recently been extended again: from July 2004 to September 2005. This extension period will be known as JPY.

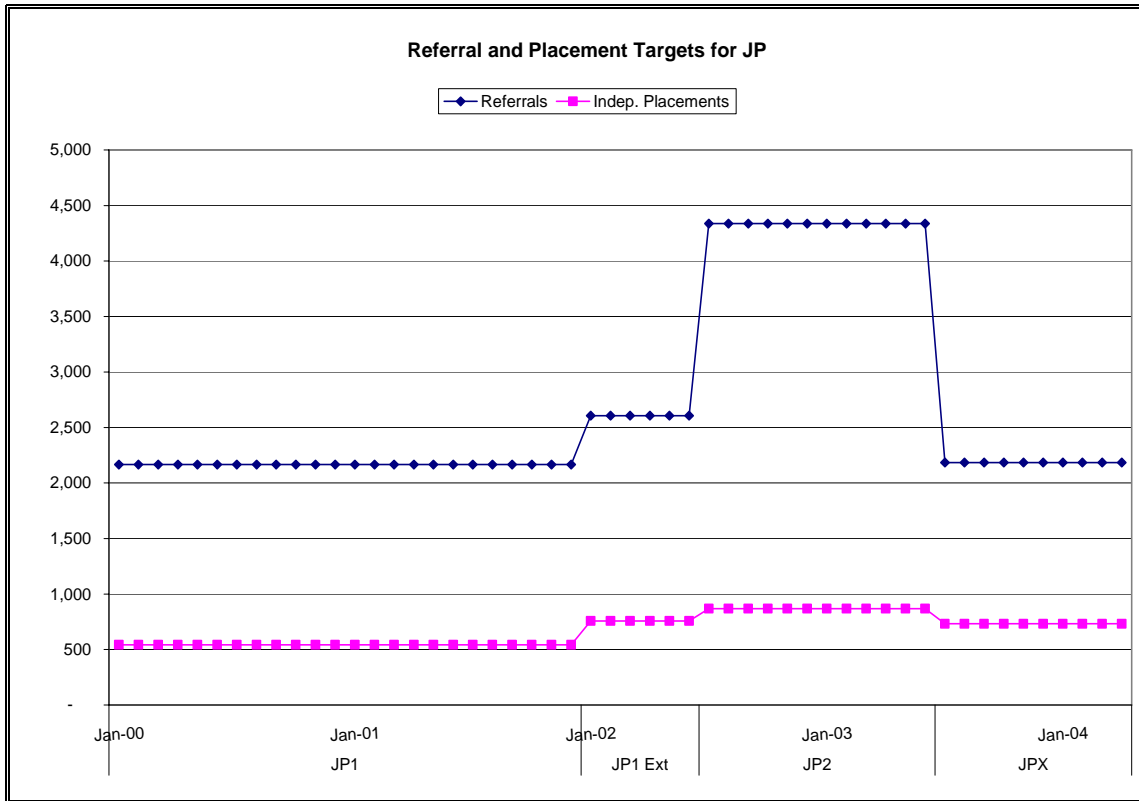
**EXHIBIT 1.1**  
**PROGRAM CHARACTERISTICS**

	<b>JP1</b>	<b>JP2</b>	<b>JPX</b>
<b>Start Date</b>	January 2000	July 2002	July 2003
<b>Number of Service Providers</b>	Two	Four	Four
<b>Referral Period</b>	Contractors had 30 days to accept clients referred to them	Reduced to 18 days	Unchanged
<b>Placement Period</b>	Contractors had 90 days to place a client in a job. An extension was possible in limited circumstances	Unchanged.	Unchanged
<b>Performance time frames</b>	Contractors could work with clients for 30 months after the first employment date to accumulate months of independence that are used to determine performance payments. Reduced to 24 month in January 2002.	Contractors have 12 months after the first date of employment for the clients to achieve independence. They have 24 months from the first month of independence to accumulate additional months of independence.	Unchanged
<b>Schedule of payments to contractors</b>	11 payment milestones linked to the number of months of independence achieved. Full payment received if client achieved 19 months of independence. 11% of maximum amount paid on the first month of independence. 92% of the maximum amount paid by the 13 <sup>th</sup> month of independence.	6 payment milestones linked to the number of months of independence achieved. Full payment received if client achieves 19 months of independence. 25% of maximum amount paid on the first month of independence. 85% of the maximum amount paid by the 12th month of independence.	Unchanged
<b>Maximum Payment per Client</b>	Single rate of \$4,865	Rate varies by Contractor, Family Type and Region Average to date of \$3,712	Rate varies by Contractor, Family Type and Region Average to date of \$4,304

Over the last four years, the Ministry has also expanded the target client group for the JP program. When first introduced the program was expected to assist persons who were 'job ready', particularly persons who had very little attachment to BCEA. In 2002, however, the focus of the program was expanded. From that time on, all BCEA clients classified as 'Expected to Work' would be considered suitable candidates for JP unless there was a compelling reason to believe that they would not be suitable for the program. Therefore, the client group referred under JP2 and JPX, has been different to that referred under JP1. These differences in program structure and client group are discussed at greater length throughout the report.

Each stage of the program has had referral and independent placement targets built into the contracts with service providers. Exhibit 1.2 shows how those targets have changed over the course of the program.<sup>5</sup>

**EXHIBIT 1.2**  
**REFERRAL AND INDEPENDENT PLACEMENT TARGETS FOR JP**



<sup>5</sup> For the purposes of this Exhibit, an independent placement is a person who is placed by a contractor and achieves at least one month of independence from BCEA.

## 1.2 THE TRAINING FOR JOBS PROGRAM

In December 2002, the Ministry introduced the Training for Jobs (TFJ) program. The objective of the program is to provide short-term, job-relevant training to BCEA clients **and** to place those clients into jobs after the training is completed. The program, which is designed for clients who can become job-ready following short-term interventions, was introduced as a one year pilot. Program intake has been extended for a further year and currently runs until November 2004. Most of the information in this report is based on experience with the program during the pilot period.

External contractors are engaged to deliver the program, which is divided into two parts: a training component and a job placement component. The type and length of training offered varies from contractor to contractor. The job placement component is more standard and is modeled on the Job Placement Program. Each contractor is responsible for both components.

Contractors were selected through a competitive call for proposals. Contractors were asked to propose short-term training programs that provide participants with skills that are directly relevant to the needs of the local labour market and that would enable clients to move quickly into sustainable employment. Given the pilot nature of the program, the Ministry encouraged different approaches from different contractors and allowed contractors to propose programs that would only be appropriate for a small numbers of clients. Together the training programs offered by these contractors covers a wide spectrum of occupational skills ranging from trades training to sales to office skills.

In some cases, contractors have designed specific training courses for the program. In other cases, TFJ clients attend courses offered by the contractors to a wider range of people. Most of the training courses are offered on a block basis with pre-determined start and end dates. Others offer continuous entry. A few contractors offer personalized training courses where the programming is customized to the needs and capabilities of the individual.

The training courses vary widely from contractor to contractor. Most of the block programming lasts 12 – 16 weeks. However, some contractors offer very short courses and some much longer.

Contractors are paid on the basis of each client accepted but with different payment structures for the training and job placement components. For the training component, 75% of the payment is provided as a 'fee for service'; the remaining 25% is 'performance-based' and is paid only if the client successfully completed the training. Payment for the job placement component is all performance-based and is modeled on the structure of the Job Placement Program: contractors are paid only if the client is placed into a job and becomes independent of BCEA with defined timelines. As with the JP program, the contractor receives a payment for each independence milestone achieved by the client.

Although modelled on the JP program, some of the terms and conditions of the job placement component of TFJ are more challenging for TFJ contractors than those for JP2 – see Exhibit 1.3. For example, TFJ contractors only have six months following placement for a client to achieve independence; in contrast, JP contractors have 12 months.

**EXHIBIT 1.3  
COMPARISON OF JOB PLACEMENT COMPONENTS OF TFJ AND JP2**

	<b>JP2</b>	<b>TFJ</b>
<b>Referral Period</b>	Contractors had 18 days to accept clients referred to them	Same as JP2
<b>Placement Period</b>	Contractors had 90 days to place a client in a job. 30 day extensions are possible under limited circumstances.	Originally Contractors had 90 days after the training was completed in which to place a client. During the course of the program this was changed to 120 days.
<b>Performance timeframes</b>	Contractors have 12 months after the first date of employment for the clients to achieve independence. They have 24 months from the first month of independence to accumulate additional months of independence that are used to determine performance payments.	Contractors have 6 months after the first date of employment for the client to achieve independence. They have 18 months from the first month of independence to accumulate additional months of independence that are used to determine performance payments.
<b>Schedule of payments to contractors</b>	6 payment milestones linked to the number of months of independence achieved. Full payment received if client achieves 19 months of independence. 25% of maximum amount paid on the first month. 85% of the maximum amount will be paid by the 12th month of independence.	4 payment milestones linked to the number of months of independence achieved. Full payment received if client achieves 12 months of independence. 25% of the maximum amount is paid on the 1 <sup>st</sup> , 4 <sup>th</sup> , 8 <sup>th</sup> and 12 <sup>th</sup> months of independence.
<b>Maximum Payment Per Client</b>	Average to date of \$3,712 for job placement	Average to date of \$4,332 for training plus \$2,634 for job placement

The average payment to TFJ contractors is higher than under the JP program because of the training component. The average payment to TFJ contractors for job placement is lower than the average payment to JP contractors. However, JP

contractors must cover all costs through their payment, including costs that TFJ contractors may cover in part through the training payment (e.g. initial screening and overhead).

The Ministry’s original performance targets for the first year of the program were: to enrol 4,000 clients in training; to have 3,000 clients successfully complete the training and to have 2,400 clients achieve independence.<sup>6</sup> The Ministry anticipated that contractors would accept one out of three persons referred; therefore it estimated that 12,000 people would have to be referred to the program in order to have 4,000 people accepted into training.

Based on the strong responses from contractors, the Ministry entered into contracts that were based on a larger number of persons enrolling in the program than originally envisioned. Exhibit 1.4 presents the contractual targets, expressed both in absolute terms (e.g. the number of persons successfully trained) and in percentage terms (e.g. the percentage of accepted persons that become independent).

**EXHIBIT 1.4  
TFJ PROGRAM TARGETS – FIRST PROGRAM YEAR**

	<b>Annual Target Number</b>	<b>Ave Monthly Number</b>	<b>Per Cent of Referrals</b>	<b>Per Cent of Accepted</b>	<b>Per Cent of Trained</b>
Persons Referred	14,526	1,211	100%		
Accepted	4,842	404	33%		
Successfully Trained	3,631	303	25%	75%	
Independent Placements	2,905	242	20%	60%	80%

The Ministry selected fifteen contractors offering differing programs and of differing size to deliver the program. Exhibit 1.5 lists the contractors and their expected level of participation in the program. Four of the fifteen contractors were responsible for 74% of the expected number of clients.

<sup>6</sup> The definition of independence was unclear. We have taken it to mean achieving at least one month of independence.

**EXHIBIT 1.5  
PARTICIPATING TFJ CONTRACTORS**

<b>Contractor</b>	<b>Annual Referral Target</b>	<b>Per Cent of Total*</b>
OPEN LEARNING AGENCY	4,434	31%
SPROTT SHAW	2,925	20%
ASSOC OF SERVICE PROVIDERS FOR EMPL & CAREER TRAINING	2,250	16%
KEREDA	1,074	7%
CAREER CONNECTIONS	645	4%
CANADIAN HOME BUILDER'S ASSOCIATION OF B.C.	498	3%
SCHOOL DISTRICT 44 (N VAN) - EMP TRAINING DIVISION	498	3%
T.I.I. TRAINING INNOVATIONS	498	3%
STEELE O'NEIL AND ASSOCIATES INC.	360	2%
SPECTRUM COMMUNITY SCHOOL SOCIETY	336	2%
A. HORTON CONSULTING SERVICES	252	2%
CHANGES TRAINING INC.	252	2%
MALASPINA UNIVERSITY COLLEGE	180	1%
NORTH OKANAGAN EMPLOYMENT ENHANCEMENT SOCIETY	180	1%
NV FOOD SERVICE RESOURCE GROUP	144	1%
<b>Total</b>	<b>14,526</b>	<b>100%</b>

\*Numbers do not add to 100% because of rounding

## ***CHAPTER TWO: OUR APPROACH TO THE EVALUATION***

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### **2.1 INTRODUCTION**

At the start of this project we developed a set of key evaluation questions in conjunction with Ministry staff. The questions are similar for each of the programs under review, except we developed some additional questions for TFJ associated with the training component. This Chapter presents the agreed evaluation questions and describes the various research tasks that have been undertaken to help answer them. While it has been possible to shed light on most of the many issues raised by these questions, it has **not** been possible to answer fully all the questions posed with the information available.

One of the difficulties associated with training and employment programs is the lag between the time the service is provided and the time that program benefits start to become clear. It is often necessary to track program participants for a significant period of time before the impacts of the program can be demonstrated with any certainty. This is particularly true of TFJ which has been in place for only a relatively short time. It has been less of a problem for JP because the program has been in place since 2000. However, both the program structure and characteristics of clients referred to JP have changed significantly over the last four years. Therefore, conclusions drawn from JP1 may not be as relevant to today's program as conclusions drawn from JP2 and JPX. Throughout our research, therefore, we have been careful to compare and contrast the results for JP1 and JP2/X.

### **2.2 EVALUATION QUESTIONS FOR JP**

Four central evaluation questions were established for JP:

1. Does JP help BCEA Clients achieve independence through sustained employment (to a greater degree than would otherwise be possible)?
2. Is JP equally effective in all regions and for all clients?
3. What characteristics of JP contribute to the success of the program?
4. What is the net cost (savings achieved less program cost) of the program to the Ministry?

In support of these main questions, a number of specific subsidiary questions and sub-questions were identified:

### **Referral Questions:**

- Were a sufficient number of eligible clients referred to and accepted into the program?
  - o Were referral targets met?
  - o Did caseload numbers and client characteristics prevent targets from being met?
  - o To what degree did offices refer in a consistent manner?
  - o Were eligible clients referred and accepted?
  - o Were clients referred that could have been referred to other programs?

### **Placement Questions:**

- Did a high proportion of trained participants find work quickly because of the training provided and the help of contractors?
  - o Were placement expectations met?
  - o Did caseload numbers and client characteristics prevent targets from being met?
  - o Did the contractor provide direct access to jobs?
  - o Was employment found through job leads provided by the contractor or through independent job search?
  - o How quickly did participants find employment?
  - o Why do some accepted clients not find jobs?
  - o How do the clients (both placed and not placed) rate their satisfaction with the contractor's help to find work? Have clients developed job search skills for the future?

### **Independence Questions:**

- Did a high proportion of persons who found work achieve and maintain independence from BCEA?
  - o Were independence targets met?
  - o Does placement lead to independence?
  - o Was independence achieved for reasons other than employment?
  - o How quickly after referral did clients achieve independence?
  - o Does initial independence lead to sustained independence?
  - o How do contractors monitor and support clients and employers after placement?
  - o Do contractors continue to support clients who became unemployed after placement?
  - o Why do some clients not sustain independence?

### **Ministry Savings Questions:**

- What Ministry savings are attributable to the program?
  - What are the savings from program clients who become independent compared to those achieved by the control group?
  - What savings are achieved where a client remains dependent?
  - How much did the placement services cost?

## **2.3 ADDITIONAL EVALUATION QUESTIONS FOR TFJ**

In addition to the questions posed for JP, a number of additional questions were identified for TFJ:

### **Training Questions:**

- Did a high proportion of accepted clients successfully complete the training offered?
  - Did a high proportion of accepted persons attend the training?
  - Did a high proportion of accepted persons successfully complete the training?
  - Were the candidates selected suitable?
  - Did clients find the training more difficult than expected?
  - Did people leave because they found a job or moved or other reasons unconnected with the quality/suitability of the training?
  - Was the probability of successfully completing the program linked to the nature of the training provided or the length of the training program?
  - Do clients feel that the training provided improved their overall job readiness?

### **Placement Questions:**

- Was the employment found linked to the training provided?

### **Ministry Savings Questions**

- How much did the training services cost?

## 2.4 RESEARCH TASKS

To assess the success of the program to date we:

- o Analyzed the personal characteristics, program status and degree of attachment to BCEA of those referred to the programs as well as those who were not referred.
- o Conducted a survey of program clients
- o Interviewed a sample of Ministry staff and contractor staff who deliver the program and reviewed some program information provided to us by contractors

Our approach to each task is described more fully below.

### **Analysis of Participant Characteristics and Success**

We have examined certain characteristics of the JP and TFJ clients group (e.g. family type, gender, age, location; attachment to BCEA) and have compared them to the characteristics of other persons on BCEA who are classified as 'Expected to Work'. In particular, we have investigated whether the people who are placed and become independent of BCEA through the employment programs are representative of the 'Expected to Work' caseload.

To undertake the above analysis, we relied on two principal data sources:

- The information systems developed to support JP and TFJ. These systems were designed primarily to meet the operational needs of Ministry staff. Some of the time series information needed for this study was not readily available on the JP system and had to be compiled for us from archived sources. We have had to make a number of assumptions in using this information because it was not always internally consistent. Program data is structured using a unique program identifier that is given to each **individual** who participates in the program.
- An extract of the Ministry's principal BCEA database is maintained by the Ministry's Policy and Research Division. We have used this extract to generate information on the personal characteristics and BCEA history of program participants and other BCEA clients. Unlike program data, EAB data is primarily structured around the concept of a '**case**' which can include more than one person. This can cause some difficulty in matching data from the programs and from MIS (e.g. a married couple would be represented on MIS as a single case but both persons could be clients of JP).

We have spent considerable time reviewing the information provided to us and seeking revisions to address real or apparent inconsistencies in the data. We could

have spent even more time trying to correct all outstanding issues. In order not to delay this report unduly, we have chosen to proceed without resolving every inconsistency. Even so, we are sufficiently confident that the data used in the report is reliable.

To follow the progress of program participants over time, we divided participants into monthly cohorts based on the month in which they were **first** referred to JP or TFJ.<sup>7</sup> We have tracked these cohorts by monitoring their program and BCEA status in each of the months following the month of first referral.

## **The Client Survey**

A telephone survey was conducted with a sample of clients in each program to assess their satisfaction with services received and to obtain information on their current activities. The survey instrument and questions were developed in conjunction with Ministry staff. The actual survey administration was conducted by a professional market research firm, R.A.Malatest and Associates Ltd, in April 2004.

Clients were included in the survey pool if they had been referred for the first time (and subsequently accepted) to JP2 during April, May, June or July 2003, or TFJ during January to May 2003. The pool included just over 6,000 client names overall. Malatest was asked to complete surveys with a total of 950 JP clients and 850 TFJ clients and to meet sub-quotas of placed and not-placed clients. Following this approach, Malatest attempted to contact and survey clients in each sub-group until the quota had been achieved. In total, 953 JP surveys and 852 TFJ surveys were completed.

## **Ministry and Contractor Staff**

To better understand the referral process and day to day relationship between the Ministry and contractors, we interviewed a small sample of Ministry staff, located throughout the province, by telephone. The people interviewed were Ministry caseworkers who have direct involvement with the JP and TFJ programs.

In addition, we obtained input from contractors and their staff from both programs. We asked about activities performed at all stages of the program (referral, screening, job search, placement and follow up, and for TFJ, the training component). We also asked contractors to comment on program design, and in particular, which factors and activities are most likely to lead to success. For JP, we visited 14 JP contractor offices located in 8 communities<sup>8</sup>, and spoke with over 25 staff. We also conducted interviews with senior staff working for the JP contractors. To obtain input from TFJ contractors, we asked contractors to complete a survey questionnaire and to attend group meetings to discuss their perspectives on the program.

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<sup>7</sup> A participant is any person who has been **referred** to JP and/or TFJ. Some participants have been referred more than once to the same program; some have been referred to both programs.

<sup>8</sup> Nanaimo, Vancouver, Surrey, Prince George, Abbotsford, Kelowna, Kamloops and Merritt.

We also requested and obtained data from JP contractors regarding the status of clients, job placements and job supports provided. This task was undertaken because some of the information – particularly with respect to second and subsequent job placements, and job supports provided – is not captured by the Ministry’s data systems.

In the following Chapters we report on the success of JP and TFJ based on our analysis of information obtained from all of the above sources.

## **2.5 SELECTING A CONTROL GROUP FOR OUR RESEARCH**

We cannot assume that everybody who achieves independence through JP or TFJ would have remained dependent on BCEA if they had not been accepted into an employment program. As will be illustrated in Chapter Three, there is considerable turnover in the BCEA caseload that is classified as Expected to Work. Therefore, to know a program’s real impact on BCEA clients we need to estimate ‘what otherwise would have occurred’. This is usually done by looking at the experience of a carefully selected ‘control’ group and using its experience with BCEA as the benchmark for program performance.

By comparing the performance of program participants with that of a control group we can estimate the incremental benefit that is attributable to the program. For example, if we find that members of the control group averaged 3 months of independence from BCEA during a 12 month period, but program participants averaged 4 months of independence during the same period, we can infer that the extra 1 month of independence is due to participation in the program. For this inference to be valid, however, the control group and the program participants should (ideally) be the same in every relevant way except for the fact that the control group did not attend the program.

Selection of a suitable control group is the most difficult and controversial issue associated with estimating program impact. Ideally, it would be useful to compare the experience of two randomly selected groups: one who would be program participants and one who would not. It is rare, however, to have random selection built into program design and this has not been the case with JP or TFJ. Therefore, a suitable control group must be identified in some other way.

In selecting a control group we have to standardise for as many potential causes of bias as we can identify. For example, we would want to select a control group that has the same demographic characteristics, the same employment history and the same BCEA experience and the persons referred to JP or TFJ. Many of these characteristics are known and can be used in identifying the control group. Ideally, we would also want to select a control group that faced similar life circumstances and had the same attitudes as those participating in JP or TFJ. For example, some people may be more motivated to find work than others and these people may be the ones who find work quickly. If the selected control group has fewer motivated people than the program group, the impact of the program will be overstated -- the difference in

measured performance will due in part to the difference in motivation between the two groups.

Unfortunately, characteristics such as motivation are hard to identify and, therefore, difficult to incorporate into the selection of a control group. Nevertheless, we have to be aware of the potential bias that can arise by failure to correct for such differences.

The control group could be selected from a number of possible groups:

- **Similar persons who were on the caseload in a period before the program was initiated.** This group would not have been influenced by the program. They may have been influenced by other programs but if the selection criteria were different to those for JP or TFJ, the bias caused by other programs could be minimal. A more serious concern with using a control group from an earlier period is that fact that other influences on the pace at which BCEA clients become independent, such as Ministry policy, may also have changed. In fact, we know that Ministry policy has had a profound influence on the caseload since 2002. Therefore, using a control group drawn from an earlier period would create a bias in the estimated impact of JP2/X or TFJ, although it may be more acceptable for estimating the impact of JP1.
- **Similar persons on the current caseload that have not been referred to the programs.** These people are good candidates for a control group because they have not been influenced by the programs in any way. However, the process of referral is not random. If the more employable clients are referred to the program, selecting the control group from those not referred can create a bias.
- **Persons that have been referred but not accepted.** This grouping overcomes the selection bias implicit in the referral process. However, because it is reasonable to assume that contractors select the more employable clients, the not-accepted group may be biased. This bias is moderated by the fact that the not-accepted group includes persons who were referred but did not show-up for interview, possibly because they had found employment on their own. This group may or may not be more employable than the accepted group. Therefore, including 'no-shows' improves the usefulness of the not-accepted group as a potential control group.
- **Persons that have been referred but not-placed.** We would expect placed persons to be more employable than those referred but not placed because these people have been selected both by contractors and by employers. At the same time, persons accepted but not-placed may actually benefit from the program even though they are not placed during the time that they are with the program. For both reasons, the not-placed group is likely to be a poor control group. However, inclusion of no-shows in the referred but not placed grouping improves its usefulness as a control group.

In practice, none of these control groups is perfect and we have used a combination of control groups to estimate program impact (a separate Technical Appendix provides further discussion on the control groups used). Because it is not possible to remove all sources of bias from the control groups, it is impossible to generate a precise measurement of program impact. We can, however, be reasonably confident about the general magnitude of the impact.

## ***CHAPTER THREE: THE BCEA CASELOAD***

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This Chapter provides an overview of the BCEA caseload and changes in that caseload over time. It provides important context information for those unfamiliar with the structure and turnover of the caseload. Also, it introduces information that is used later in the report to select suitable control groups and estimate program impact.

### **3.1 THE CASELOAD IN 2003**

In 2003, the average monthly BCEA caseload was 118,000 cases. Almost 70% of those cases were single adults. However, a case may be a family unit that includes more than one person. Therefore, the number of clients on BCEA is greater than the number of cases. In 2003, the average number of BCEA clients was around 175,000.

The BCEA caseload is divided into a number of categories<sup>9</sup>:

- Temporary Assistance
  - Expected to Work (ETW)
  - Temporarily Excused (TE))
  - Persons with Persistent Multiple Barriers (PPMB)
- Disability Assistance
  - Persons with Disability (PWD)
- Children in the Home of a Relative (CIHR)

Persons in the temporary assistance category are expected to be actively seeking work unless they are excused from work. Approximately half of the persons in the temporarily excused are single parents with young children. Exhibit 3.1 shows the distribution of the average 2003 caseload by category and family type. The JP and TFJ programs are designed to assist persons in the ETW category find work and become independent.

### **3.2 CHANGES IN THE CASELOAD OVER TIME**

The BCEA caseload has been declining for a number of years. A full analysis of the decline is beyond the scope of this study but the trend is clearly influenced by changes in the rules governing program eligibility and benefits. Exhibit 3.2 summarises the policy changes that were introduced in 2002. These and earlier changes have affected the number of people applying for BCEA and the number of people leaving the caseload.

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<sup>9</sup> A new category, Expected to Work – Medical Condition, has recently been introduced. It is not reflected in the data used in this report.

**EXHIBIT 3.1**  
**BCEA CASELOAD BY CATEGORY – 2003**

Family Type	BCEA Category					Total	Per Cent
	ETW	TE	PPMB	PWD	CIHR		
Single Men	14,795	5,718	4,111	23,449		48,073	40.7%
Single Women	7,226	4,194	3,022	18,231		32,673	27.7%
Couples	1,420	705	179	2,740		5,044	4.3%
Two Parent Families	2,786	290	58	1,201		4,335	3.7%
Single Parent Families	10,444	8,787	1,069	3,259		23,559	20.0%
Children					4,315		3.7%
<b>Total</b>	<b>36,671</b>	<b>19,694</b>	<b>8,439</b>	<b>48,880</b>	<b>4,315</b>	<b>117,999</b>	<b>100%</b>
Per Cent of Total	31%	17%	7%	41%	4%	100%	

**EXHIBIT 3.2**  
**POLICY CHANGES TO BCEA INTRODUCED IN APRIL 2002**

**Three Week Work Search**

Effective April 2002, most individuals seeking Ministry assistance are required to undertake independent work search for three weeks before they can be assessed for BCEA. (Exceptions are made in emergency situations.)

**Two Year Independence Rule**

Effective April 2002, new applicants must be financially independent for at least two years before they can be eligible for BCEA. This change was expected to have an impact on the number of young people who qualify.

**Levels of Assistance**

The temporary assistance levels paid to single parents and persons aged 60-64, and the allowable exemptions for income earned by people expected to work, were decreased effective April 2002.<sup>10</sup>

**Changed benefit rules**

Effective April 2002, Ministry clients who are expected to work will be provided with benefits for a maximum of 24 months in every 60 months. This policy has been implemented with a number of exemptions including an exemption for persons actively seeking work.

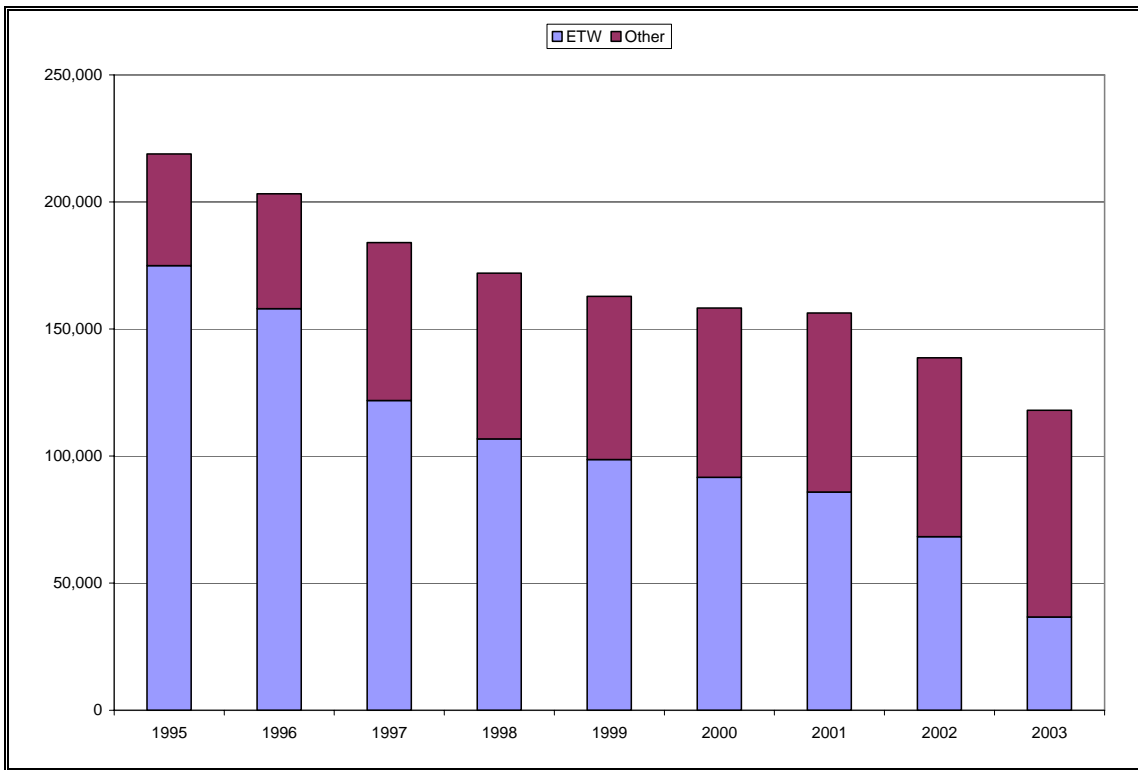
**Single Parents**

Effective April 2002, single parents with a child under 3 years of age are temporarily excused from seeking work. Previously, a single parent with a child under school age was excused.

<sup>10</sup> Earned income exemptions were increased for persons with disabilities.

Exhibit 3.3 shows the downward pattern in the caseload since 1995.<sup>11</sup> Total caseload has halved over this period. The Expected to Work caseload has declined even faster. The data in Exhibit 3.3 reflects the most recent definition of Expected to Work clients. Therefore, some of the single parents included in the ETW would not have been classified in that way prior to 2002. Therefore, the reduction in the ETW caseload is somewhat overstated. In addition, some of the reduction in ETW caseload in 2003 is attributable to reclassification of clients into the new PPMB category. Nevertheless, the downward trend in ETW has been significant and sustained by the policy changes introduced in 2002.

**EXHIBIT 3.3  
BCEA CASELOAD OVER TIME**



**3.3 TURNOVER IN THE ETW CASELOAD**

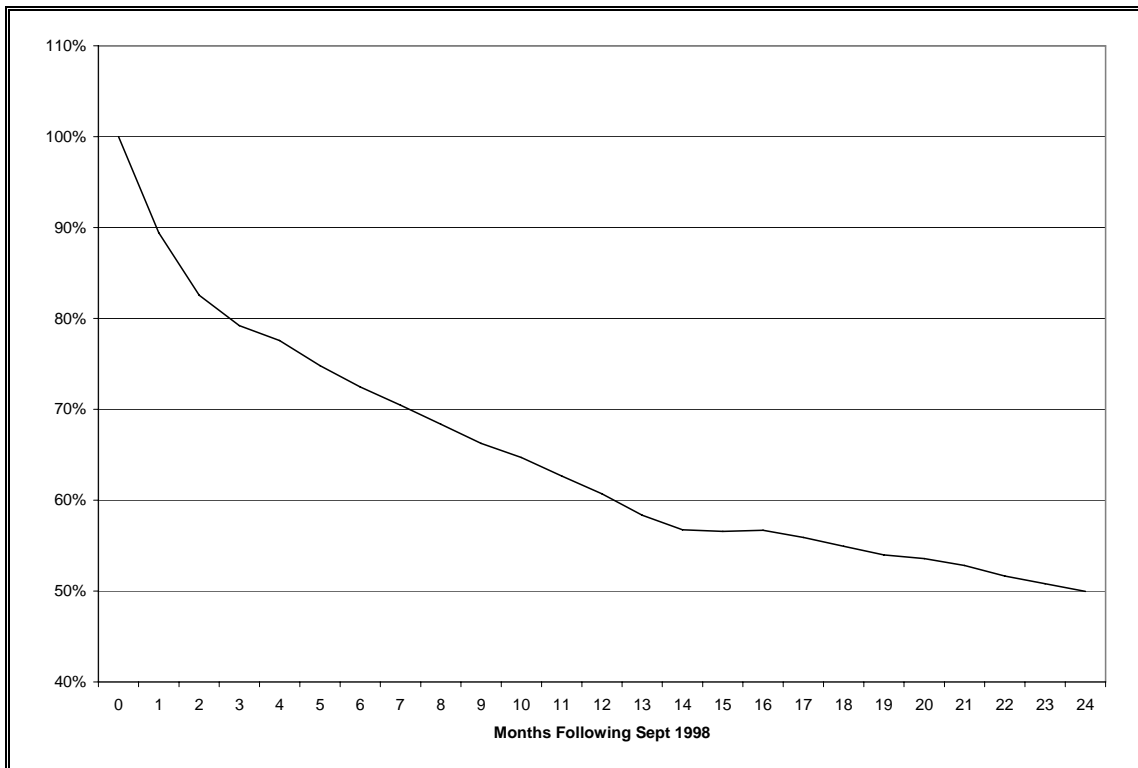
The BCEA caseload is not static. Every month people leave the caseload and others join. Therefore, even if there is very little change in the overall number of cases, there is still considerable turnover in the persons receiving BCEA. Turnover of the caseload is highest among clients in the ETW category.

<sup>11</sup> Indicated when caseload peaked in the 1990s.

Those who achieve independence from BCEA do so for a variety of reasons: some find employment; some move to another province; some go back to school; some get married or form common-law partnerships that increase their family incomes. Some of these situations are permanent, others are temporary.

Exhibit 3.4 illustrates the turnover of ETW cases. Starting with 100% of the cases receiving assistance in September 1998, it shows what percentage of cases remained on BCEA in the months following September 1998.<sup>12</sup> As the Exhibit illustrates, after six months only 72% were receiving assistance. After two years, only 50% were receiving assistance.

### **EXHIBIT 3.4 TURNOVER IN THE CASELOAD (ETW – SEPTEMBER 1998)**



This does **not** mean that 50% of the ETW cases receiving assistance in September 1998 had left BCEA and not returned. The turnover pattern is a complex one of starts and stops. In fact, after two years 35% of the caseload had left and had not returned, 32% had never left and the remaining 33% had cycled on and off to differing degrees. Clearly, there is considerable turnover in the ETW caseload and it not correct to assume that all persons on BCEA in any month will continue to be on BCEA in the following months.

<sup>12</sup> September 1998 was chosen because it was before the introduction of JP and long before the policy changes introduced in 2002.

Because of this constant turnover, the ETW caseload is composed of persons with varying degrees of ‘attachment’ to BCEA. This fact is illustrated by Exhibit 3.5 which summarises the ETW caseload using three categories that we have adopted for the purposes of this study:

- New (N): Those who did not receive assistance in any of the previous 12 months.
- Intermittent (I): Those who received assistance in some but not all of the previous 12 months.
- Persistent (P): Those who received assistance in each of the previous 12 months.

**EXHIBIT 3.5**  
**ETW CASELOAD BY INDICATOR OF ATTACHMENT**

	Sept. 1998	Sept. 2000	Sept. 2002	Sept. 2003
New (N)	4%	4%	3%	5%
Intermittent (I)	47%	45%	39%	45%
Persistent (P)	49%	50%	58%	51%
Average months on BCEA	33.6	33.7	35.7	34.6
Number of ETW Cases	101,253	88,877	58,933	31,195

Note: The caseload figures are based on the Ministry’s current definition of ETW.

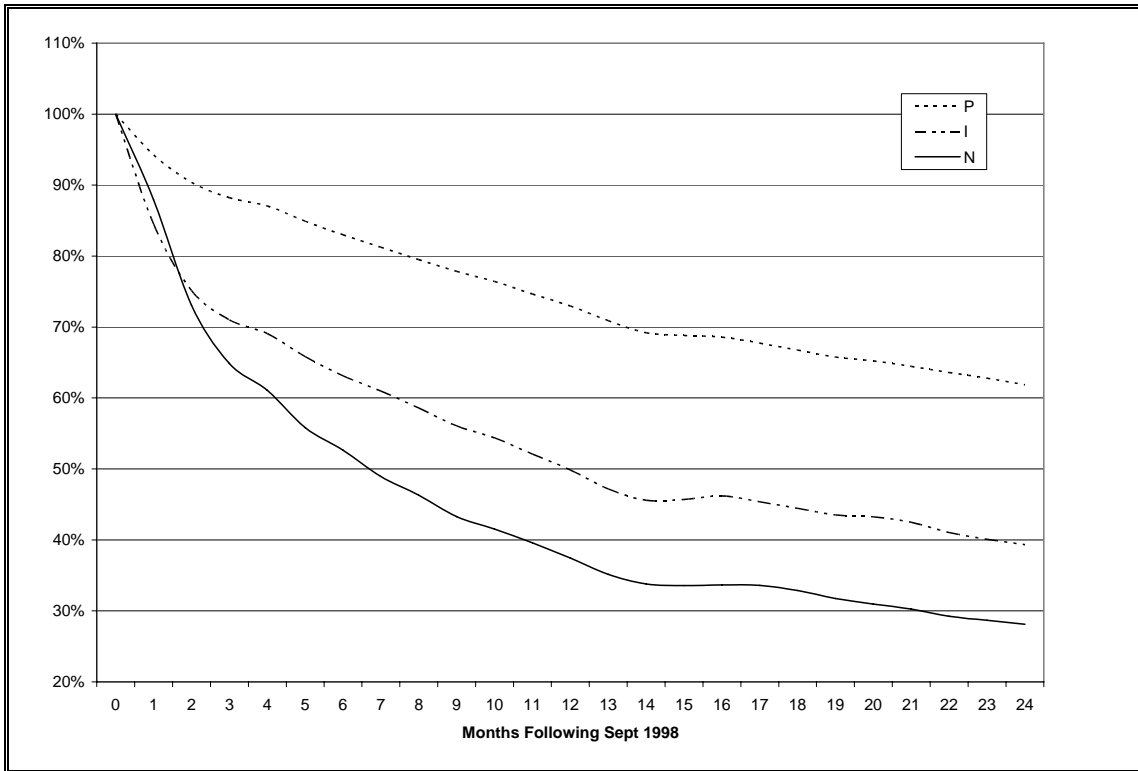
As Exhibit 3.5 shows, a small proportion of the monthly caseload represents those who are New. These people may have received BCEA previously but not in the past year. It also shows that more than half the ETW caseload has been receiving assistance consistently for the past year. In 2002 the pattern changed somewhat in response to the policy changes introduced in that year. The number of new cases declined, the overall number of cases fell and the proportion of cases within the persistent category increased. Since 2002, the caseload has continued to decline but the proportions of New, Intermittent and Persistent are very similar to those prior to the policy changes.<sup>13</sup> Exhibit 3.5 also shows the average number of months on BCEA of the ETW caseload over the previous five years. The average increased in 2002 as the number of new starts declined. In 2003, the average remained slightly higher than in the period before the recent policy changes.

We can use the N, I and P categorization to show that the probability that a person will leave BCEA is associated with their recent experience on BCEA. Exhibit 3.6 shows the same time profile presented in Exhibit 3.4 but with the September 1998

<sup>13</sup> Some of the more persistent clients have been reclassified into other groups.

caseload disaggregated into the N, I and P categories described above. It shows that turnover tends to be higher for New Starts than for other clients. It also shows, however, that there is substantial turnover even among cases that have had a high level of recent attachment to BCEA.

**EXHIBIT 3.6**  
**TURNOVER IN THE CASELOAD (ETW – SEPTEMBER 1998)**



The turnover pattern can be presented in another way. If we consider each month that a client is not receiving income assistance as a month of independence from BCEA, we can calculate the average months of independence earned by persons who were on BCEA in September 1998 at various times after that date.<sup>14</sup> Exhibit 3.7 shows the average number of months by an ETW client earned after 24 months is 8.8 months. However, New clients tend to earn considerably more months of independence than the average and persistent clients less. This method of summarizing independence will be used later in the report.

**EXHIBIT 3.7**  
**MONTHS OF INDEPENDENCE ACHIEVED BY SEPTEMBER 1998 ETW**  
**CASELOAD**

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	Average Months of Independence	
	After 12 months	After 24 months
New (N)	5.4	13.6
Intermittent (I)	4.4	11.2
Persistent (P)	2.1	6.1
Ave. of All	3.3	8.8

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<sup>14</sup> Strictly speaking we should be speaking of cases not individuals.

***SECTION THREE:***  
***FINDINGS FOR THE JOB PLACEMENT PROGRAM***

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## ***CHAPTER FOUR: REFERRALS TO THE JOB PLACEMENT PROGRAM***

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### **4.1 INTRODUCTION**

This Chapter examines the number and characteristics of persons referred to JP. It compares the number of referrals achieved to the program targets as laid out in the contracts with service providers. In making this comparison, we must be aware that referrals can be counted in two ways: the number of individuals referred; or, the number of times individuals are referred. The two measures are different because some clients have been referred more than once. For example, they may have been referred to one contractor, been unsuccessful in achieving independence with that contractor, and subsequently referred to another contractor. It is also possible that they may have been referred to the same contractor at different points in time. If each time that a person is referred is counted as a referral, the total number of referrals is much larger than the number of individuals referred.

Throughout the Chapter, it is important to remember that the target group for JP changed significantly as the program matured. Under JP1, the program was targeted at the most employable persons on BCEA. In fact, persons were often referred to JP even before their eligibility for benefits had been confirmed. The program was designed to help persons with very little attachment to BCEA make a rapid return to employment. In this way, it was thought that the program would help ensure that these people did not become long term clients of BCEA. In 2002, the target group for JP was extended to all ETW clients because all such clients were expected to be actively engaged in job search. This new policy was reflected in the much higher referral targets introduced with JP2 – see Exhibit 4.1. In practice the Ministry found it hard to meet these higher targets because of the declining caseload and, as a result, the target level was reduced under JPX.

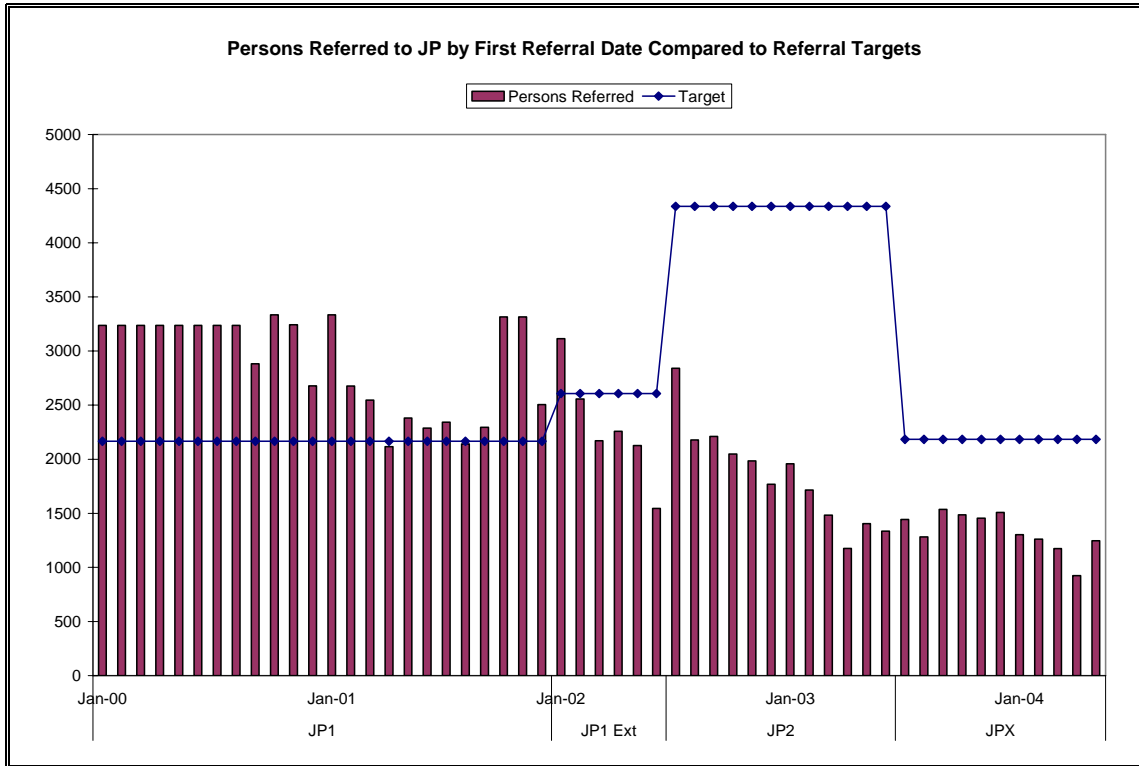
### **4.2 PERSONS REFERRED TO THE PROGRAM**

Almost 120,000 individuals have been referred to JP since the program's inception in January 2000. Exhibit 4.1 shows the pattern of referrals of **individuals** by the month of **first** referral to the program compared to program targets. Over the JP1 period, referrals averaged 2,800 persons per month, well above the target for the period.

Program targets were increased under JP2, reflecting the fact that the program was now intended to benefit more of the ETW caseload. Beginning in 2002, however, referrals of individuals started to decline significantly and, since the start of JP2 in

July 2002, the number of persons referred for the first time has averaged 1,600 per month.<sup>15 16</sup>

**EXHIBIT 4.1  
PERSONS REFERRED TO JP BY FIRST REFERRAL DATE AND  
COMPARED TO PROGRAM TARGETS**



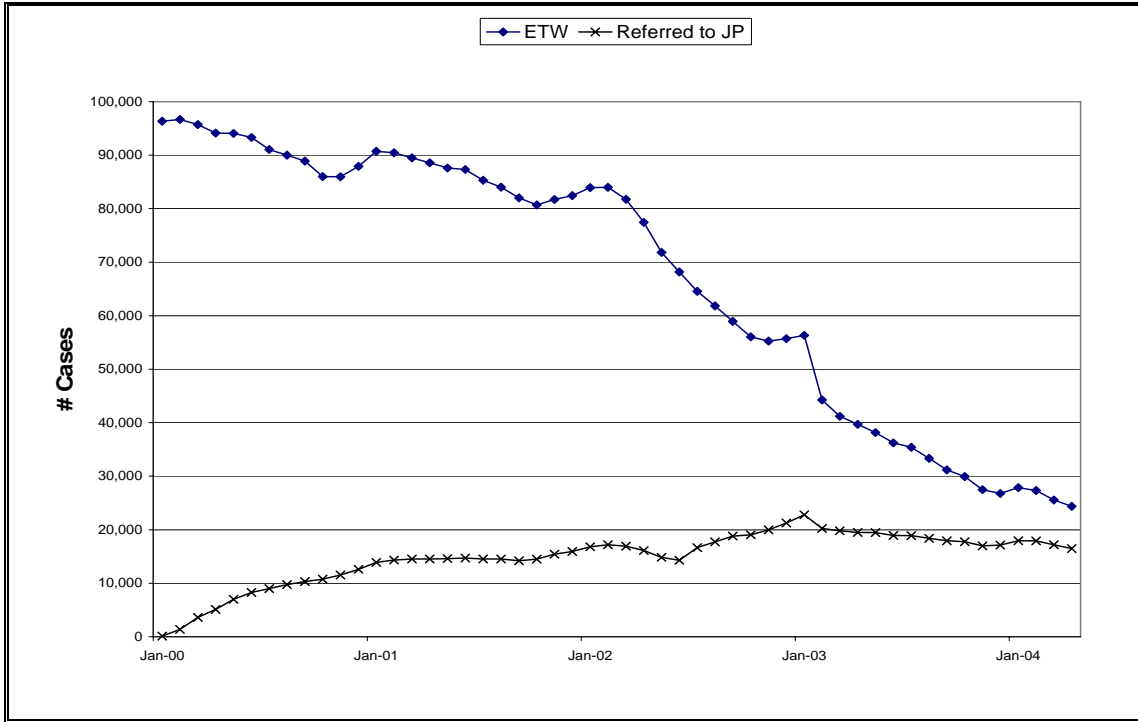
The decline in first time referrals starting in 2002 can be directly attributed to the sharp decline in the ETW caseload that was triggered by recent changes in Ministry policy. This decline was described in Chapter Three and is illustrated again in Exhibit 4.2 which shows the number of ETW cases over time and the proportion of those cases/clients that have been referred to JP and TFJ.

Exhibit 4.2 graphically illustrates the very steep decline in ETW cases starting in 2002. It also shows that the proportion of cases referred to JP or TFJ has increased over time as a result of the maturing of the programs, the changes in program target group and the reduction in ETW caseload. Currently, close to 70% of ETW cases have been referred at some time either JP.

<sup>15</sup> In Exhibit 4.1 referrals at the start of JP1 are averaged across the months.

<sup>16</sup> As will be discussed later, the number of referrals shown in Exhibit 4.1 does not correspond to the way referrals are counted per the JP contracts. The latter are higher because they include re-referrals.

**EXHIBIT 4.2  
PROPORTION OF THE EXPECTED TO WORK CASELOAD REFERRED  
TO JP**



**4.3 RE-REFERRALS**

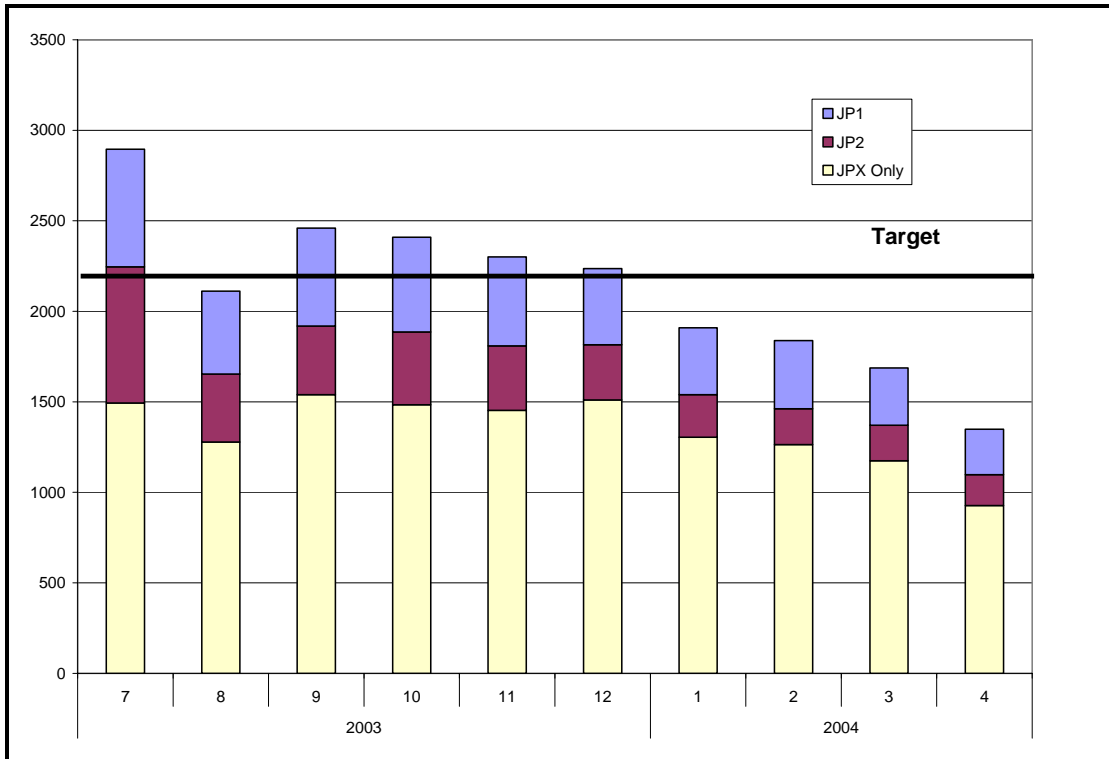
As noted above, individuals may be referred more than once to the program. To illustrate this, Exhibit 4.3 shows the number of persons referred to JPX by the month they were first referred to JPX. Of the persons referred, it highlights which ones had previously been referred to JP1 or JP2. The remaining group are persons who were referred to JP for the first time under JPX. To date, 37% of persons referred to JPX had previously been referred to JP1 or JP2.

As Exhibit 4.3 shows, program targets have been met in some of the months under JPX when persons re-referred are included. In fact, the total number of referrals counted for contractual purposes under JPX is even higher than the referrals presented in Exhibit 4.3. For example, if a person is referred to two different JPX service providers, both referrals are counted.<sup>17</sup> Also persons carried forward from one contract period to the next count toward the contractual targets with service providers if they have not been previously placed into employment. For these reasons, we have avoided the issue of whether the precise contractual obligations have been met.

<sup>17</sup> A client may be referred to the second contractor if they were not accepted or were not successful with the first contractor.

Nevertheless, the broad trends are reflected in the comments above: referral targets have been more difficult to meet under JP2 and JPX than under JP1.

**EXHIBIT 4.3**  
**PERSONS REFERRED TO JP BY FIRST REFERRAL DATE AND**  
**COMPARED TO PROGRAM TARGETS**



**4.4 THE ISSUE OF MEETING REFERRAL TARGETS**

Since 2002, referral targets have become a major administrative issue for the Ministry for two reasons. First, with the emphasis on employment assistance, the Ministry wants to be sure that all ETW clients are being referred to JP if there is any likelihood that they could benefit from the program. Second, having entered into contractual obligations with service providers, they want to be sure that those obligations are met. Therefore, the Ministry has sent clear instructions to field staff that referrals targets are to be met and, from our discussions with field staff, it seems that this policy is being followed.

The issue of referral targets is complicated by the fact that there are multiple contractors in most of the urban areas. Therefore, contractual referral targets are not simply the total number of referrals but the number of referrals to each contractor in each region. Each contractor monitors carefully actual referrals against its regional

target and notifies the Ministry if they feel that referrals are falling behind target. As a result, each region has to be careful to ensure that each contractor's target is met.

While the Ministry's focus on referral targets is understandable, it also leads to some undesirable consequences that have been highlighted to us by Ministry staff and contractors. First, some clients are referred to JP even when it is clear that they are not ready or suitable for the program. They may even be referred to multiple contractors. This practice may not be in the best interests of the client who may benefit from a different type of assistance. Second, referrals to some contractors in some locations may be halted for days or weeks so that the referral targets of other contractors can be met. As a result, contractors may not have clients available when employers contact them – a situation that all contractors wish to avoid. This break in referrals may be caused not by an uneven pattern of referrals in any one town but by differences in referrals across regions (e.g. an increase in the caseload can occur in a town where only two contractors are represented. This increase leads to more referrals and the two contractors may, as a result, meet their regional target faster than the third contractor in the region.)<sup>18</sup> Third, considerable staff time is devoted to setting targets and monitoring performance against those targets. The issue of meeting referral targets has become a major concern for Ministry staff, perhaps at the expense of monitoring more telling indicators of program performance.

#### **4.5 CHARACTERISTICS OF PERSONS REFERRED**

The mix of persons referred to JP2 and JPX has been broadly representative of the different family types on BCEA. Therefore, single parents have been just as likely to be referred as single persons. This was not the case under JP1. In September 2000 single parents constituted 19% of persons referred to JP; in September 2003 the proportion was 31%. This change reflects in part the Ministry's policy change that brought more single parents into the ETW category. It also reflects the Ministry's dissatisfaction with the low level of referrals of single parents under JP1 and the decision to set specific referral targets for single parents under JP2 and JPX.

In other respects, persons referred to JP have not been representative of persons on the ETW caseload: in general, they have been younger and have had less attachment to BCEA than the ETW caseload as a whole. However, the characteristics of both referrals and of the ETW caseload have been changing in recent years, as Exhibits 4.4 to 4.6 illustrate.

#### **Attachment to BCEA**

Exhibit 4.4 compares the ETW caseload and JP referrals by their recent attachment to BCEA and does so at different points in time. It uses the New, Intermittent and Persistent classification introduced in Chapter Three (see Page 28). It shows that referrals to JP1 were drawn largely from persons classified as New or Intermittent. Only 20% were drawn from the persistent group, those with the highest

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<sup>18</sup> There are no regions where all four contractors have a significant presence.

level of recent attachment to BCEA. This pattern was in keeping with the policy of referring the most employable persons to JP1.<sup>19</sup>

**EXHIBIT 4.4**  
**DISTRIBUTION OF ETW CASELOAD AND PERSONS REFERRED TO JP**  
**BY RECENT ATTACHMENT TO BCEA<sup>20</sup>**

September 2000 Cohort		
	ETW	JP1 Referrals
New	4%	37%
Intermittent	45%	43%
Persistent	50%	20%
Total	100%	100%
September 2002 Cohort		
	ETW	JP2 Referrals
New	3%	13%
Intermittent	39%	41%
Persistent	58%	46%
Total	100%	100%
September 2003 Cohort		
	ETW	JPX Referrals
New	4%	22%
Intermittent	45%	40%
Persistent	51%	38%
Total	100%	100%

By 2002, the ETW caseload mix had changed because the number of persons coming on to BCEA had fallen dramatically (for the reasons outlined in Chapter Three). The pattern of referrals also changed because the Ministry's referral policy changed to one of including almost all ETW clients in the group eligible for referral to JP. As a result, a substantially greater proportion of individuals referred were drawn from the persistent group and a far smaller percentage from the New category. Nevertheless, on average, persons referred still had less attachment to BCEA than the ETW caseload as a whole.

In 2003, the pattern began to change again as established clients began to leave BCEA at a faster rate and as the Ministry reclassified some clients out of the ETW category. Therefore, both the ETW caseload and the persons referred to JPX are now less heavily weighted toward the persistent group than had been the case in 2002.

<sup>19</sup> The figures in the Exhibit may understate the proportion of persons in the New category under JP1. Some of the individuals referred to JP1 never had any prior or subsequent association with BCEA and, for this reason, their BCEA experience could not be identified from Ministry records.

<sup>20</sup> This Exhibit is based on persons referred for the first time and persons re-referred under an earlier JP contract. For example, persons referred to JPX include persons previously referred under JP1 or JP2.

The changing pattern of attachment to BCEA demonstrated in Exhibit 4.4 is reinforced by the information presented in Exhibit 4.5, which presents another indicator of attachment. It shows the number of months of BCEA benefits received in the prior sixty months, on average, for the ETW caseload and for JP referrals. It confirms that persons referred to JP have had less attachment to BCEA than the ETW caseload as a whole but that the person referred under JP2 and JPX have had greater attachment than persons referred to JP1.

**EXHIBIT 4.5  
AVERAGE MONTHS OF BCEA BENEFITS PAID IN THE PRECEDING  
SIXTY MONTHS**

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Program	Cohort	ETW Number of Months out of Prior 60	JP Referrals
JP1	September 2000	33.7	21.5
JP2	September 2002	35.7	31.5
JPX	September 2003	34.6	28.5

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**Age**

Generally, persons referred to JP have been younger than the ETW caseload taken as a whole. This was particularly true under JP1. While still true to some extent, the difference has been much less under JP2 and JPX – see Exhibit 4.6. Some of the policy measures introduced in 2002 were designed to discourage young persons from coming on to BCEA. As a result, the average age of the caseload and of referrals has been increasing.

**EXHIBIT 4.6**  
**AGE DISTRIBUTION OF ETW CASELOAD AND PERSONS REFERRED TO JP**

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September 2000 Cohort		
Age Group	ETW	JP1 Referrals
Under 25	17%	27%
25-39	45%	46%
Over 39	38%	27%
Total	100%	100%

September 2002 Cohort		
Age Group	ETW	JP2 Referrals
Under 25	15%	18%
25-39	42%	45%
Over 39	43%	37%
Total	100%	100%

September 2003 Cohort		
Age Group	ETW	JPX Referrals
Under 25	14%	14%
25-39	43%	46%
Over 39	43%	40%
Total	100%	100%

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## ***CHAPTER FIVE: JOB PLACEMENT***

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### **5.1 PERSONS ACCEPTED**

Contractors do not accept all of the BCEA clients referred to them. Some clients do not turn up for the interview with the contractor. If efforts to locate and interview them fail, these people are classified as ‘no-shows’. Others clients attend the interview and complete the screening process but are deemed by the contractor to be unsuitable for the program.

Under JP1, when the number of referrals was relatively high, contractors were quite selective about the clients chosen. Under JP2 and JPX, they have become less selective and have been accepting most of the persons interviewed. Also, contractors have made more efforts under JP2/X to track down ‘no-shows’ with the assistance of Ministry staff. Today, persons tend not be accepted only if they have health problems, pose a safety risk or have a very poor attitude toward the program. Overall, therefore, the **proportion** of referred persons accepted by contractors has been steadily increasing under JP2/X. Under JPX, more than 70% of referred persons have been accepted by contractors – around 10-15% do not show for interview and contractors do not accept a further 10-15%

### **5.2 PLACEMENT SERVICES<sup>21</sup>**

Once a clients is accepted, the contractor can decide how best to assist that person achieve independence. All contractors provide services directly to clients. They offer workshops on topics such as job search skills, provide one-on-one coaching and give practical assistance with resume preparation. Contractors also provide specific supports to clients who have a job interviews (e.g. transportation, haircuts) or who have job offers (e.g. day care, work clothing or work tools). . On average, contractors are spending \$100 per person on clients that receive support but the amount for an individual can be much higher or lower.<sup>22</sup> In rare circumstances, training or other incentives are paid to employers.

Contractors expect clients to undertake independent job searches and provide access to sources of information on job opening such as newspapers, HRDC and the internet. They typically establish employment plans with clients that set out expectations regarding the number of employers a client will contact during a week.

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<sup>21</sup> Because the service is provided by external contractors and the structure of the contract is performance-based, the Ministry has very little information on the actual services provided. The contracts identify the range of services that are to be provided but there is not requirement that contractors provide the full suite of service to each client.

<sup>22</sup> Not all clients receive support payments. The vast majority of such payments are used to support persons who become placed.

Most require clients to report into the office on a regular basis to discuss their progress in seeking work.<sup>23</sup>

Contractors try to ‘match’ clients to known jobs openings with employers. These openings are generated through personal contacts in the local community and through call centres that market a variety of recruitment services to employers. All contractors cite their excellent relationship with the employer community as a key to their success. They also all report that there are plenty of jobs available; in fact, most say they have job openings that they can’t fill – usually requiring a specific skill.<sup>24</sup>

JP clients surveyed were asked about the services they received from the contractors. As Exhibit 5.1 shows, both clients who were placed by the program and those who were not report receiving a variety of types of assistance. Not placed clients were less likely to report receiving some types of assistance. This may reflect the contractors’ choice about the services best suited to particular individuals. For example, contractors may not have suitable job openings for multi-barriered clients with limited job experience and may, therefore, be less likely to suggest that they apply for particular jobs.

**EXHIBIT 5.1  
CLIENT SURVEY: PERCENTAGE OF JP CLIENTS REPORTING  
SERVICES RECEIVED**

	<b>Placed</b>	<b>Not Placed</b>
Review client employment history & work skills	90%	86%
Provide workshops that client attended	54%	59%
Help with putting together a resume	63%	65%
Teach how and where to look for jobs	67%	71%
Provide job leads	74%	70%
Suggest a particular job opening to apply for	74%	65%
Provide help such as bus pass, clothing or haircut	53%	46%

Sample Size: placed = 566; not-placed = 387

<sup>23</sup> Services are also provided on a “virtual” basis (usually by telephone) to communities without a physical office.

<sup>24</sup> The exact proportion of jobs filled through job matching could not be provided by the contractors.

The majority of clients surveyed were satisfied overall with the services they received; however, quite a number expressed some level of dissatisfaction. Exhibit 5.2 indicates the satisfaction of placed and not placed clients, and the extent to which they feel the program helped them in specific ways. Not surprisingly, placed clients were more positive in their assessment of the value of the services they received.

**EXHIBIT 5.2**  
**CLIENT SURVEY: SATISFACTION AND VIEWS OF SERVICES RECEIVED<sup>25</sup>**

	Placed		Not Placed	
	Strongly Agree or Agree	Disagree or Strongly Disagree	Strongly Agree or Agree	Disagree or Strongly Disagree
As a result of the service I feel I am more employable	49%	24%	40%	36%
The service taught me new job search skills	49%	30%	44%	35%
The job leads were helpful in getting a job	46%	34%	34%	44%
Overall I was satisfied with the service I received	72%	17%	55%	27%

Sample Size: placed = 566; not-placed = 387

Placed clients were also asked to rate the importance, in general, of the help they received from the contractor in finding the job they got. Forty percent said the program’s help was very or quite important, while 54% said the help was not very or not at all important.

Twenty-four percent of the clients who were not placed by the program went on to find paid employment after they left. Of those who did go on to employment, 54% said the help they received through the program was very or somewhat important in helping them get their job, while 45% said it was not very or not at all important.

**5.3 SUCCESS AT PLACING CLIENTS**

Clients have 18 days from the date of referral to report to a contractor for assessment. The contractor then has 90 days from the date of acceptance to place a client in employment. An extension of 30 days is possible if employment is imminent. In most cases, therefore, contractors are expected to place clients within 108 days, or 15 weeks, of referral. If a person is not placed in this period, they are

<sup>25</sup> Percentages presented do not sum to 100% because neutral responses and non-“responses/”don’t know” are not shown in this table. The non-responses/”don’t know” category represented less than 5% of responses on most items.

referred back to the Ministry and their JP file is closed. They may then be re-referred to another contractor or another program.

Under JP2/X contractors have placed approximately 56% of persons accepted, a higher percentage than under JP1. As a result, contractors are continuing to place as many people each month under JP2/X as they did under JP1 despite declining referrals. This fact is illustrated in Exhibit 5.3 which shows the number of persons placed through JP since January 2000 by the month of their first job start. It shows that placements have been relatively consistent over the period after allowing for seasonal ups and downs. Over the period 2000-2003, almost 40,000 persons were placed by the program, an average of 760 per month. Overall, the program has placed over 33% of persons referred.

### EXHIBIT 5.3 EMPLOYMENT STARTS

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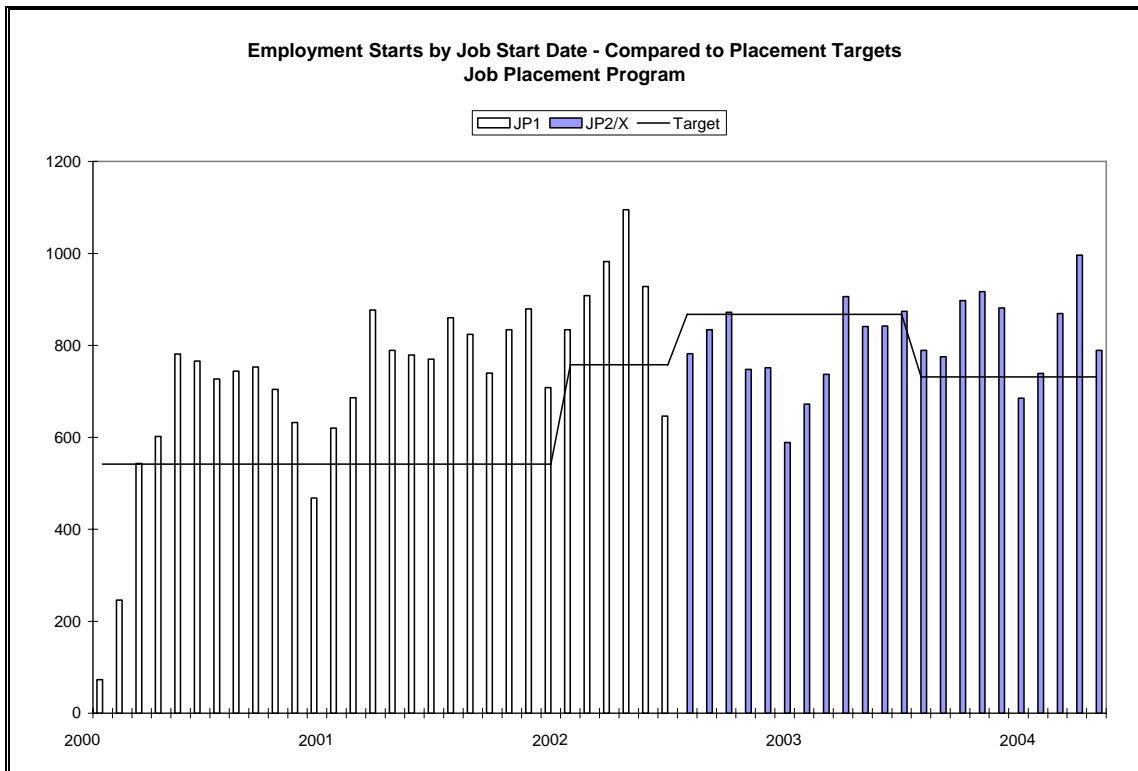


Exhibit 5.3 also compares the number of persons actually placed to the independent placement targets established for each contract period.<sup>26</sup> It shows that

<sup>26</sup> The program does not establish placement targets but independent placement targets i.e. the number of clients that are placed by the contractors and achieve at least one month of independence. Since placement is the first step to independence, we have assumed used the independent placement targets as the appropriate targets for placement.

the targets were substantially exceeded in JP1. The targets were increased under JP2 but were not met because of the reduction in the number of referrals and the longer period of attachment to BCEA of the persons referred. Under JPX placement targets were reduced somewhat and these targets have been met. Overall, the average number of people placed per month since July 2002 (810) is higher than the monthly average before that date (730).

This pattern of sustaining the number of placements has been possible despite the fact that clients referred to and accepted into the program have been less job ready than clients referred in the early years of the program. In Chapter Four, we noted that persons referred to the program under JP2 had greater attachment to BCEA than under JP1. Staff and contractors also report that clients accepted in the last two years have had more barriers to employment than those accepted in earlier years. As a result, contractors have adjusted their programs to assist a more challenged client group. This has helped maintain, and in some cases increase, the number of clients placed each month.<sup>27</sup>

A substantial number of people accepted by contractors are not placed by them in the time available. Contractors believe that they could place a much higher percentage of people if they were given a longer period in which to work with them. They point out that they accept a wide spectrum of clients and that the program's time constraints may not work well for all of those clients. They suggest that it would be helpful to the client to remain with the same contractor for a longer period than to have that person be returned to the Ministry because they have 'failed' to find employment.

Contractors do not believe that there is a shortage of jobs available for BCEA clients. However, they believe that it is difficult for clients who have been attached to BCEA for some time or who have significant personal barriers to employment (e.g. addictions; physical limitations; English language skills; limited education; lack of a social support network) to be placed quickly.

The clients who become placed tend to have less attachment to BCEA, on average, than all persons referred. This is not surprising. We would expect those with less attachment to have more employment experience and be more employable. However, attachment is not a reliable guide to whether a person will be placed. Over 40% of clients accepted by contractors who had **no** recent attachment to BCEA were not placed in the time available. Also, contractors have demonstrated that they can help place clients with considerable attachment to BCEA. For example, almost 10% of persons placed from the September 2002 cohort had been on BCEA continuously for the previous five years. As contractors point out, it is personal motivation, not BCEA history, that is the most important factor in determining whether a person will become employed.

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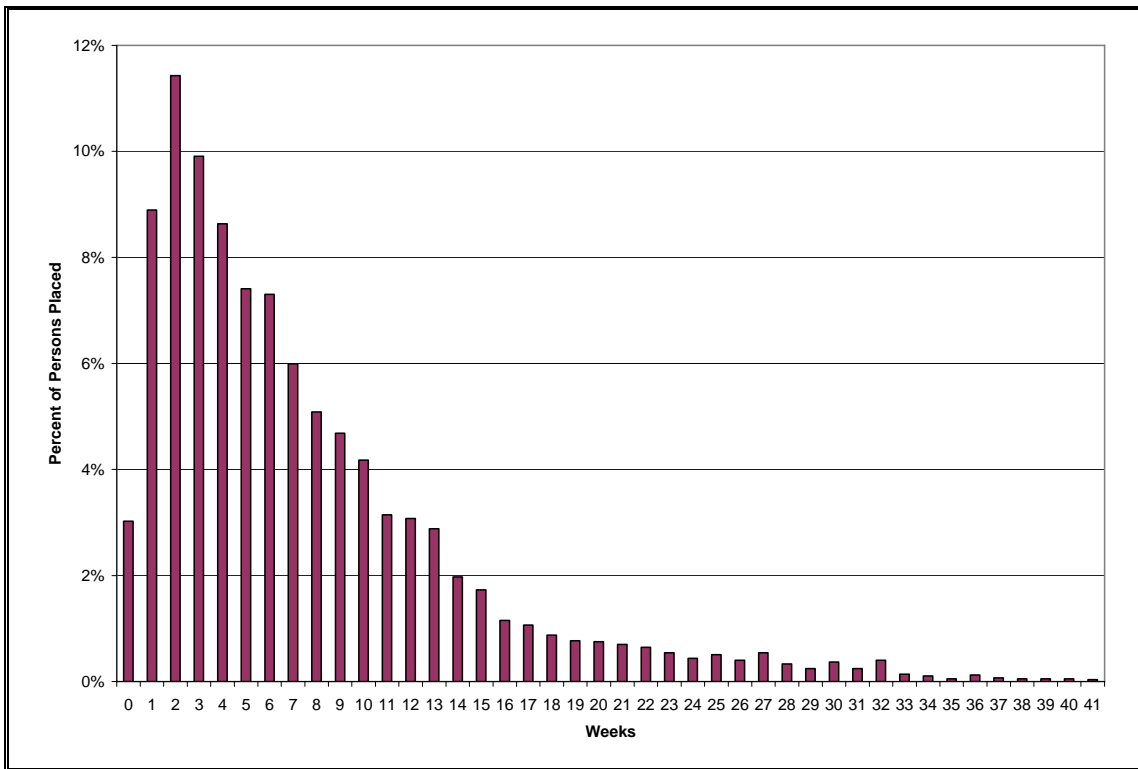
<sup>27</sup> There are other reasons for an increase in the proportion of placements including changes in Ministry policy and changes in the job market. The impact of policy changes is discussed more fully in Chapter Seven.

Single parents have had no more difficulty in finding employment than other persons accepted. In fact, most contractors report that single parents typically tend to be a very enthusiastic and motivated client group.

## 5.4 SPEED OF PLACEMENT

Exhibit 5.4 shows the time taken from referral to placement for clients first referred under JPX.<sup>28</sup> It shows that a large number are placed relatively quickly. In fact 50% of those who get jobs are placed in under 6 weeks. Others take longer to place and the average time from referral to placement is 7.5 weeks. Ten percent of persons are placed long after the 15 week period allowed for contractors. These clients are placed during a placement extension period or after re-referral to another contractor.

**EXHIBIT 5.4**  
**TIME FROM FIRST REFERRAL TO PLACEMENT**



<sup>28</sup> This group was selected to minimise the influence of multiple re-referrals.

## 5.5 CHARACTERISTICS OF THE FIRST JOB

The Ministry collects a limited amount of information about the first job from contractors: the employer name, location, the starting wage and the starting hours of works. Because neither the employers nor the occupations are categorized, it is difficult to report on the characteristics of the employers or the type of employment. It is clear however that the program is placing people in jobs with a very wide range of employers large and small. Many of the jobs are in the retail and hospitality sectors but we cannot know if this is disproportionate to size of those sectors in the BC economy.

Exhibit 5.5 summarises the average wage, average number of hours and average earnings of clients in their first placement through the contractors. It shows that the average wage is higher than the provincial minimum wage and that average earnings are larger than the benefits that would be paid by BCEA in most circumstances.<sup>29</sup> The Exhibit also shows that the starting earnings are, on average, significantly lower for women than for men.

### EXHIBIT 5.5 CHARACTERISTICS OF THE FIRST JOB

	Women	Men	Both
Hours Per Week	26.8	31.6	29.2
Hourly Wage Rate	\$9.63	\$11.04	\$10.32
Weekly Earnings	\$259	\$356	\$306

Exhibit 5.6 shows the distribution of weekly earnings in the first job. More than 25% of the jobs pay less than \$200 per week because they only provide part time hours. Some of these may also be temporary jobs. The Exhibit also shows that the percentage of part-time employment is much greater for women than for men.<sup>30</sup>

Different contractors have different approaches to part-time work. Some believe that it is important that clients start the routine of working even if the hours are short or temporary. Others encourage clients to put priority on employment that will generate an income sufficient to allow the client to achieve independence. However, for contractors, a part-time job is better than no job because it allows the person to be designated as 'placed' and to remain with the contractor for a longer period of time. It may not necessarily be in the interest of the client if the contractor does not help them move beyond part-time or temporary work.

<sup>29</sup> 38% of clients are paid the minimum wage.

<sup>30</sup> This male/female distinction is true for single persons and single parents.

**EXHIBIT 5.6**  
**WEEKLY EARNING IN FIRST JOB**

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	Women	Men	Both
Less than \$100	9%	6%	7%
\$100 - \$199	27%	13%	20%
\$200 - \$299	30%	19%	25%
\$300 - \$399	21%	26%	24%
\$400 - \$499	8%	19%	13%
\$500 - \$599	3%	5%	4%
\$600 - \$699	2%	6%	4%
More than \$699	1%	6%	4%
Grand Total	100%	100%	100%

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The Ministry does not collect data on job turnover. Data provided to us by the contractors suggests that 45% placed people are still in their first job 18 months after they were referred. The client survey found slightly more turnover. Thirty eight percent of placed clients surveyed reported that they were still in the first job they found through the program. Of those whose job had ended, 14% said that their job had lasted less than a week, 19% said the job lasted more than a week but less than a month, and 66% said the job had lasted more than a month. Of those whose job had ended 44% said that they had been laid off or that the work had been seasonal. Eight per cent said that the job ended because they and their employer didn't get along and another 20% said they had left the job. Twenty seven percent reported a variety of other reasons for the job ending. Of the persons who lost jobs, 51% report getting another.

At the time the survey was conducted, 53% of the placed group were employed and another 4% were self employed. Twenty-eight per cent were looking for work and the remaining 15% were either attending school, looking after a family, running a household, on disability, recovering from an illness or involved in another activity.

## ***CHAPTER SIX: INDEPENDENCE***

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### **6.1 INTRODUCTION**

Contractors have one year from the date of placement to help a client achieve independence from BCEA. If a client achieves one month of independence during this period, the contractor receives the first milestone payment for that client. Having achieved one month of independence, the contractor has 24 months from the date of first payment to help the client achieve 19 months of independence. If all 19 months are achieved, the contractor receives the maximum payment for that client.

Clearly, it is very important to the contractors that clients become independent and sustain independence because this is the only way in which they receive payment for the services they have provided. Therefore, contractors continue to assist clients after they have become placed. In the client survey, placed clients were asked about job retention, job loss and services provided by the contractor after job loss. Some of the services and workshops provided by contractors are aimed at developing job retention skills, and 37% of placed clients agreed or strongly agreed that the services they had received helped them to keep a job. However, 40% disagreed or strongly disagreed.

About 62% of clients placed through the program did experience job loss while they were in the program. Contractors reported to us that they do try to stay in contact with placed clients to ensure that they are still employed, and to assist those who become unemployed. If they learn that a client's job has ended, the contractors report that they bring the client right back into the job search service again. Of the placed clients who experienced job loss, 41% reported that the contractor had helped them to look for a subsequent job, and a greater percentage (51%) did find another job.

Once placed, some clients achieve independence quickly and remain independent. Contractors need spend very little additional time with these clients. Indeed, contractors point out that many clients do not want to stay in touch with them; they prefer to 'move-on' and put all reminders of attachment to BCEA behind them.

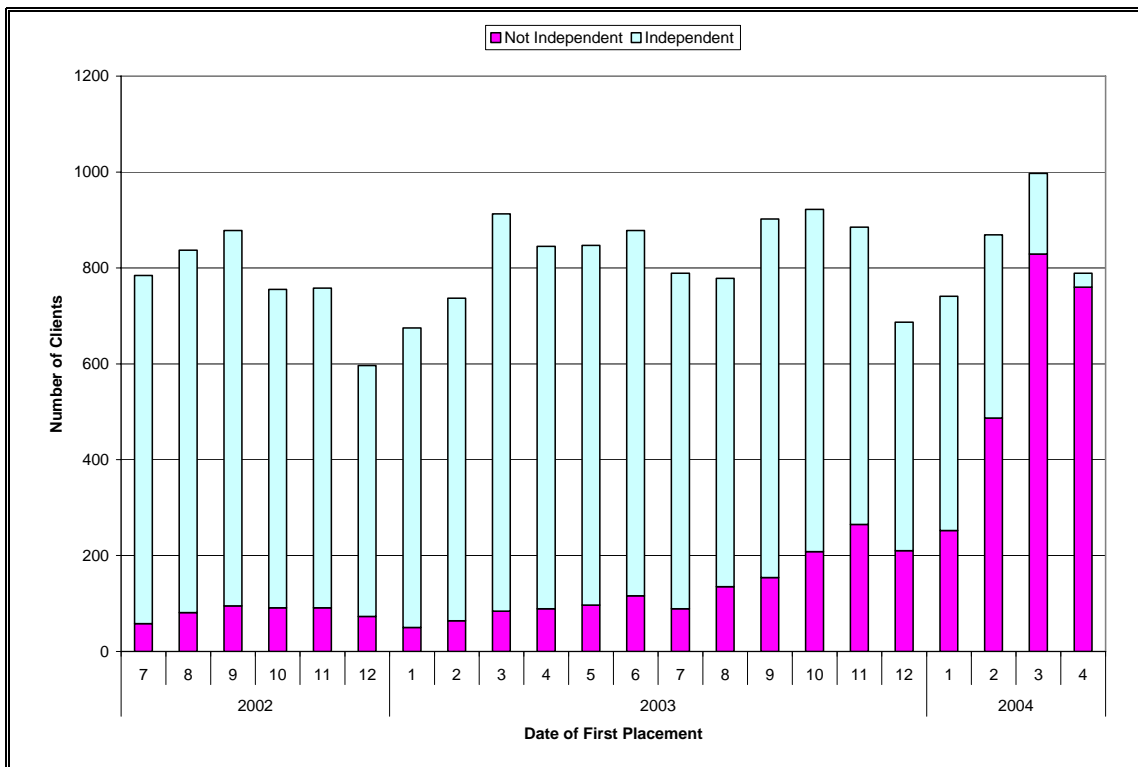
Because payment to the contractor is linked to independence achieved by the clients, contractors may receive the largest payments for clients who were easiest to place and for whom they have had to provide the least support. In contrast, they may earn very little from providing a large amount of support to a client who finds it difficult to find a job or sustain independence. Under the performance-based contract, there is no direct relationship between the payment received for, and the effort expended on, individual clients.

## 6.2 SUCCESS AT ACHIEVING INDEPENDENCE<sup>31</sup>

The vast majority of placed clients achieve at least one month of independence. Overall around 90% of persons placed under JP2/X have achieved a month of independence within the time provided for in the contract – see Exhibit 6.1. The proportion was over 95% under JP1 because contractors had 30 months to help placed clients achieve independence.

Some placed clients achieve independence after the allowed period but contractors do not receive a payment for these clients. Some placed clients earn employment income but not enough to make them independent; in these cases the amount paid as BCEA benefits is reduced. However, unless these client achieve full independence for at least one month, contractors do not receive a payment for helping them find employment.

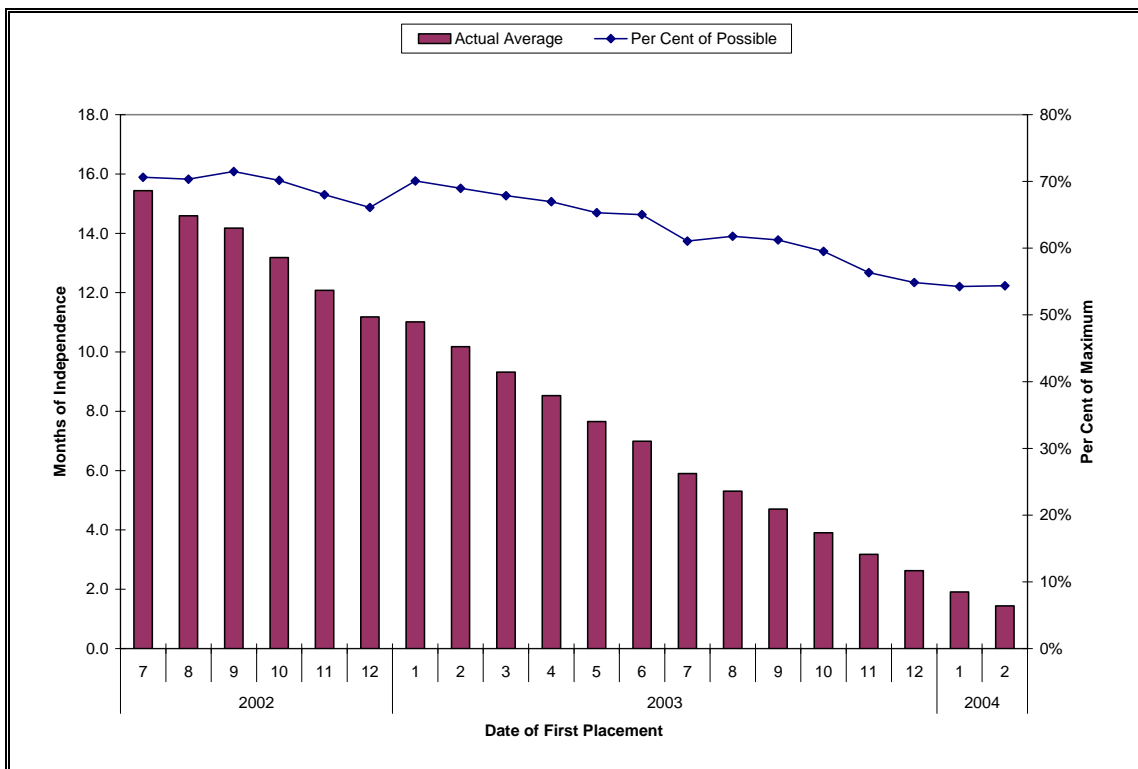
### EXHIBIT 6.1 PLACED CLIENTS WHO ACHIEVE ONE MONTH OR MORE OF INDEPENDENCE



<sup>31</sup> Throughout achieving independence means one month or more of independence from BCEA.

As time passes, independent clients may achieve additional months of independence. Exhibit 6.2 shows the average months of independence earned by independent clients under JP2/X by month of first placement. Those placed early in the program have earned, on average, more than 14 months of independence. The more recently they were placed, the fewer months of independence earned to date. The Exhibit also compares the actual months of independence earned to the maximum possible since the placement date. For those placed at the start of the JP2 (July 2002) the ratio is around 70%.

**EXHIBIT 6.2  
ACTUAL AND POSSIBLE MONTHS OF INDEPENDENCE EARNED BY  
INDEPENDENT CLIENTS UP TO APRIL 2004**



Within the averages presented in Exhibit 6.2 there are some significant differences among clients. Exhibit 6.3 shows the number of months of independence earned by clients who were placed in August 2002 and became independent. One third has achieved 19 months or more of independence. In contrast, 10% have earned less than 6 months of independence. There are also differences among family types as Exhibit 6.4 illustrates. Single parent families earn slightly lower average months of independence than other clients.

**EXHIBIT 6.3**  
**MONTHS OF INDEPENDENCE EARNED BY PERSONS PLACED IN**  
**AUGUST 2002**

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	All Persons (Per cent of Total)
Less than 6 months	10%
6- 11 months	15%
12 – 18 months	42%
19 or more months	33%
All	100%

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**EXHIBIT 6.4**  
**MONTHS OF INDEPENDENCE EARNED BY PERSONS PLACED IN**  
**AUGUST 2002 – BY FAMILY TYPE**

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	Average Months of Independence
Single Persons	15.1
Couples	17.0
Couples with children	13.8
Single Parent Families	13.5
All	14.6

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Some of this variation in months of independence is attributable to differences in the time taken to achieve independence. The delay from placement to independence averages 11 weeks but can be much shorter and very much longer. Nevertheless, over 80% of placed people achieve their first month of independence within 15 weeks. The average delay is longer for women than men; and longest for women who are single parents – see Exhibit 6.5. The greater length of time needed by women to achieve independence may be attributed to the lower employment earnings of women noted in the previous Chapter.

**EXHIBIT 6.5**  
**AVERAGE TIME FROM PLACEMENT TO FIRST MONTH OF**  
**INDEPENDENCE**

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	Females	Males
	Weeks	
Single Persons	10.9	10.2
Couples	10.9	10.1
Couples with Children	12.0	11.3
Single Parents	12.4	10.9

---

Even after a person achieves independence through JP, they may not remain independent. Clients cycle on and off of BCEA because employment is not sustained. However, continuity in independence is quite high overall: over 80% of persons who become independent remain so for three continuous months; over 60% remain independent for twelve continuous months.<sup>32</sup>

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<sup>32</sup> Based on JP2 clients who were placed in 2002.

## ***CHAPTER SEVEN: PROGRAM IMPACT AND COST***

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### **7.1 INTRODUCTION**

It is clear from earlier Chapters that many JP clients have achieved a substantial degree of independence. However, the fact that independence is being achieved by JP clients does not, by itself, demonstrate that the program has had a positive incremental impact for clients or has generated savings for the Ministry. To know the impact of the program we need to estimate whether these same people would have achieved more or less months of independence if they had not participated in the program. This means comparing the success of JP participants to a suitable **control** group.<sup>33</sup> To know whether the program is generating net savings for the Ministry, we have to compare savings in BCEA payments to the cost of the program.

This Chapter presents two estimates of the impact of JP: one for JP1 clients and one for JP2 clients. We have developed two separate estimates because JP1 provides a longer time period over which to gauge whether the program's impact is being sustained. Unfortunately, we have had to use different control groups for the two periods because we did not have all the information needed to use our preferred control group for JP1.<sup>34</sup> As a result, we have had to adjust the JP1 estimate to make it comparable to our estimate for JP2.

### **7.2 MONTHS OF INDEPENDENCE ATTRIBUTABLE TO JP1**

Exhibit 7.1 provides an estimate of the impact of JP1 based on the cohort referred to the program in September 2000. It compares the average months of independence earned by persons placed through JP1 to the months of independence earned by a control group (calculated after 24 and 36 months from the date of referral). In this case the control group consists of persons who were referred to the program but not placed by it. The Exhibit illustrates the important distinction between the number of months of independence achieved by JP placed clients and the **incremental** impact of the program. After 36 months, this particular cohort has achieved 24.4 months of independence per placed person on average but the **incremental** impact, after the control group achievement has been deducted, is 4.2 months per placed person.<sup>35</sup> The Exhibit also shows that the impact is growing over time; it is greater after 36 months than after 24 months.

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<sup>33</sup> Some of the complications of selecting a control group were discussed in Chapter Two. More discussion on the methodology used in this Chapter can be found in a separate Technical Appendix.

<sup>34</sup> JP records did not allow us to identify those accepted in September 2000.

<sup>35</sup> In making this calculation we have standardised for differences in attachment to BCEA between the two groups. We have conducted the same impact calculation for cohorts of people referred to JP1 at different points of time. They generate similar results as the September 2000 cohort.

As noted in Chapter Two, there is no perfect control group and we believe that the one used in Exhibit 7.1 overstates the impact of the program because we expect placed persons to be inherently more employable than those not placed. The potential bias is moderated, however, by the fact that not-placed clients include a considerable number of clients who were referred but did not show-up and some of these clients achieved independence at a rate faster than many placed persons. Nevertheless, based on our analysis of JP2 clients, we believe that the estimate presented in Exhibit 7.1 probably **overstates** the impact of JP1 by a factor of four.<sup>36</sup>

**EXHIBIT 7.1  
ESTIMATED IMPACT OF JP1 BASED ON PLACED CLIENTS**

	<b>Ave Months of Independence Achieved After 24 Months*</b>	<b>Ave Months of Independence Achieved After 36 Months*</b>
JP1 Placed Persons	14.3 Months	24.4 Months
Control Group - Persons referred but not placed by program	- 11.2 Months	- 20.2 Months
<b>Incremental</b> Months of Independence Attributable to the Program	3.1 Months	4.2 Months

\*Based on the September 2000 cohort referred to JP1

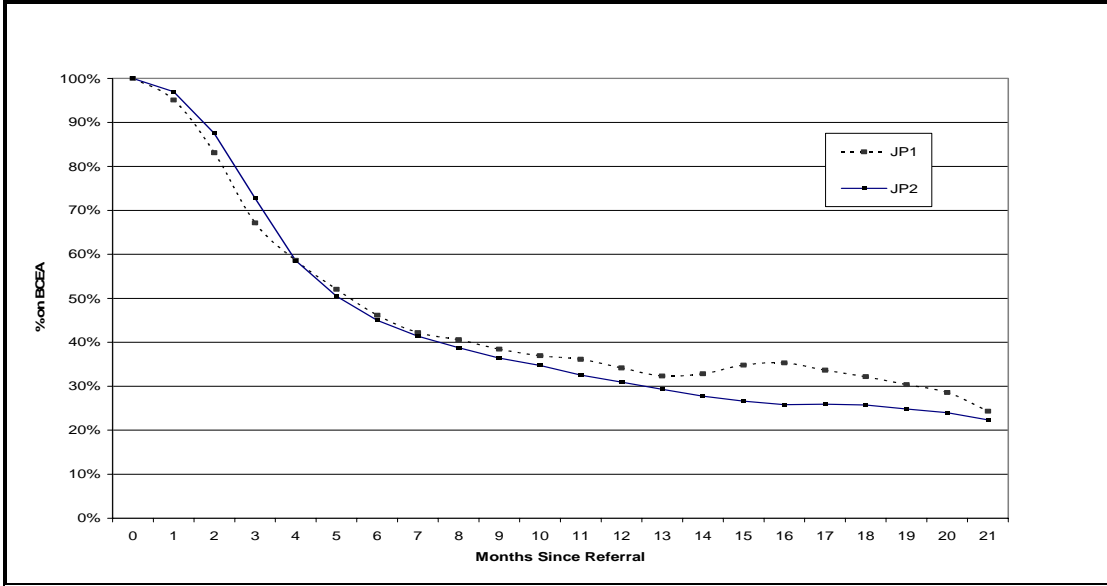
**7.3 MONTHS OF INDEPENDENCE ATTRIBUTABLE TO JP2**

Looking at the months of independence achieved, performance of JP2 placed clients has been better to date than for JP1 placed clients. Exhibits 7.2 and 7.3 illustrate the difference using graphs that show the extent to which placed clients remain on BCEA after they are referred to the program. Exhibit 7.2 compares all placed persons but in doing so fails to compensate for the fact that JP2 clients had greater attachment to BCEA than JP1 clients. When only ‘persistent’ clients are compared in Exhibit 7.3, the stronger performance of JP2 clients becomes clear.<sup>37</sup>

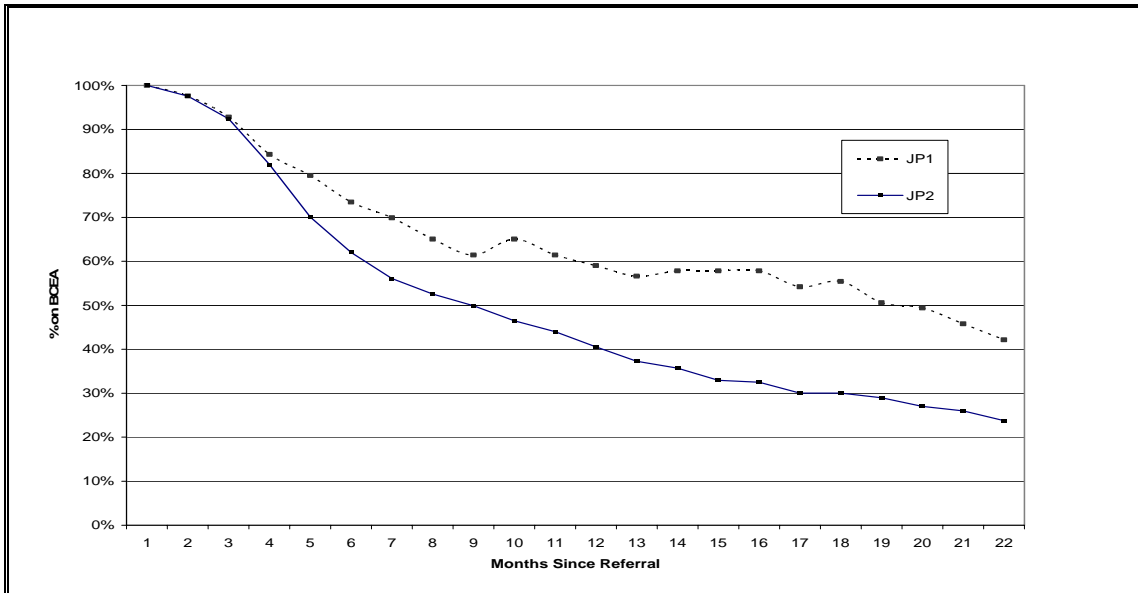
<sup>36</sup> The rationale for this statement is provided in the discussion around Exhibit 7.5.

<sup>37</sup> See Chapter Three for an explanation of Persistent.

**EXHIBIT 7.2  
COMPARISON OF INDEPENDENCE ACHIEVED BY JP2 AND JP1 PLACED CLIENTS**



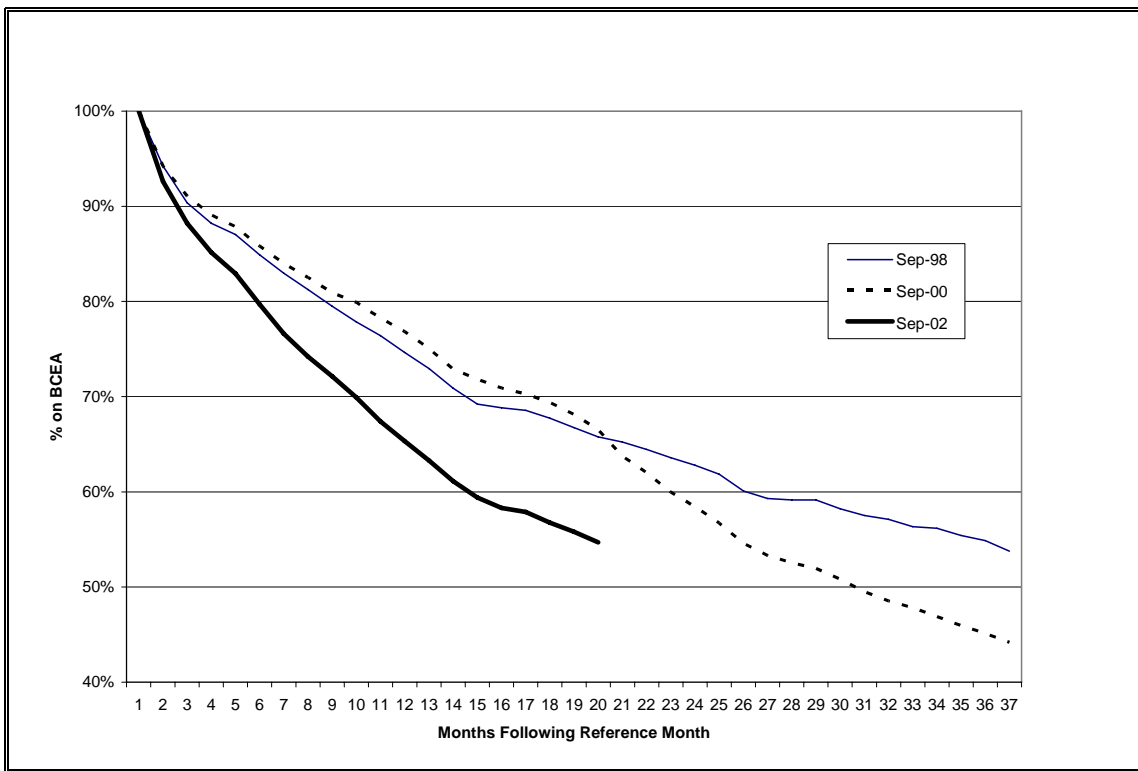
**EXHIBIT 7.3  
COMPARISON OF INDEPENDENCE ACHIEVED BY JP2 AND JP1  
'PERSISTENT' PLACED CLIENTS**



On the surface, therefore, it would seem that JP2 has been more successful at placing clients than JP1 and has had a greater program impact. On closer inspection, however, this proves not to be the case. The fact that JP2 placed clients are leaving BCEA faster than JP1 clients is attributable to the policy changes introduced by the Ministry in 2002 not differences in program performance.

The impact of policy changes can be seen in Exhibit 7.4 which tracks the progress to independence of three cohorts of ‘persistent’ Expected to Work clients taken from different dates.<sup>38</sup> It is clear from the graph that the September 2000 cohort (i.e. those on BCEA in September 2000) begins to show a greater degree of independence than the September 1998 cohort after 20 months, just at the time that the new policy measures were introduced. The pattern for the September 2002 cohort is very different to that of the other two, again attributable to the policy measures introduced in early 2002.

**EXHIBIT 7.4  
IMPACT OF POLICY CHANGES ON THE TURNOVER OF PERSISTENT  
ETW CLIENTS**



<sup>38</sup> These cohorts are **all** the persistent ETW cases on BCEA in the months selected, not just program participants. The persistent group were chosen to illustrate the effect of policy changes because the effect is very clear. A similar effect is found in the intermittent category. It is not so pronounced in the new category.

To demonstrate the true impact of JP2 we need to compare the performance of program participants to a control group that is equally influenced by the Ministry's recent policy changes. Exhibit 7.5 presents our estimate of the incremental impact of JP2.<sup>39</sup> It compares the number of months of independence earned by persons **accepted** into the program to the months of independence earned by those **not accepted**. The Exhibit shows a small but positive program impact for each **accepted** person of 0.4 months of incremental independence 21 months after referral. We have confirmed the scale of this impact by using other estimates of program impact.

This level of impact would translate into cumulative savings of BCEA payments in the order of \$5 million for JP2 after 21 months<sup>40</sup>. If the pattern to date is sustained, the cumulative savings attributable to the program will continue to increase slowly over time.

**EXHIBIT 7.5**  
**ESTIMATED IMPACT OF JP2 BASED ON ACCEPTED CLIENTS**

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	<b>Ave Months of Independence Achieved After 21 Months</b>
JP2 Accepted Persons	10.5 Months
Control Group – Referred but Not Accepted	- 10.1 Months
<b>Incremental Months of Independence Attributable to the Program Per Accepted Person</b>	<b>0.4 Months</b>

Note: The period of 21 months was chosen because it was the longest available for JP2 clients at the time

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We have also estimated the impact of JP2 by comparing the performance of **placed** clients to **not-placed** clients. This generates a program impact that is larger than the impact detailed above. As noted in Section 7.2, we believe that an estimate based on placed clients is biased and we believe that the estimate based on accepted clients is a better estimate of program impact. Moreover, it demonstrates the value of the program to all persons accepted not just to those who were placed in the time available to contractors.

The differences in these two calculations highlight the inherent difficulty of estimating the real impact of a program such as JP. As we discussed in Chapter Three, there is always turnover in the BCEA caseload. The difficulty is in identifying the incremental turnover that is attributable to the program. It is possible that persons

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<sup>39</sup> This estimate is based on a weighted average of all persons accepted and not-accepted in the period July 2002 to June 2003, adjusted for differences in prior attachment to BCEA.

<sup>40</sup> Please refer to Technical Appendix for details of this calculation.

who achieve independence through JP are simply the people who would have achieved independence under any circumstances. Therefore, estimating program impact based on the performance of placed persons is, inevitably, biased because it is not possible to identify a control group that has the same characteristics as the placed group, including intangible but essential qualities such as motivation. We are conscious of these difficulties and have chosen therefore to focus on the average impact on persons accepted not just those placed. On this basis we can conclude that the program has had a small positive impact thus far on the degree of independence achieved and that the impact is increasing slowly over time.

#### **7.4 OTHER PROGRAM IMPACTS**

In the previous section we estimated the incremental months of independence that could be attributed to JP2. The BCEA payments that do not have to be paid in these incremental months represent a financial saving to the Ministry. They are not the only savings for the Ministry. Persons who are placed but do not achieve full independence generate employment earnings that lead to lower BCEA payments. Our tracking of these clients shows that the Ministry does receive a financial benefit that, on average, is equal to 10% of the BCEA payment made prior to participation in the program. However, the incremental benefit begins to diminish after six months and is not sustained over time.<sup>41</sup>

In addition to the financial benefits to the Ministry, there could be financial benefits to other government departments as a result of people being employed. For example, the government could benefit from savings in medical plan premium subsidies or increases in taxation revenue. We do not expect these supplementary financial effects to be large compared to the savings realised by the Ministry of Human Resources.<sup>42</sup>

Also, there may be real but less easily measured benefits to families and individuals that are not captured in the savings to government (e.g. quality of life; family stability; and, feelings of self-worth). We do not understate the importance of these benefits but we have not tried to measure them as part of our study.

#### **7.5 THE COST OF THE PROGRAM**

The cost of the program to the Ministry is composed of two elements: payments made to contractors; and, the costs associated with managing the program. Our focus is the former. Exhibit 7.6 shows the maximum payment for each client that achieves independence through the program. Contractors do not receive the maximum unless the client achieves 19 months of independence in the time allowed.<sup>43</sup>

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<sup>41</sup> Some of these people also achieve independence from BCEA but not while part of the program.

<sup>42</sup> The average provincial income tax rate paid by people with low incomes is small.

<sup>43</sup> The figures presented are payments to contractors not the costs incurred by contractors. The Ministry does not ask contractors to provide information on their costs.

The JP1 rate was negotiated between the Ministry and the two initial contractors. The JP2 rates were established based on competitive bids from contractors. The JPX rates were increased to reflect the costs for additional services required for the more challenging client group referred to the contractors.

**EXHIBIT 7.6  
MAXIMUM PAYMENTS PER CLIENT**

Type of Client	JP1	JP2*	JPX*
Single Parents	\$4,865	\$3,904	\$4,531
Others	\$4,865	\$3,628	\$4,211

\*Weighted Average based on actuals to date

For single persons the maximum contractor payment of \$3,628 under JP2 is equivalent to 7.6 months of BCEA benefits (assuming an average monthly benefit of \$475). Therefore, if the program generates 7.6 or more **incremental** months of independence for each single person that achieves independence through the program, the result would be a positive financial impact for the Ministry. For single persons, therefore, 7.6 incremental months of independence can be thought of as the “break-even point” in cases where the contractor receives the maximum payment.<sup>44</sup> Exhibit 7.7 presents the break-even calculation for different family types under JP2. It shows that break-even point varies significantly by family type.

**EXHIBIT 7.7  
BREAK-EVEN POINT BY TYPE OF CLIENT – JP2**

	Average BCEA Benefit*	Maximum Payment to Contractors per Client	Incremental Months of Independence Needed to Break Even
Single Person	\$475	\$3,628	7.6 months
Couple	\$750	\$3,628	4.8 months
Two Parents	\$962	\$3,628	3.8 months
Single Parent	\$772	\$3,904	5.1 months

\*Monthly benefit Average based on Sept 2003 actual payments for expected to work clients. BCEA rates do not include the child tax credit which is paid to all parents whether or not they are on BCEA, depending on their income level, nor other credits such as the GST credit.

<sup>44</sup> In practice, the break-even point is somewhat lower than that presented in the text because contractors do not receive the maximum payment for all independent clients.

Total payments to contractors for JP2 alone are expected to reach \$26 million over a four year period. This amount excludes other Ministry costs associated with program delivery (e.g. staff salaries, systems development and maintenance costs, etc.). If the estimated impact of the program is sustained, the cumulative savings to the Ministry in BCEA savings will exceed the amount paid to contractors 6 to 7 years after the period of referral to JP2.

***SECTION FOUR:***  
***FINDINGS FOR THE TRAINING FOR JOBS PROGRAM***

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## ***CHAPTER EIGHT: REFERRALS TO THE TRAINING FOR JOBS PROGRAM***

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### **8.1 INTRODUCTION**

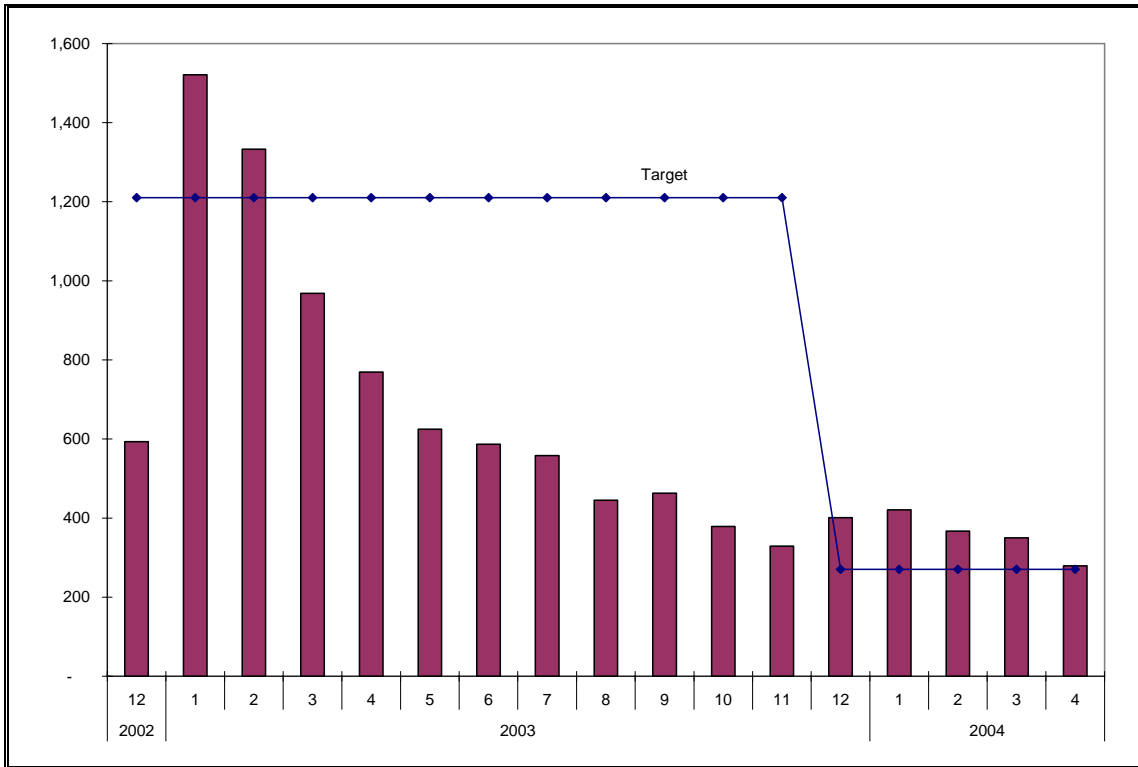
This Chapter examines the number and characteristics of persons referred to TFJ. It compares the number of referrals achieved to the program targets as laid out in the contracts with service providers. As noted in Chapter Four, referrals to a program can be counted in two ways: the number of individuals referred; or, the number of times individuals are referred. The two measures are different because some clients have been referred more than once.

### **8.2 PERSONS REFERRED TO THE PROGRAM**

To date, 10,400 clients have been referred to the program. Of these, 8,570 were referred in the first program year. Exhibit 8.1 shows the number of persons referred to the program by the date of their first referral compared to the program targets. The pattern of monthly referrals shows a strong downward trend. To some extent this trend was expected because, at least for some service providers, the total number of training spaces available was filled by referrals earlier in the first year. Nevertheless, in the first program year the number of persons referred fell well below the program's target. In the second program year, the target level of referrals has been reduced and, thus far, the target is being met. The referral experience has varied by contractor. For some of the smaller contractors, the referral numbers for the first program year came close to their target levels.

Exhibit 8.2 shows the regional pattern of referrals for the first program year in comparison to the regional breakdown of the Expected To Work caseload. The pattern of referrals by region is affected by the availability of contractors in those regions. This helps explain the relatively low proportion of referrals in Region 5 and the relatively high proportion in Region 3.

**EXHIBIT 8.1**  
**PERSONS REFERRED TO TFJ BY MONTH OF FIRST REFERRAL**



**TABLE 8.2**  
**PERSONS REFERRED BY REGION IN THE FIRST PROGRAM YEAR**  
**COMPARED TO THE ETW CASELOAD**

REGION	Referred Persons	% of Totals	ETW caseload
1 Vancouver Island	1,677	20%	21%
2 Vancouver (incl North Shore)	1,708	20%	25%
3 Fraser Valley (Incl Surrey)	2,809	33%	28%
4 Kootenay/Okanagan/Cariboo	1,962	23%	17%
5 Northern B.C.	414	5%	9%
Grand Total	8,570	100%	100%

### 8.3 RE-REFERRALS

Not all of the persons referred are accepted by contractors. Some clients do not show up at the contractors' offices (15% of persons referred in the first program year are categorized as 'no-shows').<sup>45</sup> Others are considered unsuitable for the program or for the specific training being offered. Also, some of the persons accepted withdraw from the program before the training course begins. Individuals who are not accepted by a contractor may be referred to another contractor. Individuals may also in exceptional circumstances be re-referred to the same contractor.

To date, there have been a number of re-referrals. More than 30% of persons referred in the first program year have been referred more than once – see Exhibit 8.3. A small number have been referred more than three times. However, the number of recorded re-referrals is misleading for two reasons. First, there have been a large number of 'system re-referrals' where files have been closed in error and can only be reopened by creating a new referral. Second, and linked in part to the first reason, many of the re-referrals have been to the same contractor. Only 28% of second referrals have been to a different contractor – see Exhibit 8.4.

#### EXHIBIT 8.3 RE-REFERRALS – FIRST PROGRAM YEAR

Number of times a person has been referred	Total
1	68.4%
2	22.6%
3	6.6%
4 to 8	2.4%
Total	100.0%

Exhibit 8.4 also shows that the larger the number of re-referrals, the more likely that the person is being referred to a different contractor. For example, of the persons who have been referred five times, 63.2% are currently associated with a contractor other than the contractor to whom they were originally referred. However, on average, of persons who have been re-referred only 34% are currently with a different contractor.

<sup>45</sup> A person who is a no-show on their first referral may show up on a subsequent referral. We have included as 'no-shows' only those persons who were classified as such on their most recent referral.

**EXHIBIT 8.4**  
**PER CENT OF PERSONS REFERRED TO A DIFFERENT CONTRACTOR**

<b>Number of times the person has been Referred</b>	<b>Per Cent with a Contractor other than Original Contractor</b>
2	28.1%
3	44.0%
4	58.4%
5	63.2%
6	60.0%
7	100.0%
8	100.0%
<b>All Re-Referrals</b>	<b>33.8%</b>

Therefore, despite the seemingly large number of re-referrals relatively few persons are being re-referred to a different contractor. Of all clients referred to the program, only 11% are currently associated with a contractor other than the original contractor to whom they were referred.<sup>46</sup> Even if we were to include these re-referrals in the referral count, the total number of referrals in the first program year was still well below the target set.

**8.4 CHARACTERISTICS OF PERSONS REFERRED**

TFJ is designed for persons who are Expected To Work but require short-term training to increase their ability to secure employment in a timely way. Clients with some recent employment history and lower attachment to BCEA are more likely to be referred to JP than TFJ. Indeed, recent Ministry policy has been to consider ETW clients for JP before they are considered for TFJ. As a result, approximately 56% of persons referred to TFJ have previously been referred to JP. The following sections compare the characteristics of persons referred to TFJ compared to those referred to JP2.

<sup>46</sup> 11% is based on the fact that 32% of clients are re-referred and 34% of these are with a different contractor.

## Attachment to BCEA

Persons referred to TFJ have had greater attachment to BCEA than those referred to JP2. Over seventy percent of the persons referred to TFJ have been on BCEA continuously for the previous 12 months. This compares to 46% for persons referred to JP2 and 58% for ETW clients as a whole – see Exhibit 8.5. The pattern of greater attachment can also be seen in Exhibit 8.6 which shows the average number of months that clients were on BCEA in the sixty months prior to referral.

### EXHIBIT 8.5 ATTACHMENT TO BCEA

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	ETW (Sept 2002)	Persons referred to	
		TFJ*	JP2
New	3%	2%	13%
Intermittent	39%	26%	41%
Persistent	58%	72%	46%
Total	100%	100%	100%

\*Based on the first program year

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### EXHIBIT 8.6 MONTHS ON BCEA IN THE 60 MONTHS PRIOR TO REFERRAL

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Ave Months on BCEA Over Prior 60 months		
ETW	Persons referred to	
	TFJ	JP2
35.7	40.6	31.5

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## Employability Screening Scores<sup>47</sup>

The Ministry uses a screening tool to help gauge a client's readiness for employment programs. The tool has a number of questions and clients are given a score for each question based on their answer. The scores of the individual questions are then added together. In very general terms, the lower the score the more employable the client is considered to be.

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<sup>47</sup> Not everybody who is referred to a program has an employability screening score. The analysis in this section is based on 39,338 persons referred to JP2/JPX and 9,558 persons referred to TFJ. We have no way of knowing whether the persons screened are representative of all persons referred. Also, it is important to remember that the answers provided by clients to the employability screening questions are not independently verified.

On average, persons referred to TFJ have scored higher on the employability screening tool than persons referred to JP2/X – see Exhibit 8.7. The Exhibit distinguishes between clients referred to TFJ and JP2/X and clients who have **only** been referred to TFJ. The latter group tends to have a higher average score than the former. Both have a higher average score than persons referred to JP2/X.

**EXHIBIT 8.7**  
**SUMMARY OF EMPLOYABILITY SCREENING SCORES**

Score	Persons referred to:		
	TFJ only	TFJ (also referred to JP)	JP2/X
<5	7%	6%	22%
5-9	21%	23%	32%
10-14	50%	57%	38%
15+	22%	14%	8%
Total	100%	100%	100%

The answers to specific questions on the employability screen indicate that the persons referred to TFJ have more employment barriers than those referred to JP2:

- Around 15% of persons referred to TFJ clients have ESL needs, compared to 9% for JP2 referrals. For persons referred only to TFJ the proportion is 19%.
- The level of educational achievement of persons referred to TFJ is less than for persons referred to JP2. Of persons referred to TFJ only, sixty percent have not completed high school compared to 50% for person referred to JP2.
- The employment history of persons referred to TFJ is more limited than persons referred to JP2. Almost 50% of persons referred to TFJ had no work experience in the three years prior to screening. This compares to 30% for JP2 referrals.

**Demographics**

The family type composition of persons referred to TFJ is similar to that of persons referred to JP2. However, they under represent single persons compared to the Expected To Work caseload as a whole and over represent single parents – see Exhibit 8.8.

The average age of persons referred to TFJ is slightly higher than persons referred to JP2 - 45% of persons referred to TFJ are older than 39, compared to 37% for JP2.

**EXHIBIT 8.8**  
**FAMILY TYPE**

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Family Type	ETW Caseload	Persons referred to	
		TFJ	JP2
- Single Male	41%	34%	34%
- Single Female	20%	15%	17%
- Couple	4%	6%	7%
- 2 parent family	8%	11%	11%
- 1 parent family	29%	33%	32%
All Types	100%	100%	100%

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## ***CHAPTER NINE: THE TRAINING COMPONENT***

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### **9.1 PERSONS ACCEPTED INTO TRAINING**

Overall, 55% of persons referred to the program in the first year were accepted into training, compared to an expected 33%. Since approximately 15% of persons referred do not show for interview, contractors have accepted around 65% of persons who were interviewed by them.

The higher than expected acceptance rate has compensated for the lower than expected number of referrals. As a result, the total number of persons accepted into training in the first year of the program (4,759) was above the target number for that period (4,572).<sup>48</sup> The acceptance rate has varied among contractors – from a low of 37% of referrals to a high of 73%. This variation is attributable in part to differences in the size of contractor. Some of the smaller contractors have had referral numbers closer to their target levels and, therefore, have been able to fill their training spaces with a lower acceptance rate.

### **9.2 THE TRAINING PROVIDED**

Training is categorized into 10 broad groupings based on standard National Occupation Codes (NOC). The vast majority of training provided falls into three of these categories: sales (46%), business (24%), and trades (18%). These are, however, very broad categories.

In the first program year, the majority of training (68%) was provided on a ‘block’ basis with predetermined materials and prescheduled start dates; a further 12% allowed for ‘continuous’ entry. The balance (20%) provided training programs designed around the needs of the individual client as assessed by the contractors providing those services. Some of these contractors do not deliver the courses themselves but purchase training services from specialist sub-contractors.

The majority of the training courses are between 10 or 16 weeks duration but some can be less than 4 weeks and some greater than 26 weeks. As expected, the personalized courses are more variable in length than the block or continuous courses. However, the average length for all three types of course is between 13 and 14 weeks.

In addition to training for particular occupations, TFJ contractors provided various forms of other training including life skills, job search training and employability skills. In many cases the training program included a work experience component. The client survey asked about the types of training received – see

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<sup>48</sup> The original contract target of 4,842 was subsequently amended to 4,572.

Exhibit 9.1. Job search and job retention training were the most common type of training reported by both placed and not-placed clients.

**EXHIBIT 9.1**  
**CLIENT SURVEY RESULTS: TRAINING RECEIVED**

<b>Training included as reported by clients:</b>	<b>Placed Clients</b>	<b>Not Placed Clients</b>
Job search training	85%	78%
Training on how to keep a job	82%	73%
Training to do a particular type of job	74%	71%
Life skills training	74%	63%
Work experience placement	68%	57%
Academic upgrading	41%	41%

Sample size: placed = 435; not placed = 417

Contractors also provided clients with various types of supports so that they could attend training courses and work experience opportunities. Exhibit 9.2 indicates the types of supports reported by clients through the survey. Transportation assistance and provision of training supplies were the supports most frequently reported by both placed and not placed clients.

**EXHIBIT 9.2**  
**CLIENT SURVEY RESULTS: SUPPORTS RECEIVED**

<b>Supports received as reported by clients:</b>	<b>Placed Clients</b>	<b>Not Placed Clients</b>
Transportation assistance	86%	83%
Training supplies	74%	74%
Personal counselling and assistance	70%	63%
Safety equipment or tools	30%	19%
Assistance with child care costs	16%	15%
Assistance organizing child care	9%	11%

Sample size: placed = 435; not placed = 417

Clients reported a good deal of satisfaction with the training they received - see Exhibit 9.3. As might be expected, placed clients were more satisfied than not placed clients. The majority of clients found the training easy to learn.

**EXHIBIT 9.3**  
**CLIENT SURVEY RESULTS: SATISFACTION WITH TRAINING**  
**COMPONENT**

	Placed Clients		Not Placed Clients	
	Strongly Agree or Agree	Disagree or Strongly Disagree	Strongly Agree or Agree	Disagree or Strongly Disagree
I was very satisfied with the quality of the training	68%	18%	60%	24%
The training was easy to learn	74%	10%	69%	16%
The work experience placement was a useful part of the training	55%	22%	42%	30%

Sample size: placed = 435; not placed = 417

**9.3 PERSONS SUCCESSFULLY COMPLETING TRAINING**

Three quarters of clients accepted by contractors in the first training year have completed the TFJ training component and, in the language of the program, have become ‘job ready’. Almost all of these clients successfully completed all of the training requirements.<sup>49</sup> The persons who did not complete the training dropped out for a variety of reasons including ill health and more immediate employment opportunities. The contractor may also have returned the client to the Ministry because of lack of course attendance.

The overall training success rate of 75% meets the program’s target. The rate varies somewhat among contractors: from a low of 59% to a high of 87%. The training success criteria are laid out in the contracts but it is largely up to the contractors to decide whether the client has met those conditions.

For people who have completed their training and become ‘job ready’, the average time from original referral to job ready status has been 24 weeks.<sup>50</sup> The time taken to achieve job ready status varies considerably among the contractors depending on the type of course offered and the scheduling of those courses. The average lag between referral and ‘job ready’ status has been longer for the personalized courses than the other types of courses.

Exhibit 9.4 shows the time profile of clients that have become job ready by their job ready date. It is very different to the time profile of referrals shown in the previous Chapter as Exhibit 8.1.

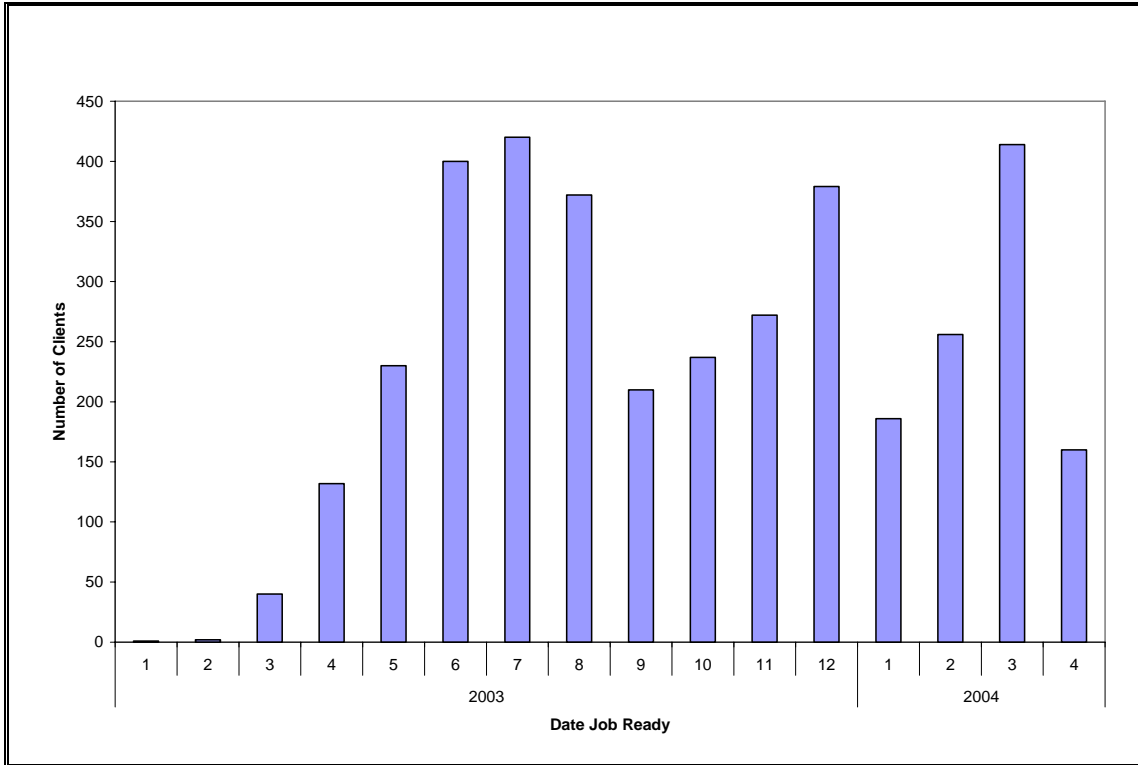
<sup>49</sup> The program recognises that a person may have substantially completed the training but not met all course requirements.

<sup>50</sup> This average includes the time taken in re-referral, where applicable.

**EXHIBIT 9.4**  
**TIME PROFILE OF JOB READY CLIENTS**

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## **CHAPTER TEN: JOB PLACEMENT AND INDEPENDENCE**

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### **10.1 PLACEMENT SERVICES**

Once clients become job ready, the next step for contractors is to help them find employment. TFJ contractors offer many of the same services during the job search phase as JP contractors (see Chapter Five) and, as Exhibit 10.1 shows, TFJ clients who were surveyed reported receiving a variety of types of assistance. As with JP clients, not placed TFJ clients were less likely to report receiving some types of assistance, although the differences are not large.

#### **EXHIBIT 10.1 CLIENT SURVEY: PERCENTAGE OF TFJ CLIENTS REPORTING JOB PLACEMENT SERVICES RECEIVED**

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	<b>Placed</b>	<b>Not Placed</b>
Review client employment history & work skills	89%	80%
Help with putting together a resume	89%	82%
Teach how and where to look for jobs	84%	73%
Provide job leads	74%	60%
Suggest a particular job opening to apply for	72%	75%
Provide help such as buss pass, clothing or haircut	72%	63%
Provide workshops that client attended	52%	49%

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Sample size: placed = 435; not placed = 417

The majority of TFJ clients surveyed expressed overall satisfaction with the job placement services they received. Exhibit 10.2 indicates the satisfaction of placed and not placed clients, and the extent to which they feel the program helped them in specific ways. As with JP clients, placed clients were more positive in their assessment of the value of the services they received. In general, TFJ clients expressed greater satisfaction than did JP clients.

**EXHIBIT 10.2**  
**CLIENT SURVEY: TFJ SATISFACTION AND VIEWS OF JOB PLACEMENT SERVICES RECEIVED**<sup>51</sup>

	Placed		Not Placed	
	Strongly Agree or Agree	Disagree or Strongly Disagree	Strongly Agree or Agree	Disagree or Strongly Disagree
As a result of the service I feel I am more employable	72%	14%	58%	22%
The service taught me job new search skills	65%	16%	54%	23%
The job leads were helpful in getting a job	55%	27%	30%	41%
Overall I was satisfied with the service I received	74%	12%	63%	22%

Sample size: placed = 435; not placed = 417

Placed clients were also asked to rate the importance of the help they received from the contractor in finding the job they got. Sixty-two percent said the program’s help was very or quite important, while 29% said the help was not very or not all important.

Nineteen percent of the clients who were not placed by the program went on to find paid employment after they left the program. Of those who did go on to employment, 67% said that the help they received through the program was very or somewhat important in helping them to get their job, while 33% said it was not very or not at all important. Again, these results are more positive than the results from the survey of JP clients.

**10.2 PERSONS PLACED AND INDEPENDENT**

After TFJ clients have reached ‘job ready’ status, contractors have four months to help them find employment and six months from the date of employment to achieve independence from BCEA. We have examined job placement and independence in two ways: by month of first referral and by month of job ready status.<sup>52</sup> Exhibit 10.3 shows the extent to which job ready clients have been placed and achieved independence by the month in which they were first referred to the program. Not surprisingly, those referred at the start of the program are more likely to have been

<sup>51</sup> Percentages presented do not sum to 100% because neutral responses and non-“responses/”don’t know” are not shown in this table. The non-responses/”don’t know” category represented less than 5% of responses on most items.

<sup>52</sup> Independence means at least one month of independence.

placed and to have become independent than those referred in recent months. Using data for persons referred in the first six months of the program, these figures show that 62% of persons who became job ready have been placed and 31% have achieved at least one month of independence.

**EXHIBIT 10.3**  
**STATUS OF JOB READY CLIENTS BY MONTH OF FIRST REFERRAL**

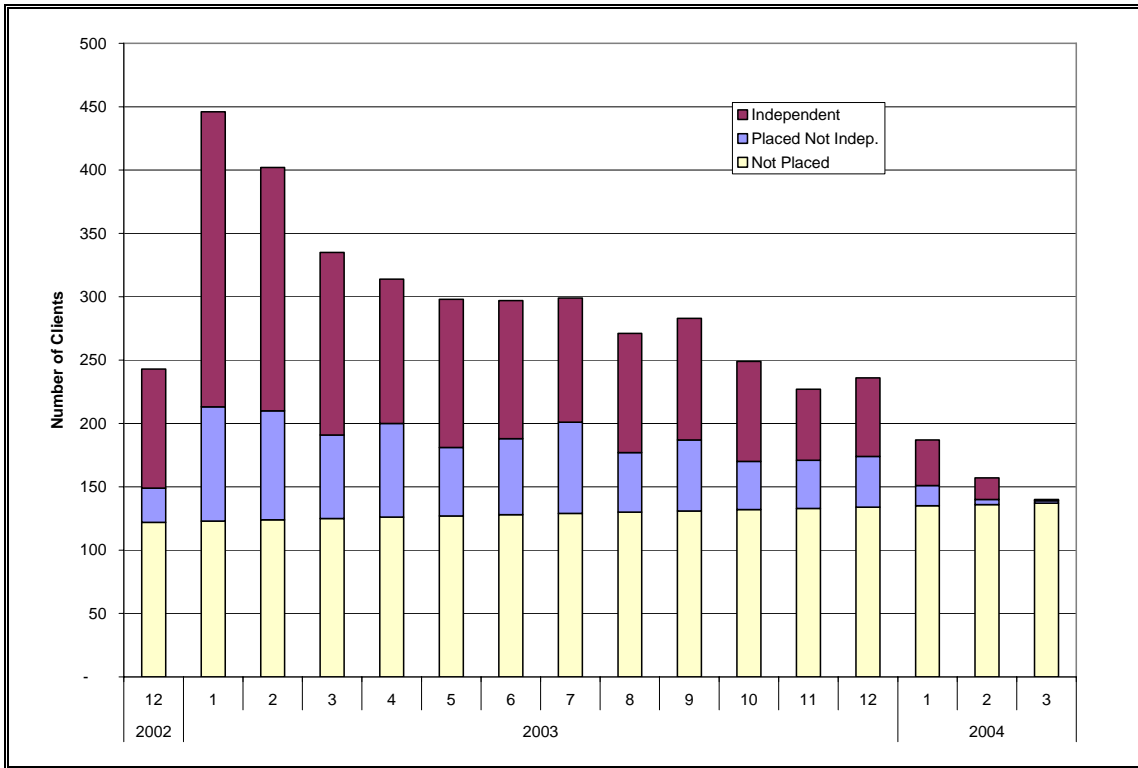
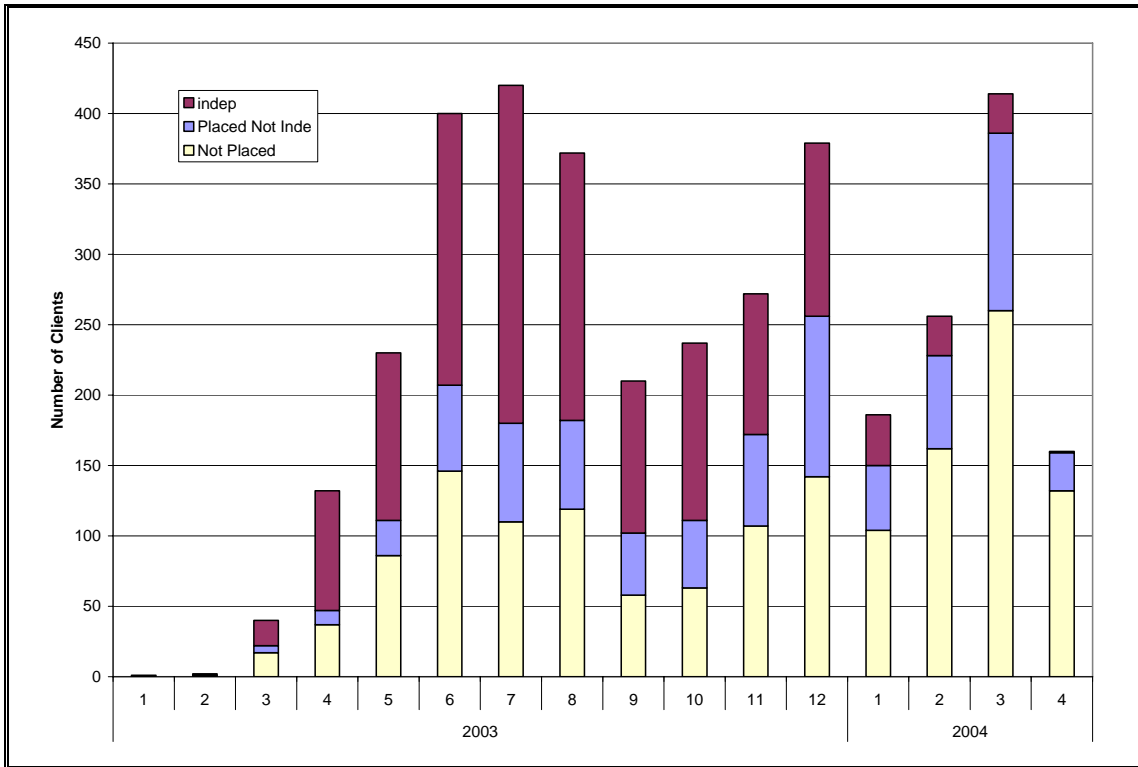


Exhibit 10.4 presents the same information as Exhibit 10.3 but structured slightly differently. It shows the extent to which job ready clients have been placed and achieved independence **by the month that clients achieve job ready status**. As expected, those who became job ready recently are less likely to have been placed than those who became job ready in 2003.

**EXHIBIT 10.4**  
**STATUS OF JOB READY CLIENTS BY DATE JOB READY**



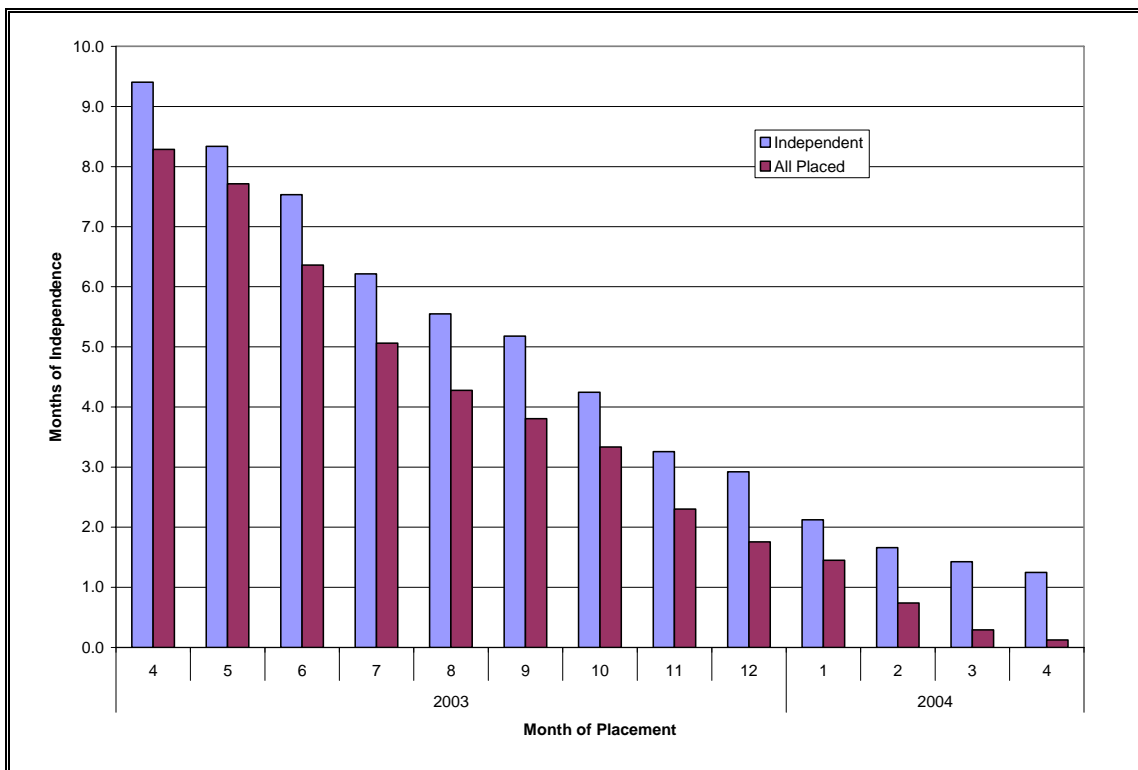
This alternative presentation makes it easier to see whether these clients have exhausted the period allowed for being placed and becoming independent. Since the status information in Exhibit 10.4 is current to the end of April 2004, clients who became job ready before the end of 2003 should have been placed by the end of April 2004. Similarly, clients who became job ready before the end of June 2003 should have achieved independence before the end of April 2004. It is clear, therefore, that a significant proportion of job ready clients are not being placed and becoming independent in the time recognised under the program.

Using the data presented this way, we can conclude that the program is placing 68% of persons who become job ready and that 53% of job ready clients achieve at least one month of independence. These figures are somewhat higher than the estimates derived from Exhibit 10.3 and are a better reflection of underlying program performance.

The degree to which job ready clients achieve independence varies widely among contractors, from a low of 25% to a high of over 80%. However, most are clustered in the range of 45% to 70%. The percentage also varies somewhat among regions: from a low of 49% in the Fraser Valley to a high of 58% in the North.

Exhibit 10.5 shows the average months of independence earned by persons placed by month of first placement. It shows the average calculated in two ways, across all placed persons and across those who have achieved independence. As expected, the average number of months of independence earned are lower the more recent the placement date.

**EXHIBIT 10.5**  
**AVERAGE MONTHS OF INDEPENDENCE EARNED**



### 10.3 TIME TO PLACEMENT AND INDEPENDENCE

The time from 'job ready' status to placement averages 5 weeks for TFJ clients, which is faster than the average delay between acceptance and placement under JP. This is to be expected given the design of the program. Contractors do not have to wait until training is completed to begin the job search process and we are told that a number of clients find employment through the work experience component of their training. The job placement period was originally set at 90 days but has been extended to 120 days. To date, three quarters of persons placed have been placed within 60 days.

The average time taken to find work varies by region and the lag tends to be longest in the North at seven weeks. The average lag is very slightly longer for women (5.3 weeks) than men (4.6 weeks).

The average time taken between placement and independence for persons who have achieved independence is 13 weeks, which is two weeks longer than the average for JP. For TFJ clients the delay is slightly longer for women (13.5 weeks) than men (12.5 weeks) and the difference between the genders is larger in some regions than others.

### 10.4 COMPARISON TO PROGRAM TARGETS

The target set at the start of the program was that 60% of **accepted** clients would achieve at least one month of independence. Performance to date suggests that the program is only achieving a 40% success rate.<sup>53</sup> However, the original program target was ambitious when viewed against the experience of JP. Under JP2, only 51% of accepted persons become independent and the clients referred to JP have fewer barriers to employment than TFJ clients. In addition, JP contractors have a longer period over which placed persons can become independent – twelve months compared to six months for TFJ contractors.

It is understandable that the Ministry set a high target success rate for TFJ because TFJ contractors are paid for each person they accept and train. The Ministry did not want TFJ contractors to train large number of people who would not become employed quickly as a result of that training.<sup>54</sup> In contrast, JP contractors are not paid for assisting the people they accept unless those people become independent.

In practice, many of the clients accepted into TFJ have faced a wide range of barriers to employment, not just lack of occupational skills. Although contractors have adapted their programs to respond to this challenge, it is not surprising that the

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<sup>53</sup> The 40% figure is derived from the fact that 75% of accepted persons become job ready and 53% of job ready clients achieve independence.

<sup>54</sup> However, there is no financial penalty in the TFJ contract for training people who are not placed.

program has not achieved the independence targets established when the program was conceived.

## 10.5 CHARACTERISTICS OF THE FIRST JOB

Exhibit 10.6 summarises the average wage, average number of hours and average earnings of clients in their first job under TFJ. It shows that the average wage is higher than the minimum wage and that average earnings are larger than the benefits that would be paid by BCEA in most circumstances. The Exhibit also shows that the starting weekly earnings are, on average, significantly lower for women than for men. The average starting wage rate, and average weekly earnings, for both men and women under TFJ is lower than for first jobs under JP.

### EXHIBIT 10.6 CHARACTERISTICS OF THE FIRST JOB

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	Women	Men	Both
Hours Per Week	27.9	33.1	30.1
Hourly Wage Rate	\$9.18	\$9.98	\$9.52
Weekly Earnings	\$257	\$336	\$291

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Exhibit 10.7 shows the distribution of weekly earnings in the first job. More than 20% of the jobs pay less than \$200 per week because they only provide part time hours. The Exhibit also shows that the percentage of part-time employment is much greater for women than for men.<sup>55</sup>

### EXHIBIT 10.7 WEEKLY EARNINGS IN THE FIRST JOB

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	Women	Men	Both
Less than \$100	10%	5%	7%
\$100 - \$199	21%	10%	17%
\$200 - \$299	32%	22%	28%
\$300 - \$399	26%	32%	29%
\$400 - \$499	9%	21%	14%
\$500 - \$599	1%	4%	2%
\$600 - \$699	1%	4%	2%
More than \$699	1%	3%	1%
Grand Total	100%	100%	100%

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<sup>55</sup> The male/female distinction is true for single persons and single parents.

TFJ contractors are asked to classify the jobs using standard occupational categories. The classification of first jobs is shown in Exhibit 10.8. The majority of jobs for women are in sales and business related occupations. For men, however, employment in trades is the largest grouping with sales as the second largest group.

**EXHIBIT 10.8**  
**OCCUPATIONAL CLASSIFICATION OF FIRST JOB**

	Women	Men	Both
Management	2%	2%	2%
Business	14%	4%	10%
Science	0%	1%	0%
Health	3%	0%	2%
Social	2%	1%	2%
Arts & Rec.	1%	1%	1%
Sales	64%	37%	53%
Trades	7%	40%	21%
Primary	3%	5%	4%
Process	3%	9%	6%
Total	100%	100%	100%

For 54% of placed clients their first job obtained is in the same occupational category as the training provided.<sup>56</sup> This figure is similar to the information generated through the client survey. Therefore, for many clients the occupational skills learned in the training period may not have been directly relevant to the first job obtained. Nevertheless, the training process may still have helped the client become more employable.

As was noted in the previous Chapter, TFJ clients were more likely to report having received job search training than specific occupational training. They also report that the training component of the program made them more employable (65% of placed and 51% of not placed agreed or strongly agreed). They also reported that the routine of attending training program helped them get ready for employment (66% of placed and 64% of not placed agreed or strongly agreed).

<sup>56</sup> The 3 digit NOC categories used by the Ministry are very broad. Therefore, we cannot be more specific about the linkage between training and occupation.

## **CHAPTER ELEVEN: TFJ PROGRAM IMPACT AND COSTS<sup>57</sup>**

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### **11.1 PROGRAM BENEFITS**

To measure the impact of TFJ, it is not enough to look at the months of independence earned by program participants. We have to compare their experience to that of a suitable ‘control’ group. For a fuller discussion of control groups please see Chapters Two and Seven.

A suitable control group must recognize the fact that persons referred to the TFJ program are not typical of the ETW caseload. As we saw in that Chapter Nine, most of the BCEA clients who are referred to TFJ have had more attachment to income assistance than the ETW caseload as a whole. Therefore, we have chosen to estimate program impact by comparing the performance of persons accepted into the program to persons referred but not accepted. The two groups are roughly similar in size. The ‘not accepted’ group includes persons who did not show-up for an interview with a contractor.<sup>58</sup>

Exhibit 11.1 shows the extent to which accepted and not-accepted persons clients are still on BCEA in the months following the month of first referral. At first, accepted persons tend to be slower in leaving BCEA. This is to be expected because they are engaged in training. Over time, however, accepted persons begin to leave BCEA faster than those not accepted. After 14 months, 48% of accepted TFJ clients are still on BCEA compared to 57% of not-accepted clients.

Despite this trend, the not-accepted have accumulated more months of independence. After 14 months, persons accepted into TFJ have achieved an average of 4.1 months of independence. In contrast, person not-accepted have achieved an average of 4.4 months of independence. Therefore, to date the program has not had generated financial savings for the Ministry. However, if the trend shown in Exhibit 11.1 continues, we expect the program to begin to demonstrate a positive financial impact after 21 months (before payments to contractors and other Ministry costs are taken into account).

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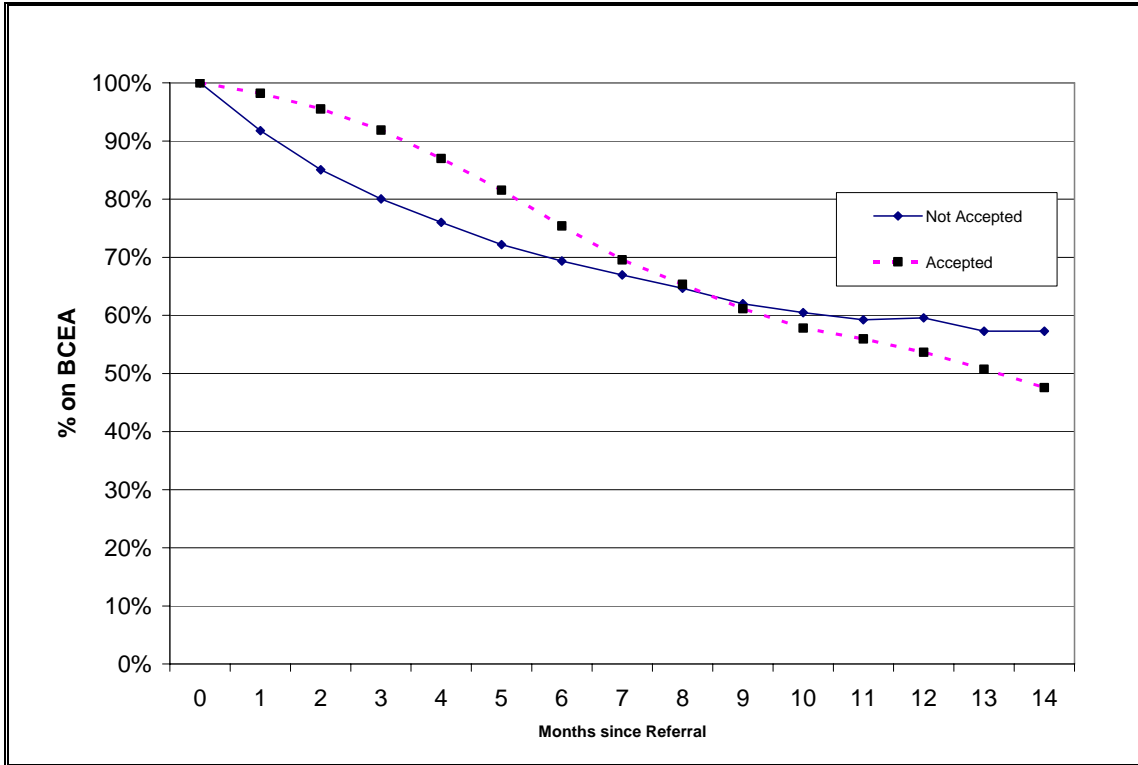
<sup>57</sup> As noted in the Preface, it is still relatively early to gauge the impact of TFJ. Therefore, the observations in this Chapter must be considered preliminary rather than conclusive.

<sup>58</sup> We have developed impact estimates using other comparisons and have generated similar results.

**EXHIBIT 11.1  
COMPARISON OF INDEPENDENCE ACHIEVED BY ACCEPTED AND  
NOT-ACCEPTED CLIENTS**

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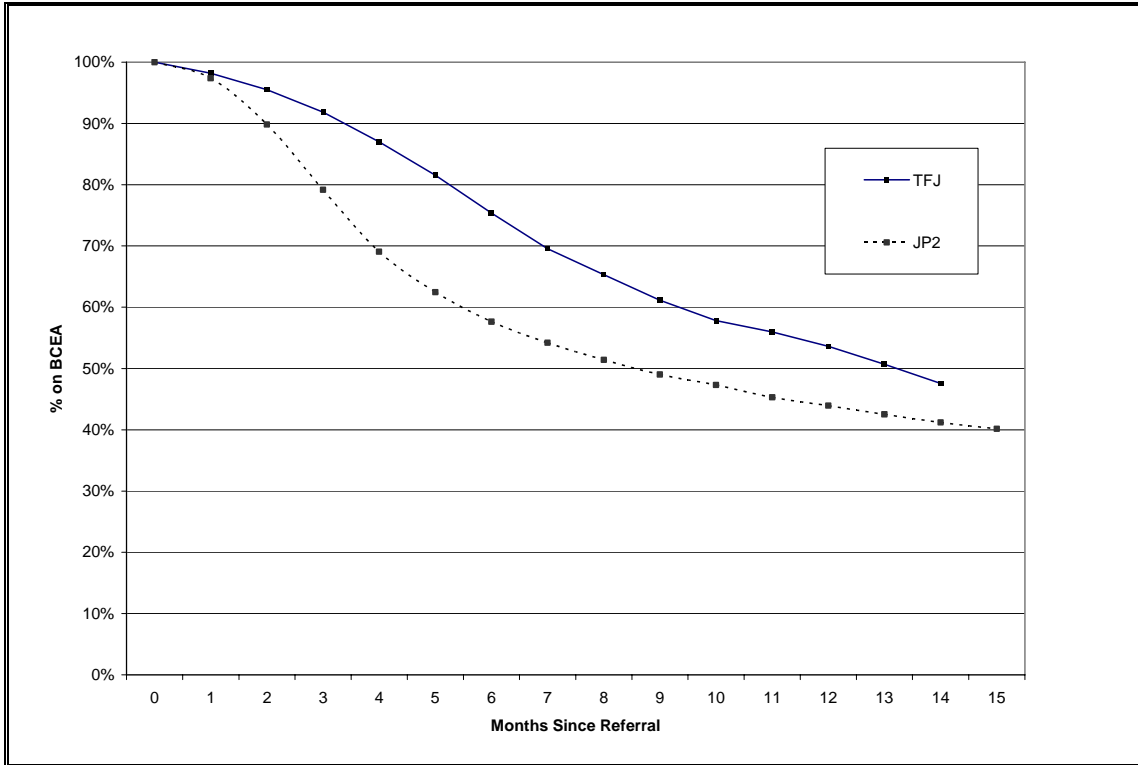


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If the experience with TFJ mirrors that of JP, the positive impact of the program will grow slowly over time. Exhibit 11.2 compares independence achieved by persons accepted into TFJ to persons accepted into JP2. It shows that the two lines are converging. It is reasonable, therefore, to expect the impact of TFJ to improve over time in much the same way as we have seen with JP.

**EXHIBIT 11.2  
COMPARISON OF INDEPENDENCE ACHIEVED BY ACCEPTED TFJ  
CLIENTS AND ACCEPTED JP2 CLIENTS**



**11.2 PROGRAM COSTS**

Payments to contractors are made up of a training payment and placement payment. Seventy five percent of the training payment is a fee for service and is paid to the contractor over the course of training. The balance of the training payment (25%) is performance-based and is paid only after a client successfully completes the training. The placement payment is all performance-based and is paid in full only if a client achieves 12 months of independence in the time allowed.

Both the payments vary from contractor to contractor depending on the length of training program and the cost of service proposed by the contractor. On average, the training payment is \$4,332 for each client that successfully completes the training. The placement payment, on average, is \$2,634 for each client that achieves 12 months of independence. Therefore, the **maximum** payment per fully independent client averages \$7,000.

The overall cost of the program includes payments made to contractors for clients who are trained but do not achieve independence and for people accepted that do not

complete the training. Together, these represent 35% of program costs. If these costs are included, the cost of the program to achieve a fully independent client is not \$7,000 but closer to \$10,770 per independent client.<sup>59</sup> Total payments to the contractors for persons accepted in the first year of the program are expected to reach \$25 million.

It is too early to forecast the longer term financial impact of TFJ on the Ministry with any certainty. However, at this time, it seems likely that it will take longer for the program to reach the break-even point (where savings associated with the program match program costs) than the 6 -7 years projected for JP2.

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<sup>59</sup> \$10,770 = \$7,000 (direct costs) + \$3,770 (costs associated with training persons who do not become independent); \$3,770 is 35% of \$10,770.